IMPACT OF SOCIAL POLICY ON CPI IN MALAYSIA BETWEEN 2005-2023

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ABSTRACT

The social policy that the government in Malaysia implemented had positive influences on the local community and economy in Malaysia as well, which focused on the Consumer Price Index (CPI) and the idea that the trend would change if social policy were made. A study focused on the effect of social policy specified in Malaysia's education, health, and housing areas on CPI. This study used the quantitative method based on the model of ordinary least squares (OLS), and CPI (Y) was the dependent variable, while government education spending (X1), government health spending (X2), and government housing spending (X3) were the independent variables. According to the results of this research, it seems that there was a positive impact of social policy on the CPI, but no significant social policy that the Malaysian government implemented had a determined power over the CPI. Most country research on the impact of social policy on CPI

was also insignificant, based on the previous studies. These findings found that CPI was affected by other factors apart from social policy as well and need to be studied as potential factors in the future, as there was a slight significance. To emphasize this study, ARMA is the best-suggested way to analyse the trend of CPI in Malaysia.

Keywords: Social policy, Consumer Price Index (CPI), Ordinary Least Squares (OLS), Determination Power.

INTRODUCTION

Social policy introduced or implemented by the government was important to that certain country. It can improve local aspects, for example, politics, economics, and social community, like the standard of living of people in that certain country. The most important indication in this research paper was the effect of social policy implementation on the Consumer Price Index (CPI) in Malaysia. The issue is: How did the government implement social policy by allocating the amount of spending in education, health, and housing areas to effect the changes in CPI in Malaysia? A consumer price index (CPI) is the price of a weighted average market basket of consumer goods and services purchased by households. The increase in government health expenditure hurts labour productivity directly and indirectly on CPI. As their productivity increases, theoretically, their income will also increase, and purchase power will become more and more important to maximize their utility in ASEAN+3, including Malaysia (Osathanunkul et al., 2023). An increase in public health expenditure can promote economic growth as people will be cared for better and have less CPI in a certain country (Hu & Wang, 2024). High welfare and education spending will also bring that certain country to a more stable and high living standard as their people become more educated and save more in the long term (Hega et al., 2002). Fewer fertility will also be affected by social policies implemented by the government, which directly impact CPI, so for this statement, there is a negative relationship between fertility and CPI. An overview as the Malaysian government implements many social policies within the past several years, like the New Economy Policy (NEP), Development Plans, and others that can improve the country's overall performance.

Figure 1

*The Trend of CPI in Malaysia between 2005-2023 (%)*
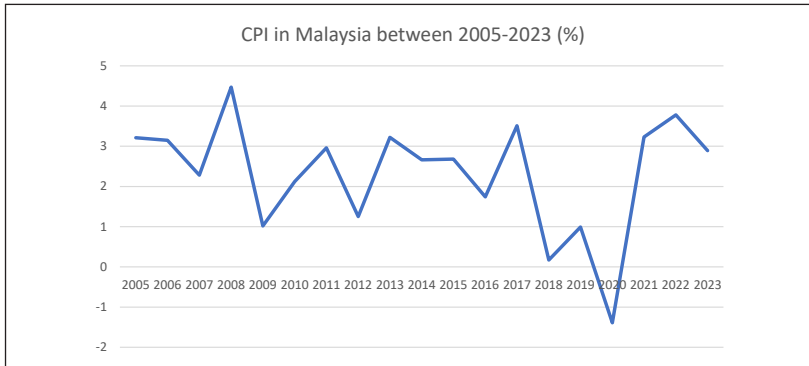
Source: Fred Economics Data

According to the figure above, the CPI in Malaysia was volatile with a negative figure in 2020–2021 due to COVID-19, but for other times, it seems that it is also not stabilized with the many factors that impact the CPI, especially fiscal and monetary, and the outer situation that will have an impact on the CPI in Malaysia. If there is a negative figure in the CPI, then there is a situation known as deflation. Deflation occurred when the price dropped sharply as the most impact was an unemployment increase and an increase in the value of debt so on and so far, (CFI).

