Chapter XX

Health Services

CHAPTER XX

Health Services

I. INTRODUCTION

Health programmes covering promotive, preventive, curative, and rehabilitative services form part of the efforts of the Government to raise the overall living standard in the country. Besides meeting a basic need, health programmes are an investment with the ultimate aim of improving the wellbeing of the people and raising their productivity. A well balanced nutrition is crucial to general health, particularly of the poor. During the Fourth Malaysia Plan period, continued emphasis was placed on the provision of health services to rural areas in order to attain a more equitable distribution of health services as well as to improve family development. Health programmes took into account the changing morbidity pattern, escalating cost of health services in both the public and private sectors, lack of intersectoral approach and interagency co-ordination, rising public expectations, and serious constraints on available resources.

During the Fifth Malaysia Plan period, further stress on preventive, promotive, and curative health care for rural areas in particular, and the renovation, upgrading, and refurbishing of existing health care delivery centres and institutions will be pursued to meet the rising requirements of the population. Cost-effective methods for consolidating various health programmes will also be adopted in an attempt to reduce the financial burden of the country.

II. PROGRESS, 1981-85

Health programmes during the Fourth Plan period, focussed on the needs of identified population groups, especially in the rural areas, with the aim of improving their health status. Priority was given to attaining a more equitable distribution of health services. Health programmes took into account, amongst others, the changing pattern of diseases, from that of a predominantly infectious nature to that of chronic diseases; rising public expectations, including demand for new technology and high-cost medicine; and rising costs.

During the period 1981-85, the extent and coverage of health care services improved. The overall improvement in health services is shown in Table 20-1.

TABLE 20-1

MALAYSIA: INDICATORS OF HEALTH SERVICES AND CONDITIONS, 1980 AND 1985

Indicator	*1980*	*1985*
Doctors per 10,000 population	2.6	3.2
Dentists per 10,000 population	0.5	0.7
Acute care hospital beds[1] per 1,000 population	1.7	1.7
Rural population per health centre ('000)	25.8	20.4
Rural population per midwife/rural clinic ('000)	4.3	4.2
Life expectancy[2]		
Male	66.7	67.6[3]
Female	71.6	72.7[3]
Infant mortality rate (per 1,000)	19.7	17.5[3]
Toddler mortality rate (per 1,000)	1.8	1.5[3]
Maternal mortality rate (per 1,000)	0.6	0.4[3]
Crude birth rate[2] (per 1,000)	30.9	30.7[3]

Sources: Ministry of Health and Department of Statistics.
Note:
[1] Excluding private health sector beds.
[2] For Peninsular Malaysia only
[3] Figure for the year 1984

The number of doctors increased from 3,510 in 1980 to 4,510 in 1984, while dentists rose from 711 to 1,050 during the same period. The infant and toddler mortality rates declined from 19.7 and 1.8 in 1980 to 17.5 and 1.5 in 1984 respectively. Maternal mortality rate declined from 0.6 in 1980 to 0.4 in 1984. The low incidence of communicable diseases, such as malaria, tuberculosis as well as diseases of early infancy, attested to the general effectiveness of Government health programmes.

Medical and health services

The existing health care infrastructure throughout the country continued to be expanded and strengthened through a comprehensive health care system. These included the provision of basic health care services from the first point of contact at rural clinics to the general hospital in each state and the General Hospital in Kuala Lumpur which was the highest tertiary care level. Increased accessibility by the population to primary health care continued to be augmented by mobile health services.

The Government continued to build new hospitals during the Fourth Plan period to meet the target of two acute beds per thousand population. Nine new hospitals were completed, thereby increasing the number of acute care beds from

23,700 in 1980 to 26,200 in 1985. In view of the tight financial situation, the development of new hospitals could not meet the population increase, resulting in a marginal improvement in the bed population ratio.

The provision of dental health services was expanded as an integral component of the overall health programme. Seven dental clinics and 60 school dental clinics and centres were commissioned, while 22 mobile dental units were completed, increasing the number of dental chairs from 1,650 in 1980 to 1,980 in 1985. The dental chair-student ratio, however, declined from 1:3,200 in 1980 to 1:5,165 in 1985 due to the rapid increase in student population. The ratio of dentists per ten thousand population increased from 0.5 to 0.7 during the period. About 45 per cent of the 1,050 registered dentists were in the private sector.

Rural health services

The rural health services consisted, of a large package of services which were delivered under various health programmes which included amongst others communicable disease control, inpatient care, personal dental care, and family health, including maternal and child health, school health, applied nutrition, and health education. Rural health service activities were carried out at the midwife clinics and rural clinics level by auxiliary personnel, such as midwives and rural nurses, while at health sub-centre level by para-medical personnel such as health nurses and medical assistants. At health centres, the services were undertaken by professional personnel such as doctors and dentists. These facilities provided ambulatory care and were the first points of contact in the primary health care approach which allowed for referrals for higher level of care based on need. Institutional care required was provided in district hospitals, large district hospitals with basic specialist care, general hospitals with a wider range of specialist care, and, where necessary, in the national referral centre at General Hospital, Kuala Lumpur for the highest level of specialist care. This system constituted a hierarchy of health care within the Government health care system and ensured access to all levels of health care for the population. Accessibility and disparity of health services amongst geographical areas continued to exist as shown in Table 20-2.

During the Fourth Plan period, a total of 55 midwife clinics was upgraded to rural clinics and 163 new rural clinics were built. In addition, 37 health sub-centres were upgraded to health centres and 75 new health centres were built. The completion of these facilities contributed to the improvement in the ratio of rural population to one health centre from 25.8 in 1980 to 20.4 in 1985. An improvement was also registered in the rural population facility ratio for midwife clinics and rural clinics.

