

Long Term Planning In Malaysia

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Dr Sulaiman Mahbob, Director General, Economic Planning Unit, Malaysia

1. Malaysia has a long term policy that is often referred to as Vision 2020, covering the 30 year period between 1991 to 2020. The Vision 2020 has a long term objective of making the country a developed and modern country by 2020. Other long term objectives of the Vision include eradication of poverty and restructuring of society to eliminate imbalances in the economy and within the society. We aim to eliminate disparities between regions, economic sectors and between the major communities in the country. The targets are pursued through the various five year development plans. The development philosophy for Malaysia is 'Economic growth with distribution' or 'economic growth with social justice'.
2. Malaysia integrates economic and social development. The concern for economic transformation and output expansion involves development projects that involve the participation of the poor and low income groups either as workers or as target beneficiaries. Thus the expansion in output can be done through land development programs which involve the poor as settlers. The modernization of industry involves initially of labour intensive industries which address unemployment. Human resource development also entails setting of special colleges for technical and professional training of the Bumiputras who constituted the majority of the low income groups in the seventies and eighties. In so doing we create income and job opportunities and skill development for the disadvantaged members of the community.
3. A long term policy often contains objectives, strategies, targets, and statement of outcome. It also contains quantitative and qualitative targets. We should differentiate between quantitative and qualitative targets. One concerns with physical output while the other is concerned with changes in such as health status or literacy or quality of life. Economic growth without qualitative change is not development.
4. The formulation of a long term policy often entails consultation (shura) and consensus seeking processes often involving political and social leadership (including the Cabinet and the Parliament), the private sector, the civil service, professional bodies and also the NGOs. This process is important because Malaysia has a multiracial population.
5. Institutional infrastructure- The Economic Planning Unit (EPU) in the Prime Minister's Department, is given the task of constructing the long term plan and together with other central agencies, The Federal Treasury and the Public Services Department, work on the targets of resource allocation for the five year plans. The sectoral ministries (such as education, health, agriculture, public works) make recommendations of development projects which are to be incorporated into the various five year plans. The final draft of the five year plans are presented to the Cabinet and the Parliament.
6. Malaysia also established the Implementation Coordination Unit (ICU), also in the Prime Minister's Department, to regularly monitor the progress of implementation of projects. The

ICU identifies causes of delay in implementation and addresses them. The ICU is equipped with a project implementation IT system that monitors projects at all levels and track the sources of delays and risks encountered by the projects.

7. About a decade ago there was the establishment of the Socio Economic Research Unit (SERU) which undertook policy evaluation. However this unit was closed down as a result of an exercise to downsize the public sector. The function was undertaken by the EPU.
8. In terms of capacity building, the emphasis on human resource development within the public sector continues to acquire important position in national budget. Public service officials are sent for training at masters and doctoral degree in various fields such as economics, public administration, business management, throughout their civil service career. Short term courses are also made available on specific topics. In the initial stages of the EPU, a close working relations with the World Bank on matters of policy analysis was much emphasized.
9. For all programs, an implementation plan is needed given the importance of initial preparation for land acquisition and manpower planning. Thereafter a Program and performance monitoring mechanism need to be instituted and is now given more importance in order to enhance efficiency and timely delivery of public sector programmes and also to avoid leakages. The aim is to ensure that target beneficiaries receive the benefits of the projects and programs so planned. Impact analysis is also carried out to ensure that projects do benefit the target groups they are meant for. In addition, the demands for greater transparency and accountability, calls for more open tender systems to avoid any possibility of corruption and leakages. The Cabinet has decided that as from mid March 2008 all projects are to be carried through open tender systems.
10. One important concern of planning is the need for flexibility and capacity for adjustments should the need arises. The planning system needs to allow for changes in order to ensure relevance and practicality. Changes may need to be made when major assumptions of the program no longer hold. Malaysia made adjustments during the recession in 1986 when the prices of major commodities dropped significantly. Again in 1998, some adjustments were made to the five year plan during the East Asian financial crisis.
11. An important element of policy and program planning is the need for a communication plan. This is meant to effectively communicate to the public at large and the program beneficiaries in particular, on the policy and program purpose, program scope, and the role expected of the society or the target beneficiaries. The purpose of the communication plan is to ensure support and adequate buy-in by the people and to ensure their effective involvement and participation.
12. Thank you.
13. (Delivered by Dr.Sulaiman Mahbob, Director General, Economic Planning Unit, Malaysia)