Figure 2

The Amount of Expenditure by Government (Education, Health, Housing) between 2005-2023
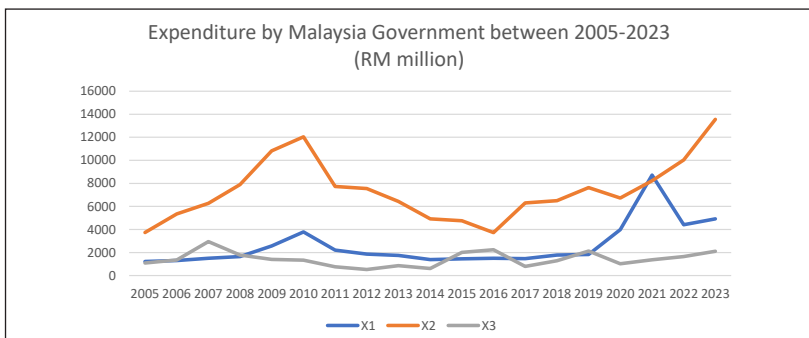
Source: Ministry of Finance Malaysia

From the figure above, it can be observed that from time to time, the Malaysian government's expenses in these three categories stabilized as they appreciated and depreciated as well. For the obvious, X3 (housing expenditure) was more stable compared with two categories, which are X1 (education expenditure) and X2 (health expenditure), but we can't deny that, as the graph shows, the Malaysian government spends the most from these three categories, followed by the education expenditure. These two categories were looked at as important by the Malaysian government as they will have a lot of positive impact on ensuring that Malaysia will become a developed country in the future. They mostly depend on these two categories as well, for example, low underweight problems and obtaining critical thinking skills by students that show Malaysia will continue to develop in the future. In terms of social policy is the tool that the government help people and the country survive or maintain their lives, which provides incentives like vouchers or rebates on utility fees as well, which can also maintain the country's economic development. For CPI, CPI was the indicator or economy standard measurement of consumers, showing how the local people's purchasing power as well, which can contribute to the country's economy within the year or maybe in the future as well. The impact of social policy on CPI in Malaysia was important because when there is sufficient social policy that is planned by the government and most beneficiaries are local consumers, then they can purchase sufficient and high-quality goods to improve their living standards, as the CPI indicates.

The New Economy Policy, this policy was the social re-engineering and affirmative action program formulated by the Malaysia National Operations Council after the period of Incident 1969 in Malaysia. The objectives of this policy have three main points: to achieve national unity, harmony, and integrity; to restructure the social economy; and to minimize the level of poverty in the country. The result of this policy implementation was that it had a little bit of help for the country, but overall, it wasn't effective, obviously as well.

For the economics theory, the theory that is implemented in any research will be related and prove that the research has a relationship with the economics theory as well. The theory that is related to social policy is the theory of public good. The theory of public good is the study that a good can be consumed by many people at no additional

cost and without excluding anyone, like government spending on national defence, education, health, and others. In this theory, the consumer can receive the benefit no matter in economic area or individual part that can increase purchasing power as well; it can also provide a high positive economic impact on the country's economic structure, and the country will become more efficient and highly creative in its economic development as well, even if it specializes in specific economics production area countries. For example, in social policy implementation in 2023, Malaysia continued to focus on the development and implementation of social policies aimed at managing the complex needs of its community. The National Social Policy has been a key framework for integrating social and economic policies to promote political unity, social stability, and equality. Efforts to eradicate poverty and improve the quality of life have been diversified through various programs and agencies such as FELDA, FELCRA, RISDA, Amanah Saham Bumiputera, and the Vision Village Movement. Additionally, the integration of Environmental, Social, and Governance (ESG) principles has been emphasized, aligning with the government's *"Ekonomi Madani"* policy, which focuses on sustainable development as a crucial pillar in Malaysia's economic reforms. Challenges in the ESG ecosystem have been identified, and strategies are being developed to address these while enhancing sustainable and responsible investment practices.