Applied food and nutrition programme

Measures were undertaken to raise nutritional levels since nutritional status is not only directly related to health but also influences the productivity and quality

TABLE 20-2

MALAYSIA: INDICATORS OF HEALTH SERVICES AND CONDITIONS BY STATE, 1980 AND 1985

	Doctors per 10,000 population		*Acute care hospital beds per 1,000 population*		*Rural population per health centre ('000)*		*Infant mortality rate per 1,000 population*		*Toddler mortality rate per 1,000 population*	
State	*1980*	*1985*	*1980*	*1985*	*1980*	*1985*	*1980*	*1985*[1]	*1980*	*1985*[1]
Johor	2.1	2.7	2.0	1.7	20.0	17.3	24.6	17.0	1.7	1.0
Kedah	1.4	1.9	1.3	1.6	28.1	24.3	28.7	21.0	2.6	1.9
Kelantan	0.9	1.6	1.2	1.5	18.4	16.4	31.8	23.1	3.0	3.0
Melaka	2.5	3.3	2.1	1.9	18.7	20.3	18.8	16.0	1.4	1.1
Negeri Sembilan	3.2	3.3	3.1	2.9	19.3	14.8	23.7	18.3	1.6	1.3
Pahang	1.9	2.2	1.8	1.7	15.9	13.7	27.1	19.1	2.6	1.9
Perak	2.2	3.7	1.8	1.7	23.5	23.2	25.2	19.9	2.1	1.7
Perlis	1.9	2.7	2.7	2.5	19.3	21.3	24.2	18.4	2.2	1.8
Pulau Pinang	3.4	4.6	1.8	2.9	31.4	34.1	19.9	15.1	1.4	1.0
Sabah[2]	1.3	1.6	2.6	2.3	47.2	11.5	26.7	22.7	2.6	2.2
Sarawak	1.4	2.6	1.8	1.7	215.4	132.8	23.9	19.5	1.4	1.2
Selangor	2.2	2.9	0.8	0.9	27.5	27.0	21.2	13.4	1.2	1.0
Terengganu	1.2	1.7	1.5	2.0	14.7	12.2	29.9	22.2	3.2	2.7
Federal Territory of Kuala Lumpur	10.2	11.4	1.9	1.1	-	-	20.7	12.6	1.7	0.8
Malaysia	2.6	3.2	1.7	1.7	25.8	20.4	19.7	17.5	1.8	1.5

Sources: Ministry of Health and Department of Statistics.

Note:

[1] For 1984

[2] Includes the Federal Territory of Labuan.

of labour. The applied food and nutrition programme (AFNP) which emphasized efforts to improve the nutritional status of the population in the rural areas, covered 650 villages in 72 districts, had notable impact on toddler mortality in these areas. About 3.4 million population benefitted from this programme. The gradual decline in deficiency diseases and toddler mortality rate were signs of improved nutritional status in the country.

Health, socio-economic, and socio-cultural programmes were introduced in selected villages and suburban centres to improve the nutritional and health standard of the residents. About 4,500 sanitary latrines and 230 sewerage projects were provided. Potable water supply and wells as well as supplementary food supplies were made available during the period. Socio-economic programmes, which involved agricultural activities and income-generating handicraft projects, were undertaken to provide adequate input for upgrading the nutritional status.

Rural environmental sanitation programme

The rural environmental sanitation programme to meet basic needs of water supply and sanitation was continued. During the Fourth Plan period, 2,500 community water supply sources with piped house connections, 19,200 rain water catchment systems, and 356,800 sanitary latrines were completed, thus, providing about 1.5 million people with water supply and 1.6 million people with sanitary latrines. By 1985, 59.5 per cent of the rural population had access to safe and adequate water supply as compared with 43.2 per cent in 1980. More than two-thirds of the rural population were provided with sanitary latrines by 1985.

Health manpower development and training

Training programmes were improved with the expansion of facilities to cope with increasing demand for trained medical and health personnel. The annual intake of students at local universities increased from 298 in medicine and 48 in dentistry in 1980 to 427 and 64 in 1984, respectively. During the Fourth Plan period, 1,110 doctors, 180 dentists, and 267 pharmacists graduated from local and foreign institutions, bringing the number of doctors to 4,510, dentists to 1,050, and pharmacists to 815 in 1984. In addition, post-graduate medical training at local institutions was intensified and expanded in scope to produce about 1,200 specialists in various disciplines.

The main training activity of the Ministry of Health focussed on the training of para-medical personnel. A total of 9,384 para-medical personnel, ranging from radiographers, medical assistants to rural health supervisors, was trained during the period. These para-medical personnel, mostly serving in the rural health sub-centres and health centres, assisted in curative work in these centres. Table 20-3 shows the various categories of para-medical personnel who had undergone basic training, the majority of whom were in the field of nursing and midwifery.

TABLE 20-3

MALAYSIA: BASIC PARA-MEDICAL TRAINING, 1981-85

Category of staff	*1981*	*1982*	*1983*	*1984*	*1985*
Assistant Medical Laboratory Technologist (Peninsular)	45	82	90	48	36
Assistant Medical Laboratory Technologist (Sarawak)	10	8	10	-	5
Assistant Nurse	470	454	399	458	386
Community Nurse (Sarawak)	75	69	72	87	55
Dental Nurse	35	25	72	52	60
Dental Surgery Assistant	-	-	-	26	29
Dental Technician	19	13	22	19	21
Health Inspector	65	55	104	90	90
Junior Medical Assistant (Peninsular)	42	50	25	33	16
Junior Medical Asssistant (Sarawak)	16	19	23	24	27
Medical Assistant	140	120	74	60	108
Medical Laboratory Technologist	93	81	60	102	74
Midwifery Part II	213	179	141	164	118
Nurses	511	593	637	561	586
Pharmacy Assistant	79	74	104	91	111
Pharmaceutical Laboratory Assistant	17	5	15	14	1
Physiotherapist	12	6	20	18	18
Radiographers	23	22	5	14	27
Rural Health Nurse (Sabah)	10	13	19	21	36
Rural Health Supervisor	13	13	10	11	-
Rural Nurse (Peninsular)	-	-	-	16	-
Total	1,888	1,881	1,902	1,909	1,804

Source: Ministry of Health.

