

# Building an Inclusive and More Resilient Society

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# Introduction

Inclusive and sustainable development remain as principles of socioeconomic planning in Malaysia to improve the wellbeing of the *rakyat*. During the review period of the Twelfth Malaysia Plan, 2021-2022 (Twelfth Plan) efforts in addressing poverty from a multidimensional perspective, inequality and cost of living were intensified to promote equitable economic participation. These efforts were aimed to uplift income and standard of living of the poor, B40<sup>1</sup>, M40<sup>2</sup>, Bumiputera, Orang Asli and specific target groups in building an inclusive society. Nevertheless, adverse effects from the COVID-19 pandemic and polycrisis<sup>3</sup>, including geopolitical conflicts and climate change, have exposed households to greater vulnerability and thus partly hindered the progress of achieving inclusive and sustainable development.

Moving forward, greater efforts will be undertaken in building an inclusive and more resilient society. Strategies will continue to focus on addressing poverty and inequality from multidimensional perspective, raising income and improving wellbeing of the poor, vulnerable households, M40, Bumiputera, Orang Asli and specific target groups. In addition, policy and service delivery will be strengthened. Implementation of these measures upholds the inclusive principle of 'leaving no one behind' in line with '***Ekonomi MADANI: Memperkasa Rakyat***' and the 2030 Agenda for Sustainable Development (2030 Agenda).

<sup>1</sup> Bottom 40% household income group. B40 monthly household income at the national level is below RM5,250 based on the Household Income and Expenditure Survey 2022 (HIES 2022).

<sup>2</sup> Middle 40% household income group. M40 monthly household income at the national level is between RM5,250 and RM11,820 (HIES 2022).

<sup>3</sup> A cluster of related global risks with compounding effects, such that the overall impact exceeds the sum of each part (World Economic Forum, 2023).

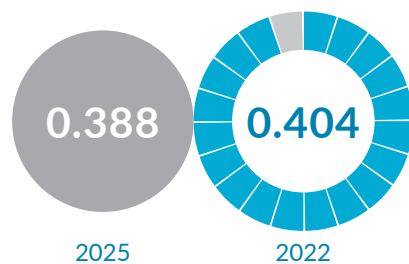
## Progress, 2021-2022

In addressing poverty and building an inclusive society, 18 targets were set in the Plan period. Out of these targets, 15 were on track while the remaining three were lagging during the review period. The performance of these targets is as shown in *Exhibit 6-1*.

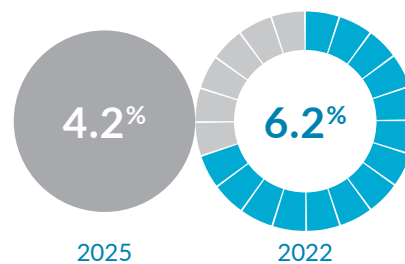
Exhibit 6-1

### Performance of Selected Targets

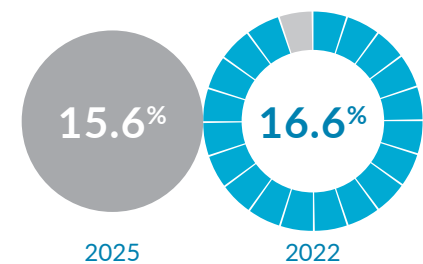
#### Addressing Poverty and Narrowing Inequality



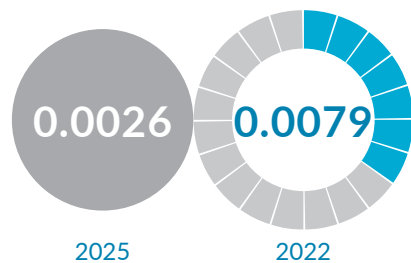
Gini Coefficient



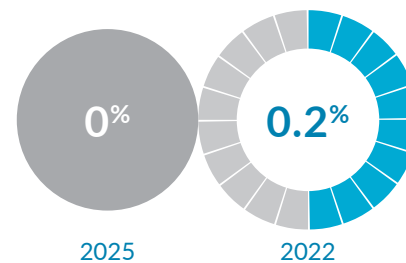
Incidence of Absolute Poverty



Incidence of Relative Poverty

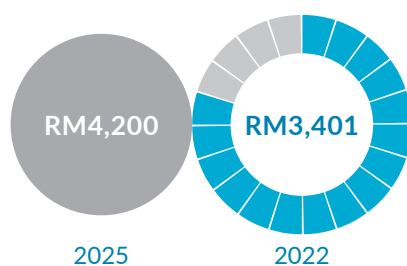


Multidimensional Poverty Index

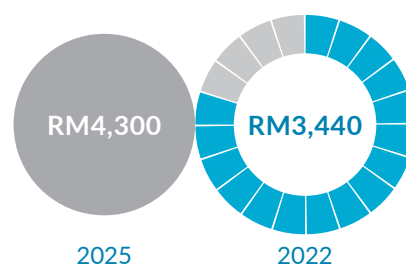


Incidence of Hardcore Poverty

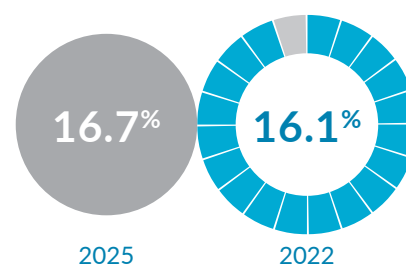
#### Increasing Income and Standard of Living of B40



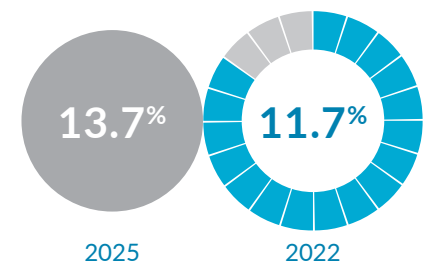
Mean Monthly B40 Household Income



Median Monthly B40 Household Income

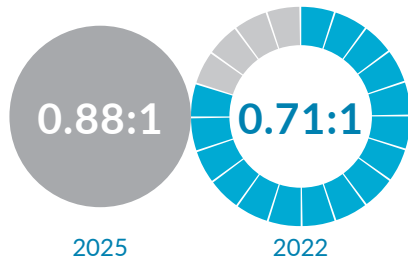


Share of Income of B40 from Overall Household Income

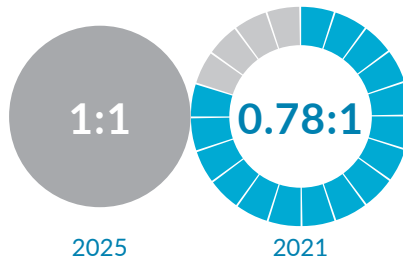


Share of Skilled Workers out of Total Head of Households of B40

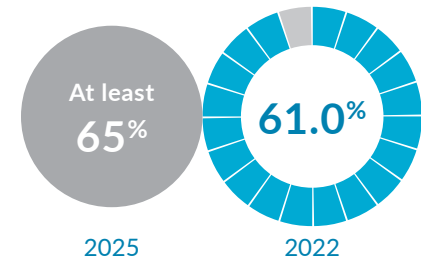
## Achieving an Equitable Outcome for Bumiputera



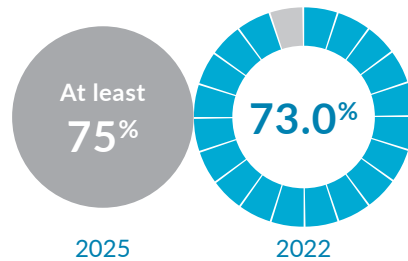
Median Monthly Household Income  
Ratio Bumiputera to Chinese



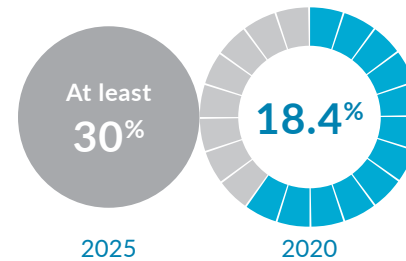
Median Monthly Salary and Wages  
Ratio Bumiputera to Chinese



Participation of Bumiputera in Skilled  
Occupation Category

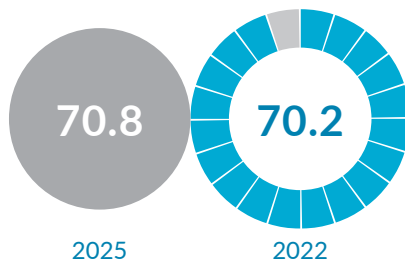


Percentage of Bumiputera  
Households Owning a Residential  
Unit

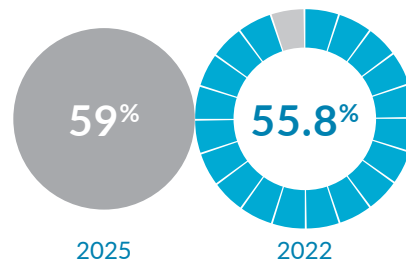


Bumiputera Corporate Equity  
Ownership with Effective Control

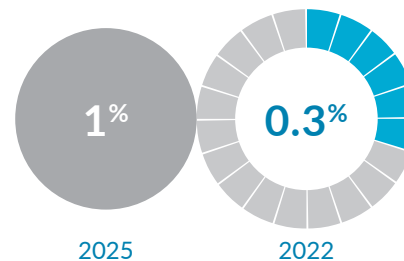
## Empowering Specific Target Groups



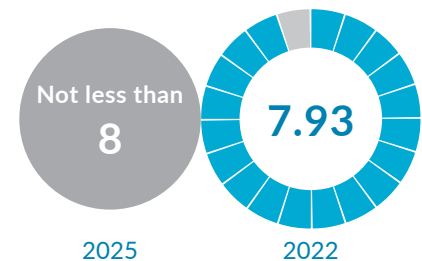
Malaysian Youth Index



Female Labour Force  
Participation Rate



Percentage of PWDs in Public  
Service



Family Wellbeing Index

## Achievement by Priority Area



### Priority Area A: Addressing Poverty from a Multidimensional Perspective and Empowering B40

#### Strategy A1: Increasing Income of Low-income Households

##### Uplifting and Diversifying Sources of Income

- 1,734 participants in urban areas completed entrepreneur programmes under *Program Pemerkasaan Ekonomi Komuniti Bandar*
- 1,352 participants in rural areas benefitted from *Program Peningkatan Pendapatan*
- 3,246 participants attended *Program Latihan & Keusahawanan*
- 3,700 participants attended *Kursus Keusahawanan Digital*
- 3,652 entrepreneurs received assistance under *Program Pembangunan Perniagaan Usahawan Mikro*
- 100,100 entrepreneurs received a total of RM1.65 billion from TEKUN Financing Programme
- Cash Assistance
  - *Bantuan Prihatin Rakyat* - 8.5 million recipients, RM6.5 billion disbursed in 2021
  - *Bantuan Prihatin Nasional 2.0* - 11 million recipients, RM7 billion disbursed in 2021
  - *Bantuan Khas COVID-19* - 11 million recipients, RM4.6 billion disbursed in 2021
  - *Bantuan Keluarga Malaysia* - 8.7 million recipients, RM7.8 billion disbursed in 2022
  - Assistance under the Department of Social Welfare (JKM) - 519,000 recipients, RM2.4 billion disbursed in 2021 and 530,000 recipients, RM2.4 billion disbursed in 2022

