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Padu could turn out to be a mere data collection exercise

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For those who have not been getting any direct financial assistance from the government and who do not foresee that they would be eligible for any such handouts in the near future, the ongoing Central Database Hub (Padu) initiative does not hold much appeal.

After registering for the Padu system and perusing the list of questionnaires to be answered, one would realise that the exercise is meant primarily for those needing government assistance.

It is not something that all Malaysians would be comfortable with, mainly because of the amount of sensitive information one needs to divulge to be fully registered. And even after disclosing all the information, there is no guarantee that they would receive any direct cash payout from the government.

The questions are grouped into nine broad segments ranging from personal information to income and monthly commitments. In each segment, there are several questions that require sensitive financial and personal information to be divulged.

Among these details are personal contact information, total income, including bonuses and dividends, monthly commitments to housing and personal loans, name of principal bank, type of e-wallet used, inheritance if any, level of education and type of residence.

Hence, any person who does not think they would be eligible for a government handout would not risk putting such information into a centralised government database for fear of security breaches.

Government officials have time and again assured the public that security measures have been taken to ensure the confidentiality of such data is maintained. But there is no guarantee that a data breach would

not happen in the future. And among all government agencies, Padu, which is positioned as the centralised database, would be a prime target for hackers.

Hence, there is really no incentive for those who are not getting any handouts from the government to be registered with Padu.

Which brings us to the next question: What is the purpose of the initiative? Will it meet its target of having the majority of Malaysians on board?

Also, what would be the quality of the data held by Padu? This question arises because even if many do register, it is left to be seen how many of them will complete the process of providing all the sensitive information requested.

For now, Padu seems to be a grand exercise for the government to get a clean set of data to channel aid to those in need of assistance.

Towards this end, Minister of Economy Rafizi Ramli has reaffirmed that Padu will be the central database for all recipients of the Sumbangan Tunai Rahmah (STR) in the future. It will also be the basis of all targeted policies that the government initiates to help the hardcore poor, B40 and some segments of the M40 households.

According to Budget 2024, there are nine million STR recipients, which represents 80% of the adult population. The data is already with the government.

The government also has information on the number of youth, students in higher ed-



ucation institutions, unemployed and homeless who receive direct financial assistance.

But the data is verified through information that comes from various government agencies such as the Inland Revenue Board, Employees Provident Fund, Social Security Organisation (SoCSO), National Higher Education Fund Corporation (NHEFC) and Welfare Department.

The problem is that such information is confidential, remains with the respective agencies and cannot be accessed by the Ministry of Economy and Padu. More importantly, nobody knows for sure if the data is "clean" and updated.

That is why Rafizi said that the Omnibus Bill would be tabled in parliament by the middle of this year to facilitate data sharing among government agencies.

What Padu would have is the data of the nine million Malaysians who are already registered as STR recipients.

In addition to this, the system should also capture the details of those who have been left out of the current list of government aid programmes for various reasons. The total number is potentially huge and could be over 15 million people.

Ultimately, Padu will be judged on whether it meets the objective of ensuring that no one is left behind as the government embarks on targeted policies to help the poor.

The build-up towards its launch was immense. It was touted as a "game changer"

for the Anwar administration and expected to pave the way towards the much-needed overhaul of the blanket subsidy system.

The initiative is to assist the country achieve its target of reducing the federal government budget deficit to 3.5% by next year.

In 2023, Malaysia's subsidy bill hit an all-time high of RM30.1 billion, which is almost equivalent to the development expenditure. In 2024, subsidies and social assistance are projected to be RM32.7 billion, making up about 16% of the operating expenditure.

Padu's launch on Jan 2 got off to a rocky start, which was only to be expected.

Concerns about its implementation range from the security of the centralised data storage system to possible "identity theft". So far, all the flaws and concerns have been addressed by Rafizi and his team.

The good thing about Padu is that it was developed entirely by government agencies. The principal movers are the Ministry of Economy, Department of Statistics Malaysia and Malaysian Administrative Modernisation and Management Planning Unit.

However, it is not compulsory for all Malaysians to register with Padu. Those who opt not to register risk not receiving any subsidies or financial assistance from the government.

That includes the prospect of not getting subsidised fuel, if at all the plan for the highly challenging targeted fuel subsidy policy falls into place by the second half of this year.

If the targeted subsidy policy does not take off, then Padu will become merely an exercise to collect a clean set of data to dish out direct government financial assistance. ■

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