



“Transforming Human Capital into Productive Organizational Talent”

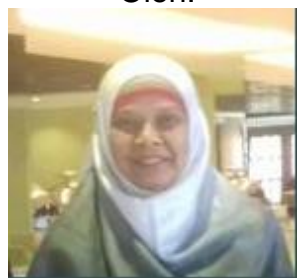
**TECHNICAL PROPOSAL TO BEHAVIORAL INSIGHTS
CASE STUDY THROUGH VOLUNTEER REGISTRATION OR
MEMBERSHIP DRIVE TO FORMULATE AN ACT ON
DEVELOPMENT OF ENTREPRENEURSHIP FOR MEDAC**



KEMENTERIAN PEMBANGUNAN
USAHAWAN DAN KOPERASI
MINISTRY OF ENTREPRENEUR DEVELOPMENT AND COOPERATIVES

**Serahan Kepada:
PUAN HAJJAH SAWIAH ABDUL SAMAD
TIMBALAN PENGARAH
BEHAVIORAL INSIGHT UNIT
MALAYSIA PRODUCTIVITY CORPORATION**

Oleh:



**DR HJH PAUZIAH HANUM ABDUL GHANI
ENVIRONMENTAL MANAGEMENT CONSULTANT**

Alamat surat menyurat:

29 Jalan Seri Petaling 13, Bandar Baru Seri Petaling, 57000 Kuala Lumpur
HP No : 0122326634 Email: pauziahhanum@yahoo.com

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1.0 INTRODUCTION

Behavioural Insights (BI) is defined as an inductive approach to policy making that combines insights from psychology, cognitive science, and social science with empirically-tested results to discover how humans actually make choices. It's a way for governments to steer human behaviour through nudges — simple policy tweaks that use the power of suggestion to influence people's decisions — rather than laws or taxes. The idea is to push people to make better choices — both for themselves, and society — while maintaining freedom of choice.

The case study for the Ministry of Development of Entrepreneurs and Cooperation (MEDAC) will be adopting behavioural insight approach in formulating a new act. The new act will be in line and supporting the strategic direction of MEDAC and the newly launch PENJANA by the Prime Minister recently to accelerate the economic recovery of Malaysia by giving specific focus to the gig economy.

VISION	Entrepreneurship as the main agenda of the country
MISSION	Holistic and a conducive Entrepreneurship ecosystem to support the inclusiveness, balance and sustainability development agenda of the Entrepreneurs.
CLIENT	I. Entrepreneurs/ potential Entrepreneurs; II. Cooperation ; III. Business/entrepreneurs; IV. Other informal sectors
AGENCY WITHIN MINISTRY	<ul style="list-style-type: none">• Suruhanjaya Koperasi Malaysia• Institute Koperasi Malaysia• SME Corp Malaysia• SME Bank• Bank Rakyat• TEKUN Nasional• UDA Holdings Sdn Bhd• Perbadanan Nasional (PNS)• Institut Keusahawanan Negara (INSKEN)

2.0 BACKGROUND OF STUDY

Currently MEDAC is the process of formulating a new act to protect, enhance the benefits and elevate the livelihood of the entrepreneurs in Malaysia such as the Micro, Middle, Small & Medium Entrepreneurs (MSMEs), *Startups* and informal sectors.

The need of having such act must be studied in depth so that the newly formulated act will benefit and encompass every aspect of the identified target entrepreneurs. The pandemic of COVID-19 provide an opportunity for the ministry to revisit the sufficiency and the effectiveness of the current law given the disruptive dimension introduced by pandemic. The disruptive economic ecosystem during the pandemic has given raised to the survival of the shadow and the gig economy. The emerging entrepreneurs budding during the MCO is a reflection that this informal sector contribute significantly and became the mainstream economy in that particular scenario. Thus it is timely that MEDAC embark on this project to assist the MSMEs to forge Malaysian economy as one of the major contributors and players to sustain the domestic economy as well as looking into their wellbeing.

