

WORK REFRAMED AMIDST INSECURE TIMES



AGENDA

Embracing New Possibilities

Challenges of the Future

Responding to the New Environment



TRENDS OF TOMORROW



WEALTH
DISTRIBUTION

MULTI-
GENERATIONAL

CUSTOMISED
PRODUCTS

SHAPING THE FUTURE IN 2030

REALITY

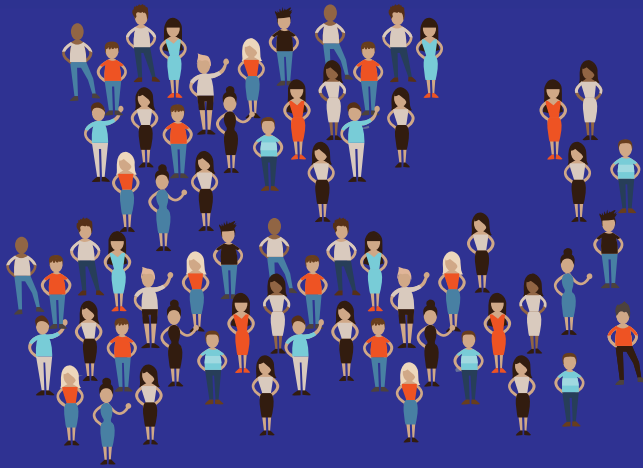
DIGITIZATION

AUTOMATION



KWSP | EPF

Megaforces **DRIVING** future scenario



DEMOGRAPHICS



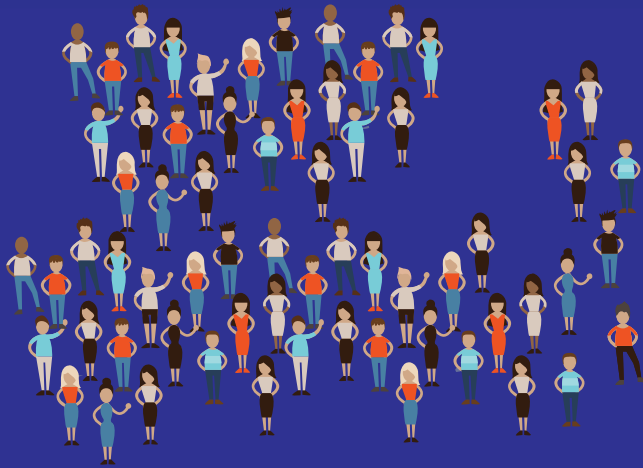
TECHNOLOGY



ECONOMY



Megaforces **DRIVING** future scenario



DEMOGRAPHICS



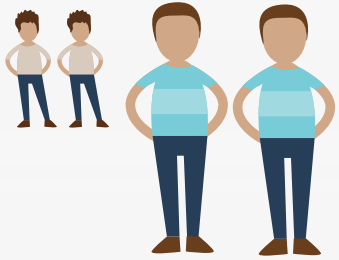
TECHNOLOGY



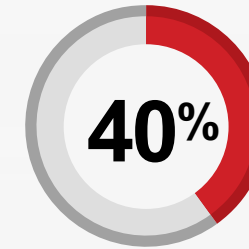
ECONOMY



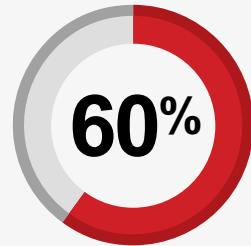
Global **DEMOGRAPHIC** shift by 2030



people aged **ABOVE 35**



unemployed in **TRADITIONAL WORK**



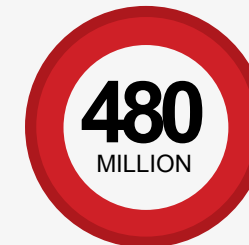
will be in **URBAN CENTRES**



declining **BIRTH RATES**



will live beyond **100 YEARS**



SINGLE PERSON households

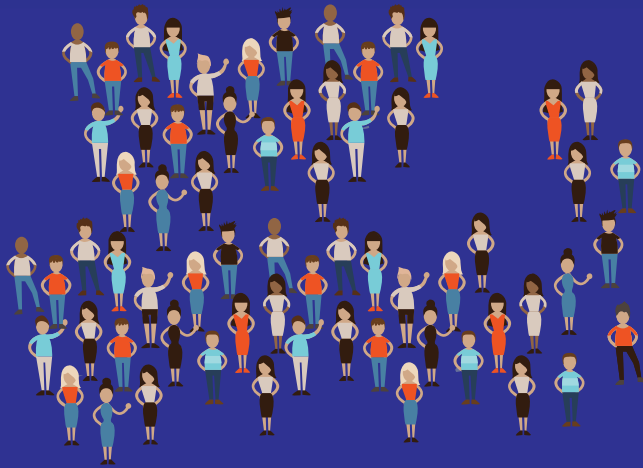
Source: World Economic Forum, World Bank, World Health Organization