##### Promoting a Whole-of-Nation Approach in Addressing Poverty

- *Program Pembasmian Miskin Tegar (BMT)*
  - 1,656 recipients
  - 103 recipients recorded higher income after four months joining the programme
- *Program Usahawan Sosial Hebat*
  - 6,074 beneficiaries involved in 30 social enterprises (SEs)

## Strategy A2: Improving Access to Essential Services

### Improving Provision for Quality Education and Skills Training

- *Biasiswa Kecil Persekutuan*
  - 124,848 students, RM104.2 million disbursed in 2021
  - 179,563 students, RM142.7 million disbursed in 2022
- 4,031 students from B40 households benefitted under *Program Bantuan untuk Pendidikan (BUDI) Maktab Rendah Sains MARA (MRSM)*
- 60.2% of MRSM intake offered to students from B40 household in 2022
- 16,594 students from B40 households in 70 *sekolah berasrama penuh (SBP)* or 36.6% from total students
- RM4.6 billion new loan approved for 162,463 students by *Perbadanan Tabung Pendidikan Tinggi Nasional*
- 56,900 students from B40 families received education loan from *Majlis Amanah Rakyat (MARA)*
- 35,320 trainees from B40 households received scholarships to undergo training in technical and vocational education and training (TVET) institutions under Ministry of Rural and Regional Development

### Improving Healthcare Services

- 10 health clinics built and 271 clinics of various types upgraded in 2021
- Seven health clinics and three dental clinics built, and 379 clinics of various types upgraded in 2022
- 4,895 outreach programmes on health implemented in underserved areas in 2021 and 7,770 in 2022
- 268,887 heads of household (KIR) of hardcore poor and poor registered in eKasih system covered by *Skim Insurans Kesejahteraan Rakyat*
- 101,673 participants underwent health screening under *Skim Peduli Kesihatan untuk Kumpulan B40 (PeKa B40)* in 2021 and 275,560 participants in 2022

## Strategy A3: Uplifting Standard of Living

### Improving Basic Amenities and Infrastructure

- 7,492 households benefitted from *Projek Rintis Pengurusan Sisa Pepejal*

### Upgrading Living Conditions

- *Projek Baik Pulih Rumah di Bandar*
  - 1,579 houses repaired in 2021
  - 2,044 houses repaired in 2022
- *Projek Perumahan Rakyat Termiskin* in rural areas
  - 23,270 houses repaired
  - 3,644 houses built
- 108,373 units of *Rumah Mampu Milik* built

|   |  |
|---|--|
| Elevating Standard of Living of Low-Income Chinese Households | <ul style="list-style-type: none"> <li>● RM2.1 million loan disbursed to 36 entrepreneurs under <i>Skim Pinjaman Khas Penduduk Kampung Baru Cina</i> (PKBC)</li> <li>● 761 houses refurbished under <i>Program Bantuan Baik Pulih Rumah</i> in <i>Kampung Baru</i></li> <li>● 787 public amenity projects completed in <i>Kampung Baru</i></li> </ul>  |
| Elevating Standard of Living of Low-Income Indian Households  | <ul style="list-style-type: none"> <li>● 164,059 individuals benefitted from 72 human capital development programmes</li> <li>● 3,468 entrepreneurs received RM72.2 million from <i>Skim Pinjaman Usahawan Masyarakat India</i> under TEKUN</li> </ul>   |
| <b>Strategy A4: Strengthening Service Delivery Mechanism</b>  |  |
| Enhancing the Service Delivery System                         | <ul style="list-style-type: none"> <li>● Poverty Units established at federal, state and local authority levels</li> <li>● Social assistance data involving 167 programmes and 13.7 million profiles consolidated into the <i>Pangkalan Data Perlindungan Sosial</i> (PDPS)</li> </ul>   |
| Improving Poverty Measurement and Policy Implementation       | <ul style="list-style-type: none"> <li>● A study to improve the national Multidimensional Poverty Index (MPI) commissioned in 2022</li> <li>● A study on measuring and addressing poverty commissioned in 2022</li> <li>● A framework to review household income group category developed in 2022</li> </ul>   |
| <b>Strategy A5: Addressing Cost of Living</b>                 |  |
| Managing Pressure on Prices                                   | <ul style="list-style-type: none"> <li>● RM11.1 billion spent on subsidies for petrol, diesel and LPG in 2021 and RM50.8 billion in 2022</li> <li>● RM1.8 billion spent on subsidies on price of chicken and eggs</li> <li>● RM9.8 billion spent on subsidies for electricity</li> <li>● RM4.6 billion spent on subsidies for cooking oil</li> <li>● Price control of selected items during festive seasons</li> <li>● RM400 million spent on Community Drumming programme</li> <li>● 5.7 million consumers benefitted from <i>program jualan murah</i> in 2022</li> <li>● 1.65 million number of price enforcement inspections as at end 2022</li> <li>● 1,910 cases recorded involving misappropriation of subsidised and price-controlled items valued at RM26.1 million</li> <li>● The Financial Education Network (FEN) Strategic Plan on financial literacy developed in 2021</li> <li>● 273,274 first-time home buyers accessed <i>Rumahku</i>, an online home financing module to make informed decision as at end 2022</li> </ul> |
| Strengthening Social Protection for All                       | <ul style="list-style-type: none"> <li>● A study to strengthen social protection policy commissioned in 2022</li> <li>● <i>Skim Keselamatan Sosial Suri Rumah</i> introduced in 2022</li> </ul>  |



## Priority Area B: Supporting the M40

### Strategy B1: Boosting Income of the M40

#### Incentivising Participation of M40 in Income Generating Activities

- 1% reduction in tax rate for taxable income range between RM50,000 to RM70,000 starting 2021
- Income tax relief
  - Expanded to include approved course fees for upskilling and self-enhancement limited up to RM1,000
  - Limit for fees upskilling and self-enhancement course increased from RM1,000 to RM2,000 in 2022

### Strategy B2: Improving Access to Quality and Affordable Education

#### Incentivizing Early Childhood Care and Education, and Financing for Higher Education

- Extension of income tax relief
  - Up to RM3,000 on fees paid to approved childcare centres and kindergarten in 2022
  - Up to RM8,000 on net annual savings in *Skim Simpanan Pendidikan Nasional*

### Strategy B3: Encouraging Health and Employment Protection

#### Promoting Health and Employment Insurance

- RM500 additional lifestyle tax relief of related to sports activity in 2022
- Up to RM7,000 expansion of income tax relief for Employees Provident Fund (EPF) contributors starting with 2022 assessment in order to include voluntary contributors from the private sector and civil servants under pension scheme

### Strategy B4: Increasing M40 Housing Ownership

#### Facilitating Ownership of Affordable Homes

- Limit on value of first time residential property purchase eligible for full stamp duty exemption on instrument of transfer and loan agreement is increased up to RM500,000 for sales and purchase agreement completed until 2025
- *Inisiatif Pembiayaan Perumahan Malaysia*
  - 48,449 first-time house buyers benefitted from *Skim Rumah Pertamaku* with amount of financing of RM12 billion
  - 6,726 first-time house buyers with no fixed income benefitted from *Skim Jaminan Kredit Perumahan* with amount of financing of RM1.3 billion
- 16,334 units of affordable housing for M40 built under PR1MA, *Residensi Wilayah* and *Kediaman SPNB*





## Priority Area C: Achieving an Equitable Outcome for Bumiputera

| Strategy C1: Improving Governance   |  |
|---|--|
| Improving Governance of Bumiputera Institutions and Mandated Agencies   | <ul style="list-style-type: none"> <li>• <i>Unit Pemerkasaan Agenda Bumiputera</i> (UPAB) established in all ministries in 2022</li> <li>• <i>Kajian Impak Agensi-Agensi Bermandat Bumiputera</i> completed in 2022</li> </ul>   |
| Enhancing Transparency of Ownership   | <ul style="list-style-type: none"> <li>• The Companies Act 2016 and Limited Liability Partnership Act 2012 reviewed on disclosure of beneficial ownerships</li> </ul>  |
| Strategy C2: Strengthening Education and Empowering Human Capital   |  |
| Increasing Bumiputera Participation in Certified Professional Programmes  | <ul style="list-style-type: none"> <li>• 20,901 participants enrolled in <i>Peneraju Tunas</i>, <i>Peneraju Skil</i> and <i>Peneraju Professional</i> programmes under <i>Yayasan Peneraju Pendidikan Bumiputera</i> (YPPB)</li> </ul>   |
| Improving the Quality of Skills Programmes  | <ul style="list-style-type: none"> <li>• Employability rate of TVET graduates under MARA institutions in 2022 <ul style="list-style-type: none"> <li>○ German-Malaysia Institute: 98%</li> <li>○ Universiti Kuala Lumpur: 97%</li> <li>○ Institut Kemahiran MARA: 93%</li> <li>○ Kolej Kemahiran Tinggi MARA: 91%</li> <li>○ GIATMARA: 81%</li> </ul> </li> </ul>  |
| Increasing Access to Education  | <ul style="list-style-type: none"> <li>• Two new MRSMs with a total of 1,500 student-capacity commenced operation in 2022</li> </ul>   |
| Strategy C3: Increasing Wealth Creation and Resilience of Bumiputera Businesses   |  |
| Enhancing Bumiputera Micro, Small and Medium Enterprises (MSMEs) Participation in the Strategic High Impact and Emerging Economic Sectors | <ul style="list-style-type: none"> <li>• RM294.6 million equity investment by VentureTECH in 27 Bumiputera companies involved in green, emerging and biotechnology industries as at end 2022</li> <li>• Agreement between Agrobank and <i>Unit Peneraju Agenda Bumiputera</i> (TERAJU) on environmental, social and governance fund for Bumiputera SMEs signed in 2022</li> </ul>  |
| Enhancing Capacity and Capability of Bumiputera Entrepreneurs   | <ul style="list-style-type: none"> <li>• 2,219 entrepreneurs benefitted from <i>Program Pensijilan Usahawan</i> MARA</li> <li>• Four new commercial premises under UDA Holdings built with cost of RM19 million</li> <li>• 1,392 entrepreneurs benefitted from initiatives under UDA Holdings with cost of RM3.26 million</li> <li>• 9,539 companies and 13,500 entrepreneurs benefitted from <i>Program Premis Perniagaan</i> and <i>Program Pembiayaan Keusahawanan</i> under PUNB as at end 2022</li> <li>• Rent-to-Own (RTO) scheme under PUNB introduced in 2022</li> </ul> |



## Priority Area D: Enhancing Development of Orang Asli Community

### Strategy D1: Strengthening Education

#### Improving Education of Orang Asli

- Eight schools upgraded to Comprehensive Special Model School 9 (K9) in 2022
- 10,996 secondary school students received cash assistance under *Skim Bantuan Galakan Pendidikan* in 2022
- 1,446 students at tertiary level received scholarships
- 1,385 participants attended *Program Masuk U*
- 780 participants enrolled in TVET institutions

