



ECONOMIC PLANNING UNIT  
PRIME MINISTER'S DEPARTMENT  
MALAYSIA

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ACHIEVING THE MILLENNIUM  
DEVELOPMENT GOALS



UNITED NATIONS  
COUNTRY TEAM  
MALAYSIA



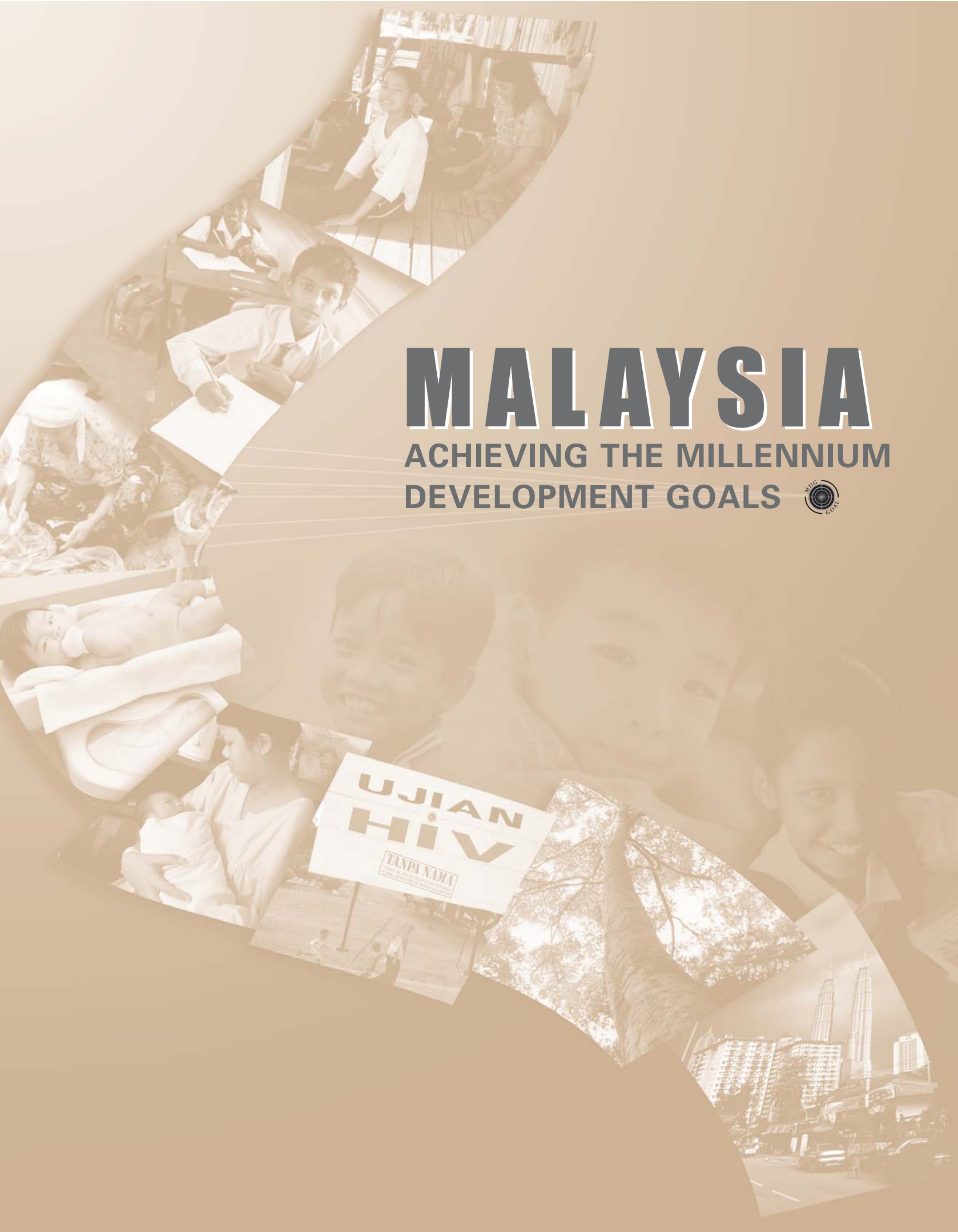
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# Foreword

World leaders at the United Nations Millennium Summit held in New York in September 2000 resolved to strengthen global efforts for peace, democracy, good governance, and poverty eradication while continuing to promote the principles of human rights and human dignity. The Millennium Declaration made a strong commitment to the right to development, to gender equality and the empowerment of women, to the eradication of the many dimensions of poverty, and to sustainable human development. The Millennium Development Goals (MDGs) emerged as the principal means of implementing the Declaration.

Since 1970, Malaysia has achieved a number of national developmental goals which coincidentally cover essential elements of the MDGs. These achievements, and the favourable position Malaysia now occupies in economic and social development, owe a great deal to the ground-breaking policies and strategies that were envisioned in the Outline Perspective Plans and systematically implemented through Malaysia's national five-year plans. A comprehensive account of the policies, strategies, and programmes that have enabled Malaysia to achieve most of the MDGs is given in *Malaysia: Achieving the Millennium Development Goals, Successes and Challenges*. This publication provides a graphic summary of the progress made. It is aimed at a wider readership.

Poverty eradication, the primary objective among all the MDGs, was already of major concern in 1970, when half of all households in Malaysia were living in poverty. By 2002, just 5 per cent of households were still classified as poor, although poverty levels still vary considerably by state and ethnic group. The poverty-reducing approaches that succeeded in Malaysia emphasized rural and agricultural development, export of labour-intensive manufactured goods, and public investment in education, health, and infrastructure.

Universal primary education was achieved by 1990, by which time nearly all children were completing primary school, greatly improving on the one-third of the population 6 years of age and over that had never attended school in 1970. Attendance of girls had already caught up with that of boys by 1970 and has increasingly exceeded that of boys at secondary and tertiary levels. Employment rates of males and females partly reflect this trend but women's multiple responsibilities and more limited job opportunities mean that women are relatively under-represented in the labour force.

Child mortality and maternal health have recorded reductions to levels that are exceptionally low in the region through a well-developed primary health care system and access to quality water, sanitation, and nutrition.

Malaria has been virtually eliminated from most densely populated areas but the prevalence of HIV/AIDS and tuberculosis are matters of major concern. The doubling about every three years of the reported HIV cases is especially disturbing and while the problem is concentrated in a small, high-risk group, the MDG target of halting and reversing the spread of HIV/AIDS by 2015 is extremely challenging.

Sustainable development has been integrated into national development policies since the late 1970s and factors such as access to a quality water supply have been a major success in Malaysia. More challenging areas include implementation of national forestry management policies at state levels and environmentally acceptable and efficient expansion of energy-generation capacity to meet expanding demand.

In the contemporary world, isolationism and unilateral action are becoming increasingly impractical. Malaysia favours participation in a global partnership for development that benefits all countries willing to take part. In 1980, Malaysia established the Malaysian Technical Cooperation Programme, a bilateral programme of cooperation designed to assist other developing countries by sharing Malaysia's development experiences and expertise in capacity building and human resource development. Malaysia also plays a significant role in cooperative regional groupings, including the Association of South-East Asian Nations (ASEAN) and the Asia-Pacific Economic Cooperation (APEC).

With the fulfilment of so many of the MDGs, the challenge for Malaysia is to maintain momentum in dealing decisively with the remainder, and to identify the next set of tasks and priorities that will keep the nation moving ahead in this exemplary way, continuing to set precedents that others can emulate and moving towards its ultimate objective of becoming a fully developed nation.

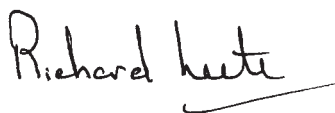
The key strategies now in place include developing a knowledge-based economy and human resource development, accelerating structural transformation within the manufacturing and services sectors, revitalizing the agriculture sector, and strengthening socio-economic stability through enhanced public and private sectoral partnerships. Further progress towards poverty eradication is expected to result from continued rapid economic growth assisted by targeted poverty-reduction programmes.

National unity, political stability, and administrative continuity have been critical to this success as, through consistent policies, continuous improvements, and an unswerving sense of purpose, Malaysia has been able to bring about development, enhance education and skills training, and reduce poverty rates throughout the country. Malaysia is now working to advance up the economic value chain and further enhance its competitiveness, and it has set 2009 as the target for total eradication of hard-core poverty.

In conclusion, we would like to thank all those who contributed to and participated in the analysis and dialogue that led to the preparation of this publication. In particular, we would like to thank our colleagues in the Economic Planning Unit, members of the National Steering Committee, the United Nations Country Team in Malaysia, as well as Civil Society Organizations. We hope this work will stimulate an even broader discussion of how Malaysia can progress beyond the MDGs.



Raja Dato' Zaharaton bt Raja Zainal Abidin  
Director General  
Economic Planning Unit  
Prime Minister's Department  
Malaysia



Richard Leete  
Resident Coordinator  
United Nations  
Malaysia

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# Millennium Development Goals: targets and indicators

Goals & targets	Indicators for monitoring progress
<b>GOAL 1 Eradicate Poverty and Hunger</b>	
<b>TARGET 1</b> Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day	1a) Proportion of population below \$1 (PPP) per day <sup>a</sup> 1b) Poverty head count ratio (% of population below the national poverty line) 2) Poverty gap ratio (incidence x depth of poverty) 3) Share of poorest quintile in national consumption
<b>TARGET 2</b> Halve, between 1990 and 2015, the proportion of people who suffer from hunger	4) Prevalence of underweight children under-5 years of age 5) Proportion of population below minimum level of dietary energy consumption
<b>GOAL 2 Achieve Universal Primary Education</b>	
<b>TARGET 3</b> Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	6) Net enrolment ratio in primary education 7a) Proportion of pupils starting grade 1 who reach grade 5 7b) Primary completion rate 8) Literacy rate of 15–24 year olds
<b>GOAL 3 Promote Gender Equality and Empower Women</b>	
<b>TARGET 4</b> Eliminate gender disparity in primary and secondary education preferably by 2005 and in all levels of education no later than 2015	9) Ratios of girls to boys in primary, secondary, and tertiary education 10) Ratio of literate women to men 15–24 years old 11) Share of women in wage employment in the non-agricultural sector 12) Proportion of seats held by women in national parliament
<b>GOAL 4 Reduce Child Mortality</b>	
<b>TARGET 5</b> Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate	13) Under-five mortality rate 14) Infant mortality rate 15) Proportion of one-year-old children immunized against measles
<b>GOAL 5 Improve Maternal Health</b>	
<b>TARGET 6</b> Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio	16) Maternal mortality ratio 17) Proportion of births attended by skilled health personnel
<b>GOAL 6 Combat HIV/AIDS, Malaria, and Other Diseases</b>	
<b>TARGET 7</b> Have halted by 2015 and begun to reverse the spread of HIV/AIDS	18) HIV prevalence among 15–24 year old pregnant women 19) Condom use rate of the contraceptive prevalence rate <sup>a</sup> 19a) Condom use at last high-risk sex 19b) Percentage of population aged 15–24 with comprehensive correct knowledge of HIV/AIDS <sup>c</sup> 19c) Contraceptive prevalence rate 20) Ratio of school attendance of orphans to school attendance of non-orphans aged 10–14
<b>TARGET 8</b> Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases	21) Prevalence and death rates associated with malaria 22) Proportion of population in malaria-risk areas using effective malaria prevention and treatment measures <sup>d</sup> 23) Prevalence and death rates associated with tuberculosis 24) Proportion of tuberculosis cases detected and cured under directly observed treatment short course (DOTS)
<b>GOAL 7 Ensure Environmental Sustainability</b>	
<b>TARGET 9</b> Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources	25) Proportion of land area covered by forest 26) Ratio of area protected to maintain biological diversity to surface area 27) Energy use (kg oil equivalent) per \$1 GDP (PPP) 28) Carbon dioxide emissions (per capita) and consumption of ozone-depleting CFCs (ODP tons) 29) Proportion of population using solid fuels
<b>TARGET 10</b> Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation	30) Proportion of population with sustainable access to an improved water source, urban and rural
<b>TARGET 11</b> By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers	31) Proportion of urban and rural population with access to improved sanitation 32) Proportion of households with access to secure tenure



## GOAL 8 Develop a Global Partnership for Development

**TARGET 12** Develop further an open, rule-based, predictable, non-discriminatory trading and financial system.

*Includes a commitment to good governance, development, and poverty reduction—both nationally and internationally*

**TARGET 13** Address the special needs of the least developed countries.

*Includes tariff and quota free access for least developed countries' exports; enhanced programme debt of relief for HIPC and cancellation of official bilateral debt, and more generous ODA for countries committed to poverty reduction*

**TARGET 14** Address the special needs of landlocked countries and small island developing States (through the Programme of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly)

**TARGET 15** Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term

**TARGET 16** In cooperation with developing countries, develop and implement strategies for decent and productive work for youth

**TARGET 17** In cooperation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries

**TARGET 18** In cooperation with the private sector, make available the benefits of new technologies, especially information and communications

### Official development assistance

33) Net ODA, total and to LDCs, as percentage of OECD/DAC donors' gross national income

34) Proportion of total bilateral, sector-allocable ODA of OECD/DAC donors to basic social services (basic education, primary health care, nutrition, safe water, and sanitation)

35) Proportion of bilateral ODA of OECD/DAC donors that is untied

36) ODA received in landlocked countries as proportion of their GNIs

37) ODA received in small island developing States as proportion of their GNIs

### Market access

38) Proportion of total country imports (by value and excluding arms) from developing countries and LDCs, admitted free of duties

39) Average tariffs imposed by developed countries and agricultural products and textiles and clothing from developing countries

40) Agricultural support estimate for OECD countries as percentage of their GDP

41) Proportion of ODA provided to help build trade capacity

### Debt sustainability

42) Total number of countries that have reached their HIPC decision points and number that have reached their HIPC completion points (cumulative)

43) Debt relief committed under HIPC initiative, US\$

44) Debt service as a percentage of exports of goods and services

45) Unemployment rate of 15–24 year olds, each sex and total<sup>a</sup>

46) Proportion of population with access to affordable, essential drugs on a sustainable basis

47) Telephone lines and cellular subscribers per 100 population

48a) Personal computers in use per 100 population and Internet users per 100 population

48b) Internet users per 100 population

**THE MILLENNIUM DEVELOPMENT GOALS** and targets come from the Millennium Declaration signed by 189 countries, including 147 Heads of State, in September 2000 ([www.un.org/documents/ga/res/55/a55r002.pdf](http://www.un.org/documents/ga/res/55/a55r002.pdf) - A/RES/55/2 ). The goals and targets are interrelated and should be seen as a whole. They represent a partnership between the developed countries and the developing countries determined, as the Declaration states, “to create an environment—at the national and global levels alike—which is conducive to development and the elimination of poverty”.