At the end of the study we hope to share the finding and outcome on:

1. Establishing the database for the informal sectors in Malaysia
2. Identifying the suitable nudges to establish database and in formulating the act.
3. Identify the relevant provision that need to be included the act.

3.0 OBJECTIVE AND SCOPE OF THE STUDY

The case study is design MEDAC for to apply the Behavioral Insight approach as an input to the development of the intended act to be formulated.

It is hope that at the end of the case study, the Behavioral Insight approach developed for MEDAC will be able to assist the team member in :

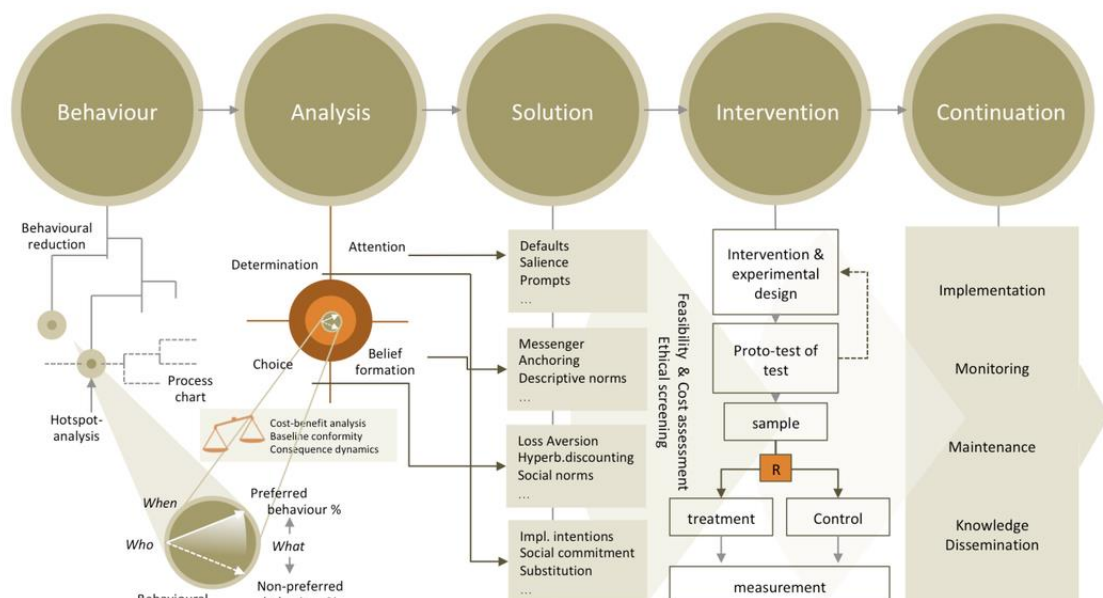
- Understand and apply the Behavioural Insight Model, BASIC develop by OECD in the case study
- Behavioural Insights will be applied to:

- Improve willingness of the informal entrepreneurs to voluntarily register themselves or through membership drives, become a registered member to MEDAC entrepreneurs database;
- Provide the necessary protection to the said entrepreneurs that affected by the stand still of the economic activities of the country Micro, SMEs, *startup* and *informal entrepreneurs*
- Provide the existing multiple facilities that MEDAC have embark on for said the entrepreneurs .
- Provide incentives under MEDAC such as PENJANA

4.0 CASE STUDY METHODOLOGY

Behavioral Insights will be applied through voluntary registration or membership drive in assisting MEDAC to formulate a legal instrument to protect and provide assistance to the said entrepreneurs. The model BASIC developed by Organisation for Economic Cooperation and Development (OECD) will be used in this case study.