### Strategy D2: Accelerating Socioeconomic Development of Orang Asli

#### Formulating Comprehensive Socioeconomic Development Plan for Orang Asli

- A study on the Orang Asli socioeconomic development commissioned in 2022

#### Increasing Income of Orang Asli

- 450 households from 12 Orang Asli villages participated in hardcore poverty eradication programme
- 934 participants benefitted from *Bantuan Input Pertanian*
- 599 participants benefitted from *Projek Ladang Masyarakat Orang Asli*
- 104 entrepreneurs received *Geran Bantuan Usahawan* amounting to RM668,000
- 77 Orang Asli trained under *Program Latihan Keusahawanan*

#### Expanding Basic Infrastructure, Amenities and Services for Orang Asli

- 56 villages connected with new roads
- 125 clean water supply projects completed
- 20 villages benefitted from electricity supply projects
- 81 new houses built and 558 repaired

#### Improving Leadership

- 375 participants benefitted from *Program Literasi Fungsian Orang Asli*



## Priority Area E: Empowering Specific Target Groups

### Strategy E1: Advancing Children Wellbeing

#### Strengthening Governance for Children Development and Protection

- 3,113 childcare centres registered as at end 2022
- 3,013 children benefitted from childcare centre subsidies
- 1,427 children benefitted from 37 registered institutions for children as at end 2022

### Strategy E2: Building Dynamic, Resilient and Competitive Youth

#### Strengthening Youth Development and Participation

- 83,269 participated in leadership and volunteerism programmes
- 496,770 benefitted from programmes under FEN
- 2,649,691 participated in healthy and active lifestyle programmes
- 13,047 participated in entrepreneurship programmes

### Strategy E3: Empowering Women

#### Promoting Gender Equality

- Women participation in top-level management
  - 38.2% in the public sector
  - 25.8% in the private sector
- 540,438 women entrepreneurs benefitted from RM4.9 million financing under *Amanah Ikhtiar Malaysia*, *TEKUN Nasional* and MARA

#### Enhancing Legal Protection

- Anti-Sexual Harassment Act 2022 [ Act 840 ] gazetted in 2022
- 131,048 women benefitted from *Klinik Literasi Undang-Undang*

### Strategy E4: Increasing the Wellbeing of Aged Population

#### Enhancing Care and Support for Older Persons

- 283 caregivers for older persons obtained Malaysian Skills Certification
- 245,415 older persons benefitted from lifelong learning programmes at health clinics
- 53,241 older persons benefitted from programmes at *Pusat Aktiviti Warga Emas*
- 6,950 older persons benefitted from the Home Help Service programme

#### Strengthening Social Protection

- *Bantuan Warga Emas*
  - 140,447 benefitted from cash assistance
  - The amount raised from RM350 to RM500 monthly in 2022
- 6,924 participants benefitted from intergeneration programmes as at end 2022

### Strategy E5: Empowering Persons with Disabilities

#### Ensuring Inclusiveness of Persons with Disabilities

- 633,653 persons with disabilities (PWDs) registered as at end 2022
- Exemption of licence fee for motor vehicles owned by PWDs since 2022
- *Bantuan Penjagaan OKU Terlantar/ Pesakit Kronik Terlantar*
  - 26,904 caregivers benefitted from cash assistance
  - The amount raised from RM350 to RM500 monthly

### Strategy E6: Strengthening the Family Institution

#### Building Strong Family Institution

- 176,940 participants benefitted from programmes on parenting skills, family values, marriage education and psychosocial aspects
- 716,140 individuals benefitted from reproductive and social health programmes and services such as *saringan kesejahteraan*, pap smear and mammogram
- The Employment (Amendment) Act 2022 [ Act A1651 ] incorporated amendments
  - Maternity leave increased from 60 to 98 days
  - Paternity leave increased from three to seven days



## Issues and Challenges

During the review period, with various efforts undertaken to address poverty and build an inclusive society, several progress were recorded. However, issues related to persistence of poverty, multifaceted inequality and vulnerabilities in the B40 as well as challenges faced by the M40 continue to exist. Furthermore, inequitable Bumiputera socioeconomic outcomes, lagging development of Orang Asli community, social deprivation of specific target groups and ineffective delivery ecosystem remain a challenge.

### Persistence of Poverty

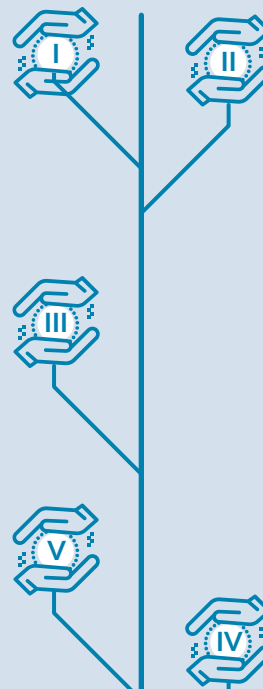
- Prevalence of multidimensional poverty
- High dependency on cash transfer
- Low participation in insurance schemes
- Lack of sustainable and scalable poverty eradication programme

### Challenges Faced by the M40

- Slow income growth amidst rising cost of living
- Constraints for upward social mobility
- Lack of access to affordable housing

### Inequitable Bumiputera Socioeconomic Outcomes

- Declining savings among Bumiputera
- Low competitiveness among enterprises
- Lack of capacity and capability to scale up businesses
- Slow wealth creation
  - Diminishing size of Malay Reserve Land
  - Untapped potential of *waqf*
- Low Bumiputera participation in skilled jobs
- Slow growth of Bumiputera equity ownership
- Weak implementation and coordination
  - Overlapping programmes
  - Ineffectiveness in implementing sectoral policy



### Vulnerability of the B40

- Lack of income protection
- Lack of employment opportunities
- Limited access to affordable housing
- Rising cost of living
- Challenges of households in *Kampung Baru*
  - Underutilisation of microcredit facility
  - Ineffectiveness of *Jawatankuasa Pembangunan dan Keselamatan Kampung* and *Majlis Pengurusan Komuniti Kampung*
- Challenges of low-income Indian households
  - Lack of capacity and capability
  - Persistence of social issues

### Multifaceted Inequality

- Disparity between household income groups exists
- Inequalities of opportunities and outcomes as well as intergenerational mobility persist
- Incomprehensive social protection
- Low financial literacy



### Social Deprivations of Specific Target Groups

- Insufficient interventions in child development and protection
- Emerging challenges in managing ageing society
- Persistent challenges in developing youth
  - High bankruptcy
  - Inadequate democratic literacy
- Lack of support towards the needs of PWDs
- Lack of support system for women to fully participate in the labour market
- Increasing trend of family-related issues



### Lagging Socioeconomic Development of Orang Asli Community

- High poverty incidence
- Ineffective governance
- Low education and skill levels
- Lack of socioeconomic opportunities

### Ineffective Delivery Ecosystem

- Ineffective targeting mechanism based on income group classification
- Ineffective implementation and monitoring mechanism with unclear exit policy



## Way Forward, 2023-2025

The Mid-Term Review of the Twelfth Plan focused on building an inclusive and more resilient society through multidimensional perspective to achieve a just society or “*masyarakat Malaysia yang adil*”<sup>4</sup>. In the remaining Twelfth Plan period, integrated efforts will be undertaken in addressing and preventing poverty, empowering vulnerable households and facilitating M40 on needs basis. Focus will also be given to achieve an equitable outcome for Bumiputera, enhance development of Orang Asli community and empower specific target groups. In addition, measures to narrow inequality and strengthen service delivery will be emphasised.



### Focus Area A Addressing and Preventing Poverty

**Strategy A1:**

Increasing Income of the Poor

**Strategy A2:**

Improving Standard of Living and Access to Essential Services



### Focus Area C Facilitating M40

**Strategy C1:**

Enhancing Income Generation

**Strategy C2:**

Improving Health and Employment Protection, and Access to Housing



### Focus Area B Empowering Vulnerable Households

**Strategy B1:**

Enlarging Economic Opportunities and Protection

**Strategy B2:**

Improving Access to Basic Services

**Strategy B3:**

Elevating Socioeconomic Status of Low-Income Chinese and Indian Households



### Focus Area D Narrowing Inequality

**Strategy D1:**

Improving Access to Opportunities

**Strategy D2:**

Strengthening Social Protection

<sup>4</sup> Book excerpt from *Membangun Negara MADANI: Visi dan Kerangka Dasar Reformasi* (2022)