<sup>a</sup> For monitoring country poverty trends, indicators based on national poverty lines should be used, where available.

<sup>b</sup> Amongst contraceptive methods, only condoms are effective in preventing HIV transmission. The contraceptive prevalence rate is also useful in tracking progress in other health, gender, and poverty goals. Because the condom use rate is only measured amongst women in union, it is supplemented by an indicator on condom use in high-risk situations (indicator 19a) and an indicator on HIV/AIDS knowledge (indicator 19b).

<sup>c</sup> This indicator is defined as the percentage of population aged 15–24 who correctly identify the two major ways of preventing the sexual transmission of HIV (using condoms and limiting sex to one faithful, uninfected partner), who reject the two most common local misconceptions about HIV transmission, and who know that a healthy-looking person can transmit HIV. However, since there are currently not a sufficient number of surveys to be able to calculate the indicator as defined above, UNICEF, in collaboration with UNAIDS and WHO, produced two proxy indicators that represent two components of the actual indicator. They are: (a) Percentage of women and men 15–24 who know that a person can protect herself from HIV infection by “consistent use of condom” (b) Percentage of women and men 15–24 who know a healthy-looking person can transmit HIV. Data for this year's report are only available on women.

<sup>d</sup> Prevention to be measured by the percentage of children under-5 sleeping under insecticide-treated bednets; treatment to be measured by percentage of children under-5 who are appropriately treated.

<sup>e</sup> An improved measure of the target is underdevelopment by ILO for future years.

# National Setting

## Malaysia



Malaysia was formed in 1963 from the Federation of Malaya, Sarawak and Sabah in East Malaysia, and Singapore, and following the separation of Singapore from the Federation in 1965, the present nation of Malaysia was in place.

Malaysia comprises thirteen states grouped in two major regions separated by the South China Sea. Peninsular Malaysia is part of the Asian mainland and

has eleven states, and East Malaysia, with two states, is on the island of Borneo. In addition, there are three federal territories: Kuala Lumpur, Putrajaya, and Labuan.

The country has an abundance of natural resources as the basis for its wealth-creating industries: rubber, tin, timber, palm oil, and natural oil and gas.

## National Setting

The economic and social achievements of Malaysia since 1970 owe a great deal to the vision of the policies contained in the Outline Perspective Plans and their implementation through a series of national five-year development plans.

### Malaysia's Development Planning Framework

1971–90	1991–2000	2001–2010
<b><i>New Economic Policy (NEP)</i></b> Outline Perspective Plan 1	<b><i>National Development Policy (NDP)</i></b> Outline Perspective Plan 2	<b><i>National Vision Policy (NVP)</i></b> Outline Perspective Plan 3
Second Malaysia Plan (1971–5) to Fifth Malaysia Plan (1986–90)	Sixth Malaysia Plan (1991–5) and Seventh Malaysia Plan (1996–2000)	Eighth Malaysia Plan (2001–5)

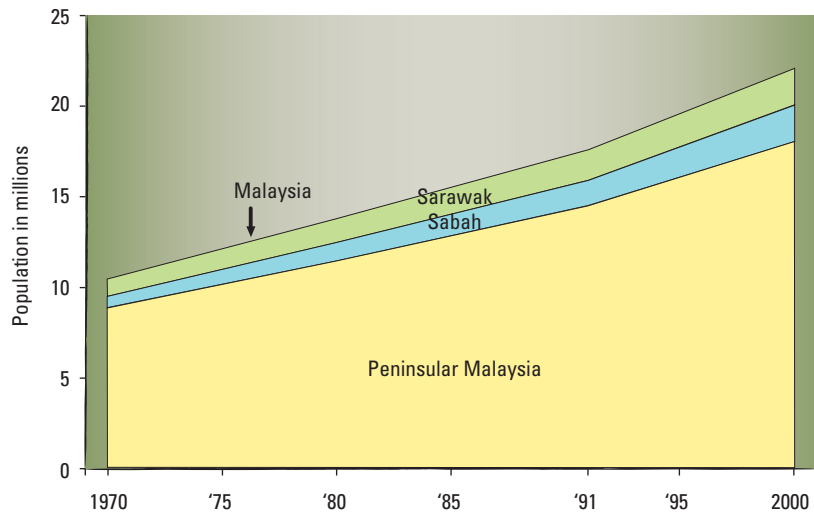
The land area and population size of Malaysia make it a medium-sized country in the South-East Asian region. Within South-East Asian only the states of Singapore and Brunei Darussalam have higher per capita incomes. Malaysia is a member of the ten-nation Association of South-East Asian Nations (ASEAN).

### Malaysia in a Regional Context



# Population Trends

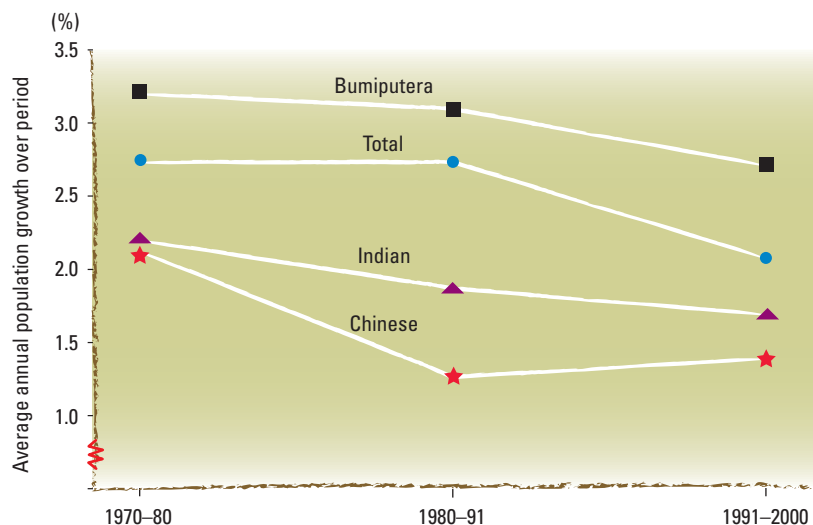
**Most Malaysians live in Peninsular Malaysia but share in Sabah increasing**



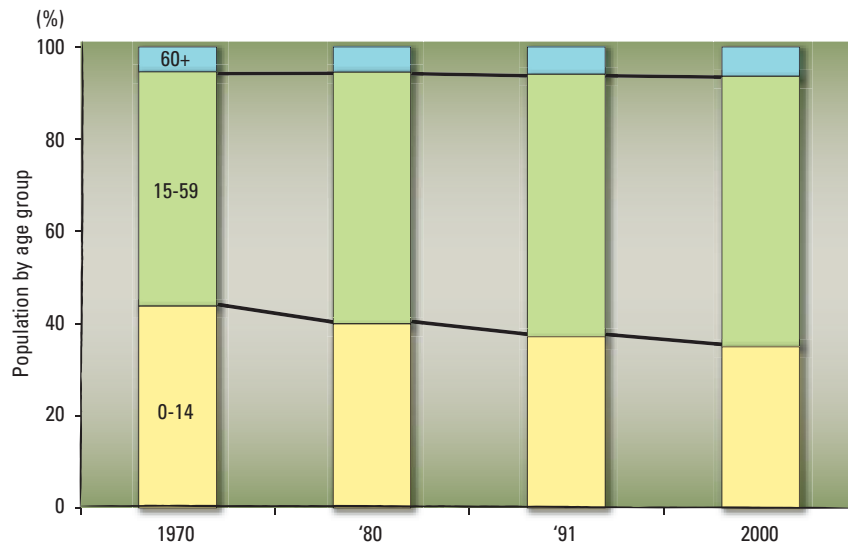
Malaysia's 2000 population size is 23.5 million, compared with just 10.4 million in 1970. Some 80 per cent of people live in Peninsular Malaysia, and about 10 per cent each in Sabah and in Sarawak. Over time, population growth rates have declined, as fertility levels have fallen, and variation in growth between regions and states has been mainly due to the scale of in or out migration. Recent growth has been especially rapid in Sabah where both fertility and immigration are at considerably higher levels than in most other parts of the country.

**Population growing for all communities:  
highest for Bumiputera and lowest for Chinese**

Malaysia is multi-ethnic and culturally diverse. Bumiputera, Chinese, and Indians have experienced different population growth rates since 1970. Bumiputera rates have declined only slowly because of relatively high fertility levels. The Bumiputera share of Malaysia's population rose from 56 per cent in 1970 to 65 per cent in 2000, whereas the Chinese share fell from 34 to 26 per cent, and the Indian share is about 8 per cent.



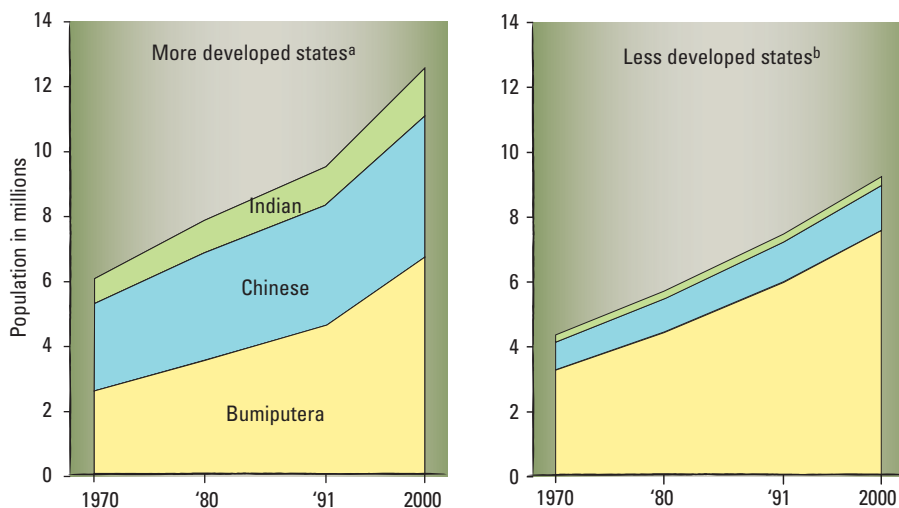
## Population Trends



**Population share at working ages increasing - a demographic bonus**

Malaysia has a relatively young population but the practice of family size limitation means children under the age of 15 are becoming a smaller proportion of the total. The working ages have expanded as children of earlier decades joined the work force and contributed their skills and labour to economic growth. This phenomenon gives rise to a 'demographic bonus' in which old and young dependents in the population are supported by many adults of working age. This favourable factor has helped Malaysia increase savings and investment and increase *per capita* income. The proportion of elderly persons aged 60 and over has begun to rise and this will be a major development in the future as the population ages.

## Ethnic groups balanced in the more developed states; Bumiputera predominate in the less developed



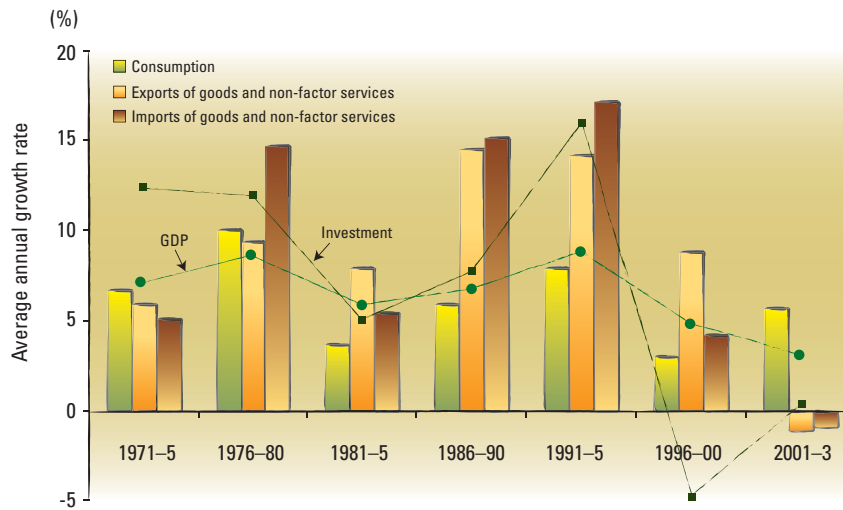
Note: <sup>a</sup> Johor, Melaka, Negeri Sembilan, Perak, Pulau Pinang, Selangor, and Kuala Lumpur.