Figure 1: the framework of the case study Model BASIC OECD



4.1 Unit of Analysis

The case study will be using the entrepreneurs as define by MEDAC. Estimated n=400 will be chosen randomly as Control Group and Treatment Group whereby the

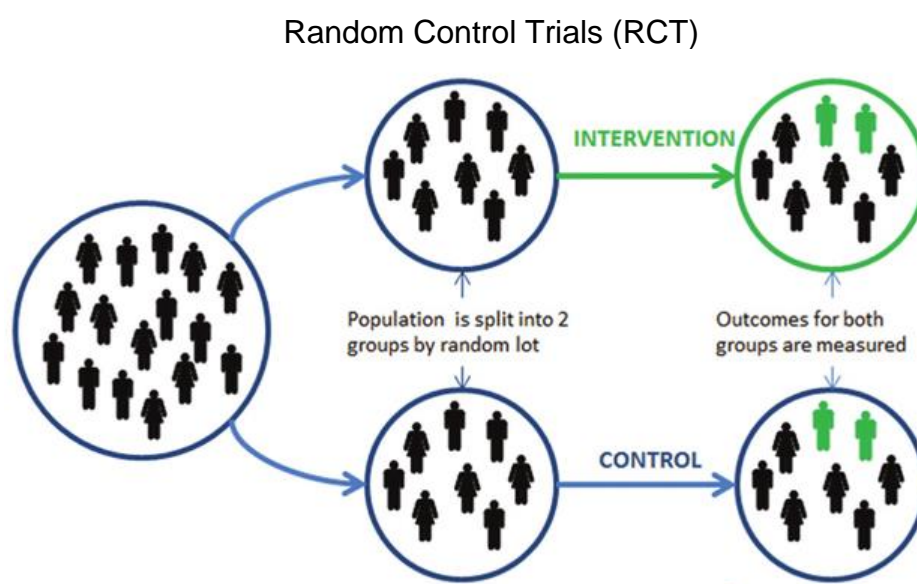
Behavioral Insights interventions will be applied through voluntary registration or Membership Drive.

4.2 Data collection instrument

An instrument for data collection will be developed, and the validation of the instrument will be conducted to ensure that the instrument is reliable and applicable to the case study.

4.3 Random Control Trials (RCT)

Random Control Trials (RCT) recommended OECD will be used in this case study.



4.4 Data Analysis

Data from Control Group and Treatment Group will be analyzed using the descriptive Statistic and Inferential as shown in Table 1.

Table 1: Framework of Data Analysis

No	Statistik	Data	Output
1.	Descriptive statistics	Gaps score	Means and Standard Deviations
2.	<i>ANOVA and t-test</i>	Means comparison control and treatment	Test of significance at 95% confidence level
3.	Pearson product-moment correlation	Relationship between Intervention and achievement	Test of significance at 95% confidence level Coefficient <i>r</i> Strength of relationship

TABLE 2: DATA COLLECTION SCHEDULE (JULY – SEPTEMBER 2020)

DATA TYPE	CONTROL GROUP								TREATMENT GROUP							
	Without Intervention				Without intervention				Before Intervention				After Intervention			
	M 1	M 4	M 8	M 12	M 1	M 4	M 8	M 12	M 1	M 4	M 8	M 12	M 1	M 4	M 8	M 12
VOLUNTARY REGISTRATION																
Membership Drive																

5.0 THE EXPECTED OUTCOME

With the output of the study, it is expected that MEDAC will have BI approach to overcome the challenges in establishing a comprehensive database for all the entrepreneurs in Malaysia and coming up with an act that is comprehensive and inclusive to drives the economy together. It is also expected the outcome will be to:

1. Ensure the distribution of the aids will be equally dispose off without redundancy or over lapping of recipient
2. Increase the numbered of registered participant of the entrepreneurs specifically in the informal entrepreneurs group.
3. Entrepreneurs/consumers rights are protected legitimately in the act.
4. Provide amicable protection under the new law to entrepreneurs which are significantly impacted by unforeseen circumstances, especially for the Micro, SMEs, startup and informal entrepreneurs

6.0 EXPECTED RISK

Certain risk in conducting the study are expected to happen such as:

- i. Challenges in data gathering especially with the informal entrepreneurs;

- ii. Commitment from MEDAC for the study duration as officers are easily transferred out or promoted within 6 – 12 month of project life;
- iii. Changes in the high level of management equated to changes in policy direction.
- iv. Ethical issues of the study
- v. Data confidentiality and privacy
- vi. Sampel tracking
- vii. Attrition rate during the study

Anticipating and managing the risk mentioned above should be the resolved between and within the parties involved.