Huge impact on **SOCIAL WELL-BEING**



KWSP | EPF

Megaforces **DRIVING** future scenario



DEMOGRAPHICS



TECHNOLOGY



ECONOMY



Disruptive **TECHNOLOGIES** matching and outperforming humans



**ARTIFICIAL
INTELLIGENCE**

80%

Cost savings remove
intermediaries



**ADDITIVE
MANUFACTURING**

80%

Automated
occupations in 2040



DIGITIZATION

30 billion

Connected devices
in 2020



**INTERNET
OF THINGS**

USD14.4tn

Estimated value
by 2020

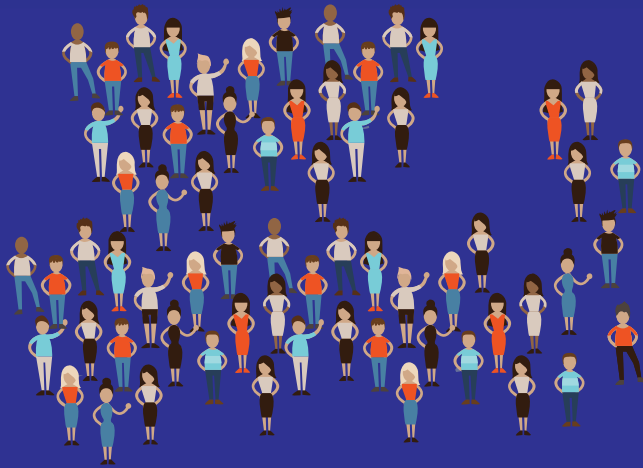
Source: World Economic Forum

Entities which own the technology win the race - **WINNER TAKES ALL**



KWSP | EPF

Megaforces **DRIVING** future scenario



DEMOGRAPHICS



TECHNOLOGY



ECONOMY



Fundamentals of **ECONOMY** changing

CONVENTIONAL definition of **RESOURCES**



LAND

CAPITAL

LABOUR

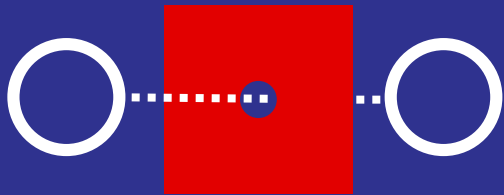
NEW definition of **RESOURCES**



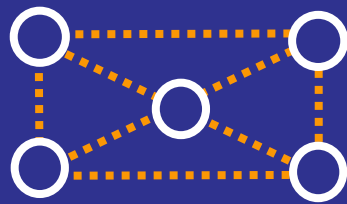
INTELLECT

TRUST

EVOLUTION of TRUST



INSTITUTIONAL



DISTRIBUTED



93 YEARS

610,000 rooms
88 countries



4 YEARS

650,000 rooms
192 countries

Source: Rachel Botsman

Thrust of new economy - **TRUST**



KWSP | EPF

Emerging **BUSINESS MODELS** based on TRUST and the wisdom of the masses

The **GREAT POWER** shift

CENTRALISED

ENCYCLOPEDIA

TELEVISIONS

TAXIS

VC FUNDING

HOTELS

MANUFACTURING



DISTRIBUTED

WIKIPEDIA

VIDEO STREAMING

UBER / GRAB

CROWDFUNDING

PEER TRAVEL

MAKERS MOVEMENT



CHALLENGES OF THE FUTURE

As deep as the **OCEAN**
As high as the **SKY**



KEY CHALLENGES for workers and citizens

POLARIZATION



47% middle class jobs will **DISAPPEAR** in 25 years and wider **IDEOLOGICAL** gap

(Source: OXFORD)

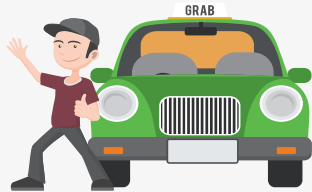
GROWING income inequality



HALF of the **WORLD'S WEALTH** owned by **0.7%** of the world's population

(Source: World Economic Forum)

RISING gig economy



34% global workforce are **FREELANCING**

(Source: Cognology, Australia)

Large UNCOVERED population



7 in 10 world population **LACK OF PROPER SOCIAL PROTECTION**

(Source: ILO)

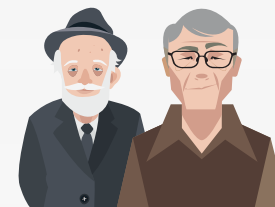
UNSUSTAINABLE pensions



USD400 trillion by 2050 with **3-5%** annual growth

(Source: World Economic Forum)

INADEQUATE benefits



1 in 2 world's older person has **INADEQUATE PENSIONS**

(Source: ILO)



