Some progress, multiple challenges

Malaysia is officially aiming to become a developed country by 2020. However, although the living standard of the population has seen improvement in terms of essential services and employment, the country is riddled with corruption, affecting implementation of development projects that seek to provide basic needs such as drinking water, sanitation, education, health care and food security, as well as monthly financial assistance to households living in extreme poverty. Also, the conversion of tropical forests into plantations, particularly oil palm, threatens indigenous peoples' livelihoods and the country's biodiversity.

According to government data compiled by UNDP in 2005, 1 Malaysia claimed to have achieved all the Millennium Development Goals (MDGs) except for MDG 6 and 8 where it was reported to have insufficient information.

The first 10 years of the MDGs fell within the 8th and 9th versions of the Malaysia Plan, the country's five-year development blueprint since its inception in 1966. During this period, Malaysia (a population of 26.7 million) have generally seen improvement in essential services and employment. However, the problem of corruption remains, affecting implementation of projects to provide potable water, waste management, basic sanitation, education, health care, and rural roads as well as monthly financial assistance to households living in extreme poverty.

While both the 8th and 9th Plans firmly acknowledged the need to promote an equitable society by eradicating poverty and reducing inequalities among and within ethnic groups as well as regions, they were skewed towards narrowing income inequality between the Bumiputra (a Malay term implying being native which includes Orang Asli and Orang Asal) and the Chinese, the second largest ethnic group (25% of the population), and had emphasized increased Bumiputra corporate equity ownership. The target of reaching 30% of equity ownership in all economic sectors by 1990, was missed.

Due to a major change in national politics after the 2008 general election—when for the first time the ruling coalition lost its two-thirds control of Parliament—the 10th Malaysia Plan (2011-2015) sought to reform the economy in a more “inclusive” manner by means of a New Economic Model. 2 This Model, which was formulated by the National Economic Advisory Council in 2010, presents an overall framework for transforming Malaysia from a middle-income to an advanced nation by 2020. It assesses the country’s strengths and weaknesses, taking into account the effects of the financial crisis.


5 For more information on indigenous people’s land conflicts, see the Forest Peoples Program: <www.forestpeoples.org/documents/asia_pacific/bases/malaysia.shtml>
Penans, an indigenous tribe in Ulu Belaga, Sarawak, noted that the Government's poverty eradication program did not reach the community, which lived in abject poverty.6

**Food security remains a challenge**

The success of Malaysia in its export-oriented manufacturing and agricultural commodities sectors has resulted in a lower priority for food production. Rice—the staple food—is the only crop that has been targeted for some degree of self-sufficiency. With agricultural development largely focused on export-oriented crops such as oil palm, which had an export value of USD 15.6 billion in 2009,7 there is less land for food production. Of the 6.4 million hectares of agricultural land, 4 million and 1.3 million are cultivated with oil palm and rubber respectively.

Ageing farmers, abandoned rice fields, and years of insufficient priority on food production caused a panic during the global food crisis in 2008, when Thailand and Vietnam reduced their rice export. This is despite the fact that under the 9th Malaysia Plan, a target had already been set to raise Malaysia's rice self-sufficiency level to 90% by 2010 from 72% in 2005. However, in the 10th Malaysia Plan the target has been revised downward to 70%.8

Over the last 10 years, Malaysia's has experienced a growing food import bill, which rose steadily from USD 3.44 billion in 2000 to USD 9 billion in 2009.9 Meanwhile, encroachment of large-scale oil palm monoculture into the interior of Sabah and Sarawak is also affecting the food production of the indigenous peoples who still practice subsistence agriculture.

**Education and health**

Most young Malaysians (aged 7 to 12) receive a full primary education. Enrolment increased from 2.9 million students in 2005 to 3 million in 2010 against an estimated 2.5% decline in the birth rate.10 Various educational support programs—such as a textbook loan scheme, subsidized meals, and boarding facilities—as well as educational support programs—such as a textbook loan and a full-fledged environment ministry is now in place, the childhood immunization program against most vaccine-preventable diseases is provided free in all government facilities.

