

# Enhancing inclusiveness towards an equitable society

## Overview

### Highlights Tenth Malaysia Plan, 2011-2015: Achievements

### Looking back Tenth Malaysia Plan, 2011-2015: Progress

Elevating the livelihood  
of the B40 households

Building a progressive and  
more inclusive society

Ensuring accessibility to  
basic infrastructure and  
services

Promoting corridors as an  
engine of growth

Enhancing Bumiputera  
economic participation

### Summary of focus areas Eleventh Malaysia Plan, 2016-2020

### Moving forward Eleventh Malaysia Plan, 2016-2020

Focus area A: Uplifting  
B40 households towards a  
middle-class society

Focus area B: Empowering  
communities for a productive  
and prosperous society

Focus area C: Transforming  
rural areas to uplift wellbeing  
of rural communities

Focus area D: Accelerating  
regional growth for better  
geographic balance

Focus area E: Enhancing  
Bumiputera Economic  
Community (BEC)  
opportunities to increase  
wealth ownership

### Conclusion



## Overview

Inclusivity is a key principle in Malaysia's national socio-economic development agenda, to ensure all citizens enjoy the fruits of growth and development regardless of gender, ethnicity, socio-economic status and geographic location. Malaysia has long emphasised the importance of balanced growth by providing access to education and skills training, infrastructure, and employment opportunities to boost outcomes for all segments of society, in particular the low-income group. Moving forward, the focus will be on ensuring more equitable access to economic growth opportunities while increasing wellbeing and quality of life across all segments. Non-productive aid programmes will be reduced in favour of more sustainable wealth creation initiatives. The delivery mechanism will be strengthened across government, encouraging more active participation from the private sector and civil society.

**During the Tenth Malaysia Plan, 2011-2015,** inclusivity was a key strategy towards achieving a prosperous and equitable society. Targeted implementation of development and empowerment programmes resulted in an increase in the socio-economic status of Malaysians. Overall income distribution improved, with the Gini coefficient reducing from 0.441 in 2009 to 0.401 in 2014, exceeding the 2015 target of 0.420. Mean monthly household income of the bottom 40% households income group (B40 households) increased to RM2,537 in 2014 from RM1,440 in 2009. The provision of rural basic infrastructure combined with entrepreneur development activities has enabled people in rural and remote areas to increase their participation in socio-economic development. Focused development in regional economic corridors has also attracted investment and created jobs for locals, especially in less developed areas. Despite these achievements, more needs to be done to ensure that fruits of development are enjoyed and benefit all communities.

**In the Eleventh Malaysia Plan,** 2016-2020, the Government will continue to focus on enhancing inclusiveness and equitable opportunities for all Malaysians. Strategies aim to increase the overall B40 household income towards improving the quality of life and wellbeing of the *rakyat*. Income inequality is expected to improve further with the Gini coefficient reducing to 0.385 in 2020. The focus will be on addressing the needs of identified target groups, prioritising conditional and outcome-based support, whether economic or social. Assistance and subsidies not linked to productivity will be reduced in favour of programmes focused on creating improved wealth ownership and increasing education and skill levels. Specific strategies include uplifting the B40 households towards a middle-class society; empowering communities for a productive and prosperous society; transforming rural areas to uplift wellbeing of rural communities; accelerating regional growth; and enhancing Bumiputera economic opportunities.

## Highlights

### Tenth Malaysia Plan, 2011-2015: Achievements

**0.401**

Gini coefficient reduced from 0.441 in 2009 surpassing the 2015 target of 0.420

**Increasing income equality**

**RM2,537**

Mean B40 household income, increased from RM1,440 in 2009

**Elevating the livelihood of the B40 households**

**0.6%**

Incidence of poverty in 2014, from 3.8% in 2009

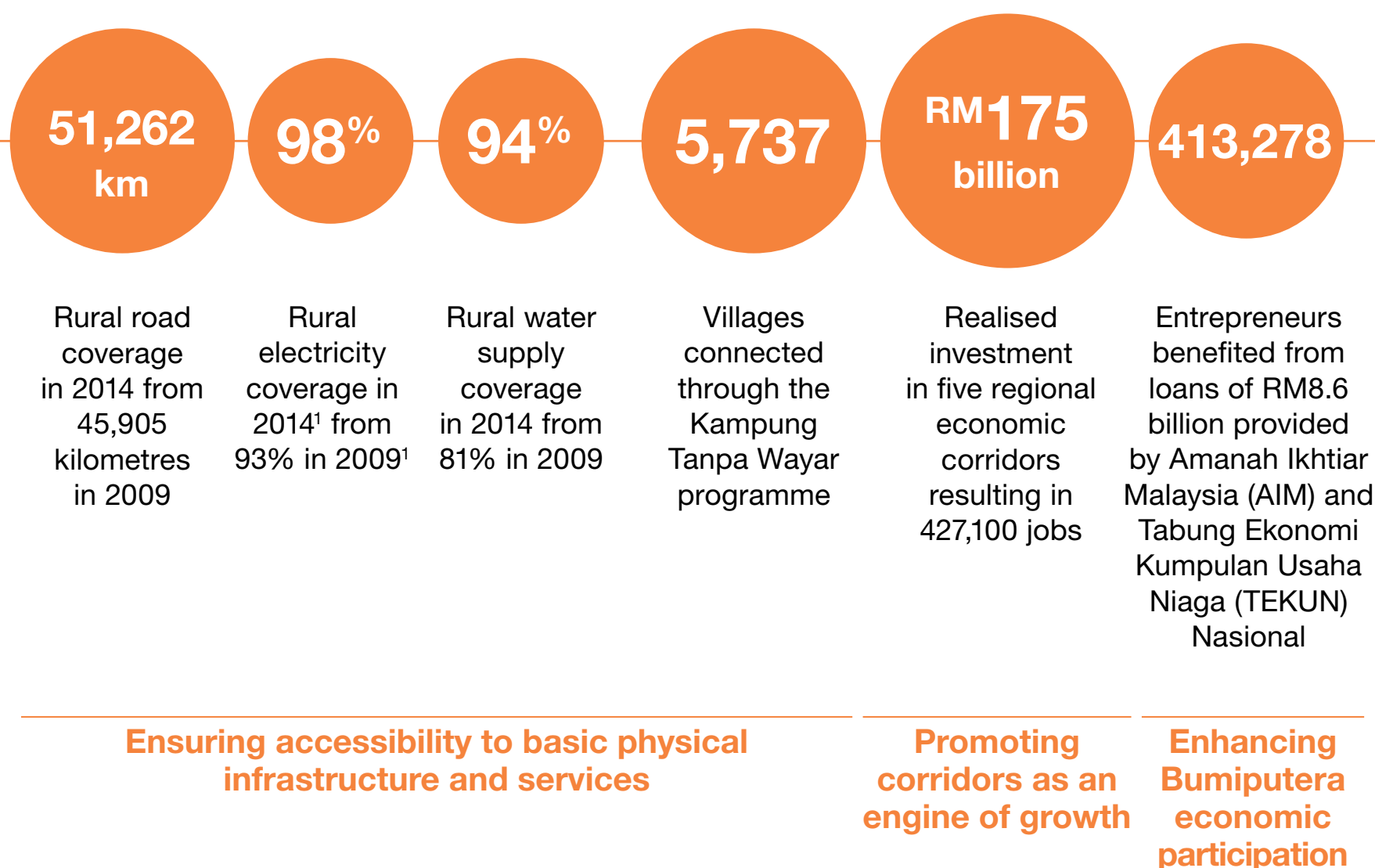
**896,612**

Youth participated in programmes to build leadership, entrepreneurship and volunteerism

**Building a progressive and more inclusive society**

**55%**

Female labour force participation rate, increased from 46.4% in 2009



<sup>1</sup> Actual figures for 2009 is 92.3% while 2014 is 97.6%

# Looking back

## Tenth Malaysia Plan, 2011-2015: Progress

Efforts were made to ensure Malaysia's prosperity was shared by all groups, regardless of gender, ethnicity, socio-economic status, and geographic location.

During the Tenth Plan, initiatives to enhance inclusivity included elevating the livelihood of the B40 households; building a progressive and more inclusive society; ensuring accessibility to basic infrastructure and services; promoting corridors as an engine of growth; and enhancing Bumiputera economic participation.

The overall income distribution improved as indicated by the reduction of the Gini coefficient from 0.441 in 2009 to 0.401 in 2014, surpassing the 2015 target of 0.420. In urban areas, the Gini coefficient improved from 0.423 to 0.391, while in rural areas the Gini coefficient improved from 0.407 to 0.355 during the same period.

### Elevating the livelihood of the B40 households

B40 households refer to households that are at the bottom 40% of income distribution. In 2009, the mean monthly income of B40 households was RM1,440; by 2014 it was RM2,537.

### Raising income generation potential of B40 households

Efforts were undertaken to elevate the quality of life of rural households and enhance the economic participation of urban households through income generating activities, human capital development, and micro-enterprise support programmes.

*Exhibit 3-1*

### Bottom 40 households: achievements during the Tenth Plan



#### Elevating the quality of life of rural households

Programme	Achievements
Providing holistic support programmes for micro-enterprises	7,801 participants
Providing business ownership opportunity for capable entrepreneurs	Income of 225,867 participants increased by more than RM2,000 per month
Linking rural talent to employers in nearby clusters and cities	701 participants attained skills training to match job opportunities
Increasing income sustainability in the agriculture sector through the concept of agropolitan and contract farming	3,486 participants income increased by RM1,200 per month
Improving productivity in rural agriculture and agro-based industries	38,663 participants had additional income at least RM300
Increasing land productivity and yield through land amalgamation	<ul style="list-style-type: none"> <li>Rubber at 1,276.45 kg/ha (2012)</li> <li>Palm oil at 15.54 mt/ha (2012)</li> </ul>



#### Enhancing the economic participation of urban households

Programme	Achievements
Establishing industry-specific skills centres based on targeted geographical areas	3,100 participants attended skills training
Expanding micro-enterprise support programmes	8,580 participants attained entrepreneurship training
Extending the incubator concept to increase entrepreneurship and employment opportunities	1,726 GIATMARA incubators developed



#### Raising household income through information and communications technology (ICT)

Programme	Achievements
eRezeki micro-sourcing to generate income	39,518 participants with total revenue of RM6.87 million

### Assisting children in B40 households to boost their education and skills attainment

Initiatives to address the educational needs of children in B40 households include the implementation of 1Asrama and Asrama Desa programmes which reduced student dropouts from 47,260 in 2010 to 43,428 in 2013. In addition, as of 2014, 1.51 million students benefited from financial aid including Kumpulan Wang Amanah Pelajar Miskin (KWAPM) and Rancangan Makanan Tambahan (RMT).

### Strengthening social safety net to reduce vulnerability

Social safety net (SSN) initiatives were implemented to address vulnerability issues and protect the livelihoods of B40 households from economic shocks. Among the outcomes delivered were: 55,000 households received housing assistance; 9.2 million individuals benefited from enhanced access to healthcare services through the 1Malaysia Clinics, 1Malaysia Mobile Clinics, and Flying Doctor services; 493,076 individuals received income support assistance focused on senior citizens and nonworking persons with disabilities (PWD); and 7 million individuals received Bantuan Rakyat 1Malaysia (BR1M) cash assistance.