Closer to home – How do we address 22 MILLION ADULT MALAYSIANS

6.8 MILLION

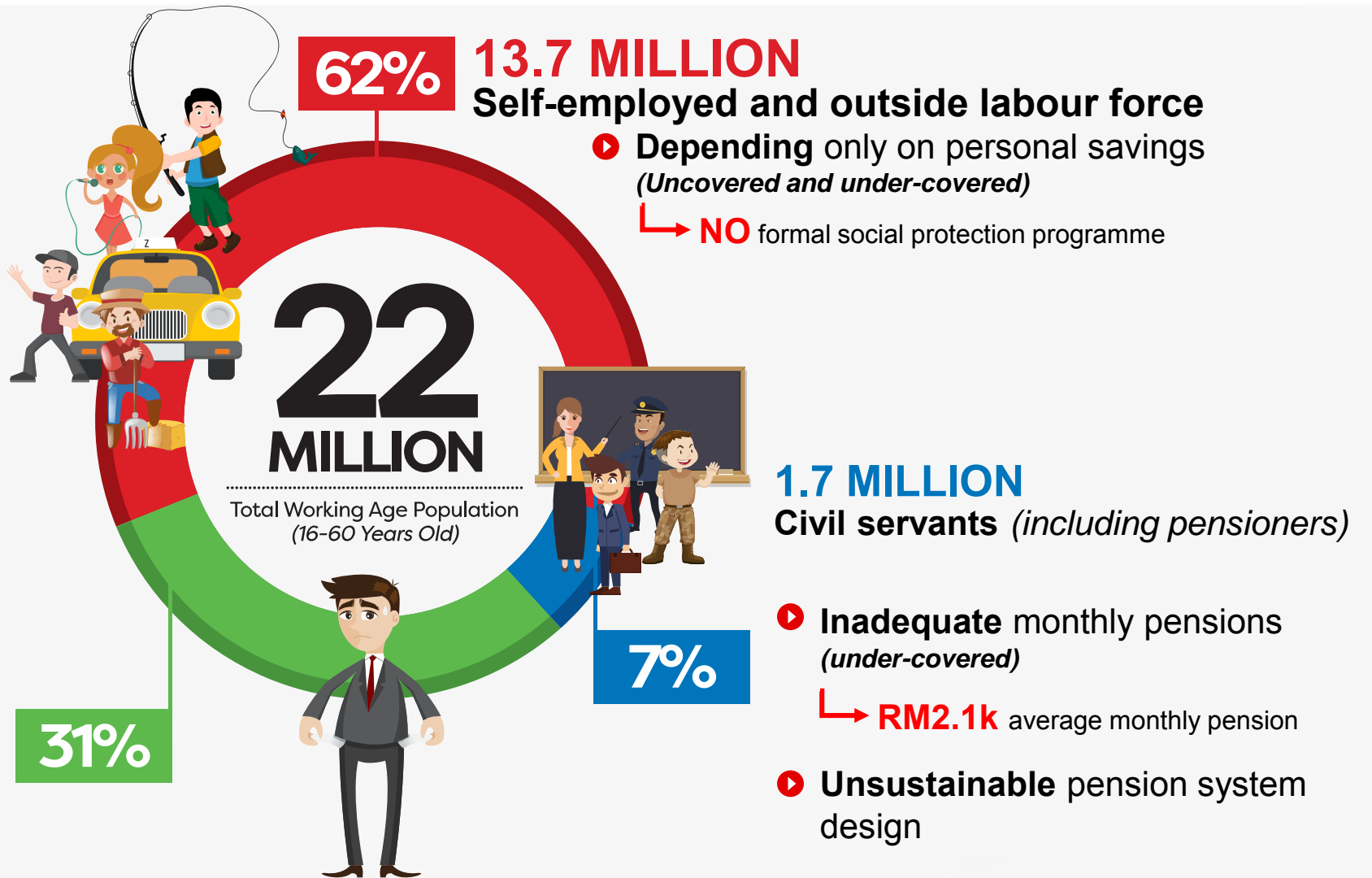
Private Sector

(EPF Active Members and small portion of active self-employed)

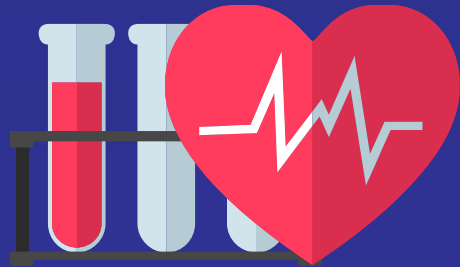
- ▶ **Inadequate** monthly pensions (under-covered)

↳ **33%** of active members achieve Basic Savings

- ▶ **Unsustainable** income replacement for individuals



Escalating fiscal pressures to support citizen's well-being



HIGHER HEALTHCARE COST

Projected to increase
10 times in 25 years
(1995 – 2020)

RM8.3 bil to **RM88.4 bil***

*Ministry of Health, Malaysia
Frost & Sullivan*



HIGHER PENSION EXPENDITURE

Doubled in 15 years
(2015 - 2030)

RM19 bil to **RM33 bil***

*Ministry of Finance, Malaysia
KWAP Annual Report*



MORE PUBLIC ASSISTANCE NEEDED

Projected to increase
if social protection is not
in place. (increase in
elderly poverty)

Jabatan Kebajikan Masyarakat

Strain on **CURRENT AND FUTURE FISCAL SPACE**



HUGE GAPS to attain **FINANCIAL SECURITY**



146 : 100

Household debt-to-income ratios,
HIGHER THAN DEVELOPED COUNTRIES



1 in 2

of Malaysian households have
NO FINANCIAL ASSETS

31%

GROWTH IN FREELANCING



KWSP
EPF



2 in 3

EPF members **DO NOT ACHIEVE**
the **Basic Savings** quantum according to age
band

1 in 2

EPF members above age 55 exhausted their
EPF savings in **5 YEARS**



9 in 10

Earns salary lower than **RM5,000**

7 in 10 Malaysians have low level of financial literacy



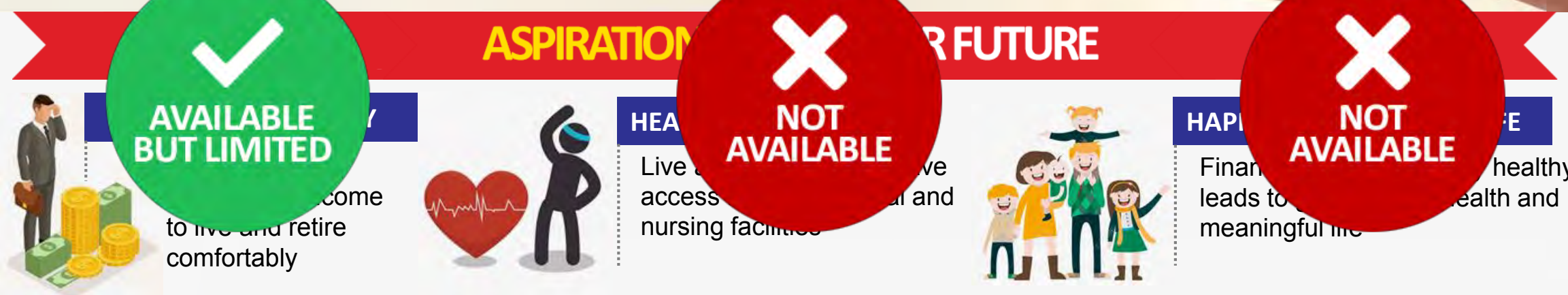
KWSP | EPF

EPF POSITIONING FOR THE FUTURE



FORWARD POSITIONING - Helping members to achieve a better future

VISION HELPING MEMBERS ACHIEVE A BETTER FUTURE



BRIDGING THE GAPS to achieve our **ASPIRATIONS**



HOLISTIC approach to wellness - PREVENTION

EPF withdrawals related to health and incapacitation

Withdrawals	Year	Transactions	Amount (RM)
HEALTH	2000	5,790	23.5 million
	2015	5,692	51.8 million
TOP 5 ILLNESSES <ul style="list-style-type: none"> <li style="width: 33%;">1. Cancer <li style="width: 33%;">2. Stroke <li style="width: 33%;">3. Coronary Heart Disease <li style="width: 33%;">4. Congenital Heart Disease <li style="width: 33%;">5. Kidney Failure 			
INCAPACITATION	2000	6,590	160.0 million
	2015	4,659	331.1 million