<sup>b</sup> Kedah, Kelantan, Pahang, Perlis, Sabah, Sarawak and Terengganu.

The spatial distribution of the ethnic communities in Malaysia reflects historical settlement patterns. The Chinese and Indians are concentrated in the more developed states, which reflects their greater degree of urbanization and economic activity in non-agricultural sectors. Bumiputera, although increasingly urbanized, have strong connections to the land and many are still employed in agriculture and related rural activities.



# Macroeconomic Performance

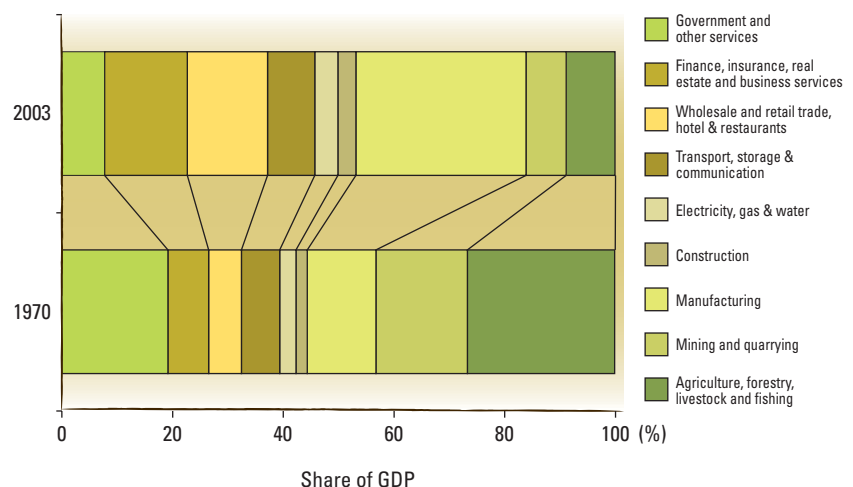


**Sustained economic growth has been disrupted by short periods of recession**

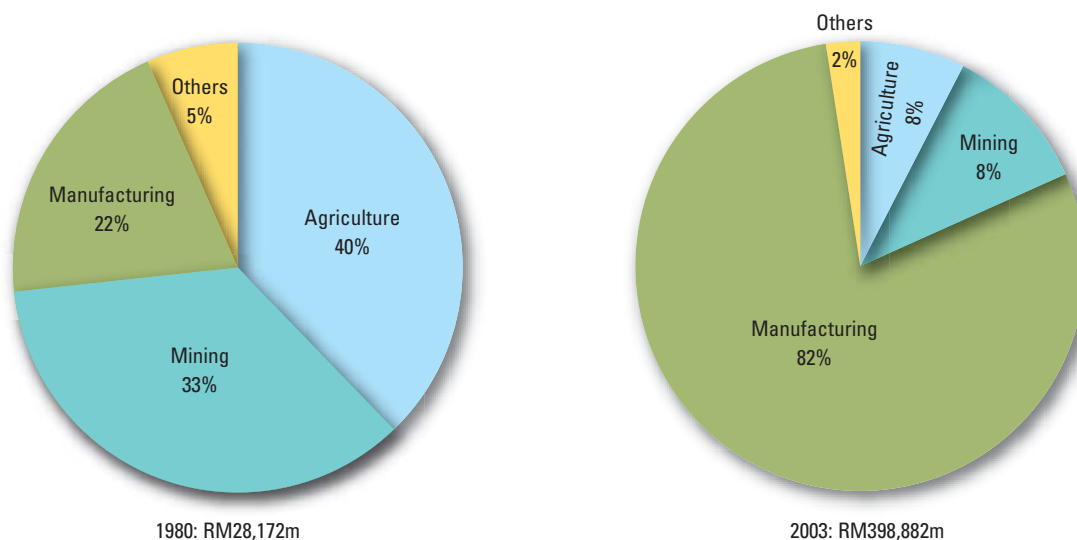
Malaysia has a consistent record of economic growth in GDP over the period 1970–2003, averaging an annual rate of about 7 per cent. Because of its open economy, externalities have had a major impact from time to time including the oil crises of the 1970s, the downturn in the electronics industry in the mid 1980s, and especially the Asian financial crisis of 1997. The impact of this crisis was still being felt early in the twenty-first century. Standards of living of the majority of the population were transformed over the 30-year period with the level of GDP per capita in 2000 being about four times that of 1970.

## Manufacturing has replaced agriculture as the main contributor to GDP

Between 1970 and 2003, the structure of Malaysia's economy changed radically. In 1970 agriculture contributed about one-third of GDP but by 2003 manufacturing provided one-third and agriculture was much less important. Sectoral shares in utilities, transport, and communication also grew steadily. The contribution of manufacturing is no longer increasing and there are hints of a maturing economy in which services, such as finance, insurance and business services are becoming more important.

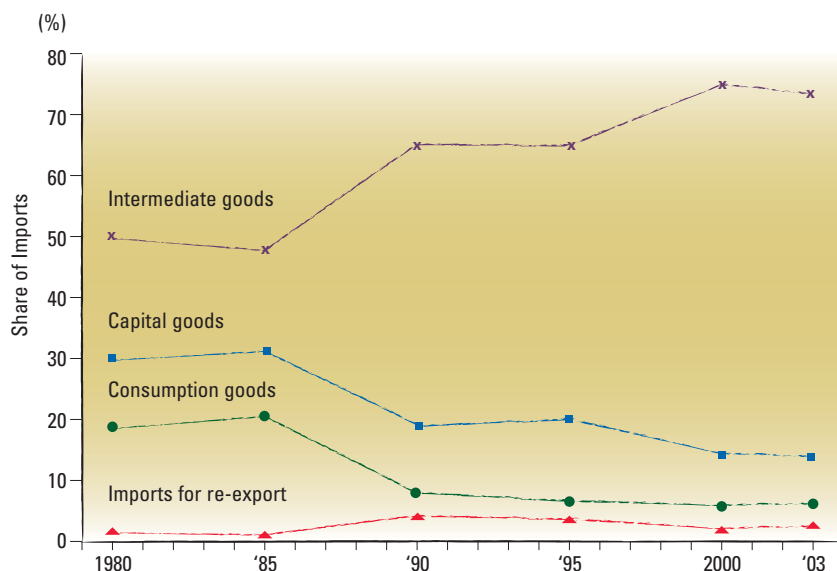


### Manufacturing now dominates the value of Malaysia's merchandise exports



Labour-intensive processing and assembly-type industries, such as textiles and electronics, used the abundance of cheap labour, but this soon changed to greater emphasis on export-oriented industries that relied on foreign direct investment and government export incentives. The government supported these activities through industrial estates and free trade zones. Electronics has become the star performer, but the government has also encouraged investment in information and communications technology in line with the knowledge economy and development of a skilled work force.

### Value of imported goods contributing to production has increased while value of other imports has proportionately declined



Malaysia is an open economy and rapid economic growth has relied on international trade. In the 1980s, exports by value were roughly one-third agriculture, one-third mining and one-third manufacturing. By 2000, manufacturing exports amounted to over 80 per cent, and agriculture and mining were both less than 10 per cent. As for imports, the share of consumption goods slowly declined, investment goods rose and then dropped away and intermediate goods dominate. Malaysia trades with many countries especially the United States, Japan and members of the EU and ASEAN.

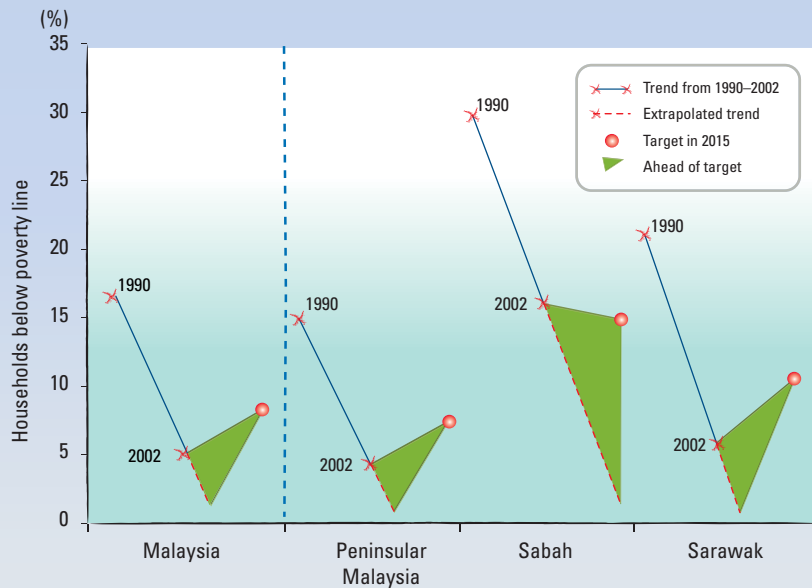


# ERADICATE EXTREME POVERTY AND HUNGER

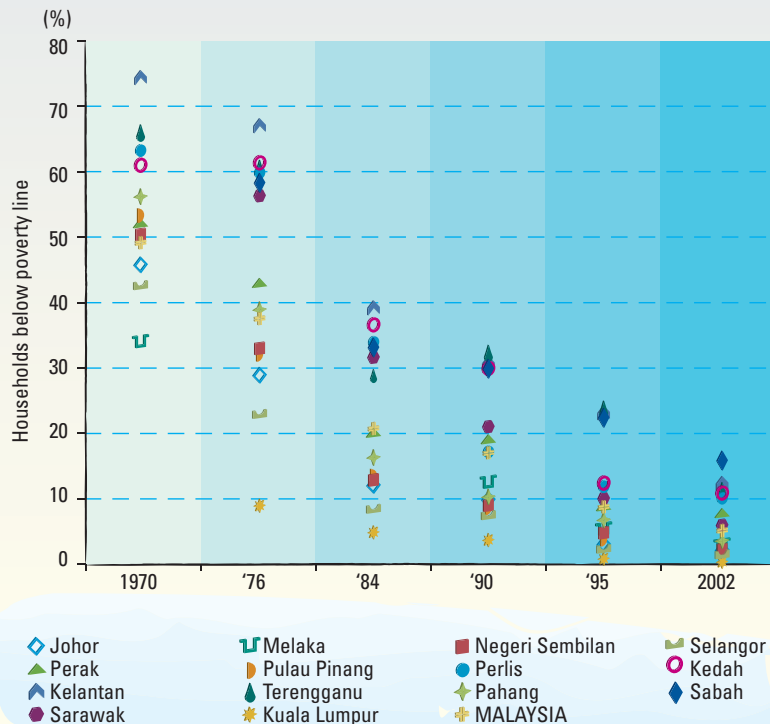


In 1970 Malaysia set itself an ambitious development goal of eradicating poverty. In about 15 years from 1970, when half of all households were poor, the poverty rate was more than halved. In another 15 years from the mid-1980s, poverty levels were again more than halved, such that by 2002, just 5.1 per cent of households were poor.

## Poverty target already achieved: absolute poverty will be eliminated before 2015



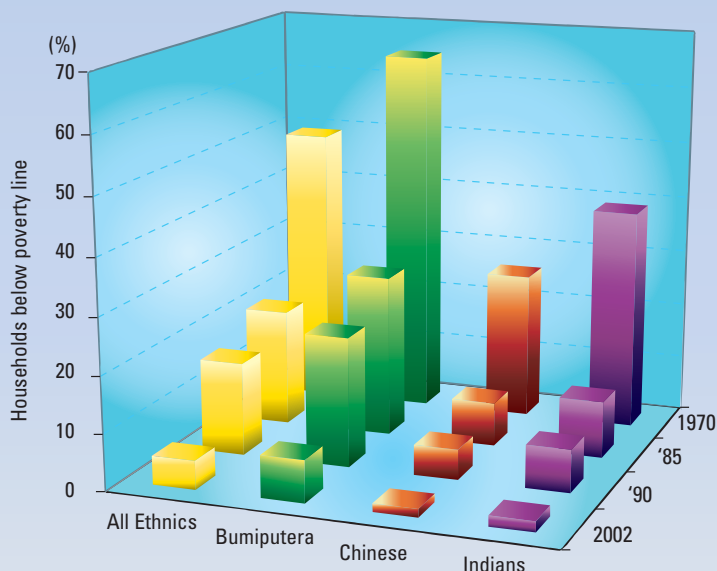
## State differences in poverty: dramatically reduced but still persisting



Poverty in Malaysia is predominantly, but not exclusively, a rural phenomenon. Poverty rates remain the highest in the predominantly rural states of Kelantan, Terengganu, Sabah, and Sarawak.

And as the rural-urban gap has narrowed, so have the differences in poverty rates across ethnic communities. In 1970, poverty was markedly higher among the Bumiputera than the other communities, when some two-thirds of Bumiputera households were living below the poverty line. Subsequently, ethnic differentials in poverty rates have generally narrowed. Nevertheless, the vast majority of the remaining poor households are Bumiputera.