Moreover, boosting social security has been a top priority, with initiatives to transform systems and approaches to create a more inclusive and equitable world through innovative strategies and collective action. Budget 2023 has also sought to improve Malaysia's social well-being infrastructure, indicating a commitment to reforms and the development of a strong social foundation. The government has also expressed its commitment to ramping up the implementation of ESG-related strategies, focusing on development programs and projects that prioritize environmental, social, and corporate governance. These efforts reflect Malaysia's dedication to fostering a sustainable future and improving the social well-being of its citizens (Mohammad Zahir Zainudin, 2020). While the consumer price index (CPI) is inflation, inflation is the general increase in the prices of goods and services in economics, and the CPI is the measurement for inflation as well. If the inflation figure was at a high level, then the purchasing power of consumers would weaken, and their living

standards would be negatively affected as well. While the inflation figure was at a low level, the prices of goods were growing slowly, but countries were faced with low investment and discouraged spending as well, which belongs to deflation as well. For example, to the CPI, Malaysia's headline consumer price inflation is expected to moderate to between 2.5 and 3.0 percent in 2023, compared to 3.3 percent estimated for 2022, mainly driven by the easing of global supply constraints and stabilizing of commodity prices.

According to the World Bank prediction, there is premised on the assumption that the ceiling on retail fuel prices and price control measures on selected food items remain in place throughout the year, limiting cost pressures from the prevailing global oil and food prices. That means, underlying inflation, as measured by core inflation (excluding food and fuel prices), is expected to remain around 3.0 percent," the conference of the latest Malaysia Economic Monitor report, as a highly open economy, they said Malaysia will continue to face substantial risks emanating from the external environment. "Shocks to global growth - including higher than expected inflation, tighter financial conditions, intensifying slowdown in major economies, prolonged Russia-Ukraine war and continued lockdowns in China - could cause a sharper-than-expected slowdown in global growth," they said. The report also estimated that a one percentage point decline in gross domestic product (GDP) growth of the G7 economies and China, could lower Malaysia's growth by between 1.0 and 0.7 percentage points. They noted that broader and more persistent price pressures in Malaysia may necessitate further monetary policy adjustments to dampen domestic demand over the near term, while a decline in real disposable household incomes from higher prices could also weigh on the strength of consumer spending. "Additionally, the relatively high levels of non-financial corporate debt and household debt amid tightening financial conditions may weigh more heavily on private investment and consumption," they said.

According to the report, the consumer price inflation in Malaysia moderated to 3.8 percent in December 2022 from 4.0 percent in November, while core inflation was estimated at 4.1 percent versus 4.2 percent a month earlier. "The moderation in consumer price inflation in food and beverage prices contributed to the lower increase in national inflation. However, compared to regional peer countries and around the world, inflation has remained broadly stable in Malaysia,

mostly due to blanket fuel subsidies and price controls (The Star, 2023). Given that this research has shown in some of the past studies that social policy needs to combine with other factors to affect CPI, the results shown can be significant compared with the only focus on social policy that affects CPI.

The general hypothesis will be used in this study:

Hypothesis 0: CPI is not related to social policy implementation

Hypothesis 1: CPI is related to social policy implementation

The research objective will be shown below as well:

1) To verify the relationship between social policy implementation and CPI in Malaysia

The analysis by other researchers shows that social policy implementation is important to CPI, which has a significant and positive effect on CPI, and the changes to CPI will directly determine the future of the country (Yusof et al., 2021). The relationship between social policy and CPI needs to be analysed through the ordinary least squares model (OLS) to comprehend what the trend of CPI is when social policy is introduced by the government. By this analysis, it will be easy to know how the relationship was at all, and the data will be concerning within 19 years to prove the relationship. The aim is to develop a deep analysis between these independent and dependent variables as well.

2) To define social policy implementation as important in Malaysia

The sectors in which the government spends a lot are important, and there is a certain function to make sure Malaysia can improve from developing countries to developed countries and escape from the middle-high income trap (Hassan et al., 2020). Through the analysis to understand how social policy was introduced in Malaysia, we will see the positive impact on Malaysia's economy, whether from the political, economic, or social aspects. Easy to relate to this research was to prove whether the social policy introduced in Malaysia can change the trends of Malaysia's economics like GDP, GNP, and so on,

for Malaysia's development to have some positive impact or not, but almost all of this policy implementation was good enough for almost all countries except for the policy introduction, which was not for countries but just for some political parties as well.

3) To define CPI as important in Malaysia.