Source: Ministry of Health Malaysia, Jabatan Modal Insan (JMI), EPF



Source: imoney

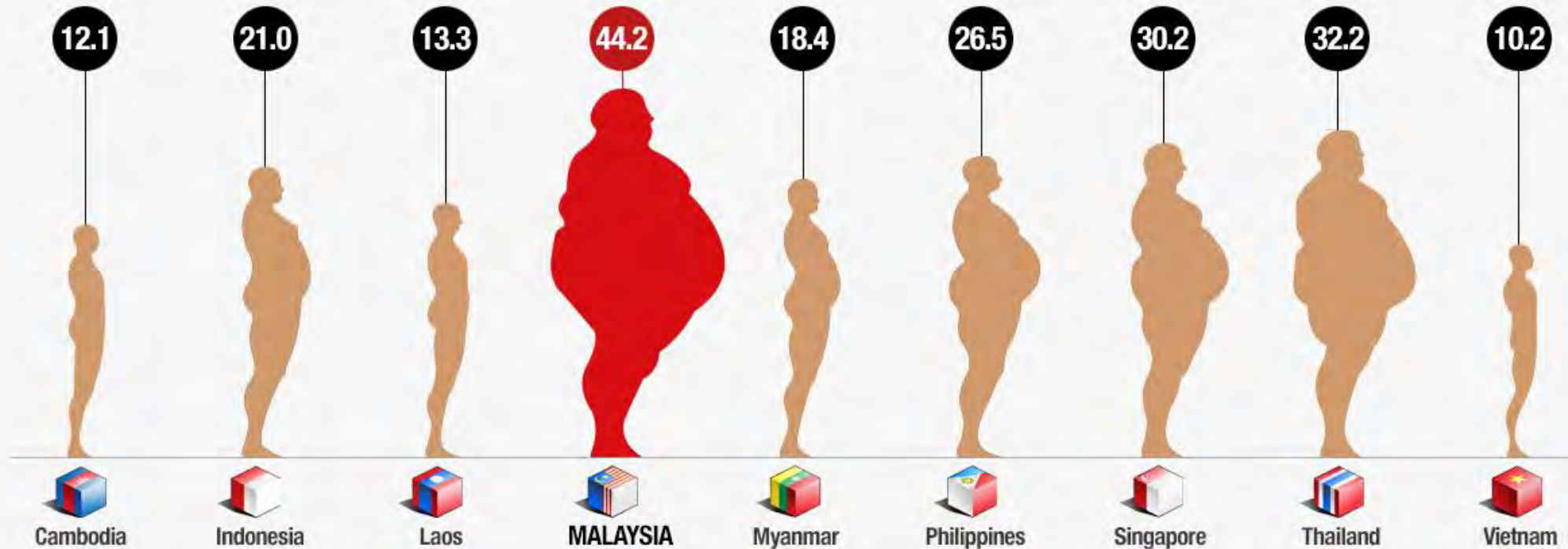
Source: Life Insurance Association of Malaysia (LIAM)

HEALTHY

- ▶ Physical
- ▶ Mental
- ▶ Spiritual
- ▶ Environmental
- ▶ Long Term Care

BURGEONING HEALTH ISSUES due to unhealthy living

Overweight prevalence (%) for adults of both sexes (BMI > 27kg/m²)



Source: WHO Non-Communicable Diseases Country Profiles, 2011



8 IN 10

Japanese elderly live healthily and actively



6 IN 10

Malaysians face non-communicable disease (NCD)



Having a **SENSE OF PURPOSE** leads to **MEANINGFUL LIFE**

Happy and meaningful life



EDUCATION

- ▶ Encouraging **LIFELONG LEARNING** to fulfill **DREAMS**
- ▶ Financial literacy and advisory