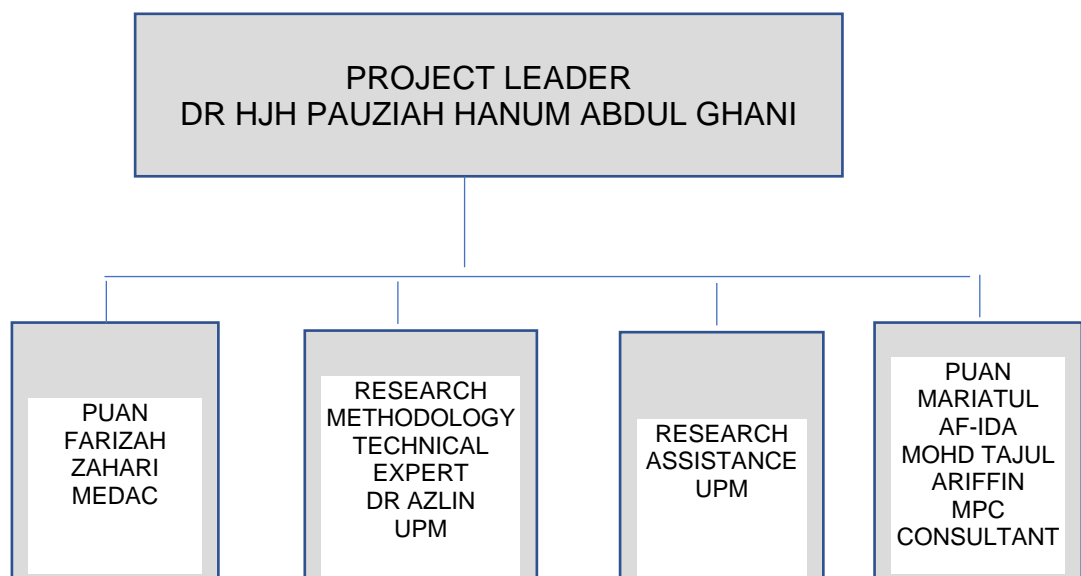
7.0 STUDY LIMITATION

The Behavioral Insights study for MEDAC focuses on the Informal Entrepreneurs willingness to voluntarily registered or be members during the membership drives. The limitation of the study will be due to the:

- Unknown sampel population
- Conducted in Klang valley only
- Unknown Source of data (yet to be identified) and requires searching and browsing of sources

8.0 BI TEAM ORGANIZATIONAL CHART

Figure 2: Organizational of study team



No	Member	Role	Experienced and expertise
1.0	DR HJH PAUZIAH HANUM ABDUL GHANI	PROJECT LEADER	Certified GRP RIA Consultant Pemetaan Peraturan Non-Tariff Measures di MOH MESTECC KPDNHEP, NRE Environmental management
2.0	DR NOOR AZLIN ISMAIL	TECHNICAL EXPERT (UPM)	
3.0	PUAN FARIZAH ZAHARI	KPP MEDAC	
4.0	PUAN MARIATUL AF-IDA MOHD TAJUL ARIFFIN	Project Sponsor	