### Addressing the needs of special target groups

The needs of special target groups, such as the Orang Asli in Peninsular Malaysia and those living in rural and remote areas in Sabah and Sarawak, were addressed through land development and ownership, as well as skills training programmes. A total of 32,561 hectares of Native Customary Rights (NCR) land were gazetted for Orang Asli in Peninsular Malaysia, 26,956 hectares for Bumiputera in Sabah, and 558,571 hectares for Bumiputera in Sarawak. The number of Orang Asli receiving skills training increased from 435 in 2011 to 3,750 in 2014, while 2,100 Bumiputera in Sabah and Sarawak also benefited from various skills training programmes.

In addition, a total of 4,446 Chinese new village residents were assisted through the Special Financial Loan Scheme for New Village Residents. Total loans provided as of 2014 worth RM142 million. Entrepreneurship

and skills training programmes were provided for the poor Indian community, benefiting 167,500 individuals. Of these, more than 10,000 youth participated in skills training programmes, while 30,000 adults participated in entrepreneurial training programmes. 127,500 primary and secondary school students benefited from educational enhancement programmes.

### Building a progressive and more inclusive society

#### Strengthening the family institution

During the Tenth Plan, priority was given to inculcate positive family values to strengthen the family institution. 1.29 million people participated in programmes implemented by the National Population and Family Development Board (LPPKN), namely Family Education@LPPKN, SMARTSTART, Parenting@Work, and SMARTbelanja@LPPKN. In addition, 165,000 families benefited from programmes conducted at four established One-stop Family Service Centres, such as counselling, mediation, stress-relief therapy, and reproductive health services.

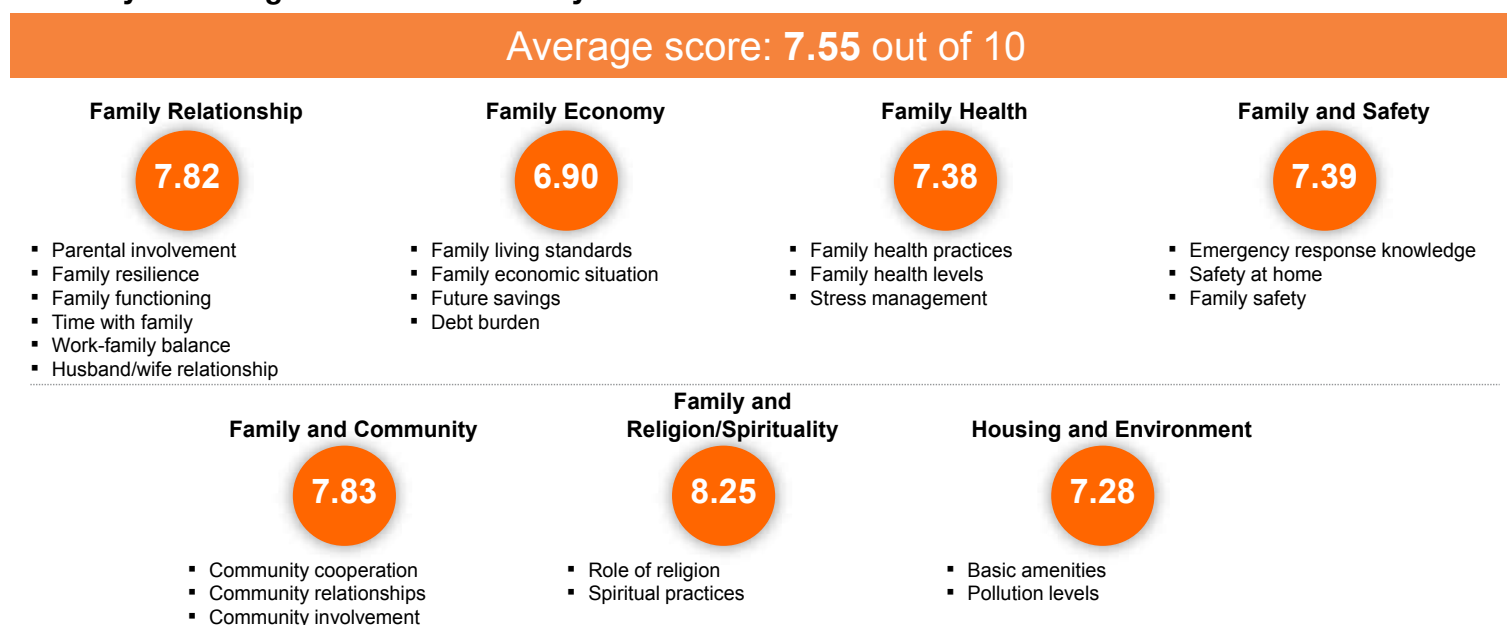
The Family Wellbeing Index was developed by LPPKN in 2011 to measure the state of family wellbeing in Malaysia against seven domains and 23 indicators. The average score in 2011 was 7.55 out of 10. The domain that scored the least is family economy, particularly in the areas of saving for the future and debt burden, followed by housing and environment.

#### Moulding youth to become dynamic and inspired future leaders

885,800 youth participated in youth development programmes between 2011 and 2013 in the areas of leadership, socio-economic development, volunteerism, and international youth cooperation. In addition, 10,812 youth participated in entrepreneurship programmes to enhance their skills and capabilities in doing business, namely Program 3K (Kepimpinan, Kemahiran and Keusahawanan), Belia Bestari, Outreach Usahawan, and Smart Partnership Usahawan Belia.

Exhibit 3-2

### The Family Wellbeing Index is measured by 23 indicators across seven domains



### Increasing women participation in the labour force and entrepreneurship

The female labour force participation rate increased from 46.4% in 2009 to 53.6% in 2014 (and estimated to be 55% in 2015), driven by a range of initiatives to increase participation through better workplace practices. These included tax incentives to encourage employers to train and re-employ women who have been out of the workforce, and grants for renovation and furnishing of childcare centres within government offices. In addition, initiatives were implemented to grow women entrepreneurs such as the Micro Credit and Small Business Loan Scheme, Get Malaysia Business Online (GMBO), and Women Exporters Development Programme.

Women in leadership continued to rise, with women in top management positions in the public sector increasing from 30.5% in 2010 to 32.5% in 2014. Women accounted for 10.2% of directors on the boards of public listed companies (PLCs) in 2014 as compared to the target of 30% by 2016.

### Ensuring the protection and wellbeing of children

Under the Tenth Plan, the protection and wellbeing of children continued to be strengthened. Among others, Talian Nur 15999, a helpline for the

community and CHILDLINE, a dedicated line to receive feedback and information on matters pertaining to children, was established. In 2010 to 2014, a total of 4,116 cases related to child issues were reported through Talian Nur and 3,976 cases were resolved, with 140 cases pending and under further investigation. Meanwhile, a multimedia messaging service (MMS) and short messaging service (SMS) system called Nur Alert, established in 2010, continued to disseminate and seek information and feedback on missing children below 12 years old.

Six pilot projects were established to provide affordable childcare services for 79 children with special needs such as children with Down's Syndrome, learning difficulties, hearing disabilities, visual impairment, autism, and physical disabilities. As a result of initiatives to promote awareness among parents, 68,400 new registrations of children with disabilities were recorded during 2011 to 2014.

### Supporting the elderly to lead productive and fulfilling societal roles

The mandatory retirement was increased to 60 years across the public and private sector in 2012 and 2013 respectively. Extending the retirement age enables this segment of the workforce to continue



contributing towards national socio-economic development. In addition, a 100% tax rebate on costs to retrain older workers was introduced to encourage them to re-enter the labour market.

Healthcare support for the elderly was also extended in 2012, with patients aged 60 and above exempted from paying the outpatient fee in government clinics and hospitals. They are only required to pay a nominal fee for specialist care, medication, and hospitalisation. 6,320 persons also benefited from the volunteer-based Home Help Services programme to assist and support the elderly and PWD living alone to live more independently and in comfort.

### Integrating persons with disabilities into society

Sistem Maklumat Orang Kurang Upaya (SMOKU) was established in 2011 to improve planning and delivery of programmes for PWD. As at September 2014, a total of 322,700 PWD were registered in the system.

To increase the participation of PWD in economic activities, the Government introduced employment support services for PWD including the Job Coach Programme. In line with the policy allocating 1% of jobs opportunities in the public sector for PWD, 0.2% of total public servants in 2014 are now PWD, excluding the uniformed and enforcement bodies.

### Ensuring accessibility to basic infrastructure and services

During the Tenth Plan, rural road coverage expanded by 11.7% from 45,905 kilometres in 2009 to 51,262 kilometres in 2014. In Sarawak, 250 kilometres of ex-logging roads were upgraded to provide accessibility to 31,512 people in underserved rural areas. Rural electricity coverage reached 97.6% and water supply reached 93.8%. 188,270 water tanks were provided to supply clean water to 251,200 households in remote areas in Sabah and Sarawak.

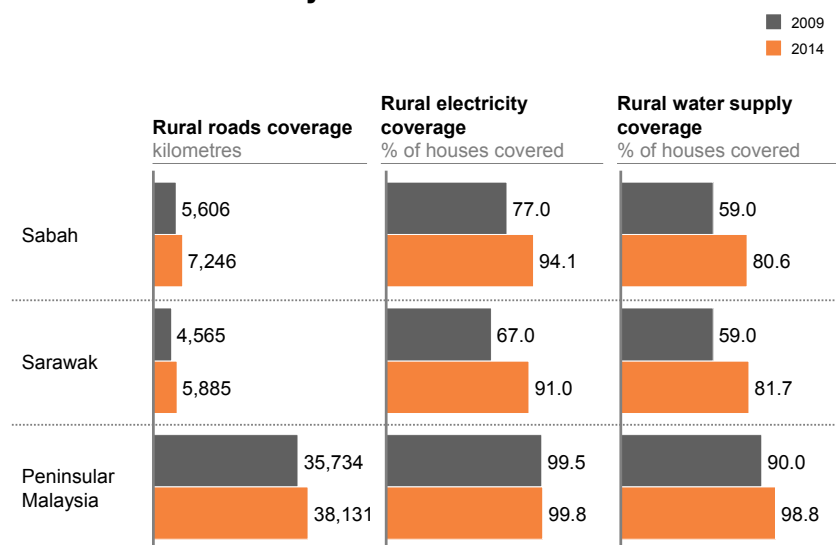
1,122 telecentres were established to enhance digital inclusion and inculcate a culture of innovation and creativity. In addition, 5,737 villages were connected through the Kampung Tanpa Wayar programme and 971 telecommunication towers constructed. The increased access to the Internet enabled rural and suburban communities to acquire new skills and knowledge, and generate alternative sources of income.

77 Mobile Community Transformation Centre (Mobile CTC) programmes involving more than 50 government and private agencies were organised, benefiting almost 135,000 people. These Mobile CTC programmes are a key touch point bringing government services to the rural community, especially in remote areas. Activities such as sports, community services, and social gatherings were also organised in parallel to bring people together and promote unity. The Mobile CTCs also provide a platform for the government to channel assistance directly to the target groups, including micro-credit facilities.

Financial inclusion has also increased with 4,351 Bank Simpanan Nasional (BSN) agents appointed throughout the nation to provide banking services, including savings and withdrawal transactions, as well as bill payment.

Exhibit 3-3

### Significant progress has been made in rural basic infrastructure delivery for Sabah and Sarawak



Source: Ministry of Rural and Regional Development



## Promoting corridors as an engine of growth

During the Tenth Plan, regional economic corridors attracted a total of RM307.1 billion committed investments, of which 56.8% or RM174.5 billion was realised. The realised investments resulted in 427,100 jobs created.

In addition to investments and job opportunities, regional economic corridors also continued to uplift the lives of communities in surrounding areas. A number of initiatives were implemented across the regional economic corridors to enable local communities to benefit from the development taking place in the region.