Research programmes

During the Fourth Plan period, the Institute of Medical Research (IMR), which provided various diagnostic services and manpower training for laboratory services, emphasized biomedical research, particularly on prevailing tropical diseases and rural health problems. IMR also served as the World Health Organization (WHO) Regional Centre for Research and Training in Tropical Diseases and Nutrition. Studies on nutritional status in low-income areas were undertaken, and the scope for scientific investigations in diseases was expanded. The Institute also served as a control clinical laboratory for the national network of laboratories maintained in the general and district hospitals as well as a reference centre for the health sector. Significant achievements were made in research, particularly on malaria, filariasis, dengue, and scrub typhus, which contributed towards the communicable diseases control programmes.

Population health programme

The population health programme, aimed at improving family welfare, was continued during the Fourth Plan period. About 150 static clinics, 350 satellite clinics, and 120 estate clinics, were established to provide greater accessibility to population health services. In 1984, the National Family Planning Board was renamed as the National Population and Family Development Board. The Board undertook a wider range of activities and a more comprehensive programme with respect to population and family development.

Private medical services

In the context of the development of health services in Malaysia, both the public and private sectors played complementary roles to achieve national policies and objectives. Private medical practices, which included single person and group practices, maternity and nursing homes, and private hospitals, experienced rapid growth during the Fourth Plan period. In 1981, there were 2,200 acute care hospital beds, and by 1984, it increased to 3,470 beds. In 1984, 54.0 per cent of the total number of doctors in the country were in the private sector compared with 49.6 per cent in 1981. The expansion of the private medical practices, however, was concentrated in the urban areas, resulting in some duplication of facilities. The majority of the private hospital beds were concentrated in the more urbanized and high income states such as Perak 14.5 per cent, Pulau Pinang 16.5 per cent, Selangor 16.5 per cent, and the Federal Territory of Kuala Lumpur 37.5 per cent.

Privatization

Efforts were made to identify services that could be privatized. Non-medical services, such as laundry, catering, and hospital maintenance at selected hospitals were contracted out. The Lady Templer Hospital in Federal Territory Kuala Lumpur, was leased to a private company by the Board of Trustees in 1984, relieving the Government of its annual grant for the maintenance of the hospital.

Health services financing study

The Health Services Financing Study, initiated in 1983 to review the total health care financing system in the country, was completed in September, 1985. The objective of the Study was to identify measures to optimize the utilization of available health resources as well as financing methods. In the process of formulating strategies for strengthening the sector, the Study also took into consideration various factors such as rising public expectations and demand for high cost technology and medicine, the need to ensure effectiveness and efficiency of health investment, the need to improve the balance of service provision between the public and private sectors, and greater co-ordination of activities among public agencies involved in health as well as with the private medical practices. The main recommendations of the Study were the creation of the National Health

Security Fund, establishment of the National Health Council for interagency co-ordination among the various public and private health delivery agencies, development of group medical practices and health management organizations (HMOs), selective privatization of medical and non-medical services, and decentralization or leasing of some of the general and district hospitals.

III. PROSPECTS, 1986-90

During the Fifth Plan period, emphasis in health development will be on preventive care and in fostering greater involvement of the community in health care. Based on the primary health care approach, which is aimed at improving health status among different population groups and areas, efforts will be made to improve intersectoral and interagency co-ordination and collaboration in health and health-related activities. Identification and provision of health facilities as part of the comprehensive set of programmes to develop identified smaller townships will be emphasized. Appropriate health services will be channelled to states with relatively higher health care needs such as Kedah, Kelantan, Sabah, and Sarawak. A National Health Plan will be worked out encompassing all health and health-related activities carried out by the various Government agencies as well as the private sector. The National Health Plan is expected to consolidate health care resources in order to ensure optimum utilization and cost effectiveness.

Medical and health services

Programmes for health services under the Fifth Plan will take into account the the limited financial capacity of the public sector as well as the need to expand the health care system. Various strategies will, therefore, be pursued, taking into consideration factors such as resource constraints, escalating costs, rising incidence of chronic and social diseases as well as the rapidly growing private medical sector.

Considering the tight financial situation, emphasis will be on more efficient use of existing hospital resources through the institution of modern management procedures. Measures to contain cost in the sector will include improved resource planning, efficient deployment of manpower and facilities as well as the application of strict criteria in the choice of new technologies. Priority will be given to preventive maintenance, renovation, and upgrading of existing facilities. An equitable cost sharing system of health care by the community will be encouraged by increasing community concern, awareness, and involvement in health care activities as well as by ensuring that those who can afford to pay bear a larger share of the cost burden. Towards this end, a study will be carried out to identify the most appropriate approach to achieve an equitable cost sharing of health care. Hospital administrators will be trained in techniques of budgeting, cost control, planning procedures as well as data collection and analysis. In order to strengthen co-ordination among public and private agencies responsible for delivering health

and health-related services, a national level council will be established which will be responsible for co-ordinating health activities.

The dental care programme during the period 1986-90 will strive to raise the dental health status of the population, particularly in the rural areas. More school dental clinics and dental centres to cater for the expanding school-going population will be established. Orthodontic services will be expanded to rectify dento-facial anomalies, while facilities for intensive treatment of periodontal diseases in the main dental clinics will be established.

Rural health services

The Government will continue to emphasize and improve further the coverage of rural health services in order to increase the accessibility of the population to primary health care in rural areas as well as to reduce disparity among states. Priority will be accorded to the provision of new rural health facilities where such facilities had not been provided, while upgrading of health sub-centres to health centres and midwife clinics to rural clinics will be continued. Additional facilities in selected existing health centres will be established to accommodate increased work load demands where such facilities are currently inadequate. Concurrently, programmes will be continued to improve and upgrade facilities in hospitals in support of primary health care.

Applied food and nutrition programme

AFNP will continue to be implemented. Besides the provision of food supplements, breast feeding and a code of ethics for infant feeding formula will be promoted. Nutrition education for mothers and the community through health clinics and cooking demonstrations will be expanded. The assessment of the nutritional status of children and expectant mothers will be stepped up through nutrition surveillance exercises.