The sectors that show a higher relationship or closer dependency on the commodities tend to receive a larger impact from commodity price changes, and government policy might also affect the result and magnitude of commodity prices on CPI in Malaysia (Sek et al., 2023). Research in the CPI will let us know how the belonging prices influence the consumer and how they consume at all when there is too much or too little CPI. It's because CPI in the high and low values is not seem to encourage optimism, especially for consumers as well. So in this research, we will look deeper via the model to observe how CPI can have an impact on policy or deny it, as well as the trend of CPI being important in Malaysia related to their daily lives and living standards.

This research use Eview to do the regression model test to observe how social policy implementation (focus on education, health, and housing expenditure) affects CPI in Malaysia. This research contribution was mentioned according to the previous study with analysis via a quantitative method on the impact of social policy on the CPI in Malaysia, which can reflect the suitable social policy that can affect the CPI apart from other economic factors as well. The scope of this research study is limited to what the CPI influence has been over the past 19 years and focuses on the relationship between social policy implementation and CPI, as well as the trends that will affect economic development in the future.

LITERATURE REVIEW

Social policy that was implemented by the government increased people's living standards, and overall CPI declined compared with the past 10 years in Malaysia and Indonesia, but sometimes it will also increase as CPI needs to balance value (Zainuddin et al., 2015). Different social policies that are introduced or added on by the government have some smoothing progress with direct influence

on the CPI in certain countries in Europe (Ginevicius et al., 2009). Welfare and education had a lot of effects from certain social policies that focused on the education system and welfare, which hurt CPI (Hega et al., 2002). Government expenditure on education is positive and insignificant for CPI in Nigeria (Ebisine et al., 2021). According to the regression analysis shown, the relationship between health expenditure and CPI was negative and significant in Turkey (Turgut et al., 2017). Health expenditure in South Africa was also shown to be positive and insignificant to the CPI, as well as the analysis result (Ndaguba et al., 2021). According to the analysis result for housing expenditure to CPI, there is a negative and significant relationship to CPI in the United States (Diewert et al., 2009). For the country Bangladesh, it has been shown that the housing expenditure increase will cause their CPI to increase as their poverty rate will also increase, as in some special cases in the world, more investment or helping will cause a CPI increase, according to a researcher survey (Gimenez et al., 2014). For the most part, the research just focuses on the sustainability of CPI across countries as well (Harymawan et al., 2020). Health expenditure by the government has a different impact on CPI among the various countries as well (Bakhi et al., 2021). The social policy that was implemented in Pakistan didn't have a significant but negative relationship with the CPI (Abbass et al., 2021). The research mentioned that the analysis showed that social policy made by the government was negatively insignificant to CPI in Southeast Asia (Amin et al., 2020). The government's social policy (expenditure) in Nigeria didn't impact the CPI as well, apart from other variables (Adaramola et al., 2020). The responders didn't issue about how important social policy was to the CPI as well in Indonesia; that's to say there wasn't a relationship between social policy and the CPI according to the quantitative study as well, but this needs more information to prove it just because there were some random picks among the respondents (Sparrow et al., 2020). Education spending by the government in Nigeria had an insignificant but positive relationship to the CPI according to the method of ordinary least squares (OLS) (Akobi et al., 2021). Belonging to the CPI that was affected by the government housing expenditure in the United States, it was shown that there was an insignificant positive relationship between housing expenditure and the CPI in the United States (Hill et al., 2023). Social policy related to housing policy in the United States had an insignificant effect on CPI; it meant that the changes in

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CPI were influenced by almost the consumer itself, but it depended on other countries' economic structures and situations (Boesel et al., 2021).

According to the description above, most of the countries have insignificant social policies on CPI as well, including Nigeria (Overall), South Africa (Health), Pakistan (Overall), and Southeast Asia (Overall). Turkey (Health) and Bangladesh (Housing) were significant for social policy on CPI based on the different economic structures and their social policies as well. However, for the United States, some of the articles mentioned that their housing expenditure was significant on CPI, while others mentioned that it wasn't significant as well, which is not consistent for the United States.

For the study of social policy on CPI, there are a lot of points to observe, and for the review studies, there are some points to criticize. For example, social policy can be implemented over the time if that country's government has a sufficient budget. Social policy can be implemented to observe the trend of CPI, which is cooperation between the government and the central bank, which uses monetary policy as well.