*Exhibit 3-4*

### Investment by regional economic corridors, 2011-2014

Regional Economic Corridors	Investment, RM billion		Jobs '000
	Committed	Realised	
Iskandar Malaysia	90.4	47.1	320.1
Northern Corridor Economic Region (NCER)	51.7	51.7	63.5
East Coast Economic Region (ECER)	55.4	22.9	23.0
Sabah Development Corridor (SDC)	96.7	44.5	15.2
Sarawak Corridor of Renewable Energy (SCORE)	12.9	8.3	5.3
<b>Total</b>	<b>307.1</b>	<b>174.5</b>	<b>427.1</b>

Source: Regional Economic Corridor Authorities

### Iskandar Malaysia

Housing, transportation linkages, skills training, and entrepreneur development continued to be a priority in Iskandar Malaysia

- 1,500 unit of affordable homes were built in the region, as well as 2,720 units of housing for squatter relocation
- Program Bas Iskandar Malaysia was set up to cater for public transportation needs in non-profitable routes, with 34 buses serving 17 routes
- Employability and upskilling or reskilling programmes have enabled local communities to participate in the economic development of the region, such as 950 individuals trained for the hospitality industry with 90% obtaining jobs
- Entrepreneur development programmes were conducted in collaboration with other agencies, including the Internet Marketing Development Programme which saw participants increase sales by 30-60%

### Northern Corridor Economic Region

Initiatives in the Northern Corridor Economic Region (NCER) focused on skills training for increased employability, welfare, and social inclusion programmes

- 202 students with learning disabilities successfully completed a training programme to cultivate and market mushrooms and chillies, while 20 teachers were certified as coaches to continue coaching more students, in collaboration with the Penang State Education Department, the Agriculture Vocational School Enterprise Training Programme, and the private sector
- Repaired dilapidated houses and public facilities, benefiting 760 households in collaboration with Akademi Binaan Malaysia (ABM)
- Social inclusion initiatives include ecotourism training for Orang Asli in the Belum-Temenggor tropical rainforest area to create additional streams of income



**EAST  
COAST  
ECONOMIC  
REGION**

### East Coast Economic Region

In ensuring inclusivity of vulnerable groups, the East Coast Economic Region (ECER) developed a range of entrepreneurship development programmes to broaden the abilities of target groups such as women, youth and unemployed to participate in the economy

- Empower ECER Programme trained 4,050 participants in entrepreneurship skills, with an 83% success rate, while 7,045 participants are currently undergoing training
- ECER Entrepreneurship Development Programme (EEDP), has trained 1,893 participants to increase the involvement of Bumiputera and SMEs in economic activities through programmes conducted in collaboration with Standards and Industrial Research Institute of Malaysia (SIRIM), Agrobank, and GIATMARA
- Suri@Home Programme creates home-based business opportunities for housewives and single mothers to supplement household incomes. 38 women have participated thus far, increasing their monthly incomes by an additional RM400 - RM2,000



**SABAH  
DEVELOPMENT CORRIDOR**

### Sabah Development Corridor

Initiatives to increase opportunities for local communities in the Sabah Development Corridor (SDC) focused on skills training programmes

- 800 local participants were trained to become technopreneurs in the agri-based industry through exposure and knowledge transfer in the processing of agri-food and specialty natural products
- 20 graduates participated in the Accelerated Skill Enhancement Training Programme to reskill or upskill them for hospitality jobs, benefiting from increasing investments in the tourism sector
- University College Sabah Foundation (UCSF) together with Sabah Economic Development and Investment Authority (SEDIA) has conducted programmes in creative content skill development under Sabah Animation Creative Content Centre (SAC3) with enrolment of 600 participants in certificate, diploma, and degree level



**SARAWAK  
SCORE**

CORRIDOR OF RENEWABLE ENERGY

### Sarawak Corridor of Renewable Energy

In the Sarawak Corridor of Renewable Energy (SCORE), focus has been on the provision of infrastructure and access to economic opportunities

- Unit Peneraju Agenda Bumiputera (TERAJU) has allocated RM100 million for entrepreneur development, including RM1.5 million for a fishmeal and surimi processing enterprise and RM16.1 million Facilitation Fund allocated to 4 local companies enabling them to provide support services to Petroliam Nasional Berhad (PETRONAS) and Bintulu Port
- Yayasan Peneraju Pendidikan Bumiputera (YPPB) delivered education programmes, including support for professional qualifications such as the Association of Chartered Certified Accountants (ACCA) and Welding Apprentice Programme
- Construction of access roads to Murum and Baram Dam that provided paved road access to more than 40 villages and 25,000 people

## Enhancing Bumiputera economic participation

### Strengthening Bumiputera entrepreneurship

The development of the Bumiputera Economic Community (BEC) involved specific initiatives for Bumiputera companies based on their business needs. Entrepreneurs were assisted in terms of financing, support services, and capacity building. Over RM9 billion in financial assistance was provided to more than 414,000 Bumiputera businesses:

- Loans of RM8.6 billion benefited 413,278 micro and small businesses:
  - AIM: entrepreneurs earning more than RM3,500 increased from 27,770 in 2010 to 128,450 in 2014
  - TEKUN Nasional: 32.7% of entrepreneurs recorded an increase in revenue of 50-150% in 2013
- Financial assistance totalling RM495.2 million to 760 Bumiputera small and medium enterprises (SMEs) in the development and growth stage, by Malaysia Technology Development Corporation (MTDC), Malaysia Venture Capital Management Berhad, Malaysia Debt Ventures Berhad, and Multimedia Development Corporation (MDeC).

### Broadening and increasing Bumiputera wealth ownership

Bumiputera corporate equity ownership increased during the Tenth Plan period. This achievement was contributed by initiatives from various government-linked investment companies (GLICs). These included the launching of 10 billion units of Amanah Saham Bumiputera 2 (ASB2) by Permodalan Nasional Berhad (PNB) and RM3 billion economic capital deployment through Ekuiti Nasional Berhad (EKUINAS). In addition, the collaborative partnership between EKUINAS and TERAJU in Skim Jejak Jaya Bumiputera (SJJJB) enabled 10 companies to be listed on Bursa Malaysia with market capitalisation of RM4.1 billion.

In the area of non-financial assets, Pelaburan Hartanah Berhad (PHB) played a major role to increase Bumiputera ownership of commercial asset at prime locations in major cities. By 2014, PHB invested in 14 completed properties, one property development, land bank and other investment worth RM6.7 billion. The Amanah Hartanah Bumiputera (AHB) fund was launched to provide opportunities to Bumiputera investors to participate in the ownership of prime commercial properties. All two billion AHB units were fully subscribed. UDA Holdings Berhad (UDA), cumulatively since 2001 also sold 77% out of 7,697 residential units and 83% out of 560 retail spaces to Bumiputera.

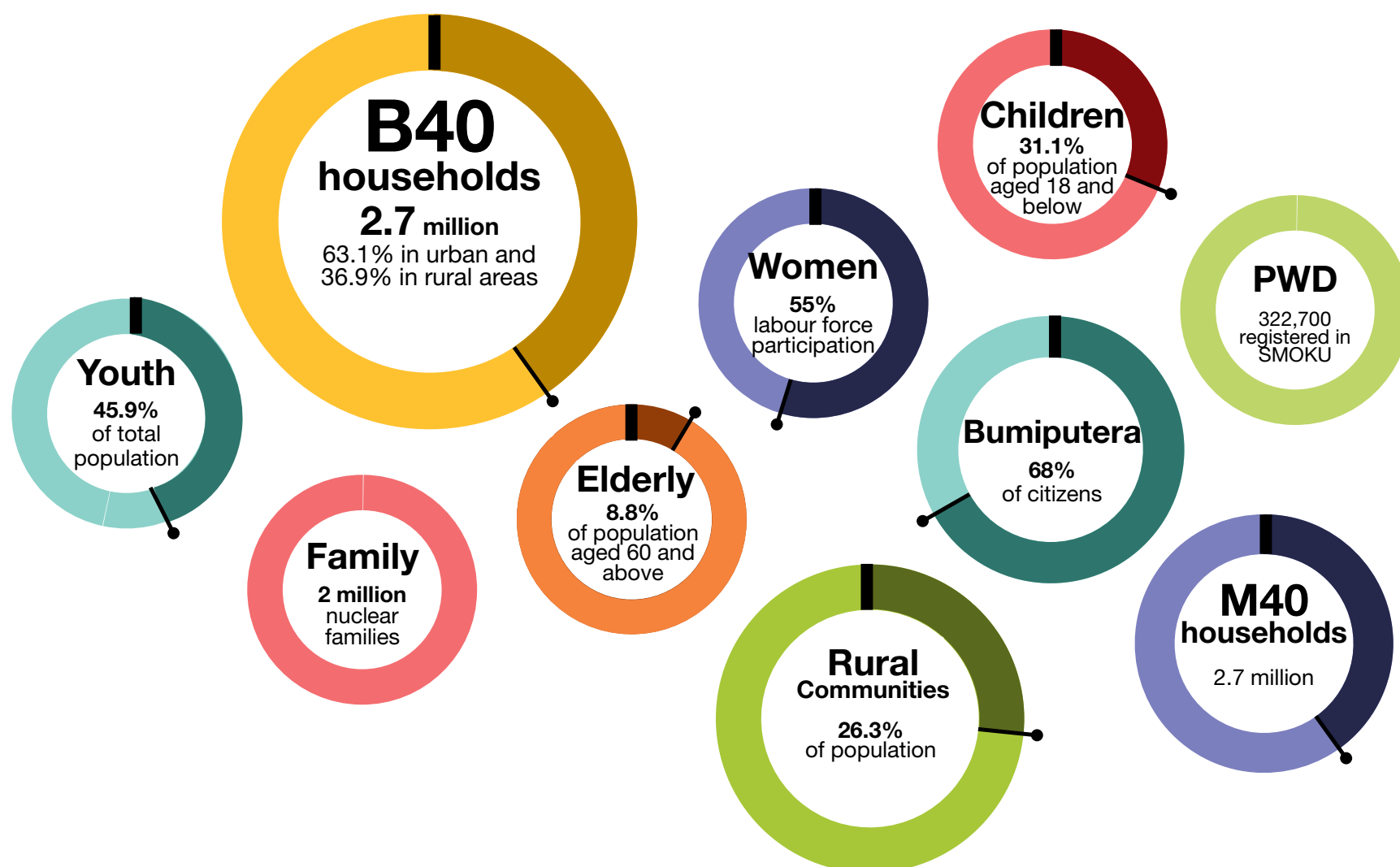
### Preparing Bumiputera for high paying jobs

Technical and skills training was provided for Bumiputera to enable them to secure high paying jobs. YPPB trained 2,623 participants in fields such as oil and gas, finance, and accounting through Program Peneraju Skil and Program Peneraju Profesional. Majlis Amanah Rakyat (MARA) also provided places in universities and technical training institutions to 101,010 students and financial assistance to 86,446 students for their education.

\* \* \*

The strategies implemented in the Tenth Plan have resulted in a more inclusive society through poverty reduction, increased household income, reduction in income disparity, and improved quality of life in rural households. Notwithstanding the progress achieved over the last five years, there are several issues and challenges that remain to be addressed in the Eleventh Plan. These include addressing the socio-economic gap among B40 households and vulnerable groups, inadequate basic infrastructure in rural and remote areas, imbalances in regional economic opportunities, and socio-economic disparity among segments of the Bumiputera community.