## Poverty reduction spectacular among all ethnic groups



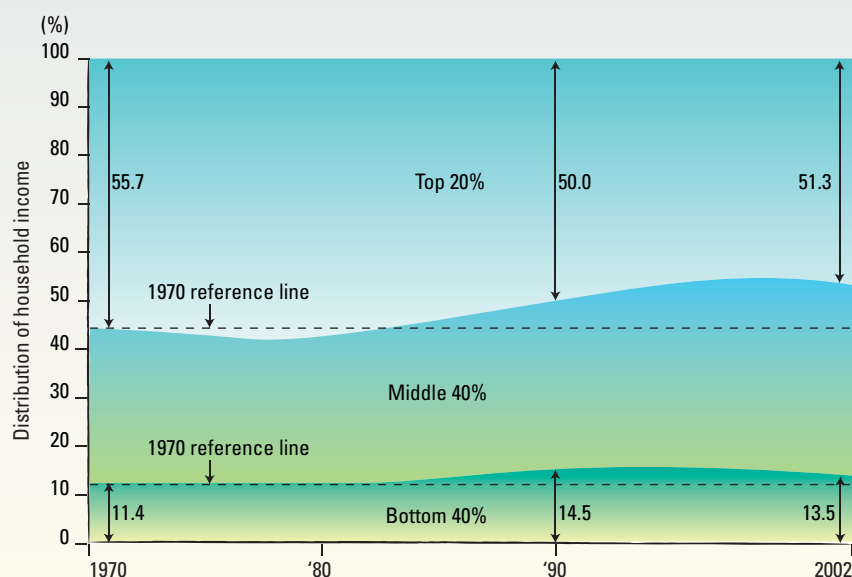
Malaysia's experience in poverty reduction has been achieved in a multi-ethnic and culturally diverse setting. Its economic growth strategy has integrated commitments to poverty elimination and redistribution as central objectives in its development vision.

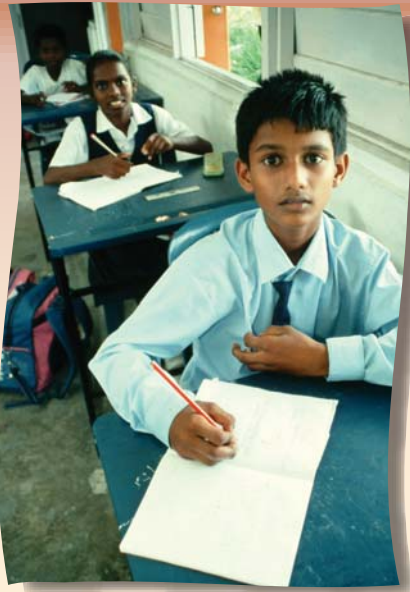
Sustained economic growth and a commitment to poverty elimination were crucial elements in Malaysia's success story. Three strategic poverty-reducing approaches were employed. First, an emphasis on agricultural and rural development to raise the incomes of poor farmers and agricultural workers by increasing their productivity. Second, an emphasis on labour-intensive export industrialization to absorb poor workers from rural and urban areas. Third, channelling of public investment into education, health, and basic infrastructure, especially in rural areas, to raise the livelihood and quality of life of the poor.

Policies seeking to reduce poverty have not been without their difficulties, especially during periods of macroeconomic slowdown and recession. The recession which followed the 1997 Asian financial crisis was particularly severe and during this period the reduction in poverty rates stalled. Despite temporary set-backs, the poorer members of Malaysian society have benefited from the economy's enviable and sustained growth record, which has averaged 7 per cent over the last three and a half decades.

A key challenge for public policy is to improve overall income inequality. In 1990, households in the lowest 40 per cent of income earners only received around 14 per cent of total income.

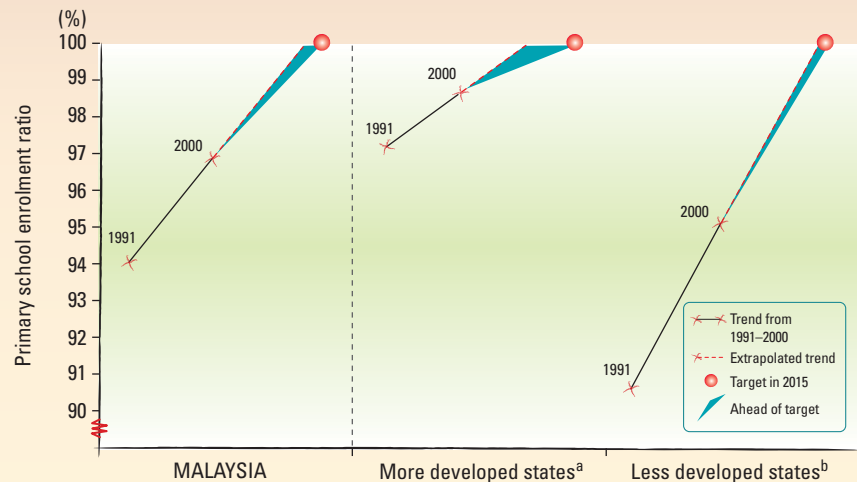
## Personal income inequality reduced between 1970 and 1990 but has since risen slightly





**B**roadening educational opportunities and upgrading the national education system have been central to the government's strategy to foster national unity, support economic growth and reduce poverty. Where there is a right to education, people's access to and enjoyment of other rights is enhanced.

## All children currently enrolled and almost all complete a full course of primary schooling

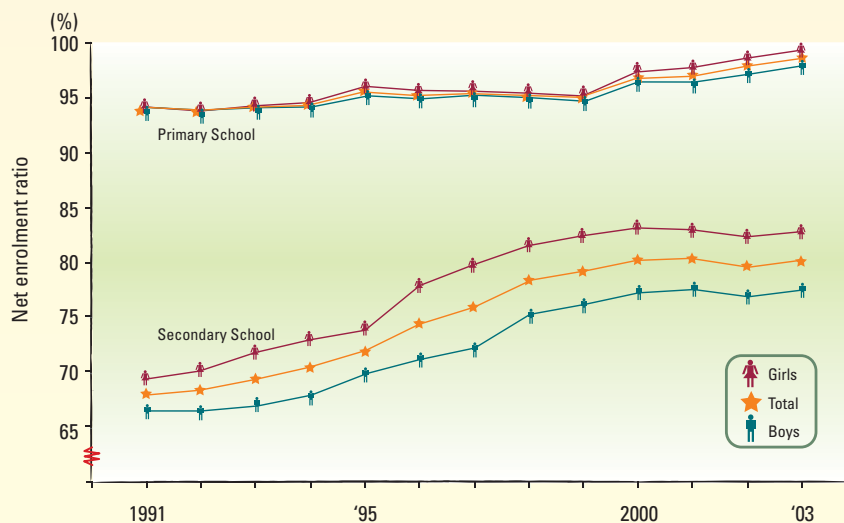


Note: <sup>a</sup> Johor, Melaka, Negeri Sembilan, Perak, Pulau Pinang, Selangor, and Kuala Lumpur.

<sup>b</sup> Kedah, Kelantan, Pahang, Perlis, Sabah, Sarawak, and Terengganu.

Does not include private school enrolment.

## Almost all children enrol in school but boys are significantly less likely to attend at secondary



Note: Does not include private school enrolment.

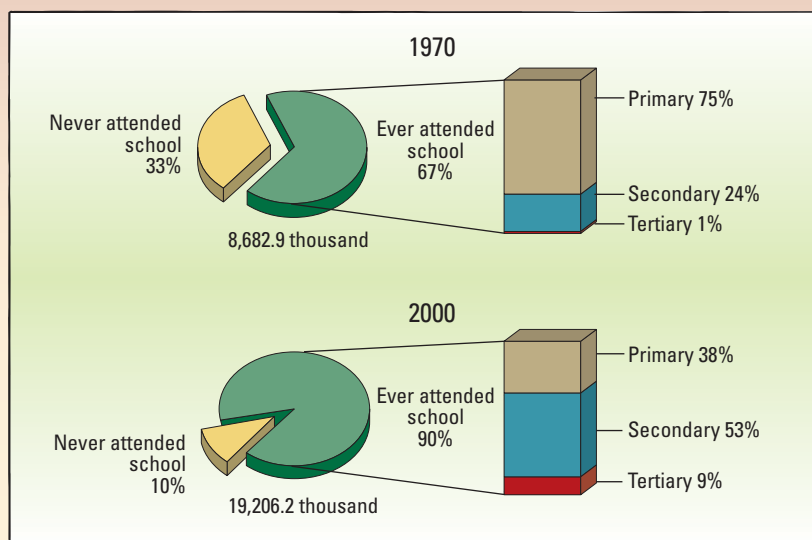
**A**chieving universal education has also been a strategy to reduce poverty and expand the options available to both girls and boys. Because education contributes directly to national development, the government has consistently invested large amounts of capital in educational infrastructure supported by substantial operational expenditure.

Universal primary education for Malaysian girls and boys had almost been achieved by 2000. Enrolment at lower and upper secondary levels have also increased sharply. By 2003, 84 per cent of children were enrolled in lower secondary schools and 74 per cent in upper secondary schools.

Some of the challenges now are to improve the quality of learning experience, the relevance of the curriculum and the support given to teachers, especially in rural areas.



## Most Malaysians have attended school and the majority now enter secondary level or above



A spectacular expansion in educational attainment and literacy occurred between 1970 and 2000 as a result of substantial public investments in schooling. In 1970, one in three people aged 6 and over had never attended school; in 2000 this was one in ten - all older people who had not had an opportunity.

With the expansion of primary education, literacy has become universal among the young. By 2000, less than three in every hundred were illiterate as compared to 1970 when about one-quarter of those aged 15–24 were unable to read or write and females were especially disadvantaged.

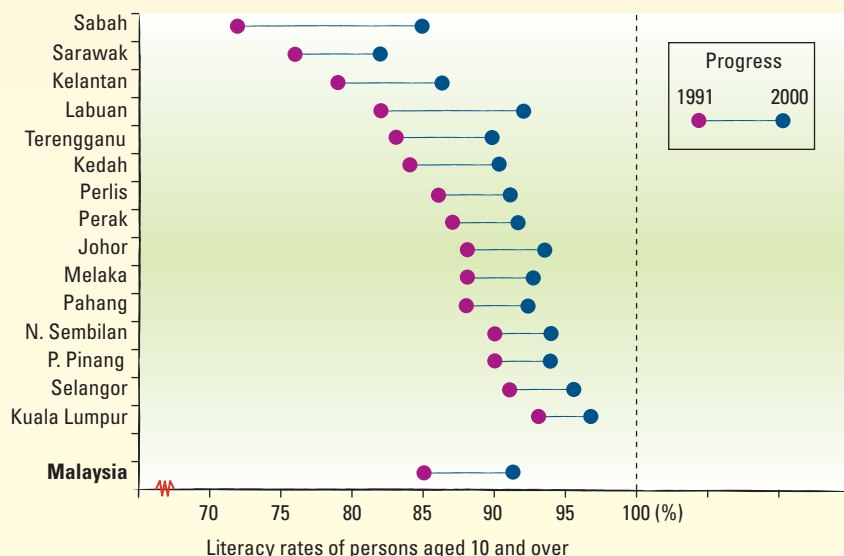
In 1970, just 24 per cent of Malaysians who had attended school received secondary education and just one per cent tertiary education. In 2000, the corresponding figures were 53 per cent and 8 per cent.

Literacy levels among people aged 10 and over reached 92 per cent in 2000, with illiteracy largely confined to older persons. However, literacy levels vary by state because of historical circumstances that mirror development patterns, although these differences are narrowing.

Substantial gains in literacy have been shared by all ethnic communities, so that by 2000 less than two per cent of any of the main communities were illiterate.

These trends have an important developmental impact since improvements in literacy rates correlate strongly with reductions in household poverty, as well as with child and reproductive health.