HOUSING

- ▶ Feeling of **WELL-BEING AND BOOST ONE'S WILL TO LIVE** by having shelter

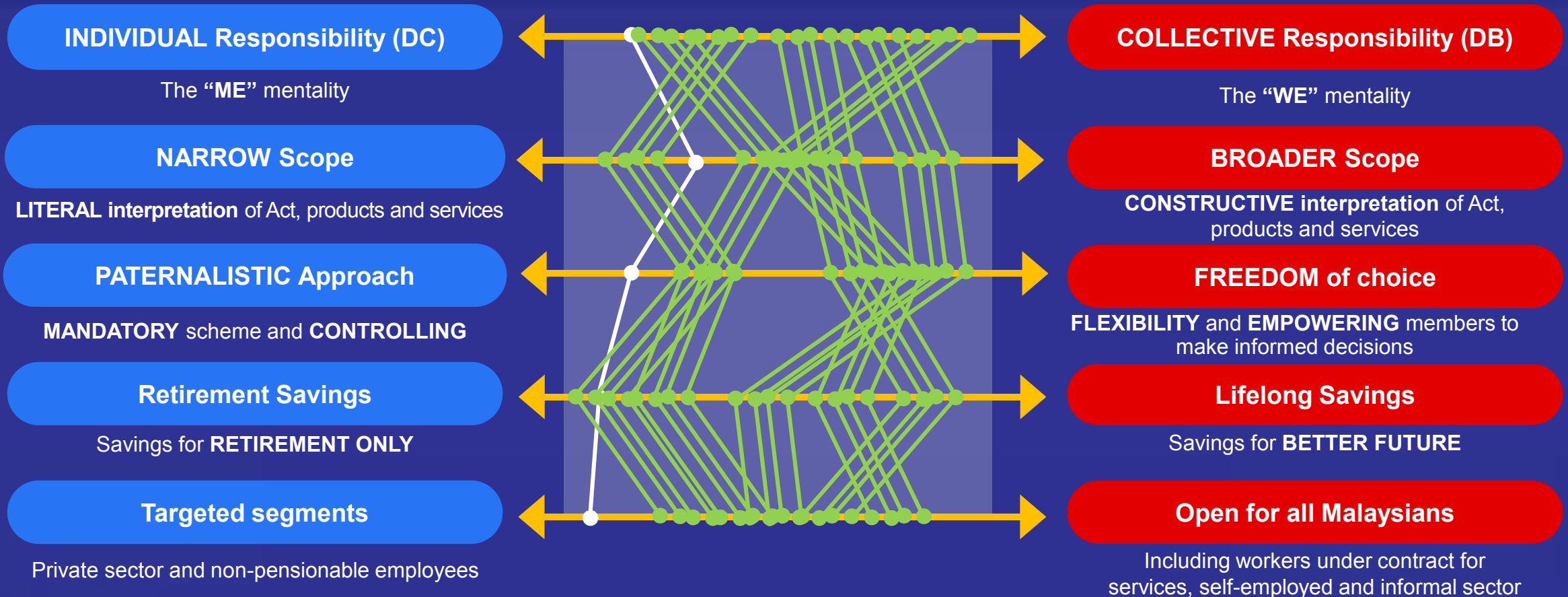


HAJJ

- ▶ Fulfilling the **FIFTH PILLAR** for Muslims

SUFFICIENT to have a purpose to lead a meaningful life?

Changing the **FUNDAMENTALS** and **PHILOSOPHIES**



WHERE should we be in the continuum?



HOW DO WE WORK AND LIVE IN 2030?



ME
ME



WELCOME TO THE

ME

ME

WORLD



NO MORE
PRIVACY

VALUES

PURPOSE
DRIVEN

EVERYTHING IS
PERSONALISED

ME

OWNS
NOTHING

HOW DO WE LIVE?

RESOURCE
SHARING

WE

GLOBAL
VILLAGE

TRUST

AGE OF
RESPONSIBILITY

CONTRIBUTIONS FROM
EVERYBODY



The Future of Work is...



TRANSPARENT

NO ONE is going to just take your word for it



ON DEMAND

CONTRACTS are given as and when contributions are needed



AGELESS

WORK as long as productive



BORDERLESS

People can work from **ANYWHERE**



COMPETITIVE

NO ONE is going to pay you just for a degree



FLEXIBLE

JOB SECURITY does not exist anymore

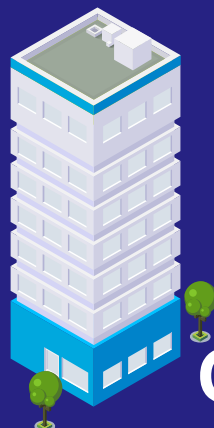
PREPARING FOR SOCIAL SECURITY



FUNDAMENTAL ISSUES to be ADDRESSED



NATIONAL



ORGANISATION



INDIVIDUAL

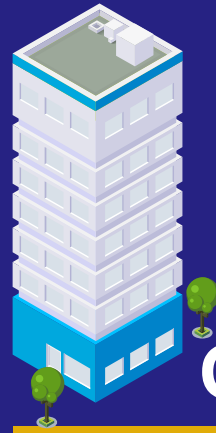


FUNDAMENTAL ISSUES to be ADDRESSED



▶ **BENEFITS**
(What is provided?)

▶ **FUNDING**
(How to fund?)