Exhibit 3-5

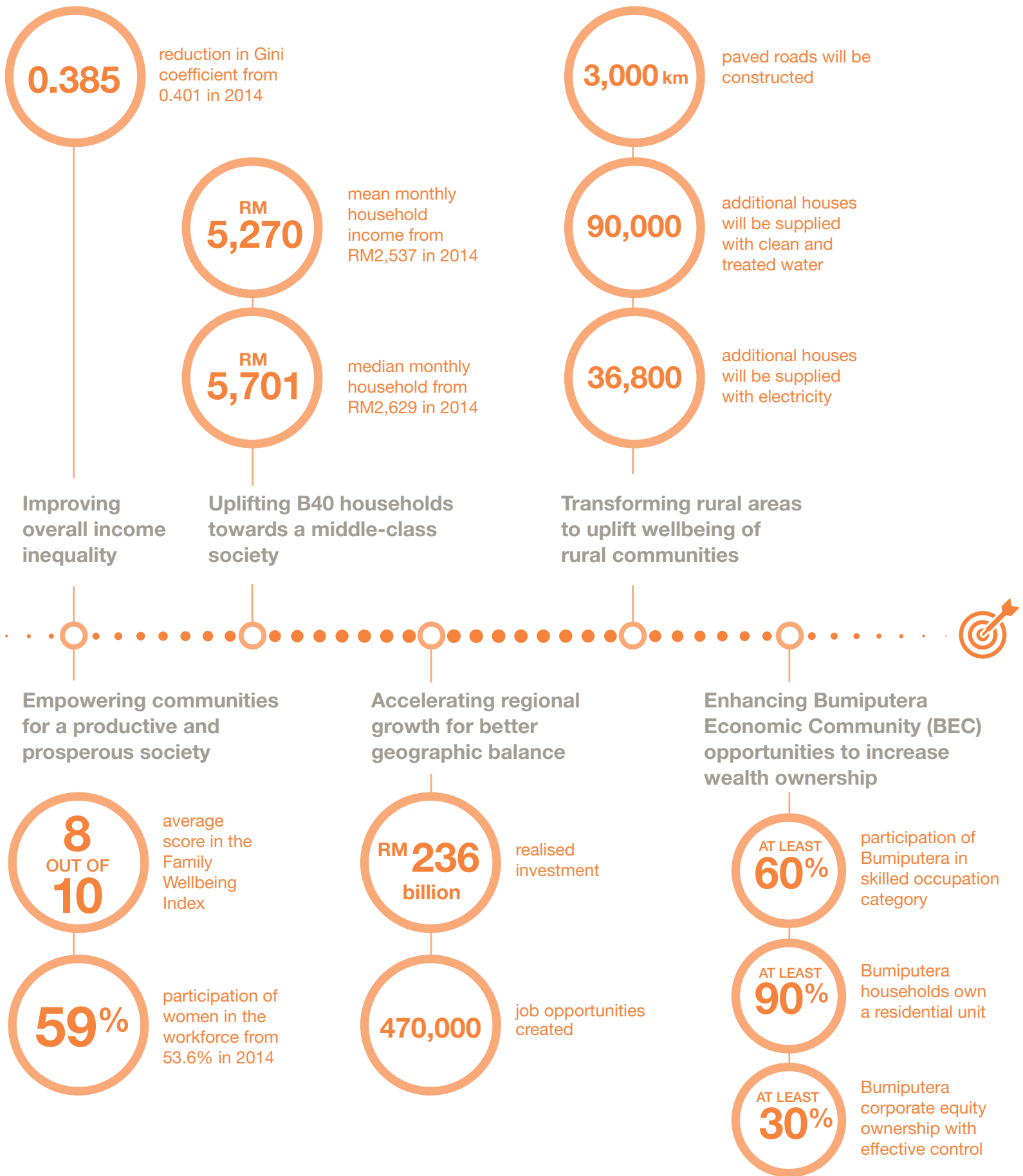
**Target segments for Eleventh Plan**  
(Estimates as of 2014)

# Summary of focus areas

## Eleventh Malaysia Plan, 2016-2020



# SELECTED OUTCOMES



## Moving forward Eleventh Malaysia Plan, 2016-2020

There will be increased focus on enhancing inclusiveness towards providing more equitable opportunities for Malaysians to participate in economic growth. Assistance and subsidies not linked to productivity will be reduced in favour of programmes focused on creating improved wealth ownership and increasing education and skill levels.

During the Eleventh Plan, the philosophy of growth with equity will continue, with increased focus on enhancing inclusiveness. Efforts will be directed towards providing more equitable opportunities for Malaysians to participate in economic growth with increased distribution of national wealth. Higher household income will improve the quality of life and wellbeing of the *rakyat*. The implementation approach will be multidimensional, based on the principles of being market-friendly, needs-based, merit-based, transparent, pro-growth, and sustainable.

Addressing the needs of these varied segments of Malaysians will require a range of mid-to-longer term interventions, in addition to targeted support to cushion the effect of impending macroeconomic challenges. Every effort will be made to support the needy and vulnerable segments of society. Key shifts that will be made during this period include prioritising conditional and outcome-based support, whether economic or social. Assistance and subsidies not linked to productivity will be reduced in favour of programmes focused on creating improved wealth ownership and increasing education and skill levels. These are crucial factors that will enable B40 households to increase their overall quality of life and advance towards the middle-class society. Adoption of modern technology to increase productivity levels will be encouraged, especially in agricultural sector.

Income inequality is expected to improve further with the Gini coefficient reducing from 0.401 in 2014 to 0.385 in 2020. Overall household incomes are expected to increase, reducing the urban-rural income gap. This will be achieved by prioritising five focus areas:

- Focus area A: Uplifting B40 households towards a middle-class society
- Focus area B: Empowering communities for a productive and prosperous society
- Focus area C: Transforming rural areas to uplift wellbeing of rural communities
- Focus area D: Accelerating regional growth for better geographic balance
- Focus area E: Enhancing Bumiputera Economic Community (BEC) opportunities to increase wealth ownership





## Focus area A

# Uplifting B40 households towards a middle-class society

During the Eleventh Plan, focus will be given to lifting the economic opportunities and participation of B40 households to ensure that Malaysia's prosperity can be shared by all Malaysians, regardless of gender, ethnicity, socio-economic status, and geographic location. Uplifting the quality of life of B40 households will be a game changer for Malaysia as upskilling and providing job opportunities to the 2.7 million B40 households, will increase the nation's skilled workforce and reduce inequality passed on to future generations. By uplifting B40 households, Malaysia will take a large step towards becoming an advanced and more inclusive nation.

- **Strategy A1: Raising the income and wealth of B40 households** by enlarging the middle-class society; reducing school dropouts; enhancing accessibility to higher education and skills training; increasing productivity through adoption of modern technology; enhancing adoption of information and communications technology; enhancing integrated entrepreneurship support; developing community- and social-based enterprises; incentivising investment in majority B40 households areas; and increasing wealth ownership through investment programmes;
- **Strategy A2: Addressing the increasing cost of living** by strengthening the monitoring and enforcement of price control regulations; increasing the provision of affordable housing; increasing access to healthcare services; introducing an integrated and comprehensive social safety net; and enhancing financial and debt management programmes; and
- **Strategy A3: Enhancing the delivery system of B40 households programmes** by streamlining support to B40 households and complementing the Poverty Line Income (PLI) measurement with the Multidimensional Poverty Index (MPI).

## Strategy A1

### Raising the income and wealth of B40 households

#### Enlarging the middle-class society

In order to create a larger middle-class society, measures will be taken to spur the income growth of the aspirational group within the B40 households. These include narrowing the gap in post-secondary educational achievement. As the majority of the B40 households and aspirational group in urban areas are employed persons, employers will be incentivised to encourage their employees to pursue higher education and skill levels. Meanwhile, incentives such as soft loan facilities will be provided to employees to further their studies to enable them to secure better paying jobs for more comfortable living. In addition, more programmes in advanced skills training will be provided to enable them to enhance their opportunity to compete for higher paying jobs in technical areas.

SMEs owned by B40 households, especially the aspirational group will be provided with better opportunities to improve their capacity through financing options and business facilitation. Partnerships with large firms will be initiated to provide more business opportunities for SMEs. Entrepreneur development organisations (EDOs) such as SME Corporation Malaysia (SME Corp), SME Bank, and MTDC will continue to provide entrepreneurial training relevant to market needs.

## Game Changer

# Uplifting B40 households towards middle-class society

### Why is uplifting the B40 households important for Malaysia?

Today, there are 2.7 million B40 households with mean monthly household income of RM2,537. As Malaysia continues to grow, the B40 households should not miss out on the opportunities that come with national prosperity. Allowing the B40 households to remain in their current socio-economic status will create social costs for all Malaysians, as it reduces the number of skilled workers needed to grow national output, perpetuates urban inequality, and limits the growth potential of rural and suburban areas. Job opportunities, access to healthcare services and education, and a reliable social safety net will ensure that B40 households have the opportunity for a better life.

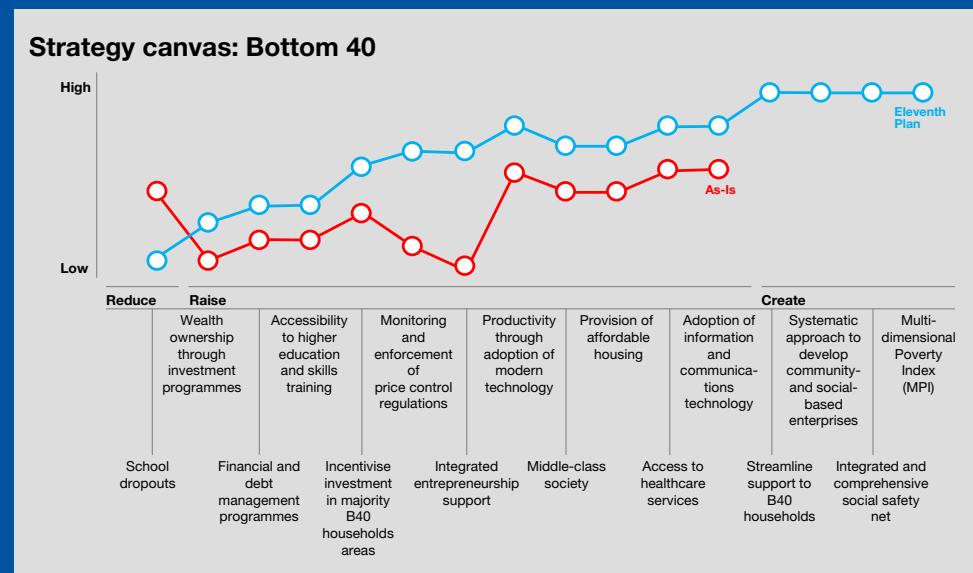
### What will success look like?

All B40 households regardless of ethnicity will be given greater focus, especially the urban and rural poor, low-income households, as well as the vulnerable<sup>1</sup> and aspirational<sup>2</sup> households. The size and composition of middle-class society will grow to 45% by 2020. The mean income of the B40 households will double to RM5,270 in 2020 from RM2,537 in 2014. More B40 households will have family members with tertiary education, from 9% in 2014 to 20% in 2020. The income share of the B40 households to national household income will also increase from 16.5% in 2014 to 20% in 2020.

### How will this be achieved?

The Government will implement strategies to raise the income and wealth ownership of the B40 households, address the increasing cost of living, and strengthen delivery mechanisms for supporting B40 households. The Government will also introduce the Multidimensional Poverty Index (MPI) to ensure that vulnerability and quality of life is measured in addition to income. The major shifts that will occur are set on the right:

The strategy canvas highlights areas that should be eliminated, reduced, raised or created for this game changer.