8.1 PROFILE BI PROJECT LEADER



DR HJH PAUZIAH HANUM ABDUL GHANI ENVIRONMENTAL MANAGEMENT SYSTEM EXPERT

Dr Hj. Pauziah Hanum spent her illustrious 37 years of her working experience lecturing, presenting papers, facilitating seminars, reviewing reports and monitoring developmental projects. Her lecturing experience includes as Associate Professor with Malaysia University of Science and Technology, Universiti Putra Malaysia and Nottingham University in the field of environment management science and education. With her Degree, Masters and Doctoral Graduate from University Putra Malaysia in Environmental Management Science, she has worked in a very diverse job scope of the environmental science which includes Environmental Impact Assessment (EIA), Water Quality, Marine Pollution, Toxic Waste Management and Water Restoration. Her doctoral thesis concentrated in the development of knowledge-based system for river water quality management. Her years with the Department of Environment (DOE) and National Research Institute of Hydraulic of Malaysia (NAHRIM) had given her hands-on experience in environmental management. Her association with DOE and NAHRIM had given her the opportunity to work with different ministries, universities and agencies in the field of procedures and practice with regards to the Malaysian Environmental Laws, Environmental Impact Assessment review and project approval, monitoring of

marine, air and noise pollution, curriculum development and performance assessment in competency based training, advisory and consultancy work with local authorities in lake restoration, advisory work in water management to the Ministry of National Resources and Environment and had made her one of the country experts in river water quality management. A registered member with Environmental Institute of Malaysia (EiMas) rendering advice on EIA and AKAS 1974. Her international exposure includes her paper presentations and as country expert in round table discussion in Japan and ASEAN countries. Her Post Graduate studies at the Institute of Hydrological Engineering in Delft, Holland had given her international exposure in European Union countries on the practices of environmental management science. She was appointed as Lake Putrajaya and Lake Perdana Project Director in managing the water quality of both lakes by Perbadanan Putrajaya and Dewan Bandaraya Kuala Lumpur.

Among her other consultancy work includes:

- Rehabilitation and restoration of water quality in Kuala Lumpur Lake garden, 2010/2011, Shah Alam Lake water quality, 2011
- TNB wastewater improvement project, 2011
- YKK Manufacturing, Johor (Technical Advisor), 2011
- EIA for Agriculture College, Tangga Batu, Kedah. 2010 • Study on domestic drinking water filters in Malaysia, 2009.
- EIA for Agriculture College, Tangga Batu, Kedah. 2010
- Study on domestic drinking water filters in Malaysia, 2009.

Some of her works were published to be shared among environmental practitioners in:

- Pauziah Hanum Abdul Ghani, Mohd. Kamil Yusoff, Latifah Abd. Manaf and Mohamed bin Daud, 2010. Building Knowledge-Based System for River Water Quality Management. Journal of Environmental Hydrology, Vol. 18 Paper 21, 2010.
- Pauziah Hanum Abdul Ghani, Mohd. Kamil Yusoff, Latifah Abd. Manaf and Mohamed bin Daud, 2009. Ammonium Ion Trend in Selected Malaysian River, World Applied Science Journal. (World Applied Sciences Journal 6(3):442.448,2009)
- Pauziah Hanum Abdul Ghani, Mohd. Kamil Yusoff, Latifah Abd. Manaf and Mohamed bin Daud, 2009. Knowledge-based System for River Water Quality Management (European Journal of Scientific Research, Vol. 33 No.1 (2009), pp153-162

Her academic achievement includes winning the Gold Medal in Research Invention and Innovation at Universiti Putra Malaysia for her work in the development of the expert system in river management. She was the Head of School for Environment and Energy at the Malaysian University of Science and Technology, and lecturing part-time in University Putra Malaysia in Solid Waste Management, a consultative member for Environmental Impact Assessment (EIA) for Department of Environment, and was the Associate Advisor for Alam Sekitar Malaysia (ASMA). She is a certified with HRDF and Asian Productivity Organization trainer in Green Technology under a joint certification program with APO and Malaysia Productivity Corporation Malaysia. Her

last position was with National Hydraulic Research Institute of Malaysia (NAHRIM) as Director of Water Quality Laboratory (Q54).