### Focus Area E Achieving an Equitable Outcome for Bumiputera

**Strategy E1:**

Strengthening Service Delivery

**Strategy E2:**

Scaling Up Bumiputera Businesses

**Strategy E3:**

Increasing Bumiputera Wealth Creation

**Strategy E4:**

Empowering Human Capital and Enhancing Financial Literacy

**Strategy E5:**

Ensuring Sustainable Corporate Equity Ownership



### Focus Area F Enhancing Development of Orang Asli Community

**Strategy F1:**

Accelerating Socioeconomic Development

**Strategy F2:**

Strengthening Education as a Catalyst for Development



### Focus Area G Empowering Specific Target Groups

**Strategy G1:**

Advancing Wellbeing of Children

**Strategy G2:**

Building Dynamic, Resilient and Competitive Youth

**Strategy G3:**

Empowering Women

**Strategy G4:**

Increasing the Wellbeing of Aged Population

**Strategy G5:**

Empowering Persons with Disabilities

**Strategy G6:**

Strengthening the Family Institution



### Focus Area H Strengthening Policy and Service Delivery

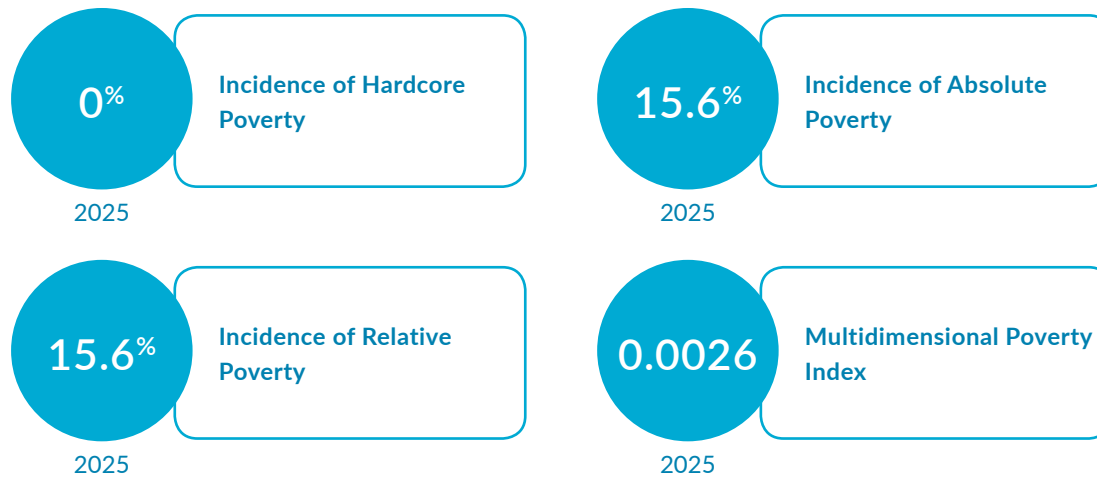
**Strategy H1:**

Enhancing Socioeconomic Policy

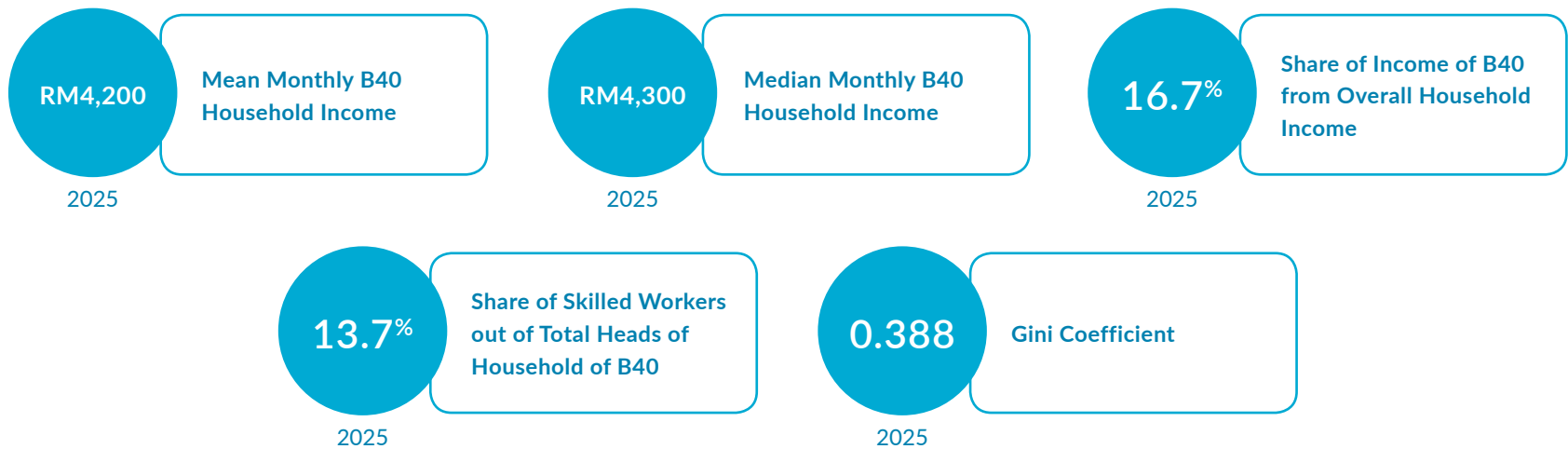


## Selected Targets, 2021-2025

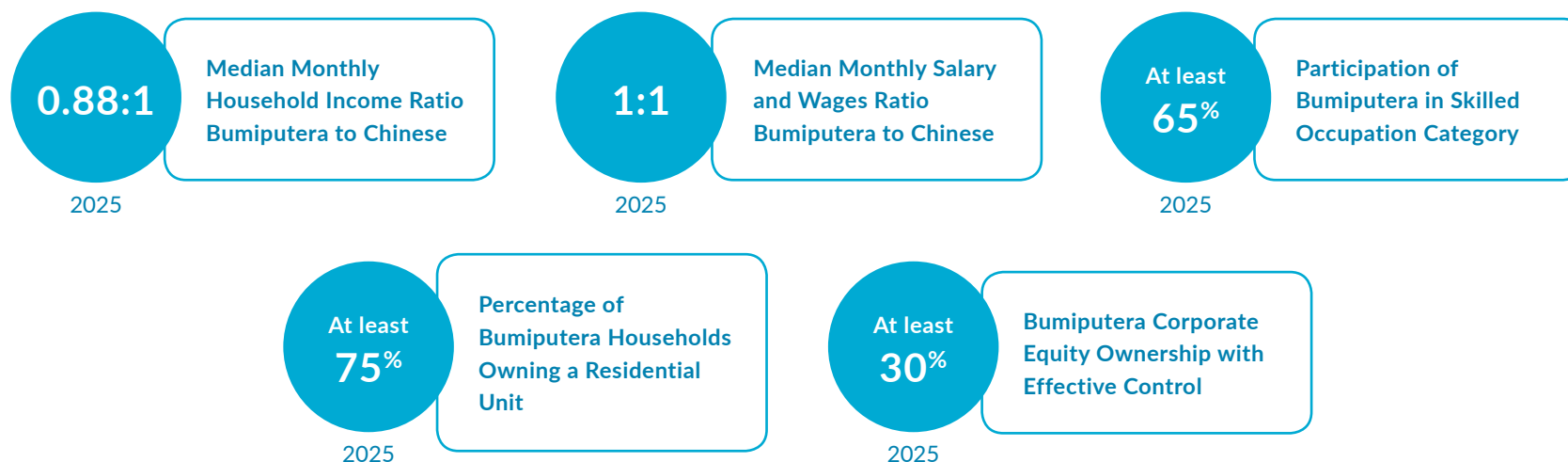
### Addressing and Preventing Poverty



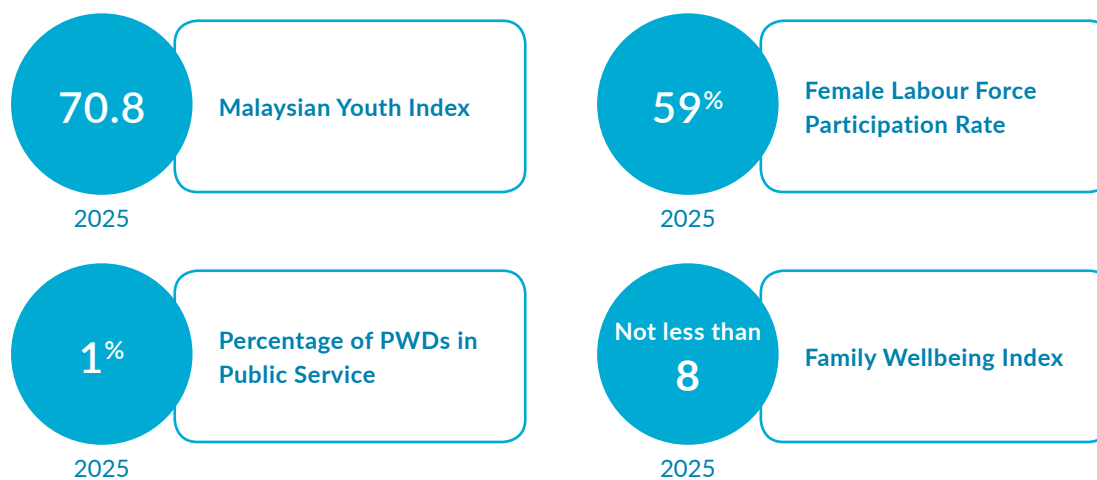
### Empowering B40 and Narrowing Inequality



## Achieving an Equitable Outcome for Bumiputera



## Empowering Specific Target Groups



## Focus Area A: Addressing and Preventing Poverty

Measures to address poverty will not only focus on reduction but also on prevention aspect. Multidimensional perspective will continue to be emphasised in tackling various deprivations. In this regard, strategies consist of increasing income as well as improving standard of living and access to essential services for urban and rural poor will be undertaken. Analysis on Poverty Line Income (PLI) and absolute poverty before and after the COVID-19 pandemic is shown in *Box 6-1*.

**Strategy A1** Increasing Income of the Poor

**Strategy A2** Improving Standard of Living and Access to Essential Services



### Box 6-1

## Poverty Line Income and Absolute Poverty: Pre- and Post-COVID-19

### Background

Poverty eradication has been emphasised in Malaysia's socioeconomic development. This strategy has been embedded in all policies and development plans since the New Economic Policy, 1971-1990. The Twelfth Malaysia Plan, 2021-2025 continues to focus on addressing poverty and strengthening inclusivity in line with the principle of leaving no one behind.

Malaysia measures poverty based on absolute, relative and multidimensional methods. Absolute poverty is measured based on cost of basic needs. Meanwhile, relative poverty refers to household income in proportion to national median monthly household income. Multidimensional poverty takes into account income and non-monetary dimensions, including education, health and standard of living in measuring deprivations.

### Absolute Poverty

Absolute poverty is a condition where household income is insufficient to cover for the cost of basic needs by using the Poverty Line Income (PLI) measurement. The PLI refers to the total monthly household income needed for food and non-food requirements by every household member to live a healthy and active life. Two components of PLI are food PLI and non-food PLI. Food PLI is based on optimum food requirements and healthy eating for the amount of nutrition needed for each member of the household. Meanwhile, non-food PLI is based on spending pattern of the bottom 20 percent household income group (B20) on 146 non-food items, including clothing, transport, communication, education, health, housing, utilities and

household appliances. A household is categorised as absolute poor if the income is below the overall PLI. Meanwhile, a household is hardcore poor if the income is less than food PLI. The value of the overall PLI depends on caloric needs, household demography (size, age and gender), location, price of goods and services, and the availability and options of products by different needs. Thus, the average PLI varies between states and strata (urban and rural).

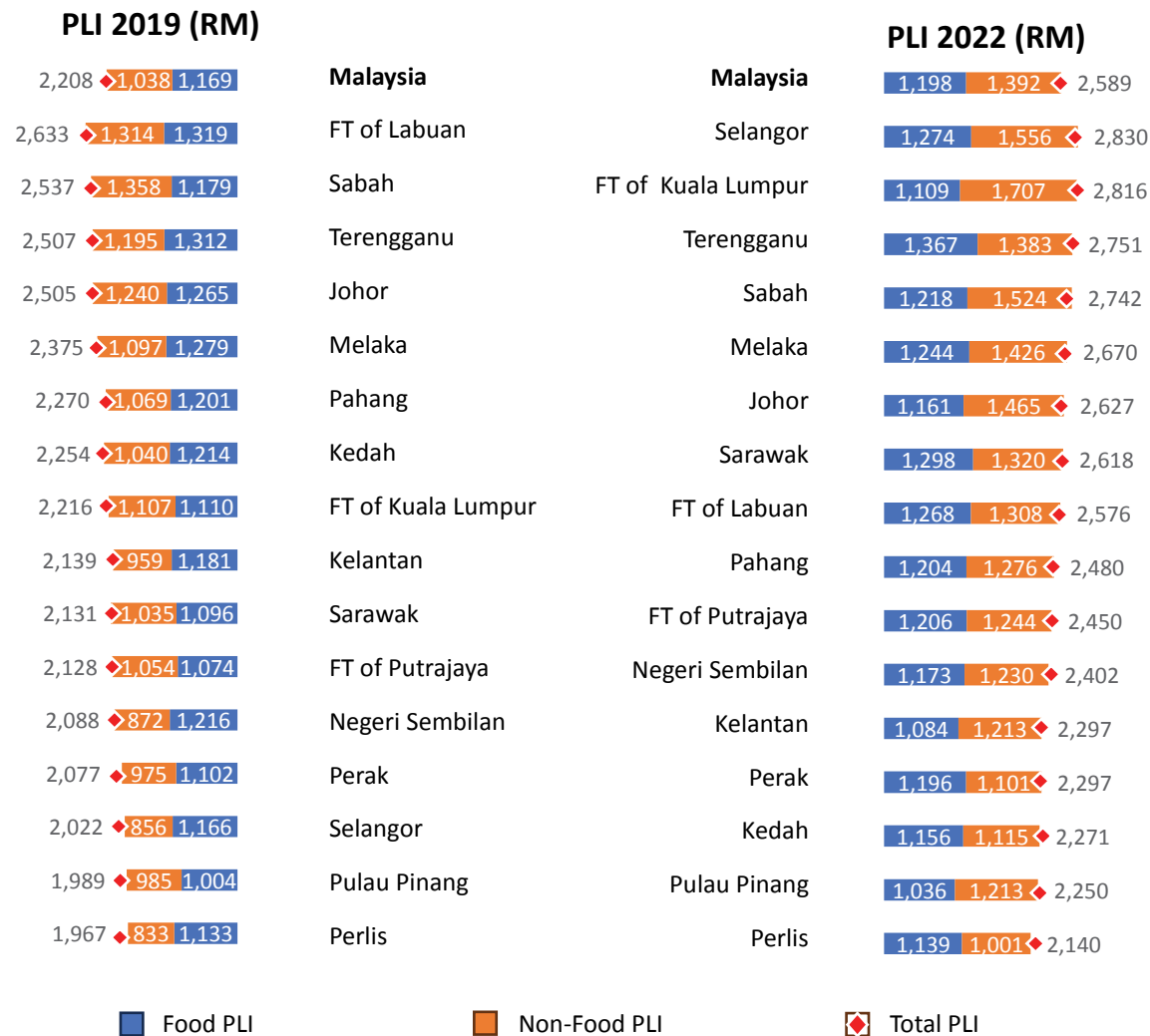
The PLI value is updated twice in five years through the Household Income and Expenditure Survey (HIES). Meanwhile, the PLI methodology will be reviewed taking into account changes in consumption pattern, current calorie requirements and cost of basic needs.