Apart from the social policy that the government implements, there are other economic factors, like the unemployment rate, that can be related to the CPI as well (Yusof et al., 2021). Implementing a new tax structure or system can also be related to CPI in almost all countries, both in the long term and in the future (Sek et al., 2023). Foreign Direct Investment (FDI) can be considered the variable that analyses the impact of the CPI (Hu et al., 2024). Financial development or trade openness may be included as a variable of study in CPI (Nguyen et al., 2022). Research and development (R&D) indicators can be considered as factors that have an impact on the CPI as well (Raihan et al., 2023). Human capital can also be considered an add-in variable of CPI that was not researched by other previous journal articles as well (Nguyen et al., 2022).

In this research, the author will study the impact that social policy implementation will have on the percentage of the CPI in Malaysia within those 19 years, according to the qualitative analysis supported by the previous studies as well as more evidence.

METHODOLOGY

Data collection in this research will be done through the Frend Economics data and the Ministry of Finance in Malaysia within 19 years, from 2005 to 2023, which includes consumer price index (CPI), government education spending, government health spending, and government housing spending, and all the data will be abstracted from the data base above.

For this research study, CPI was just reflecting on what the definition was about. CPI was the equation between the price of the weighted average market basket of consumer goods and services purchased by households.

$$CPI = \frac{Cost\ of\ market\ basket\ in\ a\ given\ year}{Cost\ of\ market\ basket\ at\ base} \times 100\%$$

Which for the model suitable this research study was:

$$CPI = f(ES, HES, HSS) \tag{1}$$

Where:

CPI : Consumer Price Index
ES : Government Education Spending
HES : Government Health Spending
HSS : Government Housing Spending
The econometrics equation can be expressed by:

$$CPI = \beta_0 + \beta_1 ES + \beta_2 HES + B_3 HSS + \mu \tag{2}$$

Where :
β_0 is the constant intercept which shows the level of CPI
β_1:Coefficient of parameter Government Education Spending
β_2:Coefficient of parameter Government Health Spending
β_3:Coefficient of parameter Government Housing Spending
μ :Random error term

The research method will use ordinary least squares (OLS) to identify the relationship between CPI and education expenditure, health expenditure, and housing expenditure. In this case, there is 1 dependent variable and 3 independent variables, which are CPI (Y is the dependent variable), education expenditure (X1 is the

independent variable), health expenditure (X2 is the independent variable), and housing expenditure (X3 is the independent variable). For this research, the data from 2005–2023 was used to analyse how related and not related the relationships were. This research employed quantitative method, which is collecting the data and analyzing it with the views. The OLS method is used to justify whether independent variables influence dependent variable as well, which can be observed simply as well through this method. The limitation of this method is the lack of a specific method to observe whether the analysis was more accurate or not, but this method was more suitable for this analysis as well as the ARMA method.

For the diagnostic check, the heteroscedasticity check, the multicollinear check and the autocorrelation check were the diagnostic checks for every paper that used the quantitative method as well. For the heteroscedasticity check, Table 1 and Table 2 shows that the prob. Chi-Square (9) (first of the prob.) was greater than 0.05, so that the regression model was free from the heteroskedasticity problem.

Table 1

The Result of Heteroscedasticity Test

F-statistic	5.074764
Obs*R-squared	15.87231
Scaled explained SS	13.02157
Prob. F(9,9)	0.0119
Prob. Chi-Square(9)	0.0696
Prob. Chi-square(9)	0.1616

Source: Own work

Table 2

Interpretation of Heteroscedasticity Test

Obs*R-squared	Prob.	Conclusion
15.872	0.07	Not occur Heteroskedasticity

Source: Own work

For the multicollinear check, Table 3 shows that the three independent variables were free from multicollinearity because the value of the centered VIF was less than 10.

Table 3

The Result of the Multicollinearity Test

Variable	Coefficient Variance	Uncentered VIF	Centred VIF
X1	5.40E-08	4.346165	1.438260
X2	2.69E-08	13.17927	1.451315
X3	3.23E-07	6.321069	1.010895

Source: Own work

For the autocorrelation check, Table 4 shows that the Durbin-Watson result was 1.982968, and the Durbin-Watson table (n = 19, k = 3) was 1.685 with α = 0.05, so for the result, there was no autocorrelation in this model.