<sup>1</sup> Vulnerable households refer to households with income between PLI and 2.5 times PLI

<sup>2</sup> Aspirational households refer to households with income between 2.5 times PLI and national mean income

	From	To
Approach	Lifting B40 households above the poverty line through improved income levels and assistance with living costs	Uplifting B40 households to middle-class society by further improving income levels and wealth creation, as well as increasing education and skill levels
Scope	Assisting B40 households with individual micro-enterprises ----- Focus on developing micro-entrepreneurship and economic activities in low-value, traditional industries	Fostering community- and social-based enterprises among the B40 households, in addition to individual enterprises ----- Building capacity to participate in high-productivity, innovative and creative economic activities
Characteristics	B40 households have low wealth and non-financial asset ownership, and are easily affected by economic shocks ----- B40 households are highly reliant on government assistance	B40 households are able to save and build wealth including through non-financial asset ownership, making them more resilient to economic shocks ----- B40 households are independent and rely less on government assistance programmes

### Reducing school dropouts

Appropriate facilities such as hostel, transport, and financial aid will continue to be provided to students in rural and remote areas to enable them to complete primary and secondary education. The K9 School<sup>2</sup> will be expanded to increase student enrolment, particularly among the Orang Asli in Peninsular Malaysia, and those living in the rural and remote areas in Sabah and Sarawak. Special attention will also be given to address the needs of children from identified segments of disadvantaged groups, including children from Malay households in traditional villages, Indians from dislocated estates and urban areas, as well as Chinese from new villages. Special awareness programmes on the importance of education will be conducted for schoolchildren and their parents to inspire a mindset change.

### Enhancing accessibility to higher education and skills training

Accessibility to higher education and skills training among students from B40 households will be enhanced through special programmes. Institutions of higher learning and skills training will be encouraged to provide more places for these students through preferential entry qualification criteria and enrolment quota. This will be complemented with the provision of financial aid. Special consideration will be given to potential students from Orang Asli communities in Peninsular Malaysia, and those living in rural and remote areas in Sabah and Sarawak.

### Increasing productivity through adoption of modern technology

B40 households in rural areas who are self-employed such as farmers, fishermen, and smallholders will be encouraged to adopt modern technology to increase productivity and income. Structured modular programmes focusing on modern farming techniques and good agricultural practices will be intensified. Amalgamation of land and merging of small scale business activities will also be encouraged to benefit from economies of scale. The role of relevant agencies such as Federal Agricultural Marketing Authority (FAMA), Malaysian Agricultural Research and Development Institute (MARDI), and Fisheries Development Authority of Malaysia (LKIM) will be streamlined to provide relevant services and facilitation to these households.

<sup>2</sup> K9 school is a primary school with secondary level from Form 1 to 3 (Source: Ministry of Education)

Large-scale plantation programmes such as Agropolitan, Ladang Masyarakat, Mini Estet Sejahtera (MESEJ), and Rancangan Penempatan Semula (RPS) will be expanded. Small-scale land holders will be encouraged to merge their plots to gain economies of scale and guarantee better income in the long-term through cooperatives. The process of granting communal and individual land ownership to Orang Asli in Peninsular Malaysia and those living in the rural and remote areas in Sabah and Sarawak will be expedited to enable land utilisation by these households. The Dasar Pelupusan dan Pemilikan Tanah Orang Asli (DPPTOA) and administrative procedures in granting NCR land ownership for those living in the rural and remote areas in Sabah and Sarawak will be reviewed.

In urban areas, abandoned buildings and unused spaces will be utilised for urban farming through the use of modern techniques such as fertigation, hydroponics, and vertical farming. Cooperative movements will spearhead this initiative in locations where the B40 households form the majority of the population. Urban farming activities will provide food for local community consumption and create job opportunities in production, processing, packaging, and marketing activities to generate additional income.

Small-scale B40 entrepreneurs involved in industries such as printing, food manufacturing, as well as vehicle repair and maintenance will be encouraged to use modern technology to increase productivity and lower cost of production, thus increasing income. Relevant agencies such as SME Corp, Malaysia Productivity Corporation (MPC), Halal Development Corporation (HDC), and Standards and Industrial Research Institute of Malaysia Berhad (SIRIM) will facilitate these entrepreneurs to adopt modern technology.

### **Enhancing adoption of information and communications technology**

The adoption of ICT will be accelerated to increase access to information on agriculture, business, education and health, and expand business and income earning opportunities to improve wellbeing. In this regard, the eRezeki programme for B40 households will be expanded to enable the use of ICT to generate additional income. Basic ICT

training will be provided before matching participants of the eRezeki programme with relevant jobs such as data entry, price monitoring, and document translation. These micro-tasks can be accomplished from homes or telecentres.

Business support through digital platforms for micro-enterprises will be expanded to enhance outreach and market access. To further expand the e-payment platform for micro-enterprises, affordable terminals and readers that are integrated with e-commerce solutions, will be provided. In addition, online business-matching services to local entrepreneurs will be introduced in telecentres.

### **Enhancing integrated entrepreneurship support**

SME Corp will coordinate the development of the SMEs owned by B40 households. Collaboration among agencies providing entrepreneurship support programmes to micro-, small- and medium-scale entrepreneurs in urban and rural areas such as SME Corp, TEKUN Nasional and AIM will be strengthened to provide integrated assistance and reduce overlapping activities. Broader business development opportunities will also be provided by these agencies. Micro-enterprises will also be linked to banking and financial institutions for easier access to funding.

Initiatives will include establishing smart partnerships with research and development (R&D) institutions to assist the SMEs to improve product quality, enhance compliance to standards and increase market access. In this regard, SME Corp will introduce integrated entrepreneurship development packages from start-up to market product placement activities. In addition, Urban Transformation Centre (UTC) and Rural Transformation Centre (RTC) facilities will be utilised to facilitate entrepreneur training programmes.

To encourage rural entrepreneurship, an appropriate socio-economic environment will be established to facilitate local activities. The entrepreneurial orientation programme focused on stimulating local entrepreneurial talent and growth of indigenous companies will be introduced. This is critical to create jobs and add economic value to rural areas while retaining scarce resources within the community. It is important to sustain this effort so that the entrepreneurship culture

is embedded within rural communities. Initiatives to enhance access to financing and entrepreneurship training, as well as the provision of advisory services, and business premises will be increased. These initiatives will enable the mobilisation of rural youths to be employed and participate in entrepreneurship activities to minimise migration to urban areas.

### Developing community- and social-based enterprises

A systematic approach will be introduced to develop community- and social-based enterprises on the cooperative model to carry out activities such as childcare services or crèches, tuition centres, and orphanages for B40 households in urban areas. Appropriate infrastructure and facilities will be provided, as well as leadership and management training to build the capacity and capability of these enterprises.

In rural areas, B40 households especially the Orang Asli in Peninsular Malaysia and those living in the rural and remote areas in Sabah and Sarawak, will be encouraged to establish cooperative-based community enterprises including through provision of initial funding by Suruhanjaya Koperasi Malaysia (SKM). These enterprises will focus on activities that leverage their strengths and distinct culture such as handicraft, forest-based products, ecotourism, and homestay. Youth in the rural area will be encouraged to participate in enterprises and dedicated programmes designed to induce the involvement of local community. Government-linked companies (GLCs) and GLICs will collaborate with the relevant local, regional, and corridor authorities to develop capabilities and provide business opportunities for these community enterprises.

### Incentivising investment in majority B40 households areas

The private sector, especially multinational corporations (MNCs) and large local companies, will be incentivised to locate their business operations in urban and rural areas with majority B40 households to provide better job opportunities for their local communities, especially high paying jobs. Investment in rural areas will leverage on local natural resources. Existing incentives such as double deduction and tax relief will be provided to encourage the MNCs and large local companies to employ and train the local workforce. Basic infrastructure and facilities will also be provided to support these businesses and reduce the cost of doing business. In the rural areas, integrated facilities such

as banking, postal, and marketing services will be provided in rural development centres, especially in Orang Asli settlements in Peninsular Malaysia and majority B40 households population in Sabah and Sarawak.

### Increasing wealth ownership through investment programmes

Unit trust schemes such as the Amanah Saham Wawasan (ASW), Amanah Saham 1Malaysia (AS1M), and Amanah Saham Gemilang will be further expanded to increase equity ownership among the B40 households. Awareness programmes on the benefits of such schemes will be intensified to increase the participation of B40 households in these schemes.

Cooperatives will be encouraged to participate in real estate investment trusts (REITs) to increase asset ownership among B40 households. The cooperatives will also undertake commercial property development in strategic locations and build affordable residential units for B40 households in urban areas.

## Strategy A2

### Addressing the increasing cost of living

#### Strengthening the monitoring and enforcement of price control regulations

Efforts will continuously be taken to strengthen the monitoring and enforcement of price control regulations to curtail unreasonable price increases, especially for basic necessities. Consumers will play a greater role by reporting unethical pricing practices and stockpiling by retailers through the Skwad Pengguna, consumer associations and the eAduan system. Price monitoring will ensure stable and adequate supply of goods and services and curb excessive market speculation, thus improving market efficiency and purchasing power. The 1Harga 1Malaysia programme will be continued to standardise the prices of subsidised goods between Sabah, Sarawak, and Peninsular Malaysia. The coverage of Kedai Rakyat 1Malaysia (KR1M) and Coop1Malaysia stores will also be expanded throughout the nation to ensure widespread access to reasonably priced goods thus reducing the burden of increasing cost of living.

### **Increasing the provision of affordable housing**

The Government will continue to ensure that affordable homes are available to B40 households. Special interest rate loans, with a 10-year moratorium on sale of the property, will be provided to B40 households to enable them to own houses. Affordable housing schemes by Perbadanan PR1MA Malaysia and Syarikat Perumahan Negara Berhad will be continued. Housing rental assistance will also be made available to eligible households. In addition, state governments will be encouraged to set an adequate quota for affordable housing.

Policies regarding housing for the B40 households will also emphasise quality and maintenance. Existing low-cost flats and houses will be refurbished as part of a holistic campaign to improve the living conditions of the community. For poor households in rural areas, especially Orang Asli in Peninsular Malaysia and those living in Sabah and Sarawak, the Government will continue to provide housing with basic amenities through the construction of integrated settlements under Program Bantuan Rumah (PBR). The Program Perumahan Rakyat (PPR) will be continued for poor households in urban areas.

### **Increasing access to healthcare services**

The Government will encourage the participation of private healthcare service providers and non-governmental organisations (NGOs) in the provision of specific healthcare facilities such as dialysis, rehabilitation and medical testing lab centres in urban areas. Such facilities will complement existing healthcare services provided by the Government.

In rural areas, more community clinics will be built to increase access to basic healthcare services. Frequency of visits by medical specialists in non-specialist district hospitals, mobile clinics, and flying doctors will also be increased while local health volunteer programmes will be strengthened. Other health programmes such as food baskets, community feeding, and immunisation programmes will be continued. In addition, awareness and education programmes on family health such as nutrition, family planning, and healthy living will be intensified.

### **Introducing an integrated and comprehensive social safety net**

Existing SSN programmes will be transformed to be more integrated and comprehensive with a clear exit policy. This will include the implementation of a systematic monitoring and evaluation mechanism which provides for greater accountability. A single standardised targeting mechanism will be developed to identify eligible beneficiaries based on the enhanced eKasih database. This will minimise inclusion and exclusion errors allowing the target group to fully benefit from assistance provided.