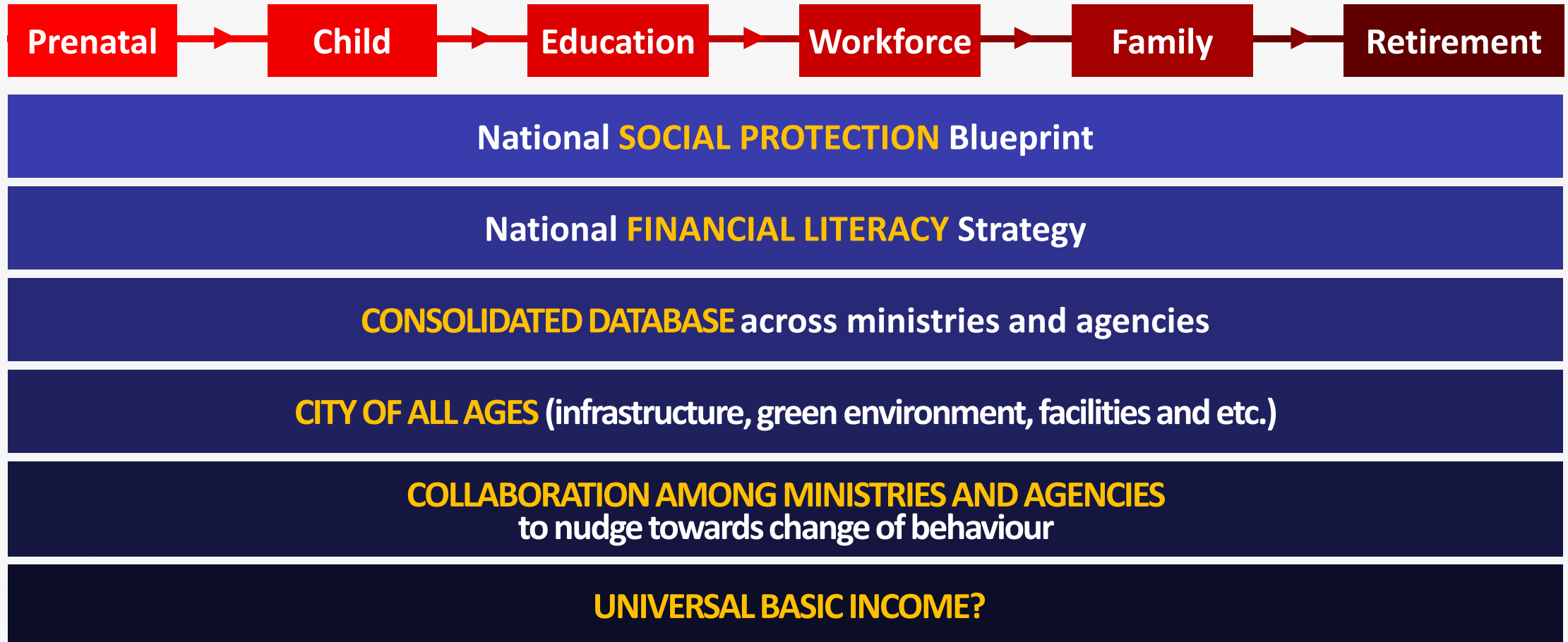
ORGANISATION



INDIVIDUAL



Ensuring **NO ONE IS LEFT BEHIND** – national strategies to be crafted based on different life stages



OPPORTUNITIES for all to better themselves



BASIC INCOME: Poverty NO MORE; Hunger NO MORE



PILOT: Netherlands, Kenya, India, Switzerland, Finland and France



FUNDAMENTAL ISSUES to be ADDRESSED



NATIONAL

- ▶ **COVERAGE**
(Who is covered?)
- ▶ **BENEFITS**
(What is provided?)
- ▶ **FUNDING**
(How to fund?)



Moving beyond
ORGANISATION

- ▶ **STRUCTURE**
- ▶ **PEOPLE**
(Redefining the concept of work)