### PLI and Poverty Trends: Pre- and Post-COVID-19 Pandemic

HIES 2022 was conducted from January to December 2022, involving about 90,000 samples of 7.9 million Malaysian households from the 2020 Census. Based on HIES 2022, the overall PLI post-COVID-19 pandemic at national level was RM2,589 in 2022, which is 5.3% higher than RM2,208 recorded in 2019, pre-COVID-19 pandemic. Seven states registered higher PLI than the national average, with the Federal Territory (FT) of Kuala Lumpur as the highest at RM2,816 (2019: RM2,216).

Meanwhile, food PLI showed a marginal increase to RM1,198 in 2022 from RM1,169 in 2019. Eight states recorded food PLI higher than the national average, with Terengganu being the highest at RM1,376 (2019: RM1,312). As for non-food PLI, five states surpassed the national average, with the FT of Kuala Lumpur registered highest non-food PLI at RM1,707 (2019: RM1,107). The overall values of PLI by state for 2019 and 2022 are shown in *Figure 1*.

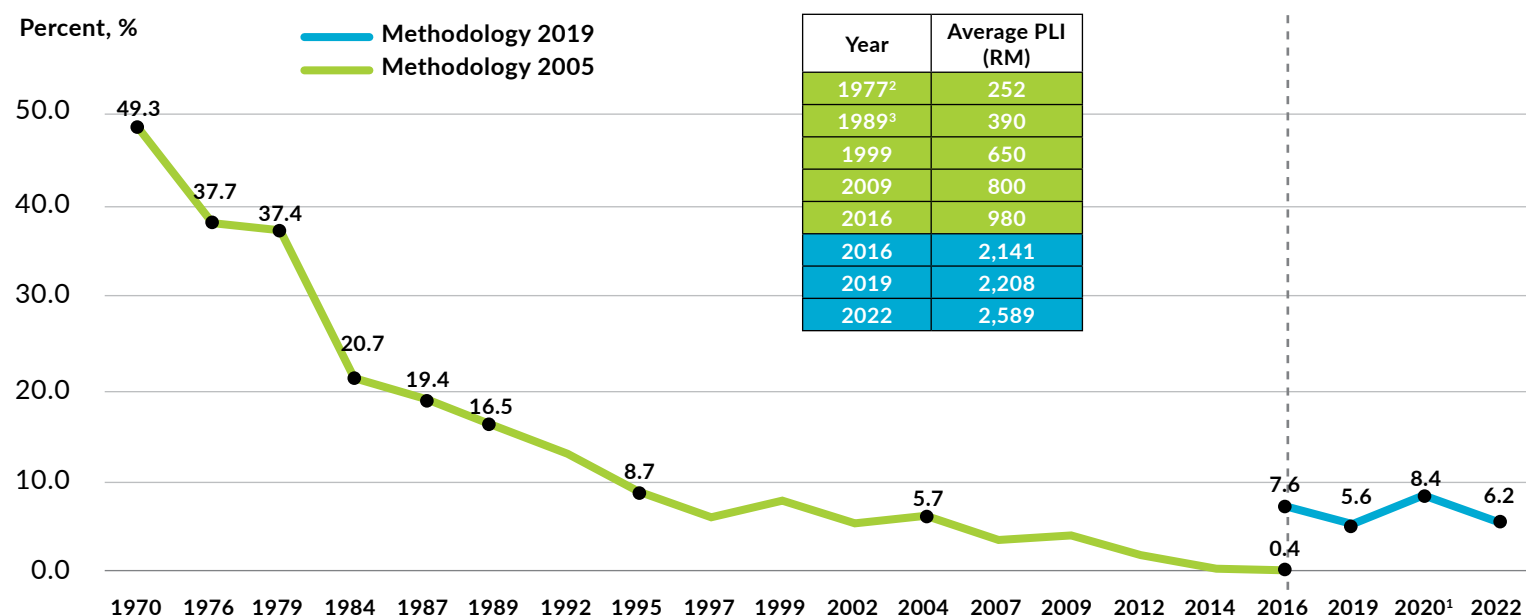
Figure 1  
PLI by State, 2019 and 2022



Note: Total PLI value may differ due to rounding.  
Source: Department of Statistics Malaysia

Malaysia managed to reduce incidence of absolute poverty from 49.3% in 1970 to 0.4% in 2016, as shown in *Figure 2*. The PLI in 2016 was RM980 by using 2005 methodology. The PLI methodology was revised in 2019 to better reflect current socioeconomic needs in tandem with level of development, which resulted in a higher PLI of RM2,208. The incidence of absolute poverty decreased from 7.6% in 2016 to 5.6% in 2019 by using the PLI 2019 methodology. This decreasing trend indicated a sustained effort in poverty alleviation.

Figure 2  
Time Series of PLI and Incidence of Absolute Poverty, 1970–2022



Notes: <sup>1</sup> Household Income Estimates and Incidence of Poverty, 2020.

<sup>2</sup> PLI 1977 for Peninsula Malaysia.

<sup>3</sup> PLI 1989 onwards at national level.

Source: Department of Statistics Malaysia

The COVID-19 pandemic and the Movement Control Orders (MCOs) reversed the poverty reduction trend in Malaysia. In general, the COVID-19 pandemic and MCOs as well as other socioeconomic challenges have affected income, thus elevated incidence of poverty and exacerbated the overall state of deprivations. The incidence of absolute poverty increased from 5.6% in 2019 to 8.4% in 2020<sup>5</sup>. However, the trend normalised with the incidence decreased to 6.2% in 2022. Similarly, incidence of hardcore poverty that increased from 0.4% in 2019 to 1% in 2020, decreased below the pre-pandemic level to 0.2% in 2022. The average monthly household income declined from RM7,901 in 2019 to RM7,089 in 2020 and recorded an increase to RM8,479 in 2022, which is higher than the pre-pandemic level. The decrease in incidence of poverty and increase in income were due to the reopening and recovery of the economic and social sectors.

In terms of location, incidence of absolute poverty in urban areas increased from 3.8% in 2019 to 4.5% in 2022, while in rural areas decreased from 12.4% to 12.1% during the same period. Meanwhile, incidence of hardcore poverty showed a downward trend for both urban and rural areas. Although incidence of poverty in the urban areas is lower than that of rural, the number of urban poor is larger as 75.5% of households resided in urban areas in 2022.

All states indicated an increase in incidence of absolute poverty except the FT of Putrajaya between 2019 and 2020. Meanwhile, all states excluding the FT of Kuala Lumpur recorded a decrease in incidence of absolute poverty between 2020 and 2022. High poverty incidences persist in the less developed states, particularly Sabah at 19.7% in 2022 (2019: 19.5%), Kelantan at 13.2% (2019: 12.4%) and Sarawak at 9.0% (2019: 10.8%).

<sup>5</sup> Based on the Household Income Estimates and Incidence of Poverty Report 2020 published by the Department of Statistics Malaysia.

The FT of Kuala Lumpur recorded significant increase in incidence of absolute poverty from 0.2% in 2019 to 0.4% in 2020, and to 1.4% in 2022, in contrast with the poverty incidence trend. Further analysis indicates that this was partly contributed by the rising prices of items in the non-food PLI for FT of Kuala Lumpur, from RM1,107 in 2019 to RM1,707 in 2022. This implies the resurgent of pockets of poverty in urban areas.

## Conclusion

Malaysia's efforts in poverty eradication and inclusive development have shown remarkable progress. However, the COVID-19 pandemic brought about unprecedented challenges, leading to an increase in poverty rates in 2020. Poverty rates began to decrease in 2022 following economic recovery post-COVID-19 pandemic, supported by the various poverty eradication programmes and projects. Moving forward, it is important to sustain and address existing disparities in ensuring the wellbeing of the rakyat is continuously improved. The development of *Pangkalan Data Utama* (PADU) will facilitate the Government's efforts in eradicating poverty evidence-based interventions.