## Literacy reaches high levels in all states as opportunities improve for younger people



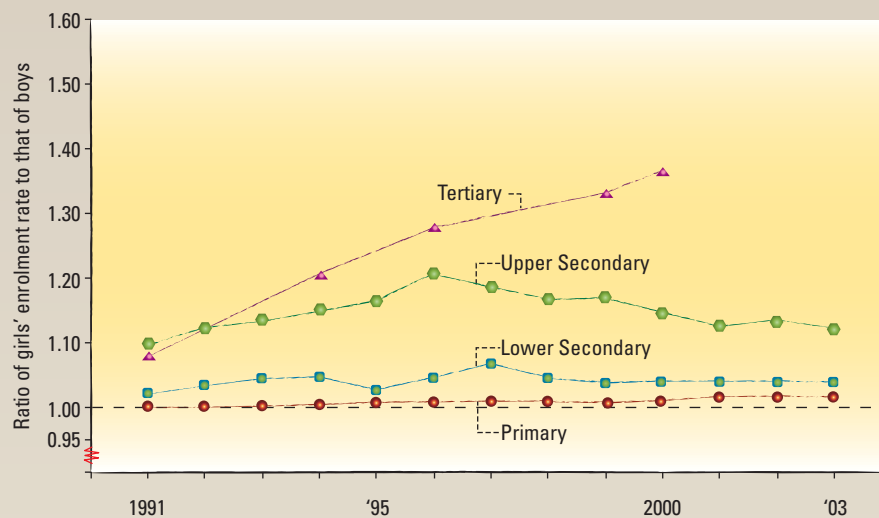


# PROMOTE GENDER EQUALITY AND EMPOWER WOMEN

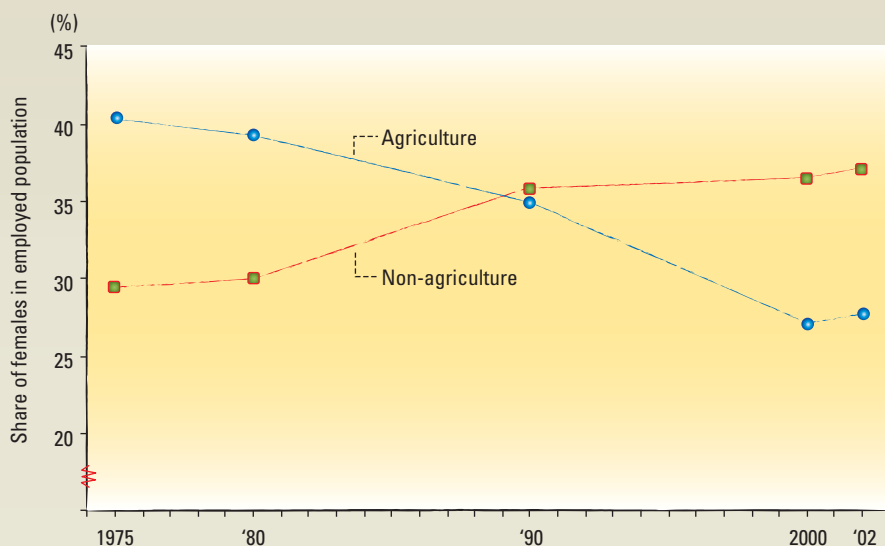


Achieving gender equality and empowering women are necessary to achieve social, economic and political development. Educating girls is the key. In Malaysia enrolment rates of girls are equal to, or exceed, those of boys at all levels of schooling. A key challenge now is to increase enrolment and retention rates of boys.

## More girls than boys stay in education to advanced level



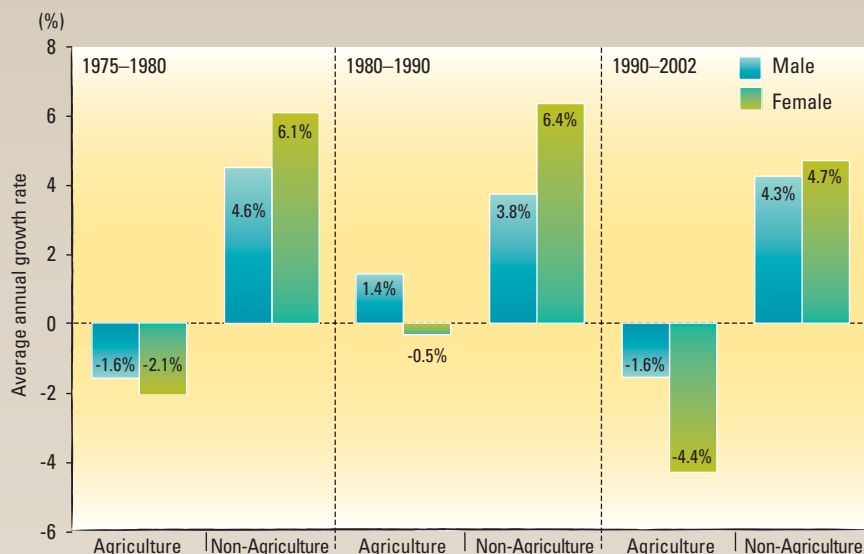
## As economic structure changed female employment shifted from agriculture to manufacturing and services



Educating girls and boys provides them with economic opportunities and choices throughout their lifetime. As societies develop there is an increasing demand for skilled workers, especially in the modern sector of the economy. Typically the proportion employed in agriculture declines and that in non-agricultural work increases.

In Malaysia females have benefited from changes in sectoral employment. Increasingly they have become engaged in modern sector employment. Throughout 1975–2002, women have increasingly left employment in agriculture and there has been a rapid growth in female employment in non-farm activities, a growth that was especially marked when the expansion of the manufacturing sector was at its peak in the 1980s.

## Shift in employment out of agriculture faster for females than males



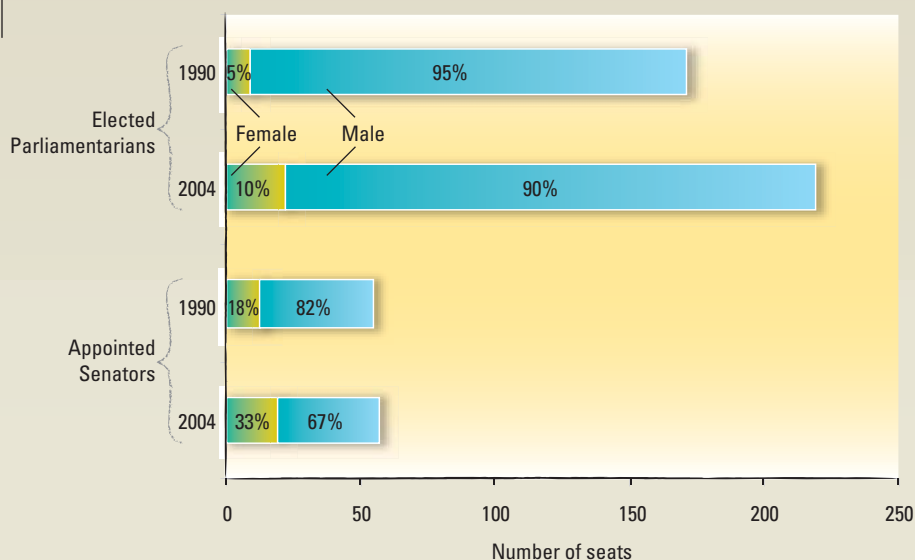
Although Malaysia has 7.4 million women aged 15-64, just 47 per cent are in the labour force. Increasing female labour force participation requires balancing their competing responsibilities within the family and the workplaces. Flexible time arrangements at work, safe and high quality childcare facilities as well as 'teleworking' will support increasing women's labour force participation.

A lack of managerial and professional skills tends to restrict women's progress to the higher professional positions. Education and vocational training opportunities for women need to encourage their participation in areas that lead to higher paying jobs in all sectors. Women generally lack access to credit and market information to sustain their businesses.

The representation of women in legislative bodies is one of the indicators of society's commitment to women's empowerment. Strong participation of women in political decision-making processes can help ensure the eventual elimination of inequalities faced by women.

Since Independence, the number of female candidates elected to political decision-making bodies in Malaysia has increased, but only at a moderate rate and to a relatively low level. In 1990, just 5 per cent of parliamentarians were women. This proportion doubled to 10 per cent in 1999 but remained at that level after the 2004 general election. With their increasing level of education, often exceeding that of men, it is expected that women will want to participate more fully at all levels of political life.

## Share of women in political life still low



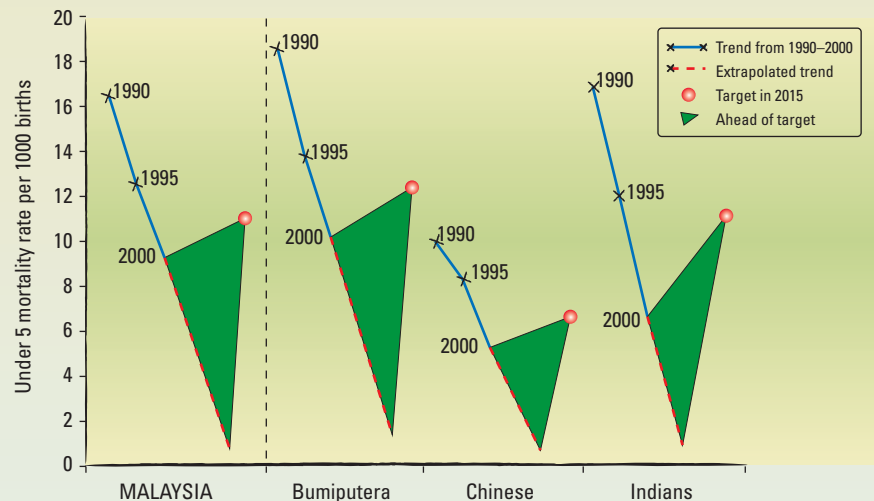


# REDUCE CHILD MORTALITY

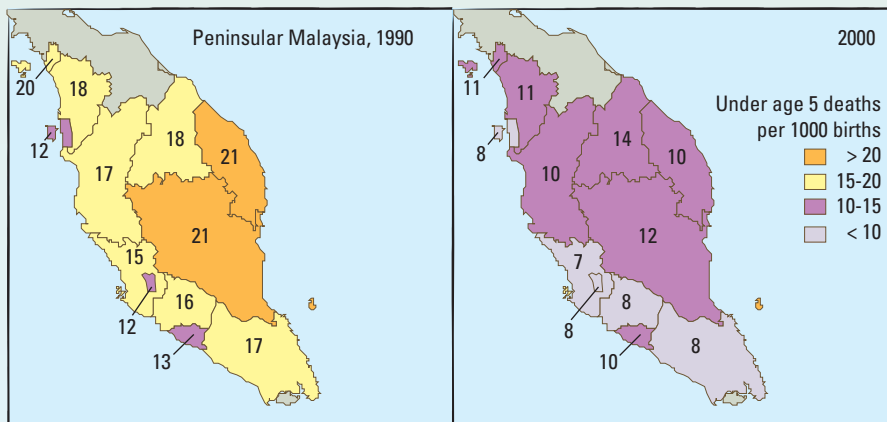


As poverty decreases and maternal and child health care increase, child mortality declines. In Malaysia, infant and child mortality rates have declined dramatically over the past three and a half decades. Current levels are now comparable to those of highly developed countries and MDG targets have been met.

## Child mortality targets achieved: levels now below some industrial countries



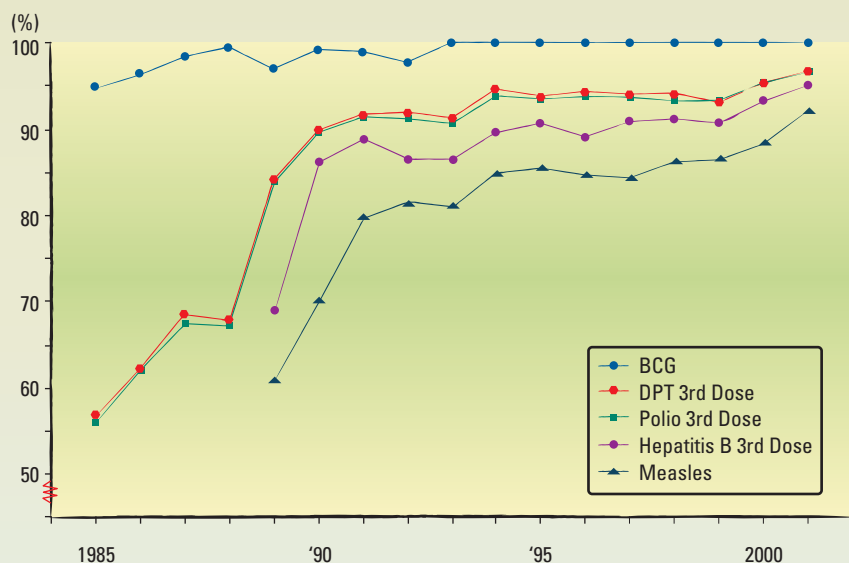
## Improvements in child mortality have been spectacular in all states



Improvement in child health and the reduction of child mortality have long been national development goals, and the policy vision of good health has been supported by a range of programmatic interventions.

Child mortality has fallen markedly in all states. Yet spatial differences in child mortality still exist between the states and reflect differing levels of development. In Peninsular Malaysia, child mortality is lower in the west coast states and higher for the more rural east coast states. In the latter, access to health services lags and poverty rates are higher.

## Almost all infants now covered by immunization programmes



Malaysia has a comprehensive child immunization programme. All babies receive BCG vaccination as part of the strategy of the tuberculosis control programme. Measles immunization for infants was made a national programme from 1986. Measles vaccine is provided free of charge through government health facilities with a standard immunization schedule. The coverage of the immunization in infants grew from 70 per cent in 1990 to 88 per cent in 2000, and is expected to improve further with the revision of the immunization schedule to provide for measles, mumps, and rubella introduced in 2002.