Statistics show that the rate of HIV-infection has continued to decline from the peak of 6,978 cases (28.5 cases per 100,000 population) in 2002 to 3,692 (13.3 cases per 100,000) in 2008.11 The Ministry of Health estimated a notification rate of 10.0 cases per 100,000 in 2009. However, the profile of the epidemic is changing, with more women being infected. In 1990 only 1.1% of reported HIV cases were women, but this increased to 9.0% in 2002 and to 19.1% in 2008.12

In 2003, following the 2001 WTO DoHa Declaration on Trade-Related Intellectual Property Rights (TRIPS) and Public Health, Malaysia became the first country in Asia to issue a “government use” compulsory license for selected antiretroviral (ARV) drugs patented by corporate drug giants, owing to their exorbitant costs, which drastically limited access. Generic versions of the drugs were imported from the Indian company Cipla for use in public hospitals and clinics for a period of two years beginning 1 November 2003. The effect was to reduce the monthly cost of treating a patient from USD 375 to USD 63-69, a drop of between 68% to 83% depending on the combination of drugs. Another effect was that the patent holders lowered their own prices, benefiting patients who receive private treatment.

The Government is considering privatizing health care through a health insurance financing scheme, although 70% of the population relies on affordable public health care. With a Gross Domestic Product (GDP) of USD 157 billion, the country’s 2009 health care budget (USD 4.3 billion) is far below the 6% of GDP recommended by the World Health Organization.

**Environment, biodiversity and safe drinking water**

Although environmental policy-making has improved and a full-fledged environment ministry is now in place, environmental protection still takes a back seat to the quest for industrialization and wealth creation, in spite of many promising conservation policies and legislation. Timber extraction has largely been carried out in an unsustainable manner so that production has declined over the years, necessitating the import of round logs and sawn timber to meet the demand of local sawmills. In 2005, the timber industry and the Government entered into a plan under which, to continue supporting the industry that had destroyed the forests in the first place, plantation forests would be developed by private companies with Government soft loans and tax-free incentives. These plantation forests have expanded nearly 30-fold in three years from 1.626 hectares to 44,148 hectares in 2009.13 According to 2005 forestry data over 1.5 million hectares of Malaysia are plantations, comprising 7.5% of its tree-covered areas.

The Association for Tropical Biology and Conservation (ATBC) has sounded an alarm that the conversion of tropical forest into plantations, particularly oil palm threatens indigenous people’s livelihoods and the country’s biodiversity and endangered species, and also release significan greenhouse gases.14 Many of the country’s iconic mammals such as the rhinoceros, elephant, tiger and orangutan are threatened by shrinking habitats, contributing to human-wildlife conflicts. Scientists have warned that these species will be extinct in less than 20 years if deforestation continues at the present rate.

Besides terrestrial biodiversity loss, marine fisheries resources have been depleted since 1970, so much so that fish biomass declined as much as 90% between 1971 and 1997 in some fishing areas. According to a Department of Fisheries’ survey, these resources on the west and east coasts of Peninsular Malaysia, Sabah, and Sarawak were already over-exploited in 1997.15

Malaysians have one of the highest water consumption rates in the world at an average of 300 litres per person per day—exceeding the UN recommendation of 165 litres per person per day. But that is only for populations that are connected to the potable water network. Vulnerable groups such as those living in squatter colonies and indigenous communities have to contend with less in terms of both quantity and quality. Rural and indigenous communities that once relied on rivers for drinking water increasingly have to turn to harvesting of rainwater as most rivers are contaminated by industrial logging and pesticide run-off from plantations.

In Selangor, the most industrialized state, the water privatization agreement has been challenged in court for its lopsided terms that ensure high profits for the concessionaires and a disproportionate burden on the poorest in society. For years, conservationists have called for a demand management approach towards water, with incultation of water conservation habits and rainwater harvesting at the household level, so as to avoid the financial and environmental cost of dam construction. However, government policies have been slow to respond.

**Conclusion**

While the official Malaysian Plan reports paint a rosy picture, highlighting achievements but not acknowledging failures, there continue to be concerns as to the accuracy of Government statistics and assessments. It remains to be seen whether the Government’s development agenda, particularly for vulnerable groups, will be carried out as planned given the minimal monitoring and accountability over allocation both from the Federal and state coffers.

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8 Economic Planning Unit of the Prime Minister’s Department, op. cit.


15 For more information, see: <www.dof.gov.my/home>. 