Table 4

The Result of the Autocorrelation Test

Durbin-Watson stat	1.984968

Source: Own work

According to the three diagnostic checks, this research can continue to be analysed with the quantitative method, which uses the ordinary least squares (OLS) model as well, which can maintain the principle of the quantitative method.

RESULT AND DISCUSSION

This research will show how social policy influences CPI step-by-step via Eviews. Firstly, in this research, we will analyse the normal equation test. According to Table 5 and Table 6, R-squared shows that there is 0.2 percent and includes three variables, which are education expenditure (X1), health expenditure (X2), and housing expenditure (X3), as dependent variables (Consumer Price Index, CPI). It meant that these three independent variables only have a 0.2 percent effect on CPI, which is the dependent variable, and 99.8 percent were affected by other factors that weren't analyzed in this research. The econometrics model can bring in:

$$CPI = 2.137410 + 0.000012ES + 0.00000228HES + 0.0000888HSS$$

The equation above will be explained in the discussion part. The second part of the analysis was the normality test.

Table 5

Regression Model

Variable	Coefficient	Std.Error	t-statistic	Prob.
X1	0.000012	0.000232	0.051801	0.9594
X2	0.00000228	0.000164	0.013923	0.9891
X3	0.0000888	0.000568	0.156233	0.8779
C	2.137410	1.282205	1.666981	0.1163

Source: Own work

Table 6

Regression Model (R-squared and Adjusted R-squared)

R-squared	0.002065
Adjusted R-squared	-0.197522

Source: Own work

According to Table 7 and Figure 3 below, the probability of the data was higher than 0.05, so the residuals in the regression model were normally distributed.
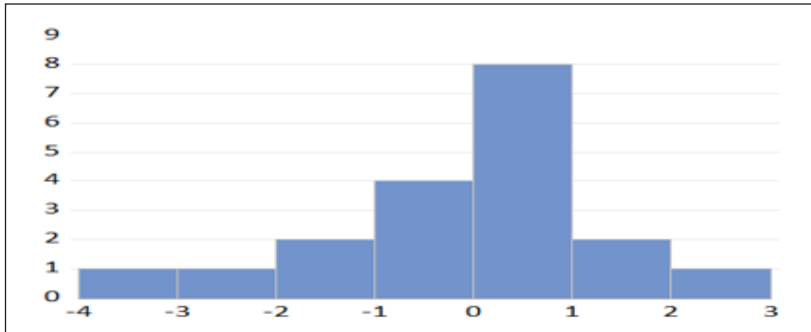
Table 7

The Result of the Normality Test

Mean	-3.30e-16
Median	0.439822
Maximum	2.136709
Minimum	-3.680816
Std. Dev.	1.405599
Skewness	-0.966546
Kurtosis	3.632558
Jarque-Bera	3.275107
Probability	0.194455

Source: Own work

Figure 3

The Trend of the Normality Test

Source: Own work

Furthermore, we will analyze the T statistics and F statistics. From the Table 8 observation, all of the independent variables failed to reject H0 because the T value was less than the T-table value, so these three independent variables were not significant to CPI.

Table 8

The Result of the T-test

Variable	T Count	T table	Prob.	α	Result	Conclusion
X1	0.051801	2.120	0.9594	0.05	Failed to reject H0	Not Significant
X2	0.013923	2.120	0.9891	0.05	Failed to reject H0	Not Significant
X3	0.156233	2.120	0.8779	0.05	Failed to reject H0	Not Significant

Source: Own work

Table 9 shows that the F value of this research was lower than the F table value, which means that X1, X2, and X3 were not significant to the CPI, which is the dependent variable.

Table 9

The Result of F-test

F Count	F Table	Prob.	α	Result	Conclusion
0.010347	8.70	0.998491	0.05	Failed to reject H0	Not Significant

Source: Own work

Lastly, checking with the correlation analysis, it was shown in Table 10 that all of the figures were positive, which means that the relationship between the three independent variables and dependent variables had positive trends apart from the regression model analysis.