During the Fifth Plan period, AFNP will be extended to 13 additional districts, covering 370 villages. Activities such as the provision of sanitary latrines, potable water supply, supply of light machinery, equipment, and related materials for small industries, animal husbandry, and fruit farm will be emphasized under these programmes. Guidance on dietary pattern and food consumption will be provided through talks and presentations as well as person to person contact.

Rural environmental sanitation programme

A wider range of water supply and sanitation coverage will continue to be undertaken during the Fifth Plan period. The target groups will be settlements in riverine, squatter, and isolated villages. Community participation in the installation and maintenance of water supply and sanitation facilities will be enhanced through the use of locally manufactured components. The Ministry of Health will collect, compile, and analyze all data pertaining to the programme in order to ensure follow up and adopt remedial measures.

Health manpower development and training

In view of the continued outflow of medical officers and specialists to the private sector, measures will be introduced to encourage them to remain in the public sector. More training facilities will be made available in fields with high vacancy rates such as pathology, neuro surgery, anaesthesiology, and ear, nose, and throat (ENT).

The duties of para-medical personnel will be extended to cover some of those which need not necessarily be carried out by doctors in order to enable them to concentrate on work requiring their expertise. In view of the increasing problems posed by industrial development in the form of overcrowding, industrial pollution, and occupational and work-related stresses, an occupational health centre will be established. Besides reducing the high cost of training abroad, the centre can train larger numbers of health personnel to meet the increasing demand for expertise in occupational and industrial health. Apart from the established training activities, the Government will give priority to post-graduate training for medical officers and post-basic training for para-medical staff, particularly in certain specialities such as anaesthesia, paediatrics, orthopaedics, opthalmology, radiology, and pathology.

Research programmes

Biomedical research, aimed at improving the diagnosis, management, and prevention of parasitic and infectious diseases, and community health problems, will continue to be expanded in accordance with national health goals. A biomedical museum is also proposed to be set up to cater for the needs of school children, university students, and young scientists as well as to act as a reference collection centre for specimens of small mammals, snakes and arthropod of vector-borne diseases.

Population health programme

During the Fifth Plan period, the population health programme will focus on the areas of population and family development. In the area of family development, a comprehensive and well co-ordinated multidisciplinary family development programme will be developed with the aim of improving family health, child care, and family income.

The Government will establish four regional specialist centres and 15 family development clinics to improve family welfare and health. The specialist centres at Ipoh, Johor Bharu, Kota Bahru, and Seberang Jaya will provide services relating to fertility, marriage, and cancer detection.

Family health programme

In order to maintain and improve health status, various measures, such as effective ante-natal and post-natal care for mothers as well as health education for the whole family, will be undertaken. Measures such as health education activities

in the form of talks and presentations, person to person interaction as well as mass media participation will be strengthened to further increase awareness of the important role of the family in promoting and maintaining health of the members. These programmes include immunization, promotion of breast feeding and preparation of balanced nutrition, and health care in pre-school centres and schools.

Private medical services

Appropriate measures will be taken to ensure a more equitable distribution of private hospitals throughout the country in view of overconcentration of private hospitals in urban areas. Planning and development of private hospitals will gradually be incorporated into the overall health plan of the country.

Privatization

In view of the increasing financial burden of the public sector and the need to increase efficiency, alternative methods of financing health care will be assessed. The possibility of leasing public hospitals partially or wholly to the private sector and permitting private doctors to practice in public hospitals on a sessional basis will be some of the approaches that will be examined. The development of HMOs will be encouraged as a means of promoting operational efficiency as well as organizing the private medical sector to effectively complement public sector health facilities. The feasibility of establishing a National Health Security Fund will also be carefully studied during the Fifth Plan period.

Financing health services and institutional development.

The Government, having considered the various recommendations of the health services financing study, will implement some of the recommendations during the Fifth Plan period. These recommendations include the formulation of training programmes and schemes of service for hospital managers, administrators, nurse anaesthetists, and related personnel; a study on user fee collection mechanism; and a detailed study on the establishment of the National Health Security Fund. In addition, a number of existing legislation will be reviewed with a view towards the orderly growth of the health sector. The enforcement of the Food Act, 1983 will be further strengthened to ensure effective surveillance of the food industries.

Occupational health programmes

Continued industrialization requires an increased role of the Government and the private sector in promoting and maintaining the health of workers. During the Fifth Plan period, efforts will be made to strengthen occupational health services. These efforts include the identification of major work-related health problems, particularly among agricultural and production workers, training of doctors and para-medical personnel to recognize occupational diseases and hazards

at an early stage, and the establishment of health standards and criteria to overcome work-related health problems. Other efforts will include the establishment of the Institute for Occupational Health and Safety to improve occupational health and safety standards in industries.

IV. ALLOCATION

The development allocation and estimated expenditure during the period 1981-85 and the allocation for the period 1986-90 for health services are as shown in Table 20-4.

V. CONCLUSION

Health care services will continue to be expanded by the Government. With increasing demand by the population for health care, coupled with rising public expectations, the real challenge will, therefore, be to find ways and means to meet the rising cost of providing health care. In view of this, new sources of finance must be identified. There is a need to reorientate and restructure prevailing systems of health care and for greater co-ordination between public and private sector in health care development. It is envisaged that a more equitable sharing of roles and functions as well as cost sharing in health care between the public and private sectors will have to be achieved.