INDIVIDUAL



REFRAMING the WORK PARADIGM

JOBS



**INSIGHTS is the
new currency for talent**

WORKPLACE



**The place built
FOR EVERYONE**

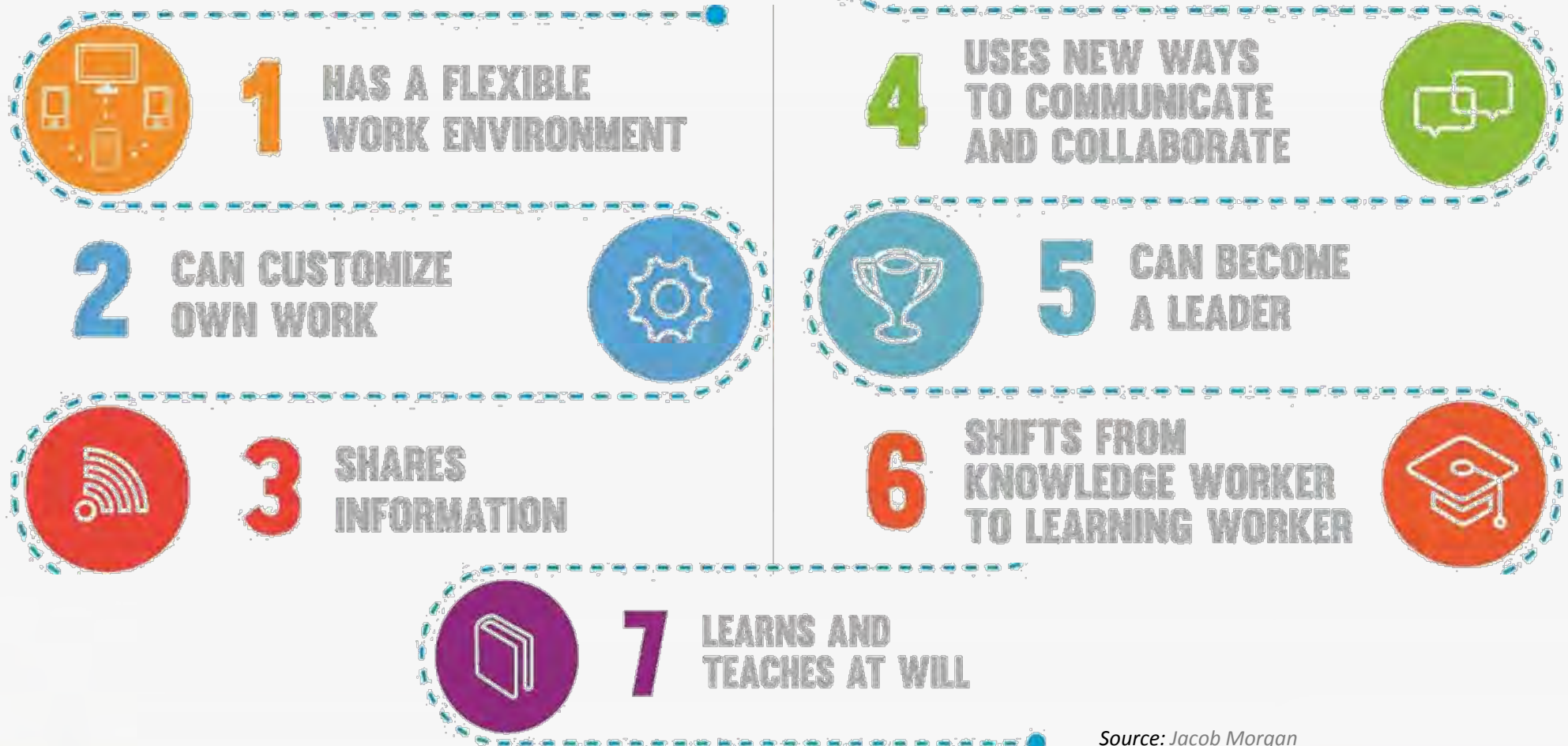
TALENTS



**The EMPOWERED
Individuals and teams**



WORK is not just a **PLACE** ANYMORE



Source: Jacob Morgan



PARADIGM SHIFT is imminent

CURRENT

TRANSACTIONAL

PROCESS BASED STRUCTURE

REACTIVE ENGAGEMENT

PUBLIC SERVICE



FUTURE

ADVISORY

CUSTOMER CENTRIC APPROACH

PROACTIVE ENGAGEMENT

MARKETING MINDSET



KEY ORGANISATIONAL POLICIES needed for a better future



**HUMAN RESOURCES
REDEPLOYMENT**



TALENTS RECOGNISATION



CORE SYSTEM REVAMP



INCENTIVES and REWARDS



SIMPLIFIED BUSINESS PROCESS



DATA CLEANSING AND SHARING



BIG DATA ANALYTICS



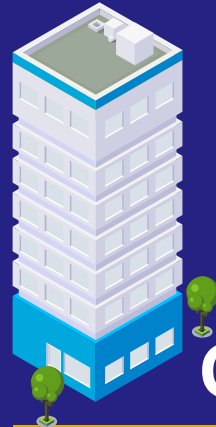
**JOB REDESIGN
(UPSKILLING AND RESKILLING)**

FUNDAMENTAL ISSUES to be ADDRESSED



NATIONAL

- ▶ **COVERAGE**
(Who is covered?)
- ▶ **BENEFITS**
(What is provided?)
- ▶ **FUNDING**
(How to fund?)



ORGANISATION

- ▶ **Moving beyond MANDATE**
- ▶ **STRUCTURE**
- ▶ **PEOPLE**
(Redefining the concept of work)

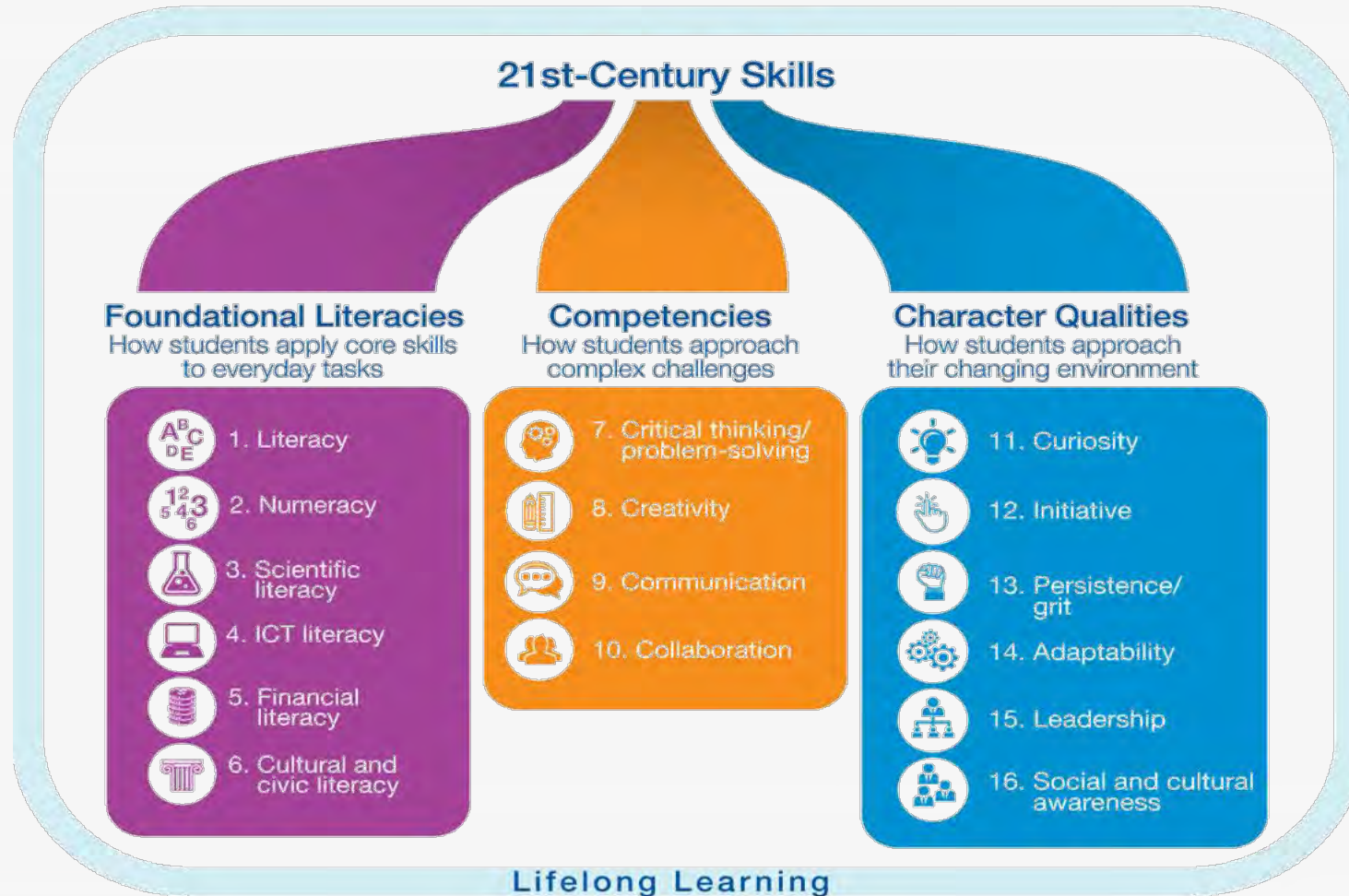


Redefining VALUE SYSTEM INDIVIDUAL

- ▶ **Discovering PURPOSE** of work and life
- ▶ **LIFELONG Learning**



LIFELONG Learning – FUTURE PROOFING yourself



Source: Michigan State University



NEW JOBS created by AI - MIT Sloan Review

TRAINERS

Teaching AI how to perform

- ▶ Customer service chatbots
- ▶ Yahoo – detect sarcasm on social media and websites
- ▶ Kemoko Inc – trained Siri and Alexa to address people’s questions with sympathy and depth