Her engagement with MPC's Good Regulatory Practice (GRP) and Productivity Nexus were to review the Non-Tariff Measures (NTM) of Department of Environment, Jabatan Perhilitan Negara, Jabatan Mineral dan Geosains Perak, Ministry of Health Bahagian Kualiti and Keselamatan Makanan (BKKM), Ministry of Primary Industries and currently agencies under Ministry of Energy, Science & Technology, Environment and Climate Change (MESTECC). She was also part of the State Regulatory Mapping initiatives and GRP Initiatives for Pahang, Negeri Sembilan, Kelantan and Perak States. She had facilitated the GRP State Perak pilot project in the development of Ground Water Enactment, Solid Waste Management for Negeri Sembilan and capacity building for Pahang. She was also involved with Tourism Nexus workshop facilitation for the East Coast Tourism Corridor, Machinery and Equipment (M&E) Nexus in Strengthening the Industry Academia Collaboration, and with the ICT Nexus Working Group.

Her publication available in Amazon.com is on Knowledge-based system for river quality management. Currently she is also the Board of Study for Open University and internationally she is the international independent reviewer for International Journal for Springer.

8.0 PROPOSED IMPLEMENTATION CHART FOR THE CASE STUDY FOR MEDAC JUNE – DECEMBER 2020

TABLE 2: PROPOSED GANTT-CHART FOR IMPLEMENTATION OF CASE STUDY

ACTIVITY	JUNE	JULY	AUGUST	SEPT	OCT	NOV	DEC
1.0 Deliberation on scope of work	3 Man-days						
2.0 Develop case study Instrument							
3.0 Data collection – field work		7 man-days	7 Man-days	7 Man-days			
4.0 Data coding and analysis					7 Man-days		
5.0 Drafting of Interim and							

discussion on preliminary finding						7 Man-days	
6.0 Final report submission							4 Man-days

10.0 CASE STUDY COST ESTIMATION FOR BI MEDAC

BREAKDOWN OF COST ESTIMATION FOR THE CASE STUDY (INCLUDING THE PROFESSIONAL AND REIMBURSABLE COST)

Bil.	ITEM	SUM (RM)
(1) PROFESSIONAL FEE		
	A. <i>Kakitangan Ikhtisas</i>	57,947.92
	B. <i>Kakitangan Separa Ikhtisas</i>	6,600.00
TOTAL (1)		64,547.92
(2) REIMBURSABLE COST		
	i. <i>Tiket Penerbangan Tempatan/Antarabangsa</i>	Tiada
	ii. <i>Lain-lain Perbelanjaan Berkaitan Dengan Perjalanan termasuk Teksi</i>	Tiada
	iii. <i>Tuntutan Perjalanan Kenderaan (Mileage Claims)</i>	Tiada
	iv. <i>Elaun Penginapan dan Sara Hidup</i>	Tiada
	v. <i>Kos Perhubungan</i>	Tiada
	vi. <i>Kos Dokumentasi Dan Penyediaan Laporan</i>	Tiada
	vii. <i>Kos Bagi Menjalankan Kajian Selidik</i>	Tiada
TOTAL (2)		
OVERALL TOTAL COST { TOTAL COST (1)+(2)}		RM64,547.92

BREAKDOWN ON THE PROFESSIONAL COST BY MANHOUR

				(1)	(2)	(3)	
Bil	Name	Status Kakitangan (Tetap/ Sementara)	Tempoh Pengalaman Bekerja (Tahun)	Gaji Pokok (Sebulan)	Input Masa (Bulan)	Faktor Pengganda (Rujuk Lampiran A4)	Jumlah Yuran
				RM			RM
A) PROFESSIONAL FEE (MANHOUR)							
1	Dr. Puziah Hanum binti Abdul Ghani	permanent	37	9,300.00	1.4	2.5	32,550.00
2	Dr Noor Azlin Ismail	temporary	15	8480.18	1.4	2.2	26,119.00
SUB TOTAL (i)					2.8	-	58,669.00
B) SUB PROFESSIONAL FEE BY MANHOUR							
1	RA Master	temporary		1800	3.0	-	5,400.00
SUB TOTAL (ii)					3.0	-	5,400.00
OVERALL PROFESSIONAL FEE: (i) + (ii)					5.8	-	64,069.00