TABLE 20-4

MALAYSIA: PUBLIC DEVELOPMENT EXPENDITURE FOR HEALTH SERVICES, 1981-90
($ million)

Programme	*Fourth Plan allocation, 1981-85*	*Estimated expenditure, 1981-85*	*Fifth Plan allocation, 1986-90*
Patient care services	471.00	470.64	377.57
New hospitals	471.00	470.64	377.57
Public health services	194.21	194.20	234.90
Rural health services	190.92	190.91	228.14
Other public health services	3.29	3.29	6.76
Dental health services	4.04	4.02	13.09
Training	18.97	18.96	3.25
Applied food and nutrition	14.34	14.33	30.00
Other health activities	26.86	26.85	26.54
Population and family health	46.75	46.75	12.53
Total	776.17	775.75	697.88

Chapter XXI

Housing

CHAPTER XXI

Housing

1. INTRODUCTION

Housing as a basic social need is one of the important components of the social sector. This recognition has led to the formulation of policies and programmes aimed at ensuring that all Malaysians, particularly the low-income group, have access to adequate shelter and related facilities. Towards this end, housing programmes have been undertaken by public sector agencies and the private sector to meet the needs of the population.

During the Fourth Malaysia Plan period, the public sector concentrated mainly in low-cost housing programmes and the provision of sites and services in the rural areas, while the private sector concentrated on medium and high-cost housing programmes mainly in the urban areas. The approach to housing development during the Fifth Malaysia Plan period will be based on the provision of houses not only through outright purchases but also through renting. The housing programmes will be implemented in the context of the human settlement concept which aims at providing adequate basic social services and amenities in housing areas. Village regrouping programmes will also feature the human settlement concept. The role of the public sector in housing programmes will be reduced with greater participation by the private sector. The Government, however, will continue to concentrate its effort on the construction of low-cost houses for the low-income group.

II. PROGRESS, 1981-85

A total of 923,300 units of houses was planned for construction during the Fourth Plan period. The target was formulated on the basis of population growth, backlog in fulfilling the housing requirements during the Third Malaysia Plan period, and the need to replace dilapidated units. Of the target, the public sector accounted for 398,600 units while the private sector accounted for 524,700 units.

During the Fourth Plan period, the total number of housing units constructed was about 406,100 units, as shown in Table 21-1 and Chart 21-1, representing 44.0 per cent of the target. Of these, about 90,500 units were low-cost, 155,800 units

medium and high-cost, 25,400 units institutional quarters, and 35,000 units settler houses. The overall shortfall in the construction of housing units during the Fourth Plan period was 56.0 per cent. In the case of low-cost housing programmes, the shortfall was 66.0 per cent, while that for medium and high-cost programmes 50.3 per cent.

The shortfall in the construction of housing units by the public sector during the Fourth Plan period was largely due to the cutback in allocation and administrative delays such as problems in identifying suitable project sites and preparation of tender documents. In the land schemes housing programme, the shortfall resulted from the postponement of land development projects.

In order to accelerate the implementation of housing programmes during the Fourth Plan period, financial and legislative measures as well as research were undertaken. A revolving fund of $20 million for financing preliminary works, such as land acquisition and infrastructural development, was set up in each state. This fund was to enable State Governments to proceed with the implementation of their low-cost housing projects while waiting for Federal Government loans. The prefabrication system of construction was introduced on a wider scale after the implementation of pilot projects during the Third Plan period. In addition, the training of construction workers was undertaken. Legislation on uniform building by-laws was passed by the Parliament in 1985 in order to standardize and update all regulations related to building construction.

TABLE 21-1

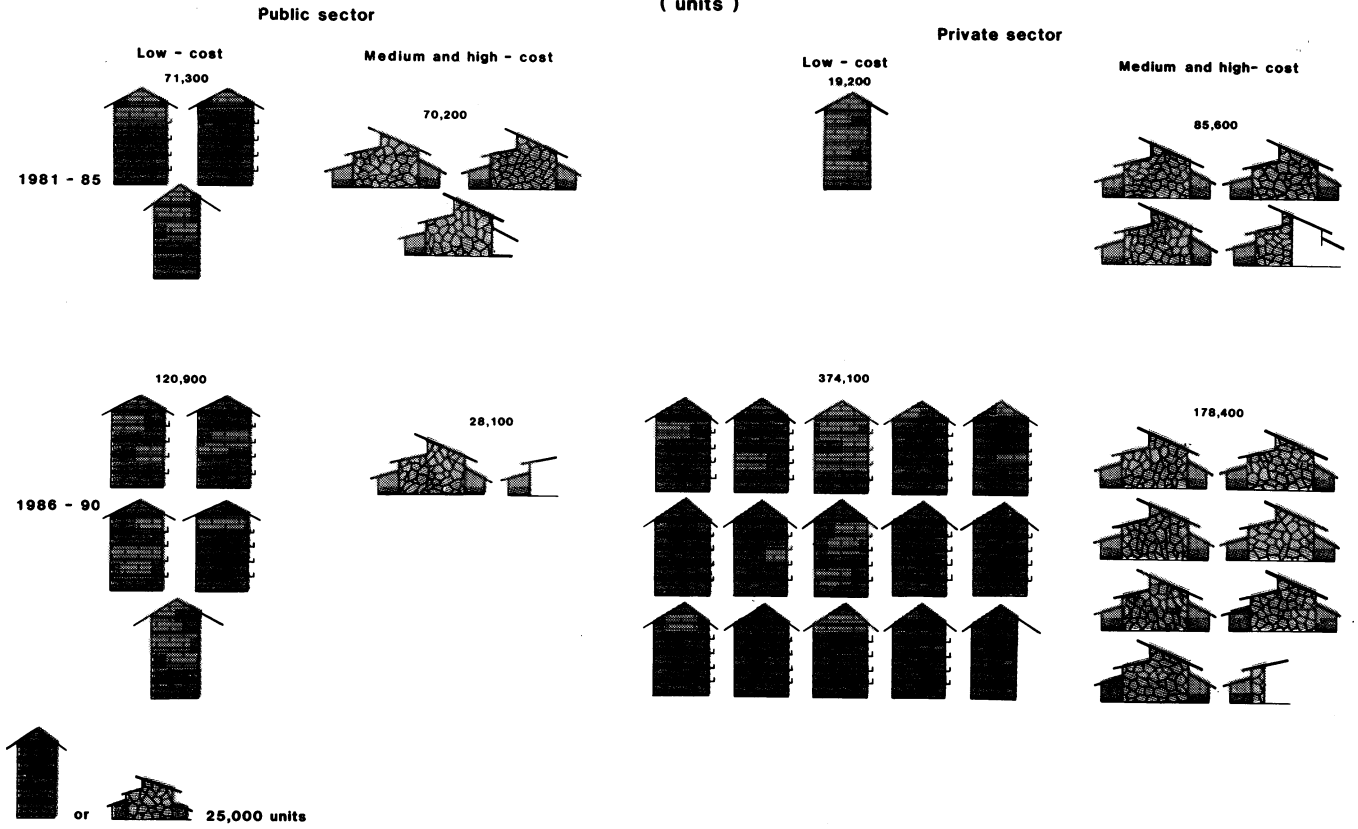
MALAYSIA: PUBLIC AND PRIVATE SECTOR HOUSING PERFORMANCE, 1981-85
(units)

