History proves we’ll get there

The Malaysian Quality of Life Report 2011 provides an insight into the changes and improvements in the quality of life of Malaysians. It shows that we are on the right track towards becoming a developed, high-income nation by 2020.

The Malaysian Quality of Life Report 2011, which was released on June 11, provides an opportunity to review our economic history, ponder on our past achievements and consider whether our recipe for past successes remains relevant in the future.

The report has tracked improvements in the quality of life since 1980. It reflects the widening of the Government’s policy framework from a quantitative agenda to include a qualitative component involving the human, social and environmental dimensions of development.

Over the last 40 years, we have experienced three important periods in our economic progress. In 1970, we introduced the New Economic Policy (NEP) which set a new path of economic progress. In 1991, we were given a bold plan under Vision 2020. In 2010, we made another significant innovation by introducing the New Economic Model (NEM) to steer our nation’s progress into achieving Vision 2020. So, how do these relate to our quality of life?

Prior to 1970, there were substantial investments in education, healthcare and basic infrastructure. However, this one-dimensional focus proved to be inadequate in improving the quality of life of the rakyat. Poverty and the unemployment rates remained high. The Government realized that other non-economic parameters must also be taken into account so that development can be sustained and the rakyat unified.

From 1970 onwards, various programmes of social and economic change were introduced to balance the economic participation of the various ethnic groups and promote growth with equity. As a result, income and wealth distribution has improved significantly.

The incidence of poverty dropped from 75% in 1957 to 49.3% in 1970 and to about 3.6% in 2010; and hard-core poverty was virtually eradicated. As we successfully reduced absolute poverty, the focus of poverty eradication programmes over the last few years shifted towards addressing relative poverty, especially the bottom 40%.

Recognising the importance of human capital development to improve growth, the Government allocated at least a fifth of the national development expenditure on education and training.

As at 2010, Malaysia’s literacy rate is above 93% with universal education provided to all citizens at primary and secondary levels. Investments in human capital helped reduce poverty and inequality, which in turn enabled greater social mobility. Moving forward, the focus now is to improve further the quality of our education system.

Managing the cost of living at a reasonable level is also important. Per capita income is now 25 times higher than that recorded in 1970 – at about US$9,700 (RM30,729) in 2011. Keeping prices low and stable is one of the major objectives of economic development to ensure the well-being of the people.

Prices of selected essential goods are controlled while prices of other goods are closely monitored. Hence, since 1970, the inflation rate has been kept below an average of 3%. Taking into account the greater skill and productivity generated by better education and training, which resulted in better wages and income, Malaysians are now able to enjoy higher purchasing power.

Infrastructure is a critical element for development. Large sums have been spent on building roads, ports, airports and power plants. These growth enhancers enable connectivity and accessibility; facilitate the establishment of new growth centres while improving the living standards of the rakyat.

Malaysia has also done well in extending affordable basic healthcare services and this has been translated into impressive outcomes. As a result, infant mortality rate has come down from 16 per 1,000 live births in 1990 to only 6 per 1,000 live births in 2010. Malaysians now live longer, on average up to 71 years for men and 76 for women. This is a remarkable improvement compared with the average of 47 years for men and 50 for women in the 1950s.

In terms of housing, the Government continues to provide adequate, comfortable, quality and affordable housing to all segments of the rakyat. The launching of the My First Home Scheme in 2011, for example, further enhances accessibility to affordable and high quality homes, particularly for the lower-middle-income groups.

The concept of sustainable development is well-integrated into national policies to preserve the country’s fauna and flora. As at 2010, the proportion of the forested land area is 56% of the total. Fifty-four years after independence, the Malaysian economy has achieved tremendous progress – whether in terms of the eradication of poverty, provision of basic needs, and development of infrastructure.

Despite facing economic crises, the Malaysian economy grew rapidly, achieving an average GDP growth rate of 6.3% per annum during the 1970-2011 periods.

Today, the private sector has become a dynamic and robust contributor to economic development compared to 30 years ago when the Government was the driver for growth.

The Malaysian Quality of Life Report 2011 provides an insight into understanding the changes and improvements in the quality of life of Malaysians.

What shows that we are on the right track towards becoming a developed, high-income nation by 2020.

While our development model of growth with equity has served us well in the past, we must continue to transform not only to sustain what we already achieved but also to continue improving the quality of life for the rakyat.

Challenges continue to exist but with our clear roadmap such as the National Transformation Programme and with the support of the rakyat, Malaysia shall prosper, God Willing.

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