EXPLAINERS

Providing clarity in understanding technology

- ▶ Algorithmic Forensics Analysts
- ▶ Regulations – customers to question and fight decisions made purely by algorithmic basis
- ▶ Skills in Local Interpretable Model-Agnostic Explanations (LIME) to test trustworthiness of machine predictions

SUSTAINERS

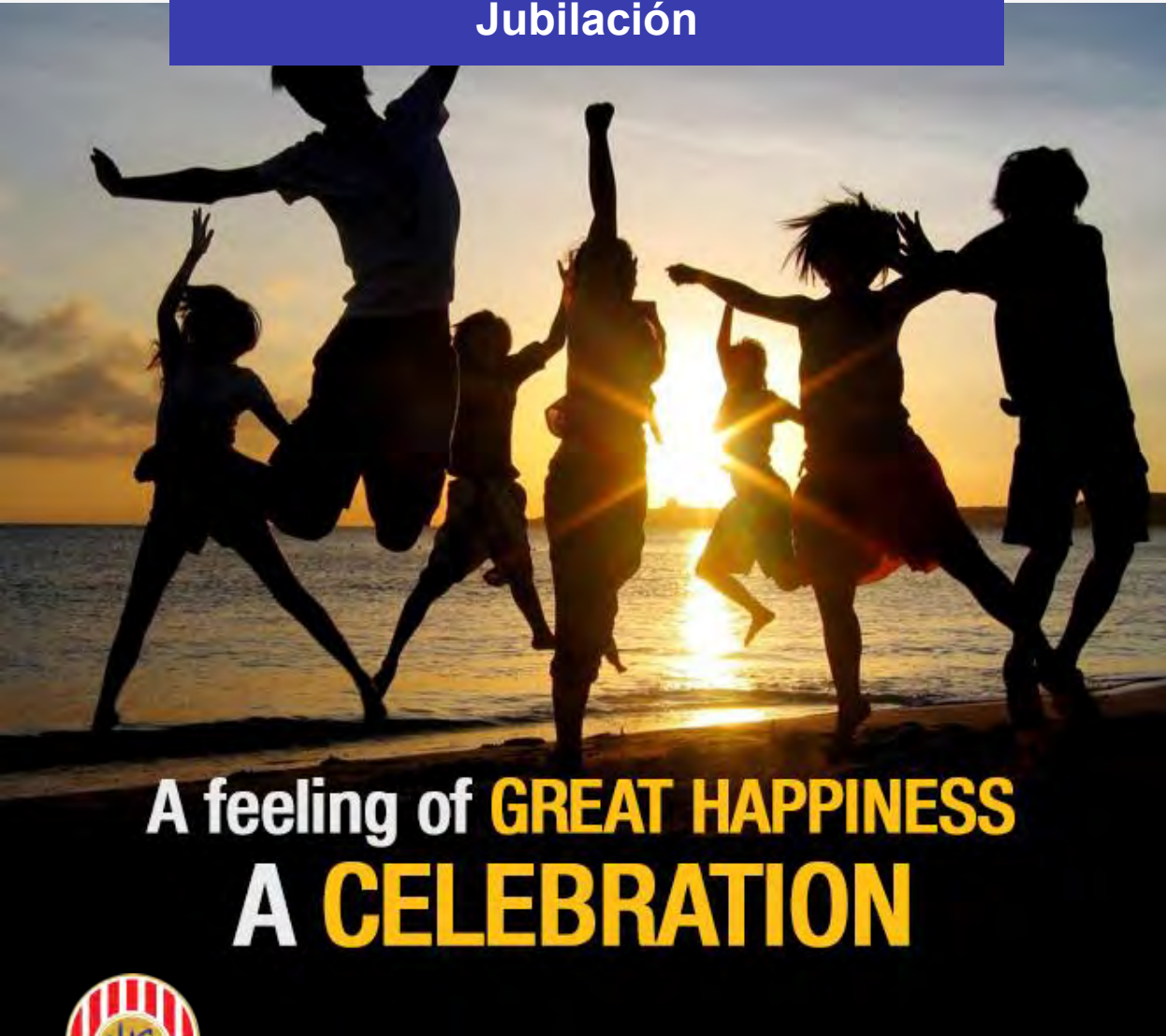
Ensuring AI systems are operating as designed

- ▶ Ethics compliance manager
- ▶ Ensuring confidence in the fairness, auditability and safety of systems
- ▶ Quixote (Georgia Institute of Technology) – learns ethics by reading simple stories



The RIGHT VALUE system to achieve PURPOSE of life

Jubilación



A feeling of **GREAT HAPPINESS**
A CELEBRATION



KWSP | EPF

生き甲斐 (Ikigai)

The reason for **GETTING UP IN THE MORNING**



“YOUR **FUTURE** IS CREATED BY WHAT
YOU DO **{ TODAY }**
NOT ~~TOMORROW~~”

ALIZAKRI ALIAS | taz@epf.gov.my