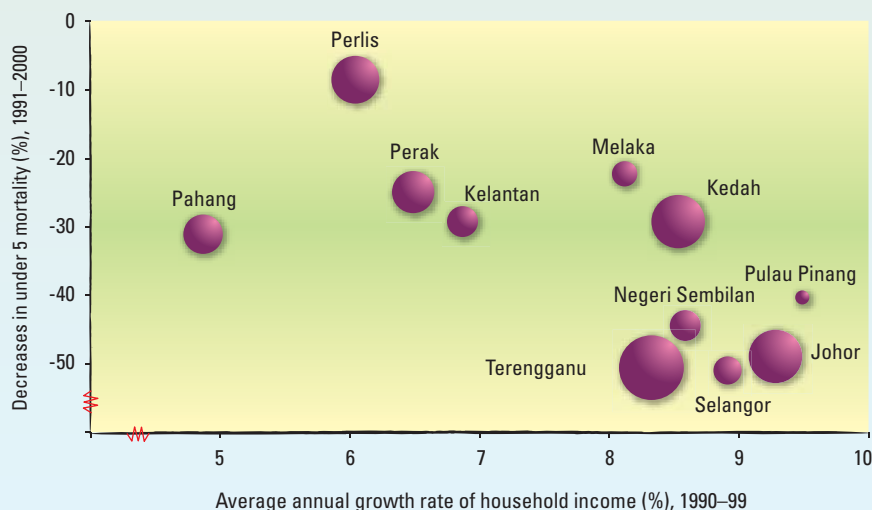
Medical advances, including vaccines and oral rehydration for the treatment of diarrhea, have been made widely accessible, even in rural areas, through the country's primary health care system.

Improvements in sanitation, clean water distribution, and better child nutrition have been key determinants, for a better quality of life, together with programmes to reduce poverty, increase literacy, and provide modern infrastructure, especially in rural areas.

Health sector programmes that have been integrated with rural development, infrastructure, supply of clean water, and sanitation, have provided greater access to basic health care services through a network of health care centres and clinics supported by trained midwives and other health workers.

Child health services are an integral part of the maternal and child health programme for control of communicable diseases, immunization and treatment of diseases and other preventive and curative interventions.

## The larger the growth in household income and increases in rural water supply, the larger the decline in under-5 mortality



Note: Each bubble represents a state in Malaysia and its size indicates per cent increases in rural water supply.



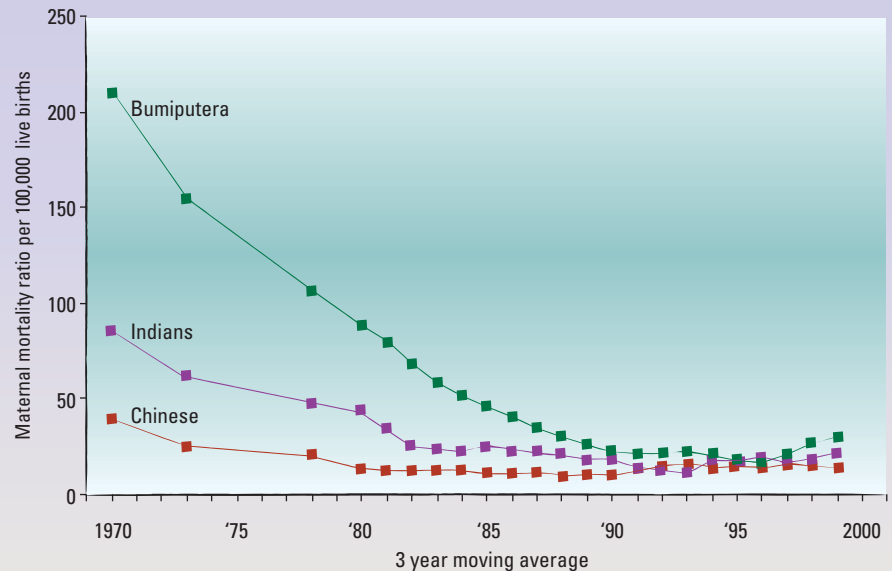


# IMPROVE MATERNAL HEALTH

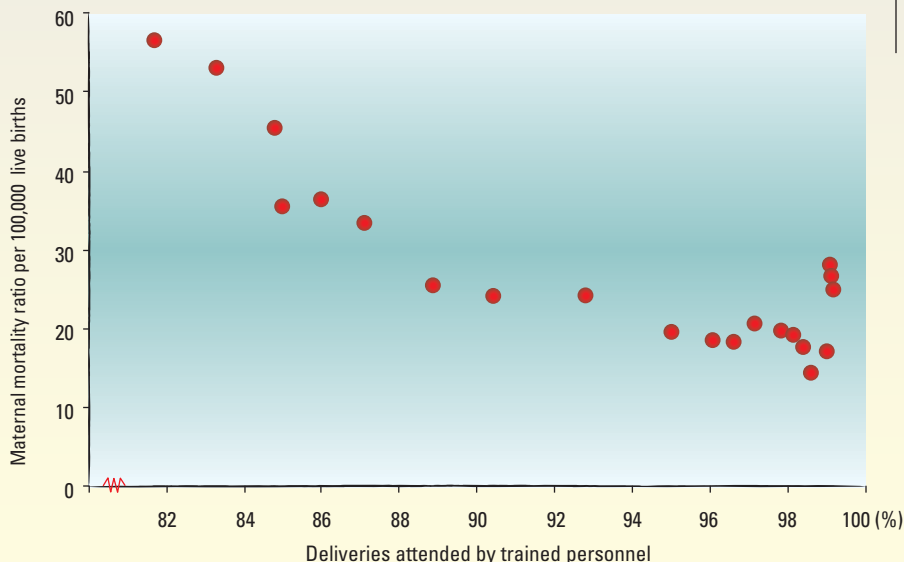


**M**aternal mortality is a challenge for many developing countries. Globally, half a million women die during pregnancy and childbirth each year. Malaysia has experienced dramatic improvements in maternal health. Maternal mortality is now below 20 per 100,000 live births—a level approaching that of the most advanced countries.

## Maternal mortality has reached low levels making further improvements difficult



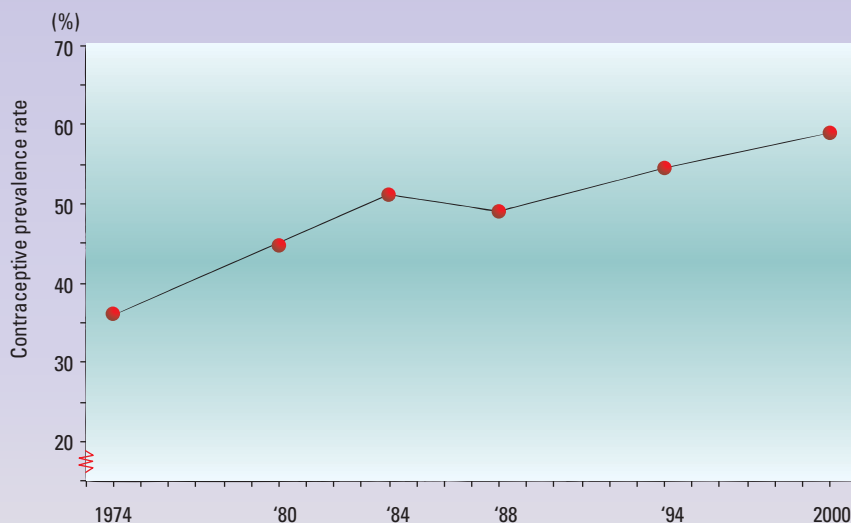
## Trained personnel support decline in maternal mortality



Note: Each point represents a year between 1980–2000.

**M**alaysia's remarkable experience in reducing maternal mortality reflects (i) improvements in access to quality maternal health services, including family planning; (ii) increased professional skills of trained delivery attendants to manage pregnancy and delivery complications; (iii) investments in upgrading the quality of essential obstetric care in district hospitals; (iv) improved efficiency of referral and feedback systems to prevent delays; (v) close engagement with communities to remove social and cultural constraints and improve acceptability of modern maternal health services; and (vi) improved monitoring systems.

## Increased contraceptive use improves reproductive health

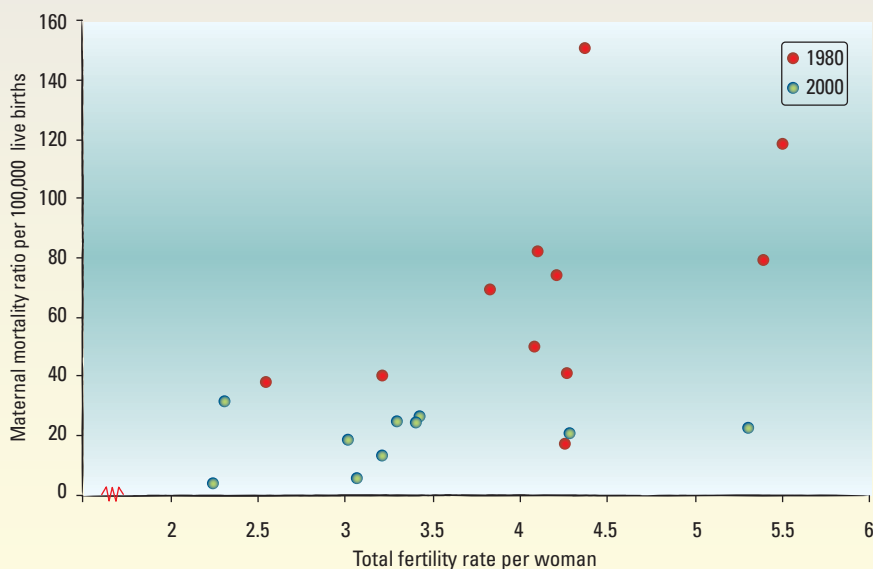


Increasing access to quality family planning services and information has been an important factor in improving maternal health in Malaysia. It led to lower fertility levels among women at the youngest and oldest childbearing ages, as well as among those of high parity—groups known to have relatively higher risk of maternal mortality.

There is scope for further improving maternal health by expanding access to reproductive health services and information to all who need them, in line with the Programme of Action of the International Conference on Population and Development (ICPD). Especially in the context of rising levels of HIV/AIDS, the reproductive health needs of adolescents and youths require particular attention. This requires gender-sensitive education and information programmes at various levels.

Sustaining maternal mortality at Malaysia's current low level, and reducing it even further, requires maintaining commitment, human and financial resources, and innovative programme strategies. Success in reducing maternal mortality has been the result of a synergy of a wide range of policies, strategies, and programmes. These have addressed the crucial determinants of maternal mortality, from access to services through socio-economic, cultural, educational, gender, and poverty dimensions. The ability to sustain multi-agency support and to keep maternal health high on the policy agenda requires continued advocacy.

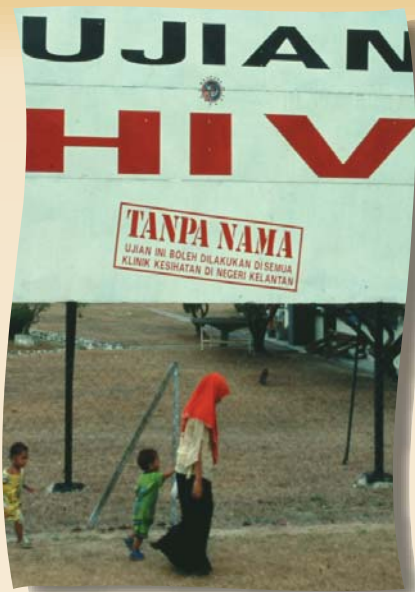
## Declining fertility linked to reduced maternal mortality



Note: Each point represents a state in Peninsular Malaysia.

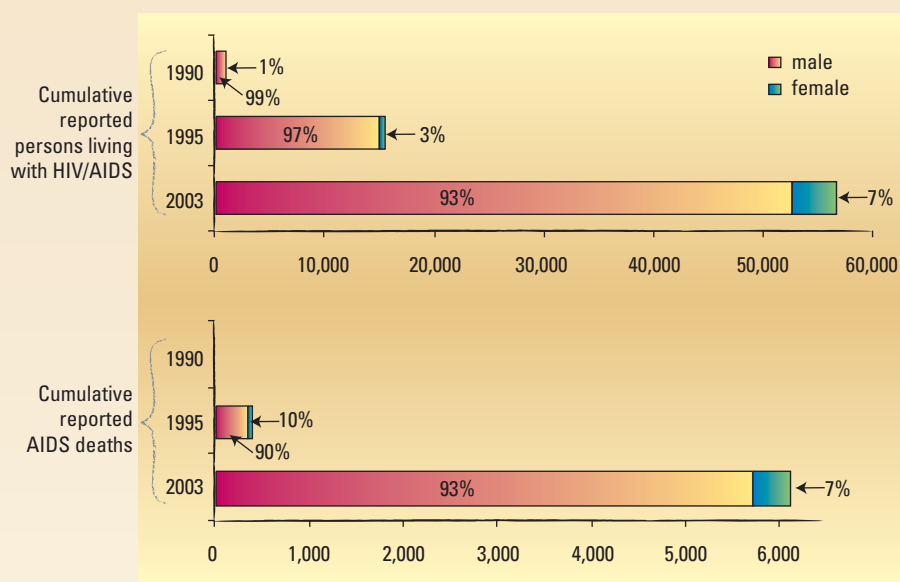


# COMBAT HIV/AIDS, MALARIA, AND OTHER DISEASES

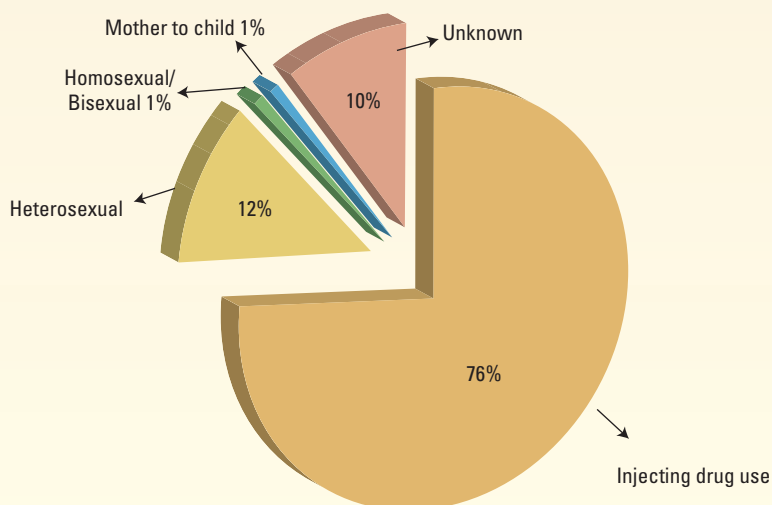


Malaysia has controlled many infectious diseases over time. But HIV/AIDS, and increasingly tuberculosis (TB), now pose challenges. Infectious diseases can undermine development because of the rapidity with which they can spread, their multidimensional impact, and the challenges they pose to prevention and treatment.