Table 10

The Result of the Correlation Analysis

Correlation t-Statistic Probability	Y1	X1	X2	X3
Y1	1.000000			

X1	0.019564	1.000000		
	0.080680	------		
	0.9366	------		
X2	0.017172	0.551388	1.000000	
	0.070814	2.725122	------	
	0.9444	0.0144	------	
X3	0.041401	0.028505	0.098997	1.000000
	0.170849	0.117578	0.410189	------
	0.8664	0.9078	0.6868	------

Source: Own work

For the final, we can know that only H0 will be proved as the social policy implementation didn't have any relationship with the CPI just because only 0.2 percent of these three independent variables showed that to the CPI. As mentioned above, the correlation between CPI and social policy implementation was positive, as they were all positive.

Based on the result and discussion, for the government in education spending, 1 unit increase in education spending will increase about 0.000012 units of CPI. For the government spending in the health area, 1 unit of increase in health spending will increase about 0.00000228 units of CPI, and for the government housing spending, 1 unit of increase in the housing area will increase about 0.0000888 units of CPI, so total from social policy implementation, there was no effect on CPI whether there was a positive relationship, and in this research, we need to accept H0 and other hypotheses should not be accepted as well. For the education expenditure, there is evidence that this

expenditure doesn't affect CPI just because its T value is lower than the t-table value of 2.120, so it can be analysed with the result being accepted as H0. For health expenditure, the same with X1, which is education expenditure, doesn't affect CPI. Its T value was lower than the T table value, and this research can receive H0 as the result. The housing expenditure, which is the same with X1 and X2, which are education and health expenditure, didn't have an impact on CPI as their T value was lower than the T-table, which was 2.120, and the result is accepted as H0.

As this paper can observe from the regression model via OLS analysis, the CPI didn't have an impact on social policy implementation just because there were a lot of other factors to affect it, and the most important was that the CPI was similar to inflation, and this situation was not easily controlled by the government as they added on some social policy to prevent the CPI from becoming worse in Malaysia. But not to deny that social policy will indirectly impact the CPI through other factors that will be impacted by social policy as well. In this research just directly focus on the effect of social policy implementation on the CPI as well. The influences of CPI are not only lessened by fiscal policy but they also need the monetary policy to combine and have more impact (Tahajuddin et al., 2021). Some other factors affect CPI apart from fiscal and monetary policies (Harymawan et al., 2020).

So for the CPI, it was related to fiscal and monetary policy as the government expanded their expenditure on those two related areas and provided some subsidies to the low-income tenants. According to the analysis result, was shown that the central bank policy used in monetary policy was positively significant to CPI as well within several countries (Muhammad Naveed Jamil, 2022). The monetary policy that was implemented by the central bank contributed the most to the changes in CPI in Indonesia (Medyawati et al., 2021). The design of monetary policy had an effect on CPI related to the supply chain in China, according to the mathematical derivation (Wei et al., 2020).

CONCLUSION AND POLICY IMPLEMENTATION

CPI was mostly affected by the macroeconomic variable side, which is a fiscal and monetary policy with some current political

situation in that certain country including Malaysia. The social policy implementation affected the consumer living standard, which means how their life satisfaction was, and the CPI was only 0.2 percent affected by the social policy implementation via the Eviews analysis. Social policy implementation by the government was important because it could improve the tenant's living standards, and CPI also played an important role in making sure tenants didn't purchase the belongings at a higher price or the belongings' price wasn't stable. Sometimes the government raises the CPI target by 10 percent, then there will be a more significant increase in the average frequency of 6 percent CPI points, indicating that policymakers are important in deciding the point of CPI, especially in the United Kingdom (Dixon et al., 2020). This paper will show that the analysis was only focused on social policy implementation and that the other factors were ignored as well. For the policy implementation, the government can cooperate or lend a hand to the central bank as they can implement effective monetary policy or some monetary tools to ensure that the CPI is not at a higher or lower level that will impact the tenants' ability to afford the purchasing power on the necessary belongings as well. The government can also cooperate with traders, whether domestic or international, to make sure they can supply sufficient belongings, as long as the trader has enough profit to cover their costs.

The Malaysian government can plan social policies that want to be implemented that relate to research and sustainability development, especially economics in Malaysia. It seems that this type of social policy is important, not just in Malaysia but in other countries as well. Usually, the government plays an important role in making sure the policy implemented in that country has a positive outcome and influences as well. This research and development was the development that was involved in the industry's production and development, especially in software tools as well. This type of development can bring positive outcomes in that, following the changes year by year, the technologies that were expected in the future were more demanding, and quality was also higher expectation as well.

Furthermore, the Malaysian government can implement social policy based on the lack of local communities in Malaysia as well; for example, the higher prices of belongings can negatively influence local communities as well. The main action that the Malaysian government can use is to provide incentives as well, but this action is not the only way to be supported by the Malaysian government.

Maybe the Malaysian government can cooperate with the central bank in Malaysia to observe the fiscal and monetary policy that can maintain Malaysia's CPI as well as make the goods' prices less ridiculous by changing year by year as well. It's because the trend of CPI does not matter in which countries showed that there was a cycle, especially for economic growth and development changes as well, so policymakers may need to observe and discuss what they need to change according to the latest economic problems that occur as well by using high-quality economics software to analyze the problem and find out the solution as well.

Apart from that, the Malaysian government can cooperate with other countries in economic areas as well, for example, by decreasing the taxation for the highly skilled foreign workers who are working in Malaysia and attracting their talent buddies as well. It's because they can contribute to Malaysia's economic development in certain ways. While the policy that is made by the government can have a positive influence, it does not matter to locals or foreigners as well, but most focus is on locals, especially the talent people.

Entrepreneurship styles in Malaysia can be changed year by year according to economic trends, which are part of the structure involved in this new era. It's because entrepreneurship can become a government assistant that imports the latest technologies and joins the discussion with the government to make a policy that can have a positive effect on the country's economy. For the perfect competition between entrepreneurship in Malaysia, the government can provide the competition platform and give incentives to entrepreneurship that can be traded in special and rarely existing belongings that exist in the market as well. It seems that more special characteristics will bring more outcomes to country economics, and the structure of country economics will also be changing in the new style. The Central Bank of Malaysia can adjust the interest rate actively based on the trends of CPI and inflation as well. It seems that the interest rate in that certain country can be observed based on the macroeconomic environment and the local economic situation as well. It does not matter which countries directly affect local communities and have a negative impact if CPI is too high or low, as well as year by year and long-term.

Local communities can support the local product as well, no matter in which country. It seems that purchasing local products can have a

positive effect on the outcomes of the government and local industries as well, so the government should support and encourage the local industries to use high-tech products that are high in quality and quantity as well. They can also be competitive with other countries industries in international trading as well. For this duty, the government can give them specific training related to production in high technologies that local industries can improve well, and that is a win-win situation that does not matter for local communities, local industries, or the government as well.

Economists in Malaysia can study with overseas economists and interact with them to make sure Malaysian economics isn't behind the times as well. It seems that economists in Malaysia can try to create new theories according to the latest economic problems that occur in this era. Economists can also cooperate or join the forum with the center bank in Malaysia that observe will be more efficient for Malaysia's economy, no matter in CPI indicators or how many social policies need to be implemented within 5 years as well, so for their suggestions and proving or estimation, the center bank can observe and analyze whether the percentage that they can implement successfully in the present or future as well. After the decision-making, the central bank can give the government a suggestion on how many social policies can be made within this period and make sure other factors are also considered for making the country's economy more prosperous.

Social community organizations can be involved in the discussion or the making of the policy as well. It's because when these organizations join the discussion, they can provide feedback to policymakers on what problem was faced by the local community or which incentive was most suitable to include in the policy as well, which not only boosts the country's economy but also increases the local community's living standards. When local living standards were high, they were able to afford to maintain their original lifestyle or upgrade to a premium lifestyle to make sure they could fulfill what they were demanding in this era. Including the high technologies trending, local communities demanded more of a quality lifestyle, not only looking at quantity as well, while policymakers could just try their best to fulfill local communities' demand according to their financial situation as well. If not enough, then local communities needed to be paid higher taxes by the government, and their country's economic development would be

in high concentration. For this paper study, the ARMA method may be considered in this type of analysis as well in the future.

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