Unconditional social welfare programmes will be reviewed to include clear productivity linked targets and exit policy. This will ensure assistance is given to the right target groups, reduce dependency on the Government and optimise utilisation of resources.

### **Enhancing financial and debt management programmes**

The level of financial literacy and financial management capability will be enhanced throughout the life stages to foster prudent financial management from an early age as well as to prevent high indebtedness among B40 households. In this respect, financial education and debt advisory services will be intensified to assist households to improve their financial management, and responsible practices, including proper use of consumer credit and debt restructuring.

Financing behaviour and practices among borrowers and lenders will be further strengthened. In this regard, integrated and enhanced legislation will be put in place to manage consumer credit activities for both banks and non-bank lenders. In addition, the collection, management and sharing of data relating to household indebtedness across national authorities and Government agencies will be enhanced to promote effective analysis and development.

## Box 3-1

**M40 households**

Middle 40% households income group (M40 households) refers to households that are between 41% to 80% of household income distribution. In 2014, the M40 households' income ranged between RM3,860 and RM8,319, where the mean and median income was RM5,662 and RM5,465 respectively. Currently there are 2.7 million M40 households, of which 83% reside in urban areas while 17% are in rural areas. 85.9% of the M40 households live in Peninsular Malaysia.

Initiatives to raise income levels of the aspirational segment of B40 households are aimed at shifting them to the middle-class society. In addition, the M40 households also face challenges in increasing their earning capacity to cope with the higher cost of living, and home ownership, including being able to live within a reasonable proximity to their place of work. Initiatives that will be undertaken to support M40 households include enhancing their education attainment, upgrading skills acquisition, and strengthening the business ecosystem to provide the support and environment for M40 household entrepreneurs to thrive.

**Strategy A3****Enhancing the delivery system of B40 household programmes****Streamlining support to B40 households**

A mechanism will be established to streamline, rationalise, and coordinate various efforts by agencies to elevate B40 households towards a middle-class society. To ensure programmes and projects are in line with national policies and strategies, a bottom-up approach will be adopted to encourage participation and commitment of all stakeholders, from problem identification to monitoring and evaluation of programmes. Focus group committees at district levels will be empowered to ensure development programmes meet their needs.

**Complementing the Poverty Line Income (PLI) measurement with the Multidimensional Poverty Index (MPI)**

The MPI, a relative poverty measurement approach practised in developed nations, will be adopted to complement the absolute income-based measurement of the PLI. The MPI measures access to basic infrastructure and services that facilitate social mobility and enables intensity-based analysis, thus providing clear identification of the needs of the lower income households.

## Box 3-2

**Multidimensional Poverty Index**

In Malaysia, poverty has traditionally been measured on one dimension, namely income, using the PLI. Households that do not meet a specific income requirement are considered poor. In 2010, the United Nations Development Programme (UNDP) introduced the MPI in its Human Development Report.

In line with this practice, Malaysia has also developed a national measurement of MPI that is appropriate to the socio-economic wellbeing and development framework of the nation. The use of the MPI will ensure that policy deliberations will shift beyond poverty, to include vulnerability as well. The MPI will complement the PLI to measure and monitor poverty from multidimensional perspectives.

The MPI reflects both the incidence of multidimensional deprivation (the number of people who suffer deprivations in multiple aspects of life at the same time within a given population), and its intensity (how many deprivations they experience at the same time). The model comprises of four dimensions with 11 indicators. Households deprived in at least one third of the weighted indicators are considered vulnerable to or at risk of becoming multidimensionally poor.

**Dimensions, indicators, cut-offs and weights for MPI**

Dimension	Indicator	Deprivation cut-off	Weight
Education	Years of schooling	All household members aged 17-60 have less than eleven years of education	1/8
	School attendance	Any school-aged children (aged 6-16) not schooling	1/8
Health	Access to health facility	Distance to health facility is more than 5 kilometres away and no mobile health facility is provided	1/8
	Access to clean water supply	Other than treated pipe water inside house and public water pipe/stand pipe	1/8
Living Standards	Conditions of living quarters	Dilapidated or deteriorating	1/24
	Number of bedrooms	More than 2 members/room	1/24
	Toilet facility	Other than flush toilet	1/24
	Garbage collection facility	No facility	1/24
	Transportation	All members in the household do not use private or public transport to commute	1/24
	Access to basic communication tools	Does not have consistent fixed line phone or mobile phone	1/24
Income	Mean monthly household income	Mean monthly household income less than PLI	1/4





## Focus area B

# Empowering communities for a productive and prosperous society

During the Eleventh Plan, efforts will focus on empowering the community to enhance inclusiveness by addressing the needs of the community, including family, youth, women, children, the elderly and PWD. Six strategies will be implemented to achieve these priority targets:

- **Strategy B1: Strengthening the family institution** by enhancing parenting skills and family values, as well as improving counselling services and the family support system;
- **Strategy B2: Nurturing the potential of youth** by building dynamic leadership and multiple capabilities, developing youth entrepreneurs and inculcating the spirit of volunteerism among youth;
- **Strategy B3: Enhancing the role of women in development** by creating a more conducive working environment and increasing the number of women in decision-making positions;
- **Strategy B4: Upholding the needs and interests of children** by improving protection against abuse, abandonment and neglect, as well as increasing educational outcomes for underprivileged children;
- **Strategy B5: Enhancing the living environment for the elderly** by improving the supportive environment for the elderly and promoting active ageing; and
- **Strategy B6: Empowering persons with disabilities** by creating a friendly physical environment for PWD as well as expanding training and skills development to increase employability.

## Strategy B1

### Strengthening the family institution

The family institution remains a critical part of Malaysia's social fabric. In recent years, families across the nation are under increasing pressure with the rise of urbanisation, long working hours, cost of living and the impact of social media on communication and relationships. Strengthening families as the core of communities is a priority for this Eleventh Plan, with initiatives aimed at helping families to cope in a rapidly changing environment. Under this strategy, the Family Wellbeing Index score is expected to improve to 8 out of 10 by 2020.

#### Enhancing parenting skills and family values

Pre-marriage and marriage enrichment programmes will be promoted across all communities, to inculcate family values, parenting skills and effective communication to strengthen the marriage institution and family resilience. NGOs, community-based organisations (CBOs) and private organisations will be encouraged to conduct these programmes. In addition, prudent financial management and healthy lifestyle will be promoted among young married couples. Social and mass media will be utilised to promote family education and knowledge enrichment programmes.

### **Improving counselling services and family support system**

Counselling services to family members in need, particularly those experiencing shock, emotional stress and financial difficulties will be strengthened by engaging experts and relevant NGOs. The existing family support system and facilities will also be improved through collaboration between the Government, community, NGOs and the private sector. Integrated community centres will be established to house *taska*, respite care for the elderly, and transit centre for children and students, as well as other facilities such as rehabilitation centres, kafe@TEEN and Klinik Nur Sejahtera.

## **Strategy B2**

### **Nurturing the potential of youth**

By 2020, youth aged 15-40 will make up 44.7% of our total population. Youth play an important role in nation building. They are not only the leaders of tomorrow, but also the partners of today. They are actors of change who will define the future identity of Malaysia for the nation to move forward. Therefore, it is crucial to provide them with an enabling environment and opportunities to play their role in national development.

### **Promoting dynamic leadership and developing multiple capabilities among youth**

Youth development programmes will foster dynamic leadership and develop multiple capabilities among youth through education and training, entrepreneurship, sports and volunteerism. Positive values including spiritual, patriotism, responsibility, care, resilience and positive mindsets will be inculcated to mould the potential young generation to become credible future leaders. More structured programmes will also be implemented to enhance social integration and promote unity among youth.

### **Developing dynamic and effective entrepreneurs among youth**

Integrated entrepreneurship development programmes including financial and investment literacy will be made more accessible to youth to create a larger pool of successful young entrepreneurs

including in sports-related industries. Various agencies such as Akademi Pembangunan Belia Malaysia, Institut Keusahawanan Negara (INSKEN), MARA, Women Innovation Academy (MyWIN) and TEKUN Nasional will support these initiatives. Towards this end, the related agencies will formulate a strategic plan to develop dynamic and effective entrepreneurs among youth in a more integrated manner.

### **Inculcating the spirit of volunteerism among youth**

Youth from universities will be encouraged to participate in “Back to Community” voluntary programmes implemented in partnership with NGOs, universities, and companies. Programmes by iM4U and RELA Youth Squad will be expanded to enable more youth from universities to participate and contribute more effectively.

## **Strategy B3**

### **Enhancing the role of women in development**

Women make up 48.7% of our total population, and today, form 61% of total graduate enrolment in Malaysia. They are an important part of addressing the talent gap in Malaysia, to achieve our socio-economic development objectives. A number of measures will be taken to harness women talent at all levels, and create more opportunities for women to participate in the economy, and increase the female labour participation rate to 59%, by 2020.

### **Creating a more conducive working environment**

Providing a more conducive working environment will help to promote gender diversity and increase female participation in the labour force with measures such as promoting work-life balance, flexible working arrangements and work from home concept in both the public and private sectors. In addition, accessibility to quality early childcare and childhood education (ECCE) for childcare services will be expanded.

### Increasing the number of women in decision-making positions

Efforts will be intensified to increase the number of women in decision-making positions. In line with this, women will be given greater opportunities to acquire the necessary knowledge and experience including in areas of entrepreneurship. “Back to work” programmes to encourage qualified women who have been out of the workforce due to family or other commitments, will also be expanded through collaboration with the private sectors. Initiatives led by TalentCorp will be continued to increase the number of talented women returning to the workforce. In addition, the collection of gender disaggregated data by various ministries and agencies will be improved to support planning, monitoring and evaluation of programmes.

### Strategy B4

#### Upholding the needs and interests of children

Malaysia remains a young nation, with children aged below 18 expected to make up 29.9% of our total population by 2020. Efforts to protect the needs and interests of children will be enhanced to address issues of abuse and neglect. In addition, a range of initiatives to increase education opportunities especially for disadvantaged and disabled children, will be implemented.

#### Improving protection against abuse, abandonment and neglect

The number of Childcare and Child Protection Units will be increased to improve the protection of children against abuse, abandonment and neglect. Advocacy efforts will be intensified through social media. The Child Act, 2001, will also be reviewed to safeguard the needs and protection of children. Preventive and rehabilitative programmes for children in need will be strengthened by increasing the participation of family and community.

### Increasing access to quality childcare and improving educational outcomes for disadvantaged children

Efforts will be undertaken to improve access to quality education for children to realise their potential. Communities will be encouraged to set up childcare centres to provide facilities for learning and recreational activities to prevent children from getting involved in undesirable social activities. Child minders in ECCE will be trained in collaboration with NGOs and relevant universities to enhance the quality of service and outcomes for the children under their care. More childcare centres for children with special needs, such as Down’s Syndrome and learning, hearing or physical disabilities, will be established in partnership with NGOs and the private sector. Children aged 13 to 18 in welfare institutions will be provided with opportunities to pursue technical and vocational education and training.

### Strategy B5

#### Enhancing the living environment for the elderly

The proportion of the population aged above 60 years is increasing, from 7.9% in 2010 to 8.8% in 2014. This figure is expected to grow to 10.6% by 2020. Better quality of life and advances in healthcare has resulted in longer lifespans in 2013, 72.6 years for men and 77.2 years for women in Malaysia. Many of our senior citizens are thus in a position to continue contributing to society even in their golden years. During the Plan, concerted efforts will be undertaken to enhance the quality of life of the elderly.