## Strategy A1: Increasing Income of the Poor

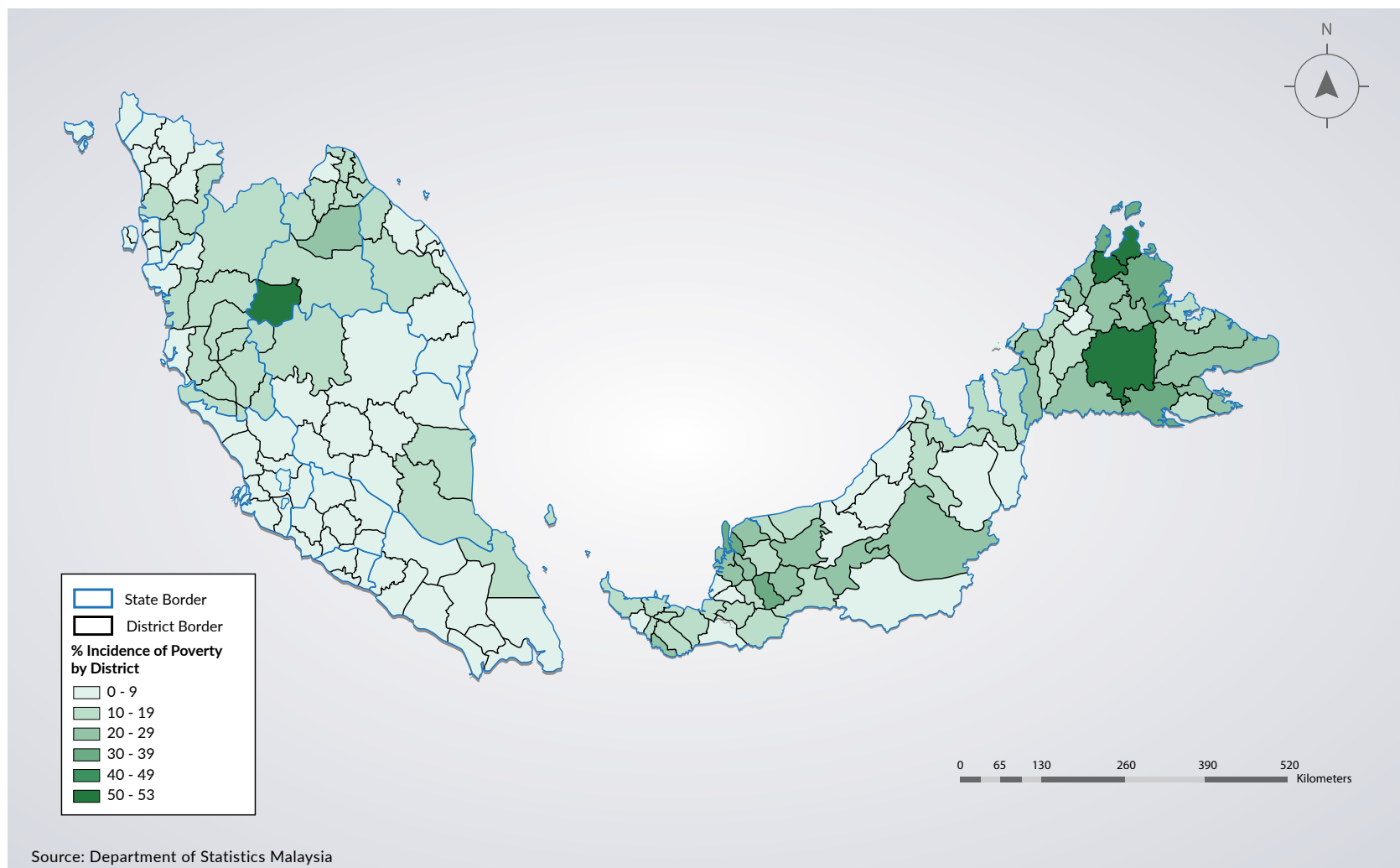
### *Uplifting, Diversifying and Protecting Income*

Income generating programmes undertaken by various agencies that help the poor become economically independent will be further enhanced. The *Inisiatif Pendapatan Rakyat* (IPR) programme, which commenced in 2023, will be intensified to complement existing poverty eradication programmes and initiatives. These programmes will enable the poor to diversify sources of income on sustainable basis, thus safeguarding this group from falling back into poverty trap. In protecting income of poor households, affordable insurance or takaful schemes will be introduced. Greater focus will be given on districts with the highest incidence of poverty, as shown in *Exhibit 6-2*.



### Exhibit 6-2

## Distribution of Poverty Incidence by Districts, 2022



### Improving Effectiveness in Addressing Poverty

Implementation of poverty eradication programmes will be strengthened through a whole-of-nation approach involving the public and private sectors, academia, civil society organisations (CSOs), community-based organisations (CBOs) and local communities. Community leaders will be empowered and given proper exposure to spearhead relevant in-site economic activities. This approach will optimise utilisation of resources across all stakeholders in eradicating hardcore poverty. Cash transfer programmes will be reviewed based on fiscal position of the Government and streamlined to improve effectiveness.

Registration, validation and monitoring of IPR programme will be done through online platform, in line with the digitalisation initiative of the Government. This effort will promote transparency and expand the outreach to the applicants. In addition, this will minimise inclusion and exclusion errors as well as facilitate better monitoring and evaluation processes. Summary of *Inisiatif Pendapatan Rakyat* is shown in Box 6-2.



## Box 6-2

# Inisiatif Pendapatan Rakyat

## Background

*Inisiatif Pendapatan Rakyat* (IPR) was announced by the Prime Minister to eradicate hardcore poverty during the 2023 Budget Speech in the Dewan Rakyat on 24 February 2023. The Minister of Economy, on 26 February 2023 subsequently launched the first IPR programme. The implementation of IPR focuses on efforts to eradicate hardcore poverty and narrow inequality in line with the Twelfth Malaysia Plan, 2021-2025, Malaysia MADANI and Agenda 2030.

## Objectives of IPR

IPR with a two-pronged strategy aims to increase income of the target groups and address structural issues including rising cost of living as well as overdependence on food imports and foreign labours. The implementation of this initiative is based on the whole-of-nation approach that involves collaboration among the Federal, state and local governments, and strategic partners including the private sector, government-linked companies (GLCs), CSOs and CBOs.

## The IPR Implementation

IPR currently consists of three programmes namely, *Inisiatif Usahawan Makanan* (INSAN), *Inisiatif Usahawan Tani* (INTAN) and *Inisiatif Operator Perkhidmatan* (IKHSAN). In addition, *Inisiatif Pembasmian Miskin Tegar* (*Inisiatif BMT*) has been rebranded and integrated under IPR. These initiatives are designed to address common issues faced by the *rakyat* such as high food prices, food supply disruption, unemployment and limited marketing platforms.

### INSAN

INSAN aims to promote entrepreneurship in providing quality ready-to-eat food at affordable prices. This involves providing platform to participants to market their food products using vending machines at strategic locations. Under this programme, the Government will provide assistance in the form of machine rental payments for a period of two years.

### INTAN

INTAN focuses on producing strategic crops, such as chilli and grain corn in reducing dependency on imports. Under this programme, assistance will be provided in the form of agricultural inputs and modern equipment, training and technical advisory services as well as pre-harvest allowance. This programme will be implemented throughout the country through cooperation and collaboration between various parties including ministries, agencies, state governments and the private sector.

### IKHSAN

IKHSAN aims to create job opportunities with a decent salary especially those involved in the 3D (dirty, dangerous and difficult) jobs, which currently employs many foreign workers. This programme aims to reduce overdependence on service providers that employ foreign workers. The Government will support part of the salary for a period of two years.

### Inisiatif BMT

*Inisiatif BMT* is a targeted programme to eradicate hardcore poverty nationwide, mostly focused on individual approach. It aims to help hardcore poor to generate additional income through agricultural and entrepreneurial activities. Assistance given by the Government includes training, equipment and technical advice as well as marketing support by relevant agencies.

Application for participation in IPR is open to all Malaysians that meet the requirements. Application can be made via the website: [www.ipr.ekonomi.gov.my](http://www.ipr.ekonomi.gov.my). As at 14 August 2023, a total of 106,491 individuals have registered as applicants. Eligibility of the participants is vetted by crosschecking with related databases such as *Bank Data Kemiskinan Nasional* (eKasih), *Sistem Informasi Data Maklumat Masyarakat Orang Asli* (iDamak) and *Sistem Sumbangan Tunai Rahmah* (MySTR).

## Strategy A2: Improving Standard of Living and Access to Essential Services

### *Enhancing Access to Quality Education and Skills Training*

Subsidised early childhood care and education (ECCE) will be expanded to offer more affordable and high-quality childcare services. Assistance for digital learning will continue to be provided to students from low-income families. Targeted interventions, such as tuitions, scholarships and cash assistance, will be continued to reduce dropouts among students from poor households.

TVET and skill-based programmes will be promoted through job matching in collaboration with private sector to increase the take-up rate among members of poor households. In addition, the first eligible child to further study in higher education institutions (HEIs) from the poor households will be offered scholarships. This initiative aims to promote upward social mobility by enhancing knowledge and skills of the members of poor households.

### *Improving Health Outcome*

*Skim Perubatan MADANI* will be implemented to enable poor households to have better access to healthcare, including from private healthcare providers. *Program Pemulihan Kanak-Kanak Kekurangan Zat Makanan* will be further improved to ensure better health outcome for children. In addition, community sports will be promoted for healthy lifestyle among poor households. Prevention and early management on diseases, especially non-communicable diseases, will be enhanced to address a health issue that is prevalent among the poor.

### *Uplifting Living Conditions and Basic Amenities*

Provision of housing assistance programme will continue to be implemented on need-basis to build, refurbish and repair dilapidated houses in order to improve living conditions of the poor, particularly among the hardcore poor households. Basic utilities and communication services such as clean water, electricity and internet connectivity will be enhanced, particularly in remote areas. Low-income households will continue to benefit from subsidised utilities.

## Focus Area B: Empowering Vulnerable Households

Several strategies will be implemented to empower the vulnerable households, particularly among the B40. Focus will be given to enlarge economic opportunities and protection, and improve access to basic services. Efforts will also be undertaken to elevate socioeconomic status of low-income Chinese and Indian households.

### Strategy B1

**Enlarging Economic Opportunities and Protection**

### Strategy B2

**Improving Access to Basic Services**

### Strategy B3

**Elevating Socioeconomic Status of Low-Income Chinese and Indian Households**

## Strategy B1: Enlarging Economic Opportunities and Protection

### *Enhancing Capacity and Capability*

Capacity and capability of the B40 will continue to be strengthened using tailor-made and community-based programmes. Members of B40 will be further supported to pursue higher education and skills training, including micro credential programmes, in enhancing employability and entrepreneurial ability. The B40 will also be encouraged to leverage latest technology such as in automation, online marketing and digital business platforms. These initiatives will increase and diversify sources of income of the B40.

### *Encouraging Entrepreneurship*

SEs will be leveraged to create sustainable community-based businesses, and employment and income opportunities for B40, while solving social issues and optimising local resources. In addition, inclusive business approach will be further promoted to enable B40 to participate in business value chain.

The B40 communities will also be encouraged to be involved in income generating activities through cooperatives.

The B40 will also benefit from the entrepreneurship opportunities under the IPR programme. Furthermore, the B40 will continue to be encouraged to participate in gig economy with high value-added activities, such as digital content development, knowledge-based and creative services, as an additional source of income. In addition, access to financing will be better facilitated in encouraging entrepreneurship among the B40.

### *Reducing Income Vulnerabilities*

The B40 are urged to participate in voluntary employment insurance scheme under Social Security Organization (SOCSO) and voluntary retirement contributions under EPF to reduce vulnerabilities during economic shocks. Financial education among B40 will be strengthened to encourage responsible spending and prioritising saving. In this regard, financial awareness programmes will be intensified to prevent B40 from becoming financial scam victims. In addition, B40 will be encouraged to subscribe to life and health insurance policies.

### *Addressing Rising Cost of Living*

The National Action Council on Cost of Living will intensify efforts in addressing rising cost of living that affects purchasing power and wellbeing of the rakyat. In this regard, targeted subsidies will be enhanced and an index to measure cost of living by localities will be developed. *Payung Rahmah* and *Jualan Terus dari Ladang* initiatives that offer affordable goods and services for consumers will be expanded to more localities.

## **Strategy B2: Improving Access to Basic Services**

### *Enhancing Access to Healthcare Services*

The PeKa B40 initiative, which provides financial assistance for healthcare services and medical equipment will be further promoted. Meanwhile, the potential of *waqf* and cooperatives will be optimised to support healthcare needs of B40. These include provision of health clinics, dialysis centres and ambulance services.

## *Addressing Housing Needs*

Existing housing programmes will continue to be implemented with priority to low-income households. The RTO housing programme will be enhanced to provide better access to home ownership financing. Meanwhile, a new rental tenancy regulation will be introduced to promote rental as an alternative to home ownership.

