

## Leeds University Business School – Research and Innovation Podcast

**Episode:** Just Transitions – a global exploration: Malaysia

**Speakers:** Dr Jiachen Shi and Dr Clare Richardson-Barlow

[00:00:05] **Jiachen:** Hi, welcome to another episode of the "Just Transition - a global exploration" series on the Research and Innovation podcast. I'm Dr Jiachen Shi, a lecturer in management consulting and human resource management at Leeds University Business School. If you've listened to other episode in this series, you may have heard Dr Clare Richardson-Barlow ask me about my research on China.

In today's episode, it's my turn to speak to Clare, lecturer in global politics of China at the School of Politics and International Study, about her research on Malaysia. We look at Malaysia's approach to a just transition and how workers and labour organizations are engaging with the country's energy transition strategy.

[00:00:53] **Clare:** Jiachen - thank you so much. Nice to speak again.

[00:00:56] **Jiachen:** Great. So let's start with the big picture. When people talk about just transitioning in Malaysia, what does that actually mean in practice? Because we know globally the concept is involving and different countries are interpreting it quite differently.

[00:01:14] **Clare:** Before answering that directly, I should mention that I am coming to this research from a joint research project looking at these very issues in Malaysia, and have been working with a really wonderful team of researchers in Malaysia who I want to give a shout out to, that is led by Dr. Nofri Yenita Dahlan at the University of Technology, Mara (UiTM) in Malaysia and her research team, which includes Dr. Azlin Mohd Azmi, Sridhar Sripadmanabhan Indira. And so I should say, you know, my understanding of these issues is really rooted in research that they have led and that we have engaged on, to be able to examine a just transition in the Malaysia context.

So with that in mind. I think it's fair to say that in Malaysia, a just transition is still very much an evolving concept. It's not yet as fully defined or institutionalized as it might be in some European or Western contexts. This means that in practice we see that it's being framed quite strongly through the lens of economic development and national growth, rather than purely labour rights or environmental justice.

And that's really important because Malaysia is a middle-income country that has undergone rapid industrialization over the past few decades, lifting millions out of poverty and expanding its economy and its role on the global stage significantly so, the transition to a low carbon economy isn't happening in a vacuum.

It has to balance three things at once: continuing economic growth, maintaining energy security, and addressing climate commitments. This is where policies like the National Energy Transition Roadmap or the NETR, and the broader economic vision of the country come into play. They embed ideas of sustainability and inclusion, but in a way that is closely tied to job creation, investment, and industrial transformation.

What our research found is that while the language of a just transition is increasingly present, labour actors, especially trade unions, are not yet central to shaping what that actually looks like in practice. The conversation is still quite top down, but it's developing. So in short, in Malaysia, a just transition is understood as a balancing act between decarbonization and development. But the justice dimension, particularly for workers, is still emerging.

[00:03:55] **Jiachen:** Right from your research, Malaysia seems to be at an early stage in shaping what this term should mean domestically. Let's turn to the policy because a big part of Story Malaysia is the National Energy Transition Roadmap or NETR. Then for listeners who may not be familiar with it, what is an ETR?

And why is such a central part of Malaysia's Climate strategy?

[00:04:24] **Clare:** The NETR is really the core policy framework for Malaysia's energy transition. It's the roadmap that is meant to tie everything together. It was originally launched in 2023, and it sets out a long-term plan to transform the country's energy system. But what makes it particularly important is that it doesn't just focus on emissions-

It also lays out an investment strategy, an industrial strategy, and an employment strategy all in one policy framework. It's structured around six key transition levers, including: renewable energy, energy efficiency, hydrogen, bioenergy, green mobility, and also carbon capture. In terms of targets, it's really quite ambitious. Malaysia is aiming for roughly 31% of renewable energy capacity by 2025, rising from 2025 levels to around 70% by 2050, alongside a broader net zero goal for 2050. Importantly, the NETR is also framed as an economic opportunity, so it's projected to generate around 310,000 jobs by 2050, and significantly increased the contribution of green industries to GDP.

So it's not just a climate policy, it's really a development strategy that includes climate policy and as a result, some just transition principles. But one of the key things that we highlight in our research is that while the NETR talks about inclusion and a just transition, the way those ideas are implemented, especially in relation to workers, is still a bit uneven.

There's a strong focus on growth and investment, but less clarity on how workers will actually be supported through the transition.

[00:06:26] **Jiachen:** It really feels like NTR has become the anchor points for any conversation about carbonization in the country. So now as the research project Zoom thing on labour union specifically, one of the striking things we often found was how limited union involvement has been in shaping transition policies so far in some countries.

For your research, Claire, how involved are unions in shaping Malaysia's transition policies?

[00:06:59] **Clare:** This is really a central question of our research, and the short answer would be labour unions are still quite marginal in this process. However, of course, there's a lot more nuance there. Historically, unions in Malaysia have operated in a very constrained environment since independence. Labour laws have limited union formation. They've restricted collective bargaining, and they've encouraged some fragmented enterprise level unions. As a result, union

density today is quite low. It's around under 10% of the workforce. Estimates sit around 6%, which already limits their influence greatly.

When we look specifically at the energy transition, however, what we found through interviews is that unions are not involved in early policy design. Consultations tend to happen later in the process, and often in a way that doesn't allow meaningful, immediate input. One union representative, for example, told us directly that engagement on the NETR often comes too late in the process for feedback to be meaningfully integrated.

So that means that rather than co-designing policy, Unions are often reacting to decisions that have already been made. That being said, it's important to note that this isn't a static picture. Some unions are engaging more actively, for example, by organizing workshops, building knowledge on climate policy, and really pushing for a stronger voice in climate transition issues.