Programme	*Units planned, 1981-85*	*Number of units completed*					*Total, 1981-85*
		1981	*1982*	*1983*	*1984*	*1985*[1]	
Public sector	398,570	31,010	43,480	35,050	44,480	47,880	201,900
Public low-cost housing	176,500	12,900	20,100	11,500	12,590	14,220	71,310
Housing in land schemes	110,010	8,930	10,220	5,780	5,740	4,310	34,980
Institutional quarters and other staff accommodation	58,500	3,660	4,000	5,850	5,390	6,550	25,450
Medium and high-cost housing	53,560	5,520	9,160	11,920	20,760	22,800	70,160
Private sector	524,730	37,600	44,330	37,710	38,600	45,930	204,170
Private developer low-cost housing	90,000	5,800	4,860	1,820	4,150	2,540	19,170
Private developer medium and high-cost housing	259,470	11,690	19,270	15,980	15,020	23,670	85,630
Co-operative societies	25,260	1,170	1,270	980	500	650	4,570
Individuals and groups	150,000	18,940	18,930	18,930	18,930	19,070	94,800
Total	923,300	68,610	87,810	72,760	83,080	93,810	406,070

Source: Ministry of Housing and Local Government.
Note: [1] Estimates.

CHART 21 - 1

MALAYSIA: TOTAL NUMBER OF HOUSES CONSTRUCTED, 1981 - 90
(units)



In addition, several research activities and studies were carried out by the Government and private institutions, particularly on housing designs and construction system. Several low and medium-cost housing plans for use by both the public and private sector developers were designed.

Public sector performance

During the Fourth Plan period, about 201,900 units of houses were constructed by the public sector compared with the total of 398,600 units planned. Of the total units constructed, 71,300 units or 35.3 per cent were low-cost houses. In the rural areas, single storey low-cost terrace houses and single unit houses were constructed, while in the urban areas, walk-up and high-rise flats were constructed. All housing units in urban areas were either sold or rented out, with the option to purchase by those who rented for a minimum period of 10 years.

Under the housing programme in land schemes, a total of 35,000 units of settler houses was constructed in 10 land development schemes. Of this total, the Federal Land Development Authority (FELDA) constructed 24,400 units, Federal Land Consolidation and Rehabilitation Authority (FELCRA) 2,500 units, and the remainder by the other land and regional development authorities. About 600 units of houses in five major resettlements were constructed as part of the efforts by the Government to improve the standard of living of *Orang Asli.*

Basic amenities were provided by the Government in order to upgrade the quality of life of the rural population. At the end of 1985, 57.6 per cent of houses in rural areas were provided with potable and piped water and 71.0 per cent with electricity. Apart from providing basic amenities to traditional villages, assistance under the village rehabilitation programme (RPK) was also given to improve deteriorating and dilapidated houses. Assistance up to a maximum of $1,000 per house in the form of building materials was provided and during the Fourth Plan period, 28,900 houses were improved. This programme, however, was discontinued in 1984 and replaced by the village regrouping programme in 1985. Under this new programme, scattered villages were regrouped and provided with basic infrastructural facilities. Apart from the rural population, measures were also taken to improve the quality of life of the people living in the New Villages. At the end of the Fourth Plan period, 87.0 per cent of the total 452 New Villages were provided with piped water and 93.0 per cent with electricity.

Under the institutional quarters housing programme, a total of 25,450 units was constructed during the Fourth Plan period. These units were mainly for the benefit of public employees serving in the rural areas as well as the interior who faced difficulty in obtaining suitable accommodation.

Medium and high-cost houses were constructed by state economic development corporations (SEDCs), Urban Development Authority (UDA), and the Government Officers' Housing Company (SPPK). These agencies constructed a total of 70,200 units during the period 1981-85.

Private sector performance

The private sector constructed only 204,200 units of houses compared with 524,700 units planned. Houses constructed by the private sector were mostly medium and high-cost categories, accounting for 85,600 units or 41.9 per cent of the total units constructed, as shown in Table 21-1. During the Fourth Plan period, only 19,170 units of low-cost houses were constructed, representing a shortfall of 78.7 per cent.

Both demand and supply factors contributed to the shortfall in the construction of housing units by the private sector. Demand for housing generally declined during the Fourth Plan period, although the market was still active, especially in urban areas. Factors which contributed to the sluggish demand included slower income growth, difficulty in obtaining housing loans, high interest rates, and high prices of houses. The Special Housing Loan Scheme introduced by the Central Bank of Malaysia in 1982 and the new regulations of the public sector employees housing loans scheme reduced speculation and dampened excessive demand for housing. Both schemes affected the housing market adversely since they restricted the loans only to first-time house buyers. On the other hand, high interest rates charged on housing loans and high prices of houses reduced effective demand for housing since the majority of the potential buyers could not afford those houses.

Supply of houses was closely related to demand for housing. In response to the sluggish demand, most private developers postponed or stopped the construction of their housing projects. This action indirectly affected the supply of housing units. Other factors contributing to the shortfall were inadequate housing land, delays in approval for land conversion, and difficulty in obtaining bridging finance.