#### Improving supportive environment for the elderly

Initiatives to improve the support environment for the elderly include providing elderly-friendly infrastructure and improving care services. More day care centres for the elderly will be established in collaboration with NGOs to enable them to live with family members who are working. In addition, elderly care centres and Home Help services will also be expanded. Awareness programmes on elderly care will be strengthened to shift the elderly community to action in adopting active and healthy lifestyles.

Social protection for the elderly poor will be streamlined and integrated to ensure better quality of life. The provision of assistance will be continued based on basic needs. The low-income group, particularly in the informal sector, will be encouraged to participate in voluntary savings and retirement schemes to ensure economic protection in their old age.

### **Promoting active ageing**

The capacity of the Institute of Gerontology, Universiti Putra Malaysia will be enhanced to conduct more research to support active ageing. The University of the Third Age (U3A) Programme will be expanded to provide opportunities for the elderly to continuously learn and acquire knowledge and skills in collaboration with universities, community colleges and Pusat Aktiviti Warga Emas. In addition, NGOs will also be encouraged to implement self-help based learning programmes.

A national campaign to promote social awareness on volunteerism among retired professionals will be launched to encourage the elderly to participate in community-based activities. This will allow them to remain active by contributing their knowledge, skills and experience to benefit the community. CBOs and NGOs will be encouraged to attract more retired professionals to participate in voluntary community development programmes.

## **Strategy B6**

### **Empowering persons with disabilities**

Despite continuous improvement in providing services and support to empower PWD, there is still room to create a more conducive environment for the PWD. The focus of the Eleventh Plan will continue to provide a more conducive and PWD-friendly environment for active, productive and independent living.

#### **Creating a friendly physical environment for PWD**

Barrier-free access to public places is an important element of independent living. To this end, the enforcement of the Uniform Building By-Laws for Universal Access 1984 will be strengthened to ensure compliance to universal design and creating a disabled-friendly physical environment. Existing Government buildings will also be upgraded in compliance with the By-Laws.

To further encourage independent living of PWD, community-based Independent Living Centres will be established with the participation of NGOs. These centres will be managed by the PWD.

#### **Expanding training and skills development to increase employability**

During the Plan, more programmes will be implemented to empower productive PWD. More accessibility to basic education and skills training will be provided, including entrepreneurship, to build relevant skills among PWD such that they are employable by the private sector and the government, in line with the target to employ at least 1% PWD among civil servants. SMOKU will be improved to support planning, monitoring and evaluation of existing programmes. In addition, the Pusat Latihan Perindustrian dan Pemulihan will be upgraded as the centre of excellence (CoE) for disability training and research.



## Focus area C

# Transforming rural areas to uplift wellbeing of rural communities

26.3% of Malaysians or 7.92 million people live in rural areas across the nation, with varying levels of accessibility to peri-urban areas, infrastructure, social amenities and economic opportunities. Uplifting the wellbeing of rural communities continues to be a priority in the Eleventh Plan, in line with the objective of ensuring balanced growth across geographies. Five strategies will be delivered to achieve these outcomes during the Eleventh Plan:

- **Strategy C1: Extending provision of rural basic infrastructure** by streamlining rural infrastructure planning and increasing the provision of road, water and electricity supply;
- **Strategy C2: Encouraging more private investment in rural areas** by providing a more conducive business environment;
- **Strategy C3: Improving rural-urban linkages** by improving connectivity and mobility as well as using ICT to strengthen the role of UTCs, RTCs and mini RTCs;
- **Strategy C4: Expanding access to basic services** by expanding the mobile community transformation centre programme, and extending banking services to rural areas; and
- **Strategy C5: Streamlining the delivery system** by reviewing the role of Regional Development Authorities (RDAs) and establishing Sistem Profil Kampung Peringkat Nasional.

## Strategy C1

### Extending provision of rural basic infrastructure

#### Streamlining rural basic infrastructure planning

An integrated rural basic infrastructure database will be developed to facilitate stock-taking and planning of rural basic infrastructure as well as to ensure effective delivery of priority infrastructure to meet the communities' needs.

#### Increasing the provision of road, water and electricity supply

New roads will be constructed and existing roads including ex-logging roads will be upgraded to improve connectivity, particularly in Sabah and Sarawak as well as Orang Asli settlements in Peninsular Malaysia. Priority will be given to the construction of roads connecting villages as well as linking villages with the nearest towns. During the Eleventh Plan, 3,000 kilometres of paved roads will be constructed.

The Rural Water Supply programme, to supply clean and treated water directly to each household, will be expanded and this will involve connecting households to the meter stands of the reticulation systems. In addition, alternative systems such as gravity feed, tube wells and rain water harvesting will be used in remote and isolated areas. 99% coverage of access of clean and treated water will be provided to rural houses reaching 90,000 additional houses.

The Rural Electricity Supply programme will continue to focus on off-grid generation for remote and isolated areas. The alternative system of solar hybrid and mini hydro will be supported by micro- and pico-grid to increase coverage. The local community will be trained and encouraged to collaborate in the maintenance of these facilities to

ensure sustainability of the rural alternative electrification system. 99% coverage of access of electricity will be provided to rural houses reaching 36,800 additional houses.

## Strategy C2 Encouraging more private investment in rural areas

Efforts will be implemented in collaboration with regional economic corridor authorities to provide a more conducive business environment to attract higher value added investment to rural areas. Collaboration among relevant ministries and agencies will be strengthened to provide appropriate infrastructure, logistics and support services to facilitate private sector investment. The role of RTCs as a one-stop business facilitation centre will be enhanced to increase the ease of doing business, including providing information on potential areas for investment.

## Strategy C3 Improving rural-urban linkages

The linkage between rural and urban areas will be strengthened by improving connectivity and mobility to foster greater economic integration. The transportation system will be integrated to provide better connectivity and more cost-effective routes for buses will be identified to increase mobility. This will enable rural enterprises to market their goods and services to the urban centres and peripheries.

The role of UTCs, RTCs and mini-RTCs as conduits of rural-urban linkages will be strengthened by leveraging ICT. Measures will also be undertaken to encourage rural dwellers to use these centres to provide supporting services, particularly for those in the ecotourism industry.

## Strategy C4 Expanding access to basic services

### Expanding the Mobile Community Transformation Centre programme

The Mobile CTC programme which brings basic government services to rural communities, especially in remote areas, will be expanded with the participation of more government and private agencies. Programmes will be customised in each location to meet the specific requirements of local residents.

### Extending banking services to rural areas

Implementation of the rural banking services programme will be expanded to increase accessibility to financial services for the rural community. 4,348 BSN service agents will be appointed to increase coverage of financial services in rural areas. Banks will be encouraged to provide automated teller machines and cash deposit machines at strategic places in rural areas.

## Strategy C5 Streamlining the delivery system

### Reviewing the role of regional development authorities

The role of RDAs will be reviewed to drive socio-economic development of their respective areas. The RDAs will collaborate with the regional economic corridor authorities to provide sufficient infrastructure and social amenities as well as attract private investments to generate economic activities and create jobs for the local community. RDAs will also support relevant agencies in implementing socio-economic development programmes and projects. The capacity of RDAs will be strengthened to implement revenue generating projects to encourage self-financing.

### Establishing Sistem Profil Kampung Peringkat Nasional

A comprehensive and integrated database system, Sistem Profil Kampung Peringkat Nasional (SPKPN) will be established to provide comprehensive profile of villages which have Jawatankuasa Kemajuan dan Keselamatan Kampung (JKKK). The database will include information on demographics, socio-economic status and infrastructure to be used as the national reference for effective planning of rural development programmes and projects. It is expected that profiles of 17,900 villages nationwide will be completed by 2020.



## Focus area D

# Accelerating regional growth for better geographic balance

Since the establishment of the first regional economic corridor in 2006, many success stories have emerged, including economic opportunities for locals. Regional economic corridors will continue to spur economic growth to address inter- and intra-regional imbalances and increase inclusivity. Efforts will be undertaken to accelerate investment, provide infrastructure and review corridor development plans.

Two strategies have been identified:

- **Strategy D1: Strategic review of regional economic corridor master plans** by revisiting regional economic corridor priorities and industry focus; and
- **Strategy D2: Accelerating investment in regional economic corridors** by enhancing facilitation for investors, improving connectivity and mobility as well as intensifying research, development and commercialisation.

### Strategy D1

## Strategic review of regional economic corridor master plans

### Revisiting regional economic corridor priorities and industry-focus

Given the changing domestic and global economic landscape, regional economic corridor authorities will need to ensure that the direction, strategies and initiatives are in-line with national socio-economic development goals as well as responsive to international challenges. Regional economic corridors will continue to develop economic clusters based on sectoral and geographic advantages to benefit from economies of scale and enhance the quality of life of local communities. Efforts will be undertaken to accelerate investment, improve infrastructure and review of regional economic corridor master plans in order to realise investment of RM236 billion and create 470,000 jobs by 2020.

The regional economic corridors will continue to play an important role in Malaysia's growth and development. A number of long term, high impact programmes and projects are currently underway, and will continue to be implemented in the coming years. Priority sectors include the creative cluster in Iskandar Malaysia; automotive and aeronautics industries in NCER; petrochemical industries in the existing industrial parks in ECER; tourism and palm oil downstream processing in SDC; as well as energy-intensive industries including aluminium, steel and glass in SCORE.

A number of initiatives to promote inclusiveness will also be implemented across the regional economic corridors, mainly focused on income-generating activities and skills training for local communities. For example, the Iskandar Malaysia Creative Industry Talent Development Programme will be enhanced to train more locals, while entrepreneurship and skills development programmes will broaden the ability of locals to participate in and benefit from economic development in ECER. In NCER, programmes such as the Agriculture Vocational School Enterprise Training Programme will be expanded. High impact programmes in creative content development will be developed for youth in SDC with a target of 850 enrolments. Within SCORE, programmes will be developed to support tourism development and increase agriculture productivity.

In addition, the Border Economic Transformation Programme (BETP) will enhance outcomes from regional economic development by bringing inclusive development and prosperity to the border regions of Malaysia. The BETP will start with the Malaysia-Thailand border which encompasses both ECER and NCER, with the aim of attracting investment, creating jobs and increasing incomes for the local communities in and around border areas. A range of large-scale economic growth projects and local income-generating opportunities will be developed including the development of Lembah Chuping and Perlis Inland Port in Perlis, rubber-based downstream processing in Rubber City in Kedah, the construction of Plaza IMT-GT, a retail plaza, in Bukit Bunga as well as the redevelopment of Kampung Laut in Tumpat, Kelantan.

## Strategy D2

### Accelerating investment in regional economic corridors

#### Enhancing facilitation for investors

Investment acceleration is critical to spur development in the regional economic corridors. On average, only 56.8% of committed investment has been realised. While there are many factors that influence investment realisation, more can be done to strengthen the investment delivery mechanism, especially around investor facilitation, mobility and commercialisation of research. Regional economic corridor authorities will facilitate investors in obtaining approvals across multiple agencies, solving land issues and related matters to ensure committed investments are realised. Expansion of this investor facilitation model will also ensure that authorities continue to facilitate investors once their businesses are in operation, to address implementation challenges and encourage reinvestment in the future.

#### Improving connectivity and mobility

Transportation networks will be improved to enhance connectivity and mobility in regional economic corridors. This includes the construction and upgrading of roads and highways such as the Pan Borneo Highway to link SCORE and SDC; Central Spine Road and Kota Bharu-Kuala Krai Highway to increase connectivity in ECER. The completion of Mukah Airport is expected to accelerate development in Mukah and the surrounding areas within SCORE, with Mukah to be developed as a smart city as well as one of the growth nodes in SCORE.