## HIV/AIDS a growing issue, particularly for males



## Injecting drug users most at risk of HIV



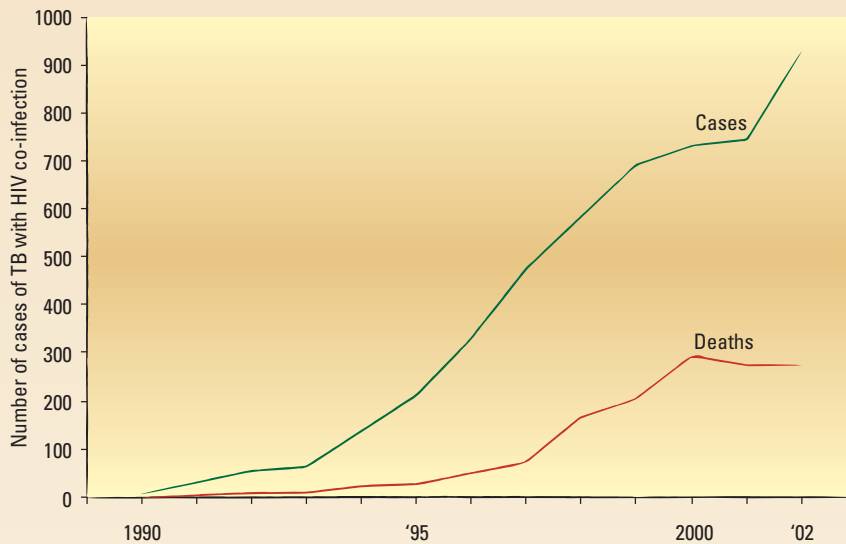
1986–2002

The first case of HIV infection in Malaysia was reported in 1986. By 2003, the reported cumulative figure amounted to 58,000. Of these, 11 per cent had died of AIDS.

WHO classifies Malaysia as having a concentrated epidemic of HIV/AIDS since the problem affects certain population groups, and is not yet well established in the general population. Of the 58,000 HIV/AIDS cases, some three quarters comprise injecting drug users (IDUs), with the mode of transmission being through the sharing of needles.

In Malaysia, the bulk of infected cases are males who account for more than 90 per cent of those living with HIV and AIDS in 2003. The majority are IDUs of whom only a tiny fraction is female. Nevertheless, the proportion of women with HIV has increased over time. But unlike the case for men, the main risk for women is through unprotected sex.

## TB/HIV link an increasing challenge



**T**B has historically been associated with weak health systems, poverty and overcrowding. Some additional contemporary factors—such as increased migration, multi-drug resistant TB and co-infection with HIV/AIDS—are raising new issues in treating the disease and controlling its spread.

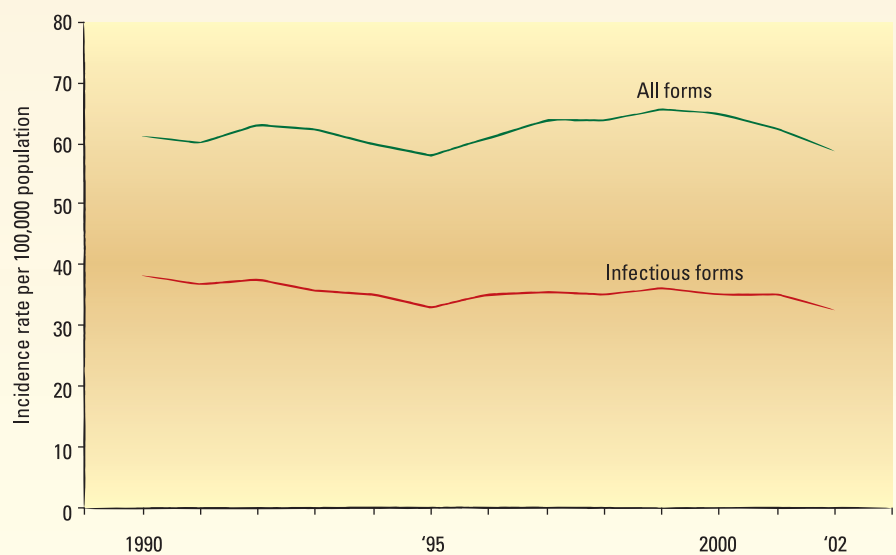
Half a century ago, TB was a leading cause of death in Malaysia. Now, early in the twenty-first century, despite reductions in poverty and improvements in the control and treatment of the disease, TB remains a significant health issue with more deaths each year than from any other notifiable infectious disease, including AIDS and malaria.

In 1990, only six cases of TB with HIV co-infection were reported out of 11,000 TB cases. But TB co-infection with HIV rose steeply in the 1990s alongside the escalating HIV/AIDS epidemic. This is of concern given the highly infectious nature of active TB, and evidence that TB can accelerate the development of AIDS in HIV-infected persons.

**T**B and AIDS are related to social problems, especially poverty and intravenous drug use. Strategies to contain them need to be evidence-based, and they need to address these social ills. Several challenges have been identified and require committed action from multiple stakeholders.

The government is providing an enabling environment through a new National Strategic Plan. Non-Government Organizations (NGOs) are supporting a range of programmes and advocacy, including private sector support. The private sector, particularly the pharmaceutical industry, can further contribute through its research development on new drugs, pricing, and licensing policies. And non-traditional health-related sectors, religious leaders and institutions, are increasingly being called upon in the fight against HIV/AIDS in Malaysia.

## Tuberculosis trend stable but risk of death still high



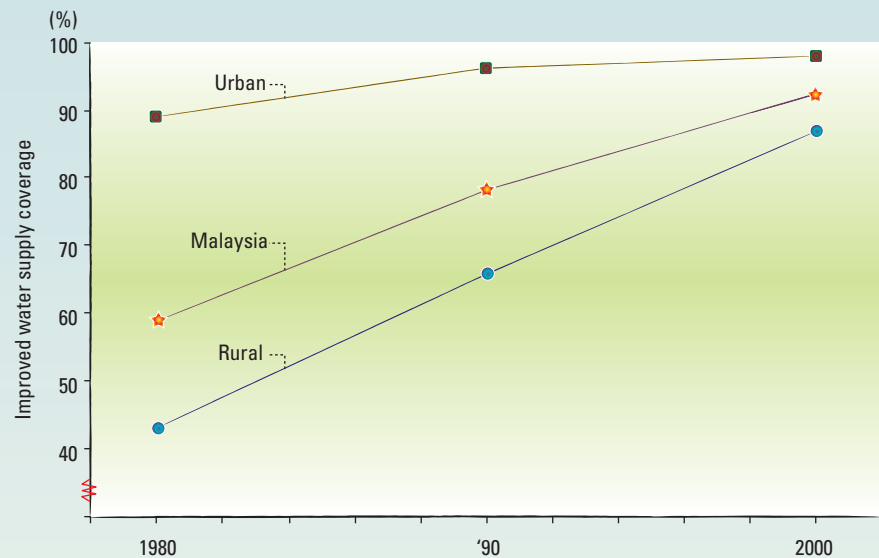


# ENSURE ENVIRONMENTAL SUSTAINABILITY

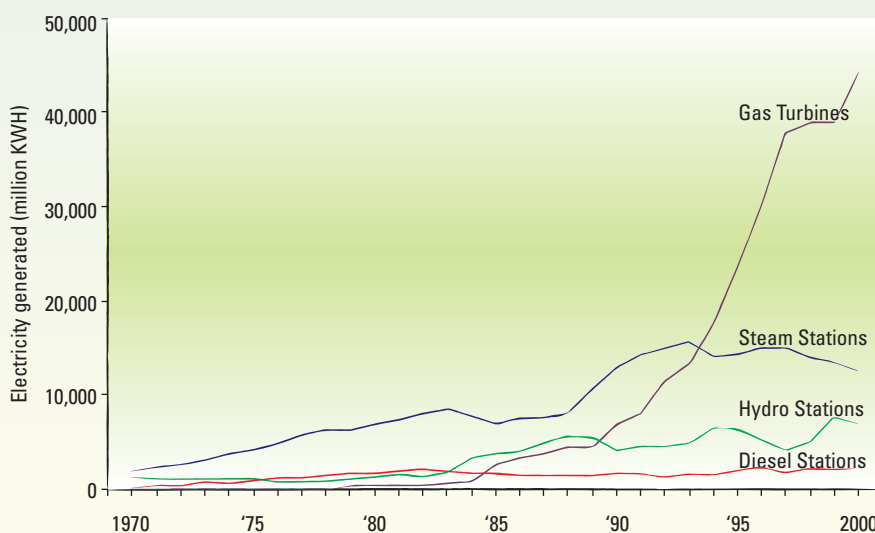


**E**nvironmental sustainability is necessary to achieve and sustain economic growth, poverty eradication, and social development. Reconciling environmental sustainability and rapid economic development calls for informed policies and strategies. Challenges include minimizing pollution, efficient land utilization, and natural resource management.

## Extending improved water coverage still a challenge in outlying rural areas



## Currently over two-thirds of Malaysia's electricity produced by gas turbines



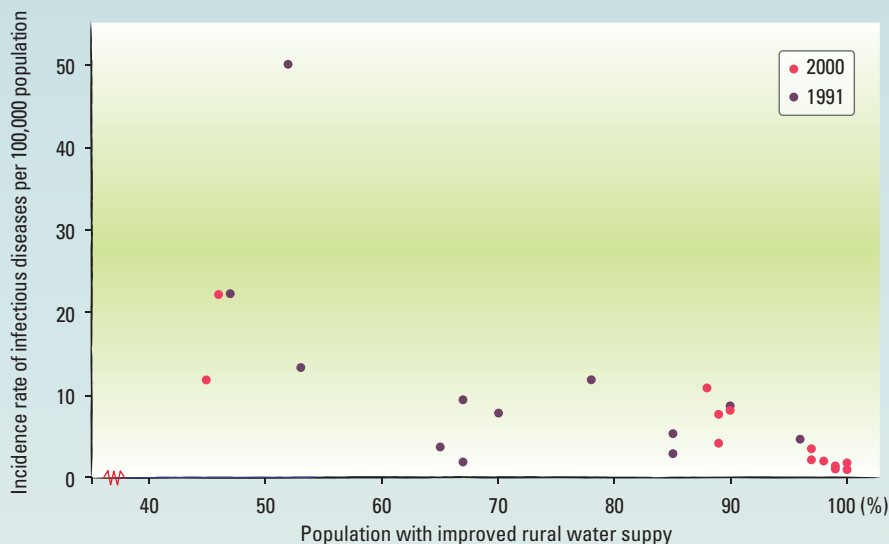
**A**bout 19.5 million hectares or nearly 60 per cent of the total land area of Malaysia is under forest.

Nearly three-quarters of the forests are managed by the Forestry Department of each state with the objective of maintaining the forest system in perpetuity. Within these areas there are different categories of use such as timber production, water catchment, soil protection, research, and wildlife protection. In addition, a further 3.3 million hectares are protected as wildlife sanctuaries, national parks, state parks, and wildlife reserves.

Adequate energy services are essential for economic development, to raise productivity and support modern lifestyles. But the provision of energy services, especially those furnished through the combustion of fossil fuels, can have adverse environmental effects. Malaysia's largest energy resources are oil and natural gas.



## As improved rural water supply coverage increases infectious illnesses decrease



Note: Illnesses related to unclean water usage are cholera, typhoid, and dysentery.

Comprehensive water reticulation assumed high priority with the primary objective of reaching as many people as possible with treated water of potable quality. This has proved to be a major task since population has grown steadily at 2–3 per cent for several decades and in 2000, 38 per cent of the population still lived in rural localities. By 2000, 98 per cent of urban population and 87 per cent of rural population were served with clean piped water.