A total of 20 public low-cost housing projects comprising about 21,500 units was identified for private sector implementation as part of the policy to encourage private sector involvement in low-cost housing programme. The implementation of these projects, however, was expected to be carried out during the Fifth Plan period. In the Federal Territory of Kuala Lumpur, the City Hall jointly undertook with the private sector a housing project involving the construction of 5,300 units of low-cost houses.

III. PROSPECTS, 1986-90

Housing programmes during the Fifth Plan period will be implemented in the context of the human settlement concept, with the objectives of providing adequate social facilities and upgrading the quality of life as well as promoting

national unity. Under this concept, the provision of social facilities, such as schools, clinics, and community halls, will be emphasized, in addition to the provision of basic infrastructural facilities and the promotion of economic opportunities. The implementation of this concept will require structure plans in order to ensure that the provision of such facilities will be available when the housing projects are undertaken.

During the Fifth Plan period, emphasis will be given to ensure that the houses built are of the right type and good quality as well as within the affordability of the various income groups. Housing units for rental will be made available, particularly in major urban areas. The housing units under this scheme will be rented out for a minimum period of 10 years with an option to purchase at the end of this period.

Based on the projection of housing needs, a total of 835,500 units of houses will be required. Of this total, about 486,200 units are to cater for population growth and 349,300 units for replacement. The low-cost houses account for about 626,600 units, medium-cost houses 167,100 units, and high-cost houses 41,800 units. The distribution of housing units by various states is shown in Table 21-2.

TABLE 21-2

MALAYSIA: DISTRIBUTION OF HOUSING UNITS BY STATE ACCORDING TO HOUSING NEEDS, 1986-90

(units)

State	*Normal replacement*	*To meet population increase*	*Total housing needs*
Johor	28,600	53,300	81,900
Kedah	48,400	15,600	64,000
Kelantan	38,800	19,300	58,100
Melaka	7,800	9,300	17,100
Negri Sembilan	9,900	12,200	22,100
Pahang	21,000	45,100	66,100
Perak	45,000	32,500	77,500
Perlis	6,400	3,900	10,300
Pulau Pinang	9,200	22,800	32,000
Sabah[1]	51,400	56,000	107,400
Sarawak	33,600	41,400	75,000
Selangor	17,600	106,400	124,000
Terengganu	22,000	14,200	36,200
Federal Territory of Kuala Lumpur	9,600	54,200	63,800
Total	349,300	486,200	835,500

Source: Ministry of Housing and Local Government.
Note: [1]Inclusive of Federal Territory of Labuan.

Given the limitation of funds, in both the public and private sectors, as well as of the implementation capacity, it is targetted that about 701,500 units of houses will be constructed. The share of the public sector will be about 149,000 units and private sector 552,500 units, as shown in Table 21-3. Of this target, about 495,000 units are low-cost, 180,200 units medium-cost, and 26,300 unit high-cost houses.

Measures to accelerate housing development will continue to be taken during the Fifth Plan period. Some of the measures undertaken during the Fourth Plan period will continue to be adopted. These include the continuation of the revolving fund, promotion of the use of prefabricated system of construction, and the training of construction workers. In addition, several new measures will also be introduced during the Fifth Plan period. These include the establishment of a one-stop agency, the review and updating of legislation and regulations, wider adoption of the rental scheme, and the conduct of research on housing construction.

The Government will continue to develop housing projects jointly with the private sector. This will not only reduce the financial burden of the public sector but also increase participation of the private sector in housing development.

Measures will continue to be taken to reduce overconcentration of housing development in urban areas. Housing development will be diverted to suburban areas in order to avoid overcrowding in the urban areas. This is in line with the objective of decentralization of economic activities and urbanization of rural areas. Emphasis will also be given to the construction of single units and expandable types of houses in the rural areas.

In the interest of better co-ordination in the implementation of housing programmes, the Government will formulate a comprehensive housing policy to provide guidance for future housing development. Some major aspects to be covered under this policy include housing requirements, types of houses, pricing, land utilization as well as the role of the public and private sectors in housing development. The policy also aims to standardize all policies, procedures, and regulations related to housing which at present vary from state to state.

Public sector programme

During the Fifth Plan period, the public sector will construct about 149,000 units of houses, consisting of 120,900 low-cost units, 27,900 medium-cost units, and 200 high-cost units, as shown in Table 21-3. Under the low-cost housing programme which will be undertaken by State Governments, about 18,000 units will be implemented under rental scheme and the balance of 27,800 units will be for sale. In addition to the total units targetted under the low-cost housing programme, another 37,200 units will be developed by the Government jointly with the private sector.

TABLE 21-3

MALAYSIA: PUBLIC AND PRIVATE SECTOR HOUSING PROGRAMMES, 1986-90
(units)

Programme	*Targetted units*	*Type of houses*		
		Low-cost	*Medium-cost*	*High-cost*
Public sector	149,000	120,900	27,900	200
Public low-cost housing	45,800	45,800	-	-
Housing in land schemes	57,500	57,500	-	-
Institutional quarters and other staff accommodation	27,000	4,400	22,500	100
Other housing programmes	18,700	13,200	5,400	100
Private Sector[1]	552,500	374,100	152,300	26,100
Private developers housing[2]	540,000	370,400	146,000	23,600
Co-operative societies	12,500	3,700	6,300	2,500
Total	701,500	495,000	180,200	26,300

Note:
[1] Calculated based on the amount of funds of $20,250 million which is expected to be made available during the Fifth Plan period.
[2] Inclusive of housing developers, individuals, and groups.

The housing programme in land schemes, which constitutes about 57,500 units will be constructed by various land and regional development authorities such as FELDA, FELCRA, Pahang Tenggara Regional Development Authority (DARA), Johore Tenggara Regional Development Authority (KEJORA), and the Sarawak Land Development Board (SLDB). The Government will also continue to provide quarters for its employees. About 27,000 units will be constructed for this purpose. During the Fifth Plan period, priority will be given to the construction of quarters in the rural areas and the interior.

Apart from providing houses, efforts will also be intensified to improve the standard of living of the rural population. Infrastructural facilities will continue to be provided. Under the village regrouping programme, about 400 scattered villages will be regrouped during the Fifth Plan period.

