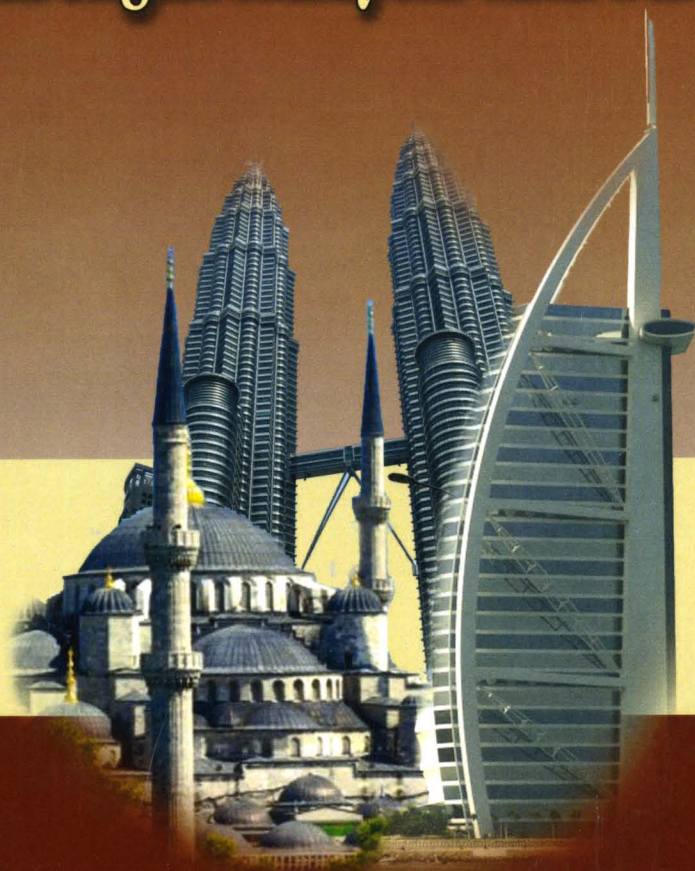


Prospek dan Cabaran dalam Hubungan Malaysia-Asia Barat



disunting oleh

Wan Kamal Mujani
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Siti Rugayah Hj. Tibek

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Institut Kajian Rantau Asia Barat (IKRAB)
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Livelihoods Sustainability: Malaysia's Experience and Its Implication for Cooperation with West Asia

Abdulai Abdul-Mumin & Chamhuri Siwar

Introduction

UNDOUBTEDLY, managing sustainable livelihoods has most often appeared complex. Successful livelihoods management requires, on the one hand, sustained economic growth and equitable distribution of growth at the same time. From this premise, any mis-match between these two complementing development strategies can hamper livelihoods improvement and poverty alleviation efforts. Many countries have not been much successful in this respect. Nevertheless, some other countries have achieved great success in their livelihoods management drives. The experiences of such countries need to be made readily available to enable those countries that are less fortunate in scaling up livelihoods to tap the existing expertise. Malaysia's experience in managing sustainable livelihoods has been much encouraging, which is far above most countries in the Asian region. It is highly possible to see extreme pockets of poverty and deprivations existing in countries boasting advanced economic growth. This scenario goes to support the fact that it has not been pretty much easy for many more developing countries to achieve economic growth with equity in the distribution of the national cake. Substantial improvement in livelihoods and substantial reduction in poverty and deprivations can be achieved only by prudent policies that balance economic growth with equity, which most often requires undertaking positive discrimination policies and affirmative action. This chapter examines Malaysia's livelihoods management experience and explore

the extent to which that experience could be exploited to enhance cooperation with her West Asian neighbours.

Sustainable Livelihoods Management in Malaysia

Sustaining livelihoods through poverty alleviation and the provision of livelihood chance and opportunities constitute a major pillar in Malaysia's development policy and planning, especially since the inception of the New Economic Policy (NEP, 1970-1990), National Development Policy (NDP, 1991-2000) and National Vision Policy (NVP, 2001-2010). Poverty alleviation has been prominent in these policies, receiving strong policy, institutional and budgetary support at the federal, state and local levels. Implementation of these policies are detailed in the five year development plans, covering First Malaysia Plan (1MP, 1965-70) to Eight Malaysia Plan (8MP, 2001-2005) and the Ninth Malaysia Plan (9MP, 2005-2010). In fact, the macro-policy of "growth and redistribution" has been carried through in the Outline Perspective Plan 1 (OPP1), which coincided with the NEP, the OPP2 which coincided with the National Development Plan (NDP, 1991-2000), and the OPP3, which coincided with the National Vision Plan (NVP, 2001-2010).