So I describe the current moment as one of limited but emerging engagement. Shaped very strongly by institutional constraints unions have historically faced.

[00:08:57] **Jiachen:** Well, that's interesting to see the sense that unions are consulted, but often only once decisions are made, more or less sets. Let's unpack the challenges a bit more. So based on your research, what do you think are the main barriers to achieving a truly transition for workers?

[00:09:21] **Clare:** There are a few key challenges to a just transition in the Malaysian context, and they're really quite interconnected. The first is structural: trade unions in Malaysia operate under a restrictive legal framework and are highly fragmented. That makes it difficult for them to act collectively or influence national policy in a sustained way, or it has historically.

The second challenge is about skills and workforce transitions. The NETR is expected to create a large number of jobs, but there is a real uncertainty about whether those jobs will match the quality and wages of existing fossil fuel jobs and whether workers can realistically transition into them. And here it's important to remember that Malaysia is a country like many other Southeast Asian countries that relies quite heavily historically on fossil. Fossil fuels have played a really important role in the economic development of the country as well.

So there's really a tie between fossil fuel jobs, fossil fuel industry, economic development, and then quality of life, and also worker engagement. For example, newer renewable energy systems often require fewer workers than older coal-based systems, which raises questions about displacement and thus, considerations around what does a just transition look like for these displaced workers engaging in this economic system that is trying to adapt to real pressing climate challenges.

The third challenge is about awareness and capacity. Several stakeholders we've spoken to in the, process of this research have highlighted that there is still very limited awareness of the energy transition among unions and workers, and that unions often lack the technical expertise and resources to engage fully with complex energy policy where unions might represent a particular industry, for example, they might not know, or be involved in a completely holistic picture of what the energy transition, will look like across a variety of industries.

And finally, there's also a broad issue of policy coordination and really, ultimately, inclusion even where consultation exists, It's often not structured in a way that allows sustained dialogue between government, industry and labour. That sort of coordination and inclusion really needs to be improved and there are efforts underway, but I think this really highlights this being a new issue and also the challenge of the NETR trying to do a lot.

So overall these challenges reflect not just the transition itself, but deeper institutional constraints within Malaysia's labour system. None of these issues are particularly unique just to energy and climate transitions. It's also challenges that Malaysia's labour system, is seen across a variety of industries as we see the economy continue to be prioritized, and also the country respond to changes in the global and national environment.

[00:13:01] **Jiachen:** Right. Many of these challenges are tied to structured segments within Malaysia's industrial relations system, not just the energy transition itself. So, if Malaysia does want to make the transition more inclusive and ensure workers aren't left behind, what needs to be changed, what would be a meaningful role for the labour practice?

[00:13:28] **Clare:** This is such an important question. And one of the clearest findings from our research is that improving labour participation isn't just about, say, adding unions into an existing process. It requires rethinking how these processes actually work.

The first and most important step is earlier and more meaningful engagement. Unions need to be involved at the policy design stage, not just consulted after decisions have already been made or just before policies are being implemented.

The second is about social dialogue. Creating more consistent platforms where government, industry and labour can engage with each other on an ongoing basis, rather than through a one-off consultation, and that would really benefit a, a broad swath of issues related to the energy transition and how we make that just.

Third, there's a real need for better workforce data and planning. Policymakers themselves have acknowledged that there isn't always clear data on which workers are at risk, What skills they have, and where new jobs will emerge. And then from that, what new skills are needed, and how are these new jobs going to respond to workers who are at risk and also play a role in the broader economic development of the country. Without that, it's very difficult to design effective transition policies.

Then finally I would say re-skilling programs need to be directly linked to actual job opportunities rather than being more general or aspirational. Seeing ways in which current expertise can be utilized in an evolving and changing industrial environment is really important.

In our research, we framed Malaysia's current approach as largely affirmative, meaning it focuses on managing the social impacts of a transition, like retraining and job creation, without fundamentally changing the structures that shape labour participation.

So what we suggest is that a more transformative approach would involve strengthening labour institutions, Expanding participation and embedding workers more directly into decision

making processes. And that's really where I think Malaysia offers an important lesson, particularly for other countries in the global south.

It shows that you can have ambitious climate policy that is really linked with economic and industrial policy, but that unless labour is meaningfully included, the transition really risks leaving key groups behind. And for example, in the case of Malaysia, that would be really detrimental to the economy and to the country that has done such a good job of already lifting so many individuals out of poverty, improving work environments historically, and also setting ambitious national policy that is equal to, if not more ambitious than counterparts, elsewhere in the world have. So, Malaysia's experience really highlights that a just transition isn't just about the destination. It's about who gets to help shape that journey and how that shaping takes place.

[00:17:12] **Jiachen:** Right. So interesting. I'm thinking here of the contrasts we can see between very ambitious investment plans and the more, kinda like engagement with the people expected to carry out the transition.

Clare, thank you so much for walking us through this. It's been a really rich conversation. What's interesting, and something audience might pick up is they've heard our China episodes is how their shared in shared principles internationally, globally, and how different countries challenges are. So in China's transition, we can see centrally coordinated schemes with cooperating with workers, that's more incorporate, and in Malaysia, the challenging is more about ensuring that labour voice actually make it into the room when decisions are being shaped. And that really speaks to the broader theme of the series that just transition isn't the one size fits all concept is, is shaped by political institutions, labour histories, and economic structures.

So. Thanks, Clare. Thanks everyone for listening. If anyone would like to find out more about our project, you can visit the web page. You can also listen to previous episodes of the series where we discuss other country case studies on just transition. The links are available in the episode show notes.

Thank you so much and bye for now.

[00:18:46] **Clare:** Thank you.