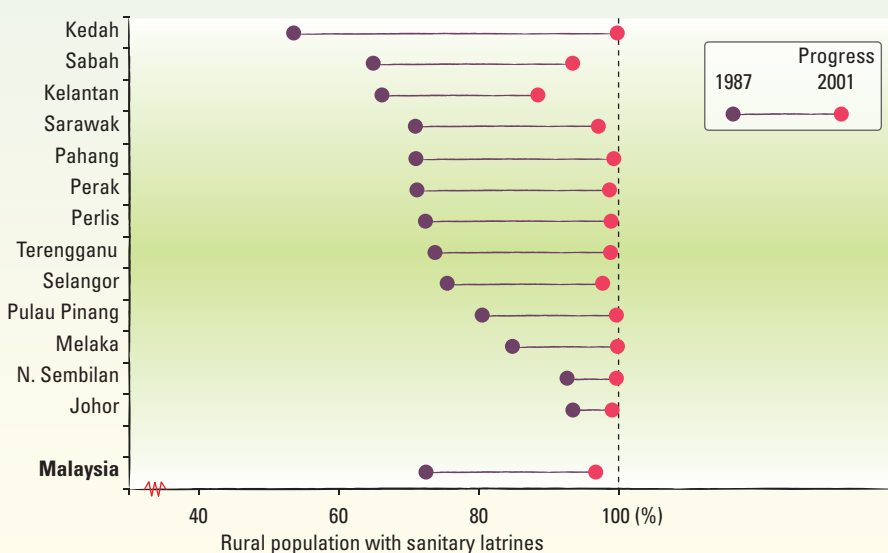
Continuing to provide treated water to the entire population in future will depend on the quality of available fresh water, its management and the supply of treated water. Seasonal variations and uneven distribution sometimes result in shortages. Increased access to improved water sources has been a powerful factor in improving health and reducing the spread of infectious diseases, especially among rural communities. As water supply coverage has improved, the incidence of cholera, typhoid, and dysentery has fallen markedly.

Provision of safe sanitation and water has been critical to improving the health of Malaysia's population.

Sanitation is an important element of the infrastructure in any human settlement for health and environmental protection.

The government has been actively promoting environmental sanitation to improve the health status of the population since the 1970s, while the urban population has been supplied with reticulated sewage systems and septic tanks. In rural areas, by 2000, sanitary latrines had been provided for 99 per cent of population. In urban areas, responsibility for the sewage system was transferred from local authorities to the federal government and the sewerage services privatized.

## Rural sanitation now almost universal





# DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT



Malaysia has made the transition from a recipient of Official Development Assistance (ODA) to an international development partner. This occurred as the country progressed from a producer of primary commodities to a supplier of technology-intensive manufactured goods, and towards a knowledge-based economy.

External assistance received by Malaysia since the 1970s was largely ODA-most of the aid received from bilateral and multilateral sources was non-concessional. Limited flows of ODA were made to Malaysia in the form of technical assistance. Soft loans and grants from bilateral and multilateral sources, such as the United Nations (UN) and its specialized agencies, also constituted part of ODA. Capital assistance from multilateral financial institutions, as well as from bilateral sources, was provided at near market rates of interest and did not constitute ODA.

As Malaysia met its initial development goals, it embarked on a modest programme of cooperation with other developing countries through the Malaysian Technical Cooperation Programme. The Programme is designed to assist developing countries, especially the least developed ones, through the sharing of Malaysia's development experiences and expertise, thereby contributing to the global partnership for development.

Malaysia has always been an open economy. This is reflected in trade and investment flows to the country and in its financial system. Malaysia has progressively liberalized its trading regime by steadily dismantling tariff structures to promote the free flow of goods and services. It has outperformed many other developing countries in reducing tariff barriers to stimulate international trade. Malaysia has also engaged in extensive consultations with multilateral organizations, like the United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organization (WTO) to further liberalize the trading environment and to encourage the free flow of goods and services.

The progressive liberalization of the investment environment has also had a positive impact on Malaysia's growth. Liberalization and deregulation measures have contributed to enhancing the flow of external private capital into the country, such as foreign direct investment (FDI), market loans, and portfolio equity investments.

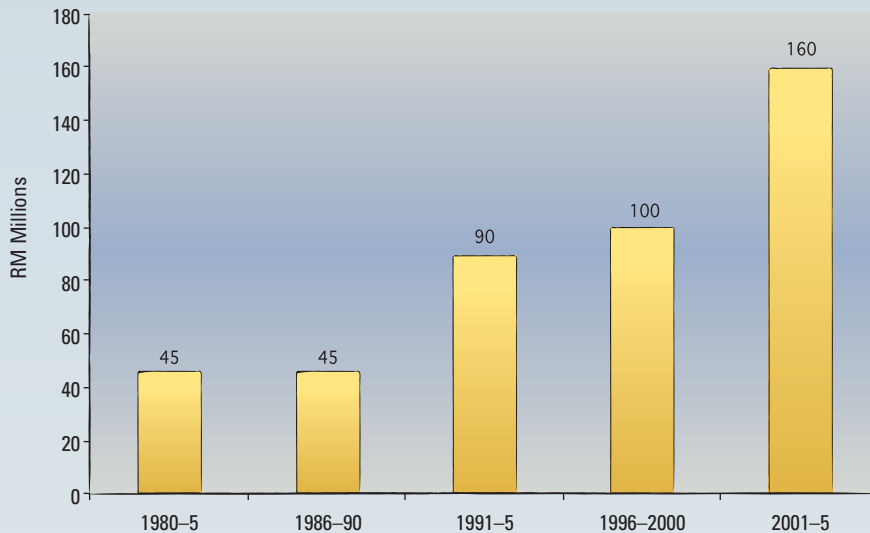
## Malaysia trades with a large number of countries



Note: <sup>1</sup>ASEAN excluding Singapore.

<sup>2</sup> NIEs are Hong Kong China, South Korea, and Chinese Taiwan.

## Partnerships through the Malaysian Technical Cooperation Programme increasing



As Malaysia continues to grow economically, its access to ODA is reducing and will ultimately be phased out. As new global and regional challenges emerge that go beyond the capacity of any one country to solve, collective self-reliance and cooperation among developing countries will become more important.

Malaysia has fostered international cooperation and dialogue at the bilateral, regional, and multilateral levels to promote the spirit of collective self-reliance, partnership, and mutual benefit within the framework of South-South cooperation and Technical Cooperation among Developing Countries.

Malaysia participates actively in regional groupings, such as ASEAN and APEC, to enhance intraregional trade, investment opportunities, and production networks, as well as to increase financial and industrial cooperation among countries. One important outcome of ASEAN's collaborative efforts was the establishment of the ASEAN Free Trade

Area through which the region's tariff regime is being progressively liberalized.

Another instrument to foster development is through participation in growth triangles. Three such subregional entities have been established, namely, the Indonesia-Malaysia-Singapore Growth Triangle (IMS-GT), the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT), and the Brunei Darussalam-Indonesia-Malaysia-the Philippines East ASEAN Growth Triangle (BIMP-EAGA). The growth triangle approach provides the opportunity to exploit comparative advantages and develop economically viable border areas.

Malaysia has increased its cooperation at the multilateral level to stimulate development cooperation and to express its views on global issues, such as the impact of globalization on developing countries, sustainable development, and international trade. It participates in multilateral forums, such as the United Nations and its specialized agencies, the WTO, the Commonwealth,

the Colombo Plan, the Organization of the Islamic Conference (OIC) and Non-Aligned Movement (NAM), as well as with platforms promoting South-South cooperation, such as the Group of 77, the Group of 15, the Asia-Africa Forum, and the Langkawi International Dialogue.

United Nations Technical Assistance partnership programmes in Malaysia began shortly after Independence, with Representative Offices and cooperation programmes being established around the mid-1960s. As Malaysia has developed over the past four decades, the nature of the relationship between the government and United Nations agencies has also evolved. Today, their role is one of a trusted development partner supporting the country's emerging development challenges and its South-South programme. The United Nations draws from its accumulated experience in its engagement in Malaysia and its global practice networks to support the country's development agenda with cutting edge ideas and technical expertise.

# Challenges

## Challenges beyond the MDG targets

### 1 Poverty and inequality

- sustaining economic growth to provide employment opportunities and improve living standards of the poor
- developing targeted and participatory approaches to reach the remaining poor

### 2 Education

- maintaining progress in improving the quality of education at all levels and curricula relevance, and supporting quality teachers in rural and urban environments
- avoiding the creation of a digital divide between rural and urban children

### 3 Gender equality and women's empowerment

- determining the causes and consequences of lower retention of boys in the education system at all levels
- supporting the employment of women with a multiplicity of responsibilities in returning to the labour market after childbearing through improved child-care facilities and flexi-working arrangements
- increasing the participation of women in all levels of political life

### 4 Improving child and maternal health

- reducing inequalities in child mortality among states and between ethnic groups, and ensuring multi-agency support
- reducing maternal mortality further while maintaining its priority on the health agenda

### 5 HIV/AIDS and tuberculosis

- providing resources to eradicate and prevent the spread of these diseases
- encouraging leadership and raising community awareness to thwart institutional inertia, understand group behaviours and values, and address related social issues
- encouraging the pharmaceutical industry to contribute through research on new drugs, pricing and licensing policies and cost-sharing schemes

### 6 Sustainable development

- optimizing coordination of land development by integrating state and federal planning
- strengthening coordination between agencies to improve the sustainable management of natural resources and the environment

### 7 Partnerships

- creating opportunities to reaffirm and broaden development partnerships, especially with civil society
- extending public-private partnerships with multinationals especially in the information technology and pharmaceutical industries, inclusive of civil society

### 8 Improving information systems

- improving coverage, quality, timeliness and dissemination of human development indicators to meet current needs, including through disaggregation by sex, age and other subgroups
- developing analytical and spatial profiles of the poor to assist in targeting them, identifying their characteristics and determining their spatial distribution

# Notes & Sources

## Population Trends

All charts: *Data from Malaysia, Department of Statistics, Population and Housing Censuses of Malaysia, 1970, 1980, 1991, and 2000.*

## Macroeconomic Performance

Charts 1 to 3: *Data from Malaysia, Economic Planning Unit, five-year plans, various years.*

Chart 4: *Data from Malaysia Economic Planning Unit, Fourth Malaysia Plan and Ministry of Finance, Economic Report 2003/2004.*

## MDG 1 - Eradicate Extreme Poverty and Hunger

Charts 1 to 4: *Data from Malaysia, Economic Planning Unit, five-year plans, various years.*

## MDG 2 - Achieve Universal Primary Education

Chart 1: *Data from Malaysia, Ministry of Education, Malaysia Educational Statistics, various years.*

Chart 2: *Data from Malaysia, Ministry of Education, Malaysian Education Statistics, various years, and Department of Statistics, Population Projection, 1980–2005.*

Charts 3 & 4: *Data from Malaysia, Department of Statistics, Population and Housing Census of Malaysia, 1970 and 2000.*

## MDG 3 - Promote Gender Equality and Empower Women

Chart 1: *Data from Malaysia, Ministry of Education, Malaysian Educational Statistics, various years, and Department of Statistics, Population Projection, 1980–2005.*

Charts 2 & 3: *Data from Malaysia, Department of Statistics, Labour Force Survey Report, various years.*

Charts 4: *Data from Malaysian Election Commission, various years.*

## MDG 4 - Reduce Child Mortality

Chart 1: *Data from Malaysia, Department of Statistics, Vital Statistics, 1990, 1995, and 2003.*

Chart 2: *Data from Malaysia, Department of Statistics, Vital Statistics, various years.*

Chart 3: *Data from Malaysia, Ministry of Health, Health in Malaysia, Achievements and Challenges.*

Chart 4: *Data from Malaysia, Department of Statistics, Vital Statistics, various years, and Economic Planning Unit, Seventh and Eighth Malaysia Plans.*

## MDG 5 - Improve Maternal Health

Chart 1: *Data from Malaysia, Department of Statistics, Vital Statistics, Time Series, Malaysia, 1963–1998 and 2003.*

Chart 2: *Data from Malaysia, Department of Statistics, Vital Statistics, 1980 and 2003.*

Chart 3: *Data from Malaysia, National Population and Family Development Board, National Report on Population and Development of Malaysia, International Conference on Population and Development, Cairo, September 1994 and National Population and Family Development Board (1999), Population Profile. Data for 2000 estimated.*

Chart 4: *Data from Malaysia, Department of Statistics, Vital Statistics, various years, and Ministry of Health, Annual Report, various years.*

## MDG 6 - Combat HIV/AIDS, Malaria and other diseases

Charts 1, 2 & 4: *Data from Malaysia, Ministry of Health, AIDS/STI Unit (2003) (unpublished data).*

Chart 3: *Data from Malaysia, Ministry of Health, Annual Report, various years.*

## MDG 7 - Ensure Environmental Sustainability

Chart 1: *Data from Malaysia, Economic Planning Unit, Sixth, Seventh, and Eighth Malaysia Plans.*

Chart 2: *Illness data from Malaysia, Department of Statistics, Social Statistics Bulletin, 1991 and 2002, and Rural Water Supply data from Malaysia, Economic Planning Unit, Sixth and Eighth Malaysia Plans.*

Chart 3: *Data from Malaysia, Ministry of Health Annual Reports, 1987 and 2001.*

Chart 4: *Data from Malaysia, Department of Statistics, Malaysia Economic Statistics, Time Series, 2000.*

## MDG 8 - Develop a Global Partnership for Development

Chart 1: *Data from FAA Research and Consultancy (2002), "A Study to Review the Benefits and Impact of the Malaysian Technical Cooperation Programme" Kuala Lumpur.*

Chart 2: *Data from Bank Negara Malaysia, Annual Report 2003 and Ministry of Finance, Economic Report 1990/1991.*



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