After the NEP and with the significant reduction in the incidence of poverty and the number of poor households, the focus of poverty alleviation has since moved to the hardcore or extreme poor, which belongs to the bottom 5 percent of the income distribution. The aim is to facilitate more direct targeting of the poor and to prevent leakages. However, with the implementation of the OPP3, the targeting of the poor is widened to include those in the bottom 30 percent or those with household income of less than RM1,200 per month (Malaysia, 2001a, Chamhuri, 2005, p.25).

Poverty Incidence and Its Impact on Livelihoods

The poverty conditions in Malaysia have improved considerably since the implementation of the NEP. The incidence of poverty has been significantly reduced from 49.3 percent in 1970 to 6.1 percent in 1997, before it increased to 7.5 percent in 1999, as a result of the economic recession. In 2004, the overall poverty declined to 5.7 percent. The

incidence of hardcore poor at 2.5 percent in 1999, declined to 1.2 percent in 2004, and is targeted to be reduced to 0.5 percent in 2005.

Malaysia's achievement in sustainable livelihood management could be attributed partly to its high and sustained economic growth, and largely to pro-active and explicit poverty alleviation strategies and programmes, strong institutional and budgetary support and effective delivery mechanism. Table 1 below illustrates.

		1990	1995	1997	1999	2004
Total	49.3	16.5	8.7	6.1	7.5	5.7
Hardcore	-	3.6	2.1	1.4	2.5	1.2

Table 1 Poverty Incidence in Malaysia (Households %)

Source: Malaysia Five-Year Plan (Various Plans). Hardcore or extreme poor is a subset of the poor, determined initially as those with less than $\frac{1}{2}$ the poverty line income (PLI), after 2004 determined by the food PLI.

Rapid and sustained economic growth was achieved over the OPP1 (1971-1990) and OPP2 (1991-2000) periods, except for low to negative growth during the recession of the 1980s and the 1997/1998 economic crisis. The Malaysian economy grew at an average rate of 7.8 to 8.6 percent between 1971 and 1980, declined to 5.1 percent due to global recession of the 1980s, climbed to 6.7 percent between 1986 and 1990 and then to a high growth rate of 8.5 percent between 1991 and 1995, and declined again to 4.7 percent between 1995 and 2000, due to the economic crisis of 1997/1998. In 1998, the economy went down to -7.4 percent. During the Eight Malaysia Plan period (2001-2005), gross domestic product in real terms grew at an average rate of 4.5 percent per annum, due to increased domestic demand and exports (Malaysia 2005).

Sustained economic growth has contributed significantly to poverty alleviation and has enhanced livelihoods sustainability. With reference to the Malaysian Quality of Life Indices (MQLI), generally livelihoods have taken some positive trends in terms of income, accessibility to basic needs and services like transportation, health, education and housing, but negative on environmental aspects, which declined by 5.74 percent over the period of 1980-2002. The negative changes in the MQLI for the environment over the period of 1980-2002 signalled that the state of the Malaysian environment may be deteriorating. Public safety is also not encouraging with an improvement of only 2.14 percent over the period. The quality of education has also stagnated between 1998 and

2002, while the quality of working life has improved marginally between 1998 and 2002. But on the whole, improvement in general conditions of living, particularly for the poor and vulnerable has been much impressive. Table 2 below further illustrates.

Index	1980	1998	2002	Change 1980-2002 (%)
Income and Distribution	77.39	105.82	107.51	38.92
Working Life	106.13	118.94	119.86	12.94
Transport & Communications	87.36	112.78	120.86	38.35
Health	83.24	109.58	115.84	39.12
Education	85.97	117.31	117.35	36.50
Housing	90.52	107.72	116.48	28.68
Environment	103.86	100.94	98.22	-5.74
	(1985)			
Family Life	85.46	113.86	107.15	25.38
Social Participation	81.55	97.98	110.55	35.56
Public Safety	78.40	72.11	80.08	2.14
Culture & Leisure			114.13

Table 2: Changes in Indices and Malaysian Quality of Life Index, 1980 - 2002

Source: Malaysia (1999, 2002; Chamhuri, 2005, p. 25).

Institutional Framework for Sustainable Livelihoods Management

Malaysia's success story of effective poverty alleviation and livelihoods sustainability can be narrated largely by:

1. the role of state in livelihoods sustainability;
2. emphasising good governance;
3. effective delivery system and
4. direct targeting and participation.

The role of the state in scaling up livelihoods

The state has a major role to play in poverty alleviation and scaling up livelihoods. In the case of Malaysia, sustaining livelihood through poverty alleviation has been a major policy thrust in its development plans, as evident in the New Economic Policy (NEP, 1970-1990), National Development Policy (NDP, 1991-2000) and National Vision Policy (NVP,

2001-2010). Poverty alleviation has been a major thrust in these policies, receiving strong policy, institutional and budgetary support at the federal, state and local levels. Implementation of these policies are detailed in the five year development plans, covering First Malaysia Plan (1MP, 1965-70) to Eight Malaysia Plan (8MP, 2001-2005) and the Ninth Malaysia Plan (9MP, 2005-2010).