#### Intensifying research, development and commercialisation

Collaboration between government, industry and academia will be strengthened to intensify research, development and commercialisation (R&D&C) activities in economic clusters to ensure industrial sustainability. The collaboration concept adopted by the Collaborative Research in Engineering, Science and Technology (CREST) Centre will be extended to other economic clusters and regional economic corridors.





## Focus area E

# Enhancing Bumiputera Economic Community (BEC) opportunities to increase wealth ownership

In order to address the issues and challenges faced by Bumiputera, more creative and innovative efforts will be undertaken. For this purpose, five main strategies to be implemented are as follows:

- **Strategy E1: Empowering Bumiputera human capital** by expanding high-skills training and certified professionals programmes;
- **Strategy E2: Increasing Bumiputera effective control and sustainable corporate ownership** by broadening investment strategy to improve equity ownership, increasing GLCs and GLICs divestment of non-core assets and activities to Bumiputera entrepreneurs, as well as introducing new funding mechanisms for financial assets;
- **Strategy E3: Enlarging the share of Bumiputera wealth ownership** by strengthening institutional-based programmes for assets ownership and introducing new funding mechanisms for non-financial assets;
- **Strategy E4: Empowering Bumiputera Economic Community** by reducing financing to low-value added and non-strategic industries, intensifying entrepreneur financing programmes, enhancing development-oriented and integrated programmes for Bumiputera enterprises, enhancing mindset change programmes, institutionalising community- and social-based enterprises, providing incentives to encourage private sector and industry participation, as well as establishing platform for business collaboration and marketing opportunities; and

- **Strategy E5: Strengthening delivery effectiveness of Bumiputera-oriented programmes** by setting up an integrated database comprising Bumiputera socio-economic status, simplifying Government procedures to reduce the cost of doing business and ensuring collaboration across all relevant agencies and the private sector to deliver programmes effectively.

## Strategy E1

### Empowering Bumiputera human capital

#### Expanding high-skills training and certified professional programmes

Successful employment insertion programmes such as the Program Pengeraju Skil under YPPB will be expanded to improve skills of the Bumiputera. By 2020, participation of Bumiputera in skilled occupation categories is targeted to reach at least 60%. Industry players in high impact sectors will play a prominent role through collaboration with training institutions in tailoring their modules to industry needs. This will result in more employable graduates who will have access to better job opportunities. Appropriate incentives will be offered to industry players to encourage stronger collaboration with the relevant skills training institutions. Program Pengeraju Profesional conducted by YPPB and other similar programmes will be expanded to increase the number of certified professionals among Bumiputera such as accountants, financial analysts and engineers.

## Strategy E2

### Increasing Bumiputera effective control and sustainable corporate ownership

#### Broadening investment strategy to improve equity ownership

Corporate equity enhancement programmes will be continued to increase Bumiputera equity ownership with effective control such as private equity investments by EKUINAS, SJJB and Program Pembangunan Usahawan Korporat (The Baron). In addition, PNB will further diversify the Amanah Saham Bumiputera (ASB) portfolio of investment into property to maximise returns to unit holders. Other Bumiputera agencies and institutions will also be focusing on the acquisition of high potential companies and profitable PLCs. By the end of the Eleventh Plan, Bumiputera corporate equity ownership with effective control is expected to increase to at least 30%.

#### Increasing GLCs and GLICs divestment of non-core assets and activities to Bumiputera entrepreneurs

Divestment of profitable non-core GLCs and GLICs assets and activities to genuine Bumiputera entrepreneurs will continue to be implemented to increase Bumiputera effective direct individual ownership. Targeted coaching and guidance will be provided until Bumiputera enterprises are able to independently operate these businesses. Financial institutions will facilitate the Bumiputera enterprises in terms of liquidity in the process of taking over businesses from the GLCs and GLICs. An appropriate divestment arrangement will be developed and monitored by TERAJU to ensure the success of this initiative.

### Introducing new funding mechanisms for financial assets

Bumiputera individual equity ownership will be expanded by allowing withdrawal from Account 1 of the Employee Provident Fund to purchase ASB2 units, which provide competitive long-term returns at minimal risk. New funding mechanisms, such as waqf investment fund and private equity for investment will be created through crowd funding to invest in profitable and high potential companies.

## Strategy E3

### Enlarging the share of Bumiputera wealth ownership

#### Strengthening institutional-based programmes for assets ownership

Institutional-based programmes including Bumiputera REIT will continue to be strengthened to enhance Bumiputera ownership of large commercial and residential properties in strategic locations. Yayasan Wakaf Malaysia, state Islamic religious councils, and other Bumiputera-based institutions will collaborate to develop Malay reserve and waqf land to unlock value while retaining Bumiputera ownership.

A mechanism to enable Bumiputera institutions to purchase unsold Bumiputera lots in new property developments will be introduced. These institutions will own the property and receive rental income until the property is acquired by interested Bumiputera. In addition, EDOs such as MARA, TEKUN Nasional and Perbadanan Usahawan Nasional Berhad (PUNB) will continue to acquire strategic business spaces or shop lots to be rented to Bumiputera entrepreneurs.

### **Introducing new funding mechanisms for non-financial assets**

In order to assist Bumiputera to own residential properties, more affordable houses will be developed by utilising funds including a clawback funding mechanism. The clawback funding mechanism collects contributions from property developers when they are unable to comply with the Bumiputera quota policy in their property development. The contribution is equivalent to the total cost of discount from the units forgone to non-Bumiputera. By the end of the Eleventh Plan, it is expected that at least 90% of Bumiputera households will own a residential unit. In addition, Bumiputera Commercial Property Revolving Fund will be established to assist entrepreneurs to acquire commercial properties. This initiative will enable Bumiputera entrepreneurs to shift from renting to owning properties. PHB will be appointed as the lead agency, supported by EDOs to co-purchase commercial properties. These properties will be leased to entrepreneurs who will own them at the end of the lease period.

## **Strategy E4 Empowering Bumiputera Economic Community**

### **Reducing financing to low-value added and non-strategic industries**

AIM and TEKUN Nasional will continue to provide financing to micro businesses. However, these institutions will be discouraged from providing financing to low-value added industries. PUNB, SME Corp and MARA will assist SMEs in high value added industries with the potential to grow and move to the next stage of the business cycle where Bumiputera participation is still low.

### **Intensifying entrepreneur financing programmes**

Entrepreneur financing programmes will be intensified to support the implementation of an effective and integrated entrepreneur development programme. The focus will be on industries with large Bumiputera participation including automotive, construction, aerospace and defence, business services, education, healthcare, as well as oil and gas. A second chance policy will also be introduced to assist potential Bumiputera entrepreneurs to resume their business activities. In addition, the waqf fund, as well as Islamic banking and financing will be utilised to create more Bumiputera entrepreneurs in strategic subsectors, particularly in the halal industry.

### **Enhancing development-oriented and integrated programmes for Bumiputera enterprises**

Government procurement and contracts will be restructured to minimise rent-seeking and spurious-front activities. It will include the introduction of an appropriate graduation and exit policy to reduce continuous dependence on the Government. In addition, smart partnerships will be developed between R&D centres and Bumiputera SMEs to ensure creation of innovative products and services. A soft loan for R&D will be provided to enable Bumiputera SMEs to comply with international standards and certifications. Other high impact programmes such as the Vendor Development Programme and Groom Big will be continued. The carve-out policy on contracts worth RM500 million and above will continue to be implemented. In addition, outsourced work will continue to be given to Bumiputera entrepreneurs.

The Bumiputera Business Chambers will be streamlined and rebranded towards creation of a genuine entity that will champion the supply chain “farm-to-table” network of Bumiputera entrepreneurs. A pool of high potential Bumiputera entrepreneurs among industry champions will be identified to form consortiums along the supply chain network, thus providing a supportive business ecosystem. Special provisions including funding and easier access to market will strengthen these consortiums. The ecosystem will create a competitive environment for Bumiputera in the market, thus addressing challenges in competing within the ecosystem.

### **Enhancing mindset change programmes**

In order to develop more independent Bumiputera entrepreneurs, appropriate measures will be introduced to bring about a mindset change to reduce dependency on Government assistance as well as eliminate rent-seeking and spurious-front activities. These measures are also designed to boost the confidence level of Bumiputera entrepreneurs to become more resilient and competitive in the local and global market.

### **Institutionalising community- and social-based enterprises**

This initiative will involve the merging of small Bumiputera enterprises as well as the amalgamation of agriculture smallholdings to benefit from economies of scale. The Government will provide appropriate infrastructure and facilities, as well as leadership and management training to build the capacity and capability of these community- and social-based enterprises, which will be set up based on cooperative models. The enterprises will be encouraged to develop partnerships with established companies to expand their activities.

### **Providing incentives to encourage private sector and industry participation**

Financial and non-financial incentives will be continued to encourage private sector and industry to contribute to Bumiputera entrepreneurship development. This initiative will enable Bumiputera entrepreneurs to penetrate the market and create new business opportunities.

### **Establishing platforms for business collaboration and marketing opportunities**

A Bridging Programme will be introduced to pool credible Bumiputera entrepreneurs to elevate them to the next level. The Bumiputera entrepreneurial development agencies will strengthen collaboration among them to develop successful and competitive entrepreneurs. In addition, a Business Development Voucher Programme will be introduced to provide matching grants to assist entrepreneurs to modernise their facilities, explore new markets and improve their business processes. An International Distribution Centre will also be established and managed by the private sector or a cooperative movement to gain access to foreign markets to ensure business viability.

## **Strategy E5**

### **Strengthening delivery effectiveness of Bumiputera-oriented programmes**

#### **Enhancing Bumiputera development agenda through realistic and practical Key Performance Indicators (KPIs)**

A comprehensive approach will be implemented through the creation of realistic and practical KPIs as well as an integrated database that comprises statistics on Bumiputera socio-economic status. The roles and functions of Bumiputera-based EDOs will be reviewed and Unit Pemerkasaan Ekonomi Bumiputera (UPEB) in each ministry and agency will be strengthened through appropriate redeployment of human capital and resource allocation. Government procedures will also be simplified to reduce the cost of doing business to enable Bumiputera entrepreneurs to be more competitive. Public agencies, GLCs and GLICs, Bumiputera non-governmental organisations as well as relevant business associations will collaborate in a symbiotic relationship to develop BEC.

# Conclusion

The Tenth Plan succeeded in increasing inclusivity nationwide, as seen in improved income distribution in both rural and urban areas. Access to rural infrastructure has improved, and various opportunities have been created for rural and other communities to partake in economic development opportunities. Nevertheless, more needs to be done, in particular to address the needs of selected segments of society who do not feel that they are benefiting from the nation's growth and development. In addition, vulnerable households, particularly within the B40 households and rural communities remain prone to socio-economic shocks. The strategies in the Eleventh Plan will increase inclusiveness in line with the aspiration of uplifting more B40 households into the middle-class society. Key segments within the community will continue to be engaged and supported, with outcome-based incentives to stimulate independence and results-orientation. Rural transformation will continue, with the objective of uplifting the wellbeing of rural communities to enable them to participate in and benefit from the nation's economic growth. The various strategies proposed will result in more equitable access to economic opportunities. Malaysians will enjoy improved income, reduced vulnerability and a better quality of life as well as continue contributing towards the nation's growth and development.