## **Strategy B3 Elevating Socioeconomic Status of Low-Income Chinese and Indian Households**

### *Elevating Standard of Living of Low-Income Chinese Households*

Access to business financing facilities under PKBC will be improved by simplifying procedures and providing new loan scheme ranging from RM50,001 to RM150,000. The improvement will provide more financing modality for business expansion and income generation. An impact assessment on the financing facilities will be conducted to measure the outcome of the PKBC. Commercial activities will be promoted to create business opportunities for youth.

A study will be conducted to assess the current condition and needs of low-income Chinese households in *Kampung Baru* nationwide. The outcome of the study will facilitate in improving socioeconomic planning for this community. The roles and functions of village councils and committees will be strengthened to facilitate more effective implementation of programmes in *Kampung Baru*. Meanwhile, public amenities and services will be enhanced to improve the standard of living for the residents including the elderly. Additionally, *Kampung Baru* with tourism potential will be transformed and promoted as tourist destinations through collaboration with private sector, CBOs and other relevant stakeholders.

### *Elevating Standard of Living of Low-Income Indian Households*

The implementation of the Malaysian Indian Blueprint and *Pelan Tindakan Masyarakat India* will be continued to enhance the wellbeing of low-income Indian households. Efforts will be directed towards improving access to quality education, including TVET and science, technology, engineering and mathematics (STEM) programmes as well as addressing the issues of low educational attainment and high dropout rates in this community. Targeted

upskilling programme will be offered to increase employability of low-income Indians. Entrepreneurship opportunities will also be enhanced through microcredit facilities. Programmes to empower women as well as address dysfunctional families and social issues among youth will be improved.

## Focus Area C Facilitating M40

Concerted efforts will be intensified in improving the wellbeing of M40. Focus will be given on enhancing income generation as well as improving health and employment protection, and access to housing. These measures will contribute towards building an inclusive and more resilient society.

**Strategy C1** Enhancing Income Generation

**Strategy C2** Improving Health and Employment Protection, and Access to Housing

### Strategy C1: Enhancing Income Generation

#### *Boosting Income*

In raising the income, emphasis will be given to promote continuous education and learning as well as upskilling and reskilling among the M40 households. Participation in entrepreneurial and sharing economy activities using digital platforms and income generating investment portfolios will be further promoted. In addition, the private sector will be encouraged to improve the wage and non-wage benefits of employees such as healthcare coverage, flexible work arrangement and childcare facilities to increase disposable income of the M40. Meanwhile, fiscal measures to increase disposable income will also be explored.

### Strategy C2 Improving Health and Employment Protection, and Access to Housing

#### *Promoting Participation in Health and Employment Insurance*

The M40 will be further encouraged to subscribe health insurance, meanwhile those in informal employment are urged to contribute to employment insurance and voluntary retirement contribution. In this regard, awareness programme on benefits of the insurance protection will be enhanced. Furthermore, existing income tax reliefs on health and life insurance will be reviewed.



#### *Providing Affordable Housing*

More engagement will be undertaken with state governments and private sector to provide quality affordable housing in strategic locations, particularly in urban conurbation and transit-oriented development areas. The RTO housing programme will be strengthened to enhance access to housing by facilitating affordable monthly instalments. This will enhance liveability and wellbeing of the M40.

## Focus Area D: Narrowing Inequality

Addressing inequality requires a comprehensive understanding of the current nature of inequality and a holistic approach to narrow disparities. In this regard, improving access to various opportunities and strengthening social protection will be emphasised. These strategies will contribute to address inequality of outcome to promote social cohesion and justice for all.

**Strategy D1** Improving Access to Opportunities

**Strategy D2** Strengthening Social Protection

### Strategy D1: Improving Access to Opportunities

#### *Enhancing Access to Opportunities for All*

Basic infrastructure and services will be improved towards providing equal access to opportunities necessary for intra- and intergenerational upward socioeconomic mobility. Basic infrastructure such as electricity, water and telecommunication will be made more accessible across socioeconomic groups and geographical locations. Meanwhile, education and skills will be enhanced to increase capacity and capability. Affordable and quality healthcare will be promoted through life cycle approach.

#### *Adopting Inclusive Economic Policy*

Inclusive policy will continue to be a key pillar in socioeconomic development including by promoting investment in underserved areas and supporting MSMEs and entrepreneurship activities. In addition, policies on fair and meaningful wages as well as rights of workers will be instituted. Furthermore, investment in human capital will be enhanced to prepare for future jobs and challenges.

### *Improving Fiscal Measures*

Progressive tax policy that ensures wealthier individuals and corporations contribute proportionately more to society will be explored in line with international best practices. In addition, efficient redistribution of resources will reduce income disparities and provide resources for social programmes. In this regard, progressive approach in implementing targeted subsidy will be adopted.

### *Promoting Financial Inclusion*

Provision of suitable, affordable and quality financial services to all segments of society will be expanded to increase financial inclusion. Financial literacy will be enhanced among children and youth to inculcate good financial behaviour. Education programmes on investment and financial products will be intensified to promote savings and prudent financial management.

### Strategy D2: Strengthening Social Protection

#### *Formulating Policy on Social Protection*

The national social protection system will be strengthened to provide targeted protections throughout the life cycle as one of the initiatives under the Big Bold Reforming Social Protection. In this regard, a collaborative study with UNDP that is being undertaken aims to strengthen social protection policy for inclusive development and growth. This study will guide in developing a coherent and inclusive national social protection policy as well as enhance architecture of PDPS. Additionally, capacity-building programmes will be conducted to strengthen technical and institutional capacity of the relevant social protection providers.

#### *Enhancing the Malaysia Social Protection Council*

The role of Malaysia Social Protection Council (MySPC) will be strengthened by harmonising and intensifying various programmes under the thrusts of social assistance, social insurance and labour market intervention. In addition, the social assistance programmes will be enhanced by improving service delivery and administration, ensuring data accuracy and eligible beneficiaries as well as enabling access to real time data. Mapping exercise

for social insurance and labour market intervention will be undertaken subsequent to that of social assistance. The completion of the mapping exercise will ensure PDPS serves as a single gateway and main reference for social protection programmes. The PDPS will be integrated with PADU to provide interoperable single data reference.

## Focus Area E: Achieving an Equitable Outcome for Bumiputera

The Bumiputera agenda will remain as a national agenda for attaining fair, equitable and inclusive socioeconomic growth. Strategies include strengthening service delivery, scaling up Bumiputera businesses and increasing Bumiputera wealth creation will be implemented. Efforts will also be undertaken in empowering human capital and enhancing financial literacy as well as ensuring sustainable corporate equity ownership.

Strategy E1

Strengthening Service Delivery

Strategy E2

Scaling Up Bumiputera Businesses

Strategy E3

Increasing Bumiputera Wealth Creation

Strategy E4

Empowering Human Capital and Enhancing Financial Literacy

Strategy E5

Ensuring Sustainable Corporate Equity Ownership

## Strategy E1: Strengthening Service Delivery

### *Strengthening the Role of Bumiputera Mandated Agencies and Unit Pemerkasaan Agenda Bumiputera*

The realignment of Bumiputera mandated agencies strategies based on their original roles and functions will ensure more effectiveness of service delivery. A shared key performance indicator (KPIs) for Bumiputera mandated agencies will be established for this purpose. Roles and functions of TERAJU will be reviewed as the lead coordinating agency for Bumiputera agenda. The role of UPAB in ministries will be strengthened to improve the effectiveness of sector regulators towards increasing Bumiputera participation in the economy.

### *Enhancing Governance of Bumiputera Mandated Agency*

The integrity and governance of Bumiputera mandated agencies will be further strengthened through a collaborative initiative with *Institut Integriti Malaysia* (IIM). This initiative will leverage on existing training, advocacy and consultation programmes under IIM. These programmes will assist Bumiputera mandated agencies to obtain International Organization for Standardization (ISO) certifications, thus establishing credibility and gaining trust among stakeholders.

## Strategy E2: Scaling Up Bumiputera Businesses

### *Enhancing Competitiveness of Bumiputera Enterprises*

In enhancing participation and competitiveness of Bumiputera enterprises, implementation of the carve-out and compete policy for development projects will be intensified. Meanwhile, an exit policy will be implemented to facilitate transition of existing entrepreneurs to the next level, while providing opportunity to new entrepreneurs. Relevant training such as bookkeeping, business proposal writing, and cash flow management will be made mandatory for entrepreneurs applying for government funding. This training will improve skillsets of the entrepreneurs and promote proper financial management.



Bumiputera entrepreneurs will also be encouraged to leverage digital platforms and fintech for business advancement. Retail champions will be facilitated to occupy premises and operate in prime commercial areas to promote Bumiputera presence in these areas. Bumiputera cooperatives and chambers of commerce will be empowered to upscale Bumiputera businesses, thus enabling participation along the supply chain.

### ***Penetrating Global Market***

In facilitating penetration into the global market, Bumiputera entrepreneurs will be assisted in complying with international standards, including through certifications. Measures will also be undertaken to increase participation in trade promotions as well as identify new markets for Bumiputera products and services. Furthermore, Bumiputera businesses will be encouraged to leverage free trade agreements (FTAs) through collaboration between Bumiputera mandated agencies and selected multinational corporations. A study will be conducted to assess the socioeconomic impact of FTAs on Bumiputera and recommend policy interventions.

### ***Strengthening Roles of Ministries and Agencies in Promoting Entrepreneurship***

Ministry of Entrepreneur and Cooperatives Development (MECD) will be tasked as a single coordinator for entrepreneurship programmes across ministries and agencies. All entrepreneurship programmes will be realigned

to the mandates of ministries and agencies. The roles of HEIs will be strengthened in raising awareness among Bumiputera graduates from being job seekers to job creators. In addition, HEIs will be encouraged to increase the collaboration with related agencies to facilitate business continuity post-graduation.

### **Strategy E3: Increasing Bumiputera Wealth Creation**

#### ***Reviewing Existing Policies on Malay Reserve Land***

The existing policies on revocation and substitution of Malay Reserve Land will be reviewed to ensure the valuation process reciprocates with the initial land characteristics. In addition, caveats or restrictions in interest on land title will be imposed on Malay Reserve Land owned by Bumiputera mandated agencies. Furthermore, the mechanism to monitor direct and indirect transfers of Malay Reserve Land to a non-Malay interest will be improved. These measures will ensure the existing Malay Reserve Land are safeguarded.

#### ***Optimising the Potential of Waqf***

Potential of waqf will be optimised as one of the initiatives under the Big Bold Empowering MSMEs and SEs. Efforts will also be intensified to undertake commercial development on potential waqf land through strategic partnership among state Islamic authorities, Bumiputera mandated agencies

and the private sector. In addition, corporate waqf entities will acquire and rent out commercial properties to Muslim Bumiputera enterprises in prime areas to generate income and increase presence of Bumiputera enterprises in these areas. Measures will also be undertaken to increase cash waqf under *Yayasan Wakaf Malaysia* to finance more socioeconomic projects.

