Building Evidence for Policy Change – Paper Presentations from Liberating Asian Enterprise Grant

Saturday, 20 February 2016

- Chair: Laura Liu, Atlas Network, USA
- Tamanna Patel, "Public Procurement in FTAs: The Challenges for Malaysia", IDEAS, Malaysia
- Akash Shrestha, "Cost of Firing", Samriddhi – The Prosperity Foundation, Nepal
- Lekshmi R Nair, "Liberalising Liquor Trade in India", Centre for Public Policy Research, India

This panel discussion featured three researchers who shared their organisations' best practices in compiling and strengthening evidence when presenting policy papers to their target audience.

Tamanna Patel spoke about Malaysia's public procurement system. Public procurement projects account for a large share of the Malaysian economy - approximately 22.5% of GDP. However, public procurement in Malaysia is often problematic. The most obvious issue is inadequate planning, often a result of poor proposal drafting. Procurement processes in Malaysia also tend to lack transparency, as well as sufficient valuation and monitoring. In seeking to solve this issue, IDEAS has been facilitating round table discussions between government officials and experts from civil society to propose international best practices and alternative policy solutions.

Lekshmi Nair of the Centre for Public Policy Research began by pointing out that the Indian government actively restricts economic freedom through artificial pricing - particularly in the sale of liquor. "It imposes very high taxes on foreign and domestically produced liquor, in some cases up to 150%". The government also places strict packaging and labelling regulations on liquor. These taxes have created strong domestic liquor monopolies – which in turn lobby politicians to support existing laws. The end result is that consumers suffer from fewer choices, high prices, and low quality black market liquor.

Akash Shrestha shared that in Nepal, various regulations and the high cost of firing workers have increased the overall cost of labor. This discourages entrepreneurship - Nepal is ranked 102 out of 144 countries based on competitiveness - as it raises the cost of doing business. In order to be classified as a permanent employee in Nepal, a worker has to work in the same company for 240 days. Nepal also has laws that severely limit the actions that employers can take if an employee commits a misconduct. For example, even if an employee takes 30 days off work with no warning, the worker cannot be dismissed. The only condition that allows for dismissal is if the employee commits this misconduct three times in three years. Rigid regulations like these are held in place by the presence of strong labour unions, which according to Shrestha, "lack a competent understanding of economics". In all, the approximate cost of firing and employee is roughly USD $2936, which is a substantial amount for any Nepalese company. Economic growth in Nepal is stifled because of these restrictions and costs.