Programmes for improving the quality of life of the residents of New Villages will continue to be undertaken. During the Fifth Plan period, emphasis will be given to the redevelopment of New Villages aimed at providing adequate social services and amenities in line with the objective of human settlement concept. In addition, economic activities, particularly small industries, will be created and promoted so that some of these New Villages can be turned into economic centres. In this respect, the Government will carry out a comprehensive study, covering all New Villages as well as nearby traditional villages, to determine some of the potential areas for development. Structure plans of the potential areas will be drawn up for the purpose of implementing this redevelopment programme. The private sector will be encouraged to participate in this programme.

23,700 in 1980 to 26,200 in 1985. In view of the tight financial situation, the development of new hospitals could not meet the population increase, resulting in a marginal improvement in the bed population ratio.

The provision of dental health services was expanded as an integral component of the overall health programme. Seven dental clinics and 60 school dental clinics and centres were commissioned, while 22 mobile dental units were completed, increasing the number of dental chairs from 1,650 in 1980 to 1,980 in 1985. The dental chair-student ratio, however, declined from 1:3,200 in 1980 to 1:5,165 in 1985 due to the rapid increase in student population. The ratio of dentists per ten thousand population increased from 0.5 to 0.7 during the period. About 45 per cent of the 1,050 registered dentists were in the private sector.

Rural health services

The rural health services consisted, of a large package of services which were delivered under various health programmes which included amongst others communicable disease control, inpatient care, personal dental care, and family health, including maternal and child health, school health, applied nutrition, and health education. Rural health service activities were carried out at the midwife clinics and rural clinics level by auxiliary personnel, such as midwives and rural nurses, while at health sub-centre level by para-medical personnel such as health nurses and medical assistants. At health centres, the services were undertaken by professional personnel such as doctors and dentists. These facilities provided ambulatory care and were the first points of contact in the primary health care approach which allowed for referrals for higher level of care based on need. Institutional care required was provided in district hospitals, large district hospitals with basic specialist care, general hospitals with a wider range of specialist care, and, where necessary, in the national referral centre at General Hospital, Kuala Lumpur for the highest level of specialist care. This system constituted a hierarchy of health care within the Government health care system and ensured access to all levels of health care for the population. Accessibility and disparity of health services amongst geographical areas continued to exist as shown in Table 20-2.

During the Fourth Plan period, a total of 55 midwife clinics was upgraded to rural clinics and 163 new rural clinics were built. In addition, 37 health sub-centres were upgraded to health centres and 75 new health centres were built. The completion of these facilities contributed to the improvement in the ratio of rural population to one health centre from 25.8 in 1980 to 20.4 in 1985. An improvement was also registered in the rural population facility ratio for midwife clinics and rural clinics.

Applied food and nutrition programme

Measures were undertaken to raise nutritional levels since nutritional status is not only directly related to health but also influences the productivity and quality

Private sector programme

The private sector is expected to construct about 552,500 units of houses during the Fifth Plan period. Of this total, about 26,100 are high-cost, 152,300 medium-cost, and 374,100 units low-cost houses. About 540,000 units are expected to be constructed by private developers and individuals and the balance by co-operative societies. During the period 1986-88, the private sector is expected to construct about 80,000 units of low-cost houses annually under the Special Housing Programme which is aimed at reactivating and stimulating the growth of the economy, particularly in the construction sector, as well as creating and providing more employment opportunities. Several measures will be taken by the Government to assist the private sector in the implementation of this Programme which include reviewing infrastructural specifications and standards, adopting standard building plans, speeding up approval process, and alienating some of the state land. The Government will also consider the possibility of bearing some of the infrastructural costs so that the price of the low-cost housing units can be reduced.

In order to ensure the availability of funds, commercial banks and finance companies will continue to reserve a certain portion of their total loans for the housing sector. In addition, the Government and credit institutions, such as Malaysia Building Society Bhd., Sabah Credit Corporation, and *Bank Rakyat,* will also provide loans for this sector. During the Fifth Plan period, about $20,250 million will be made available. Of this total, $2,000 million will be reserved annually for financing low-cost housing projects under the Special Housing Programme during the period 1986-88. The Central Bank of Malaysia will review the existing housing loan guidelines in order to make the loans more affordable and accessible to the low-income group.

IV. ALLOCATION

The development allocation and estimated expenditure during the period 1981-85 and the allocation for the period 1986-90 for the public sector housing programmes are as shown in Table 21-4.

V. CONCLUSION

The implementation of housing programmes during the Fifth Plan period will be undertaken in the context of the human settlement concept where adequate social amenities need to be provided in order to make housing areas more habitable. The target for the implementation of housing programmes will be based more on the implementation capacity rather than housing needs. The effective implementation of such programmes will require a total commitment with the private sector playing a greater role in the overall housing development. In addition, measures undertaken during the Fourth Plan period will continue to be implemented together with the new measures recommended in the Fifth Plan in order to ensure greater success in the overall housing development programmes.

In the implementation of housing development programmes in the long term, a comprehensive national housing policy will be formulated to provide guidance for more effective housing programmes to meet the objective of providing adequate shelter and related facilities to all Malaysians, particularly the low-income group.

TABLE 21-4
MALAYSIA : PUBLIC DEVELOPMENT EXPENDITURE FOR HOUSING PROGRAMMES[1], 1981-90
($ million)

Programme	*Fourth Plan allocation, 1981-85*	*Estimated expenditure, 1981-85*	*Fifth Plan allocation, 1986-90*
Public low-cost housing	1,712.22	1,659.06	691.79
Site and services	1.61	1.21	78.41
Government quarters	89.29	44.47	56.62
Squatters control	3.36	3.36	17.00
SEDCs and UDA	45.38	45.38	142.71
Total	1,851.86	1,753.48	986.53

Note: [1] Allocations in respect of institutional quarters and housing in land schemes are not reflected in this table as they are provided direct to the respective agencies.