### *Improving Information on Unsold Properties for Bumiputera*

Information on unsold properties for Bumiputera will be made available on Unsold Property Inquiry System Malaysia, an online platform under the National Property Information Centre. This initiative will provide information to wider potential Bumiputera buyers. Furthermore, the implementation and monitoring of existing Bumiputera housing quota at state level will be reviewed to improve and facilitate home ownership.

### *Facilitating the Ownership of Commercial Properties*

The RTO programme will be widened with involvement of more Bumiputera mandated agencies to increase Bumiputera ownership of commercial properties. In addition, collaboration among related agencies will be enhanced to undertake commercial property development in selected locations. A study will be conducted by *Pelaburan Hartanah Berhad* to explore potential investment in commercial properties in six less developed states.



## **Strategy E4: Empowering Human Capital and Enhancing Financial Literacy**

### *Enhancing Employability of Huffaz, PWDs and Juveniles*

Participation of Bumiputera among *huffaz*, PWDs and juveniles in skilled jobs will be increased by expanding reskilling and upskilling programmes. In this regard, TVET programmes will be leveraged to provide relevant skills set to enhance employability. In addition, implementation of nurturing and development programmes will be intensified in developing necessary soft skills.

### *Promoting Financial Awareness*

Financial education programme will be conducted to enhance financial literacy among children from low-income Bumiputera households. Financial awareness programme will also be focused on low-income Bumiputera households. This is to encourage sufficient savings for retirement, especially through voluntary contributions in EPF.

## **Strategy E5: Ensuring Sustainable Corporate Equity Ownership**

### *Accelerating Growth of Equity Ownership*

High potential Bumiputera mid-market companies will be encouraged to leverage on *Dana Asas* amounting to RM100 million with a cap from RM10 million to RM30 million under *Ekuiti Nasional Berhad* to accelerate growth. Starting 2023, the maximum limit for ASB investment is increased from RM200,000 to RM300,000 to increase Bumiputera equity ownership. Awareness programmes on equity investment opportunity will be expanded to accelerate growth of Bumiputera equity ownership. Meanwhile, the Bumiputera Special Shares Programme will be reviewed to improve the effectiveness of this programme.



## Focus Area F: Enhancing Development of Orang Asli Community

Efforts will be intensified towards enhancing the wellbeing of the Orang Asli community. In this regard, strategies to be undertaken include accelerating socioeconomic development and strengthening education as a catalyst for development. These efforts are envisaged to further advance development of Orang Asli community.

**Strategy F1** Accelerating Socioeconomic Development

**Strategy F2** Strengthening Education as a Catalyst for Development

### Strategy F1: Accelerating Socioeconomic Development

#### *Formulating Socioeconomic Development Plan*

A study to formulate a comprehensive development plan to uplift the socioeconomic status of Orang Asli will be completed in 2025. The study will propose recommendations on strengthening governance and policies, formulating action plans and setting KPIs. This development plan will serve as a reference in charting the socioeconomic development of Orang Asli.

#### *Increasing Income*

Orang Asli will be encouraged to participate in commercial crops plantation such as oil palm, rubber and cocoa through replanting and expansion of existing smallholdings to increase income. In addition, Orang Asli will be facilitated to commercialise traditional handicrafts, forest produce and bee farming as additional sources of income. Microfinancing facilities and skills training will be enhanced to enable Orang Asli to venture into business



### *Expanding Basic Infrastructure, Services and Amenities*

Efforts will be strengthened to improve the livelihood of Orang Asli by enhancing basic infrastructure, services, and amenities. The provision of clean water, electricity and telecommunication will be expanded and upgraded while housing and healthcare services will be improved. State governments will be encouraged to facilitate the provision of infrastructure for Orang Asli.

### Strategy F2: Strengthening Education as a Catalyst for Development

#### *Improving Education of Orang Asli*

Measures will be intensified to improve access to ECCE, which will enable children of Orang Asli community to acquire essential skills of reading, writing and counting (3M). Additionally, innovative teaching and suitable learning methods will be adopted to improve student attendance and learning outcomes. The *Jom Belajar* programme will be realigned to cater for students to improve literacy. Meanwhile, more K9 schools will be upgraded to K11 to provide 11 years of schooling for students in remote areas. This effort will allow more Orang Asli students to pursue tertiary education, thus securing better employment opportunities.

The Bringing School to Community programme will be introduced through collaboration involving the Government, universities, and CSOs. *Kelas Komuniti* programme will be continued to ensure the adults are able to master the basic 3M skills. The ongoing educational programmes will be improved by expanding access to TVET and tertiary education.

## Focus Area G: Empowering Specific Target Groups

Various initiatives will be undertaken to fulfil the needs of specific target groups in building a better inclusive society. Priority will be given in advancing wellbeing of children, building dynamic, resilient and competitive youth, and empowering women. Efforts will be intensified to increase the wellbeing of aged population, empower PWDs as well as strengthen the family institution.

**Strategy G1** Advancing Wellbeing of Children

**Strategy G2** Building Dynamic, Resilient and Competitive Youth

**Strategy G3** Empowering Women

**Strategy G4** Increasing the Wellbeing of Aged Population

**Strategy G5** Empowering Persons with Disabilities

**Strategy G6** Strengthening the Family Institution

### Strategy G1: Advancing Wellbeing of Children

#### *Improving Governance for Child Development and Protection*

The National Child Policy will be revised to develop a more comprehensive policy, meanwhile an action plan will be formulated to ensure child survival, protection, development and participation. A child development department will be established to provide comprehensive support services to children. Special pathway for children from post-JKM institutions will be explored to ensure better education opportunities and careers through strategic collaboration involving the private sector and financial institutions. Measures to address stunting will be intensified by expanding the nutritional programme to ECCE centres. The child protection and moral officers will be strengthened in terms of role and number to ensure the safety and wellbeing of abused and neglected children. In addition, a dedicated team will be formed to eradicate child pornography and apprehend the perpetrators through collaboration with various agencies.

### Strategy G2: Building Dynamic, Resilient and Competitive Youth

#### *Strengthening Youth Development and Participation*

A national plan on youth economic empowerment with the focus on enhancing youth employability will be launched in the remaining Twelfth Plan period. A study to identify the profile of youth in the not in employment, education or training (NEET) category will be conducted to mainstream this group back into the society. More programmes under the new phase of *Rakan Muda* initiatives will be organised in collaboration with various stakeholders to develop and unlock youth potential. Meanwhile, more programmes will be undertaken to enhance awareness on democratic literacy among youth. Development and sharing of granular data on youth participation in government programmes and initiatives will be made compulsory for all ministries and agencies to enable more accurate reporting, analysis and formulation of policy on youth development.

## Strategy G3: Empowering Women

### *Strengthening Governance for Women Empowerment*

Gender focal teams led by Gender Focal Point will be formed in all ministries as an effort to mainstream gender into policy development and implementation. Advocacy programmes will be intensified and a tribunal will be established under the Anti-Sexual Harassment Act 2022 [ Act 840 ]. Meanwhile, the potential of the care industry for children, PWDs and older persons will be explored to improve the quality care required in a family. This effort will encourage more participation of women in the labour market with the aim to achieve the target of 60% participation rate within the next 10 years.

## Strategy G4: Increasing the Wellbeing of Aged Population

### *Strengthening Care and Support for Older Persons*

A legislation to ensure the rights and protection of older persons will be introduced. The geriatric development programmes and services will be intensified to meet the rising needs of older persons. Training for caregivers will be enhanced and the profession of social service workers will be recognised. A study will be undertaken to develop a blueprint on ageing society as preparation for Malaysia to be an aged nation. Meanwhile, availability of existing public facilities, particularly in rural areas will be explored as a centre to conduct activities for older person in promoting active and productive life.

## Strategy G5: Empowering Persons with Disabilities

### *Supporting the Needs of Persons with Disabilities*

The Persons with Disabilities Act 2008 [ Act 685 ] will be amended to strengthen empowerment and increase protection of the rights of the PWDs. Public advocacy on the importance of registering the PWDs will be intensified to enable the PWDs to get services that match their needs and aid the Government in policy planning for the PWDs. Outreach programmes



will be expanded, particularly in rural areas to improve access to information on assistance and services for PWDs. In addition, the information on PWDs jobseekers will be integrated in the MyFutureJobs portal, while standard operating procedures (SOP) of recruitment in the public services will be improved to enhance employment opportunities.

## Strategy G6: Strengthening the Family Institution

### *Building Strong Family Institution*

The National Family Policy and relevant action plan will be revised in ensuring family perspective in socioeconomic development continue to be enhanced in building strong family institution. Existing pre-marital courses will be restructured to emphasise on the roles, responsibilities and rights of husbands and wives as well as the reality of marriage and family life. Post-marital courses organised by government agencies and CSOs will be improved. Meanwhile, access to reproductive health services will be expanded and the implementation of reproductive health and social education programmes will be intensified. The national family planning programme will be reviewed to strengthen quality family life. Family programmes will be intensified to inculcate noble values and aligned with core values of Malaysia MADANI.

## Focus Area H: Strengthening Policy and Service Delivery

Policy and service delivery will be strengthened for holistic planning and implementation towards building an inclusive and more resilient society. Strategies on enhancing socioeconomic policy as well as integrating data for evidence-based service delivery will be undertaken. These strategies will contribute to better policy formulation and targeted assistance to improve the wellbeing of the *rakyat*.

**Strategy H1** Enhancing Socioeconomic Policy

### Strategy H1: Enhancing Socioeconomic Policy

#### *Improving Policy and Measurement of Socioeconomic Outcomes*

Policy and measurement of socioeconomic outcomes will be improved to better guide the planning and implementation of socioeconomic programmes for the *rakyat*. An overarching policy on addressing poverty at the national level will be formulated to promote policy coherence and coordination among ministries and agencies. In addition, the dimensions and indicators in measuring household deprivation in the MPI will be improved. Household income category will be reviewed for more accurate targeted assistance.

A study is being conducted to develop a comprehensive framework in understanding the overall extent, evolution and drivers of inequality in Malaysia. A range of inequality measurement apart from Gini coefficient will be explored. These measurements will not only focus on disparities of monetary outcome but also on broader aspects of economy and opportunities. Recommendations from this study will be used as policy formulation guidance to monitor and address inequality.

### *Establishing Single Data Reference*

PADU, a new single database will integrate all databases including PDPS, *eKasih* and *Sumbangan Tunai Rahmah*. PADU will be used for big data analytics and evidence-based policy decision. PADU will also be used as the main reference for socioeconomic assistance that include poverty alleviation and targeted subsidy programmes.



## Conclusion

During the review period of the Twelfth Plan, various efforts were undertaken to achieve more equitable development outcomes and improve the overall wellbeing of the rakyat, in line with the inclusive development principle of leaving no one behind. Key strategies implemented include addressing multidimensional poverty and inequality, enhancing purchasing power and improving standard of living. Nonetheless, issues and challenges remain, partly aggravated by the polycrisis. In the remaining period of the Twelfth Plan, efforts will be intensified to address the issues and challenges in building an inclusive and more resilient society. In this regard, strategies will be geared towards improving multidimensional wellbeing of the poor, vulnerable households, Bumiputera, Orang Asli and specific target groups. These measures are in tandem with the aspiration to elevate quality of life for the *rakyat*.



Chapter

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