Strong policy support is embedded in pragmatic policies which, in the case of Malaysia, include the following:

- Interventionists, affirmative action and positive discrimination policies and strategies to assist the indigenous population, to correct the economic imbalances among the ethnic compositions of the population. This has been entrenched since the NEP, in the aftermath of a bloody racial riot which identifies poverty amongst the indigenous population and economic imbalances as the root cause of the racial conflict.
- Balancing market-driven and interventionist policies and strategies. In addition to the role of government as facilitator, this policy includes giving emphasis to the role of the private sector as partners in the development process and also to meet the redistributive objective of government policies. In this way, the government has to balance growth and redistribution policies and strategies so as to attain growth and poverty alleviation in which Malaysia has achieved a reasonable degree of success (Chamhuri, 2005, p.26).

Budgetary allocation for poverty alleviation

Budgetary allocation for poverty alleviation constitutes another factor behind the success story in the fight against poverty in Malaysia. Government budgetary allocation for poverty alleviation has been quite substantial in all the five-year development plans, averaging between 24-37 percent. During the NEP era (1971-1990), expenditures for poverty alleviation, except for the period of the Fourth Malaysia Plan (1981-1985) which coincided with the recession years of 1980s, exceeded 30 percent. The Fifth Malaysia Plan period, which marked the end of the NEP era, saw the largest percentage of expenditure for poverty alleviation. The Sixth, Seventh and Eight Malaysia Plan periods witnessed a reduction in the percentage of expenditure for poverty alleviation. All the same, it still forms an appreciable percentage of more than 25 percent. The government expenditure for poverty alleviation is mainly spent on agriculture and rural development, social and infrastructure projects. In the Ninth Malaysia Plan, initial estimates indicates that a total of RM4465.3 million have been allocated for poverty alleviation out of a

for pre-school, primary and secondary schools and matriculation, RM1.4 billion for higher education, RM1.1 billion for training and RM1.2 billion for ICT, curriculum development, hostels and teachers' quarters. Also and as part of the RM700 million poverty eradication package, upgrading and renovating rural schools, especially in Sabah and Sarawak, and to supply electricity to about 550 schools and water to 260 schools, and increasing the food allowance for children in Tabika Kemas from 60 sen to RM1.50 per day have been considered (Kian & Tony, 2005).

The tax relief in education stipulates that parents with children pursuing tertiary education will receive a tax relief of up to RM4,000 not excluding those whose children are studying abroad. For disabled children pursuing higher education, the previous RM5,000 for each child has been increased to RM9,000. And to encourage lifelong learning, the scope of courses that qualify for tax relief of RM5,000 for individual taxpayers has been broadened. The programmes initiated to counter unemployment include the following:

- Helping the graduates to become entrepreneurs by encouraging them to set up their own businesses and the Government will provide 200 of them with financing to a tune of RM50,000 each;
- The Young Entrepreneurs' Scheme which is built around information and communications technology (ICT), tourism, *halal* products as well as food processing and packaging; and
- The Industrial Skills Enhancement Programme for which RM100 million has been allocated to train 4,800 people (unemployed graduates) (ibid).

The budgetary share of human capital development in the previous Malaysia's development plans has shown steady increase in spending for education and training. For instance in 6th Malaysian Plan, 52.5 percent (i.e. RM7,760 million) of the RM14,780,000 allocated to the social sector was spent on education and training. In the 7th Malaysian Plan out of the total social sector allocation of RM27, 629.7 million 57.6 percent (i.e. 15,923.6 million) was spent on education and training. In the 8th Malaysian Development Plan out of the RM69, 377 million allocated to the social sector, 63.0 percent (43,729 million) was spent on education and training. Likewise in the 9th Malaysian Development Plan, RM 74,954 million was allocated to the social sector and 54.8¹ percent (RM4,114 million) went to education and training. All these strategies and expenditure are geared to enhance human capital which has significant impact on sustainable livelihood management.

Micro-finance programmes

The role of micro-finance programmes in poverty alleviation has been far-reaching. Of great significance has been the easy accessibility to credit through micro-financing. Making credit easy, accessible and hassle-free to the poor aids poverty alleviation and availing the poor of livelihood chances. In the absence of easy, accessible credits, the majority of the poor people resort to getting credits from informal and traditional lenders, who charge exorbitant interest rates, thereby defecting the purpose of poverty alleviation. In the conventional financial market the poor are most often considered “as being not credit-worthy, unable to save...not considered a profitable market for credit, and may [in most cases] be forced to turn to traditional money lenders.” (Chamhuri & Basir, 2001, p.125)

The need to devolve lending to the grass-root levels has made micro-finance programmes very essential in livelihoods management. The prominent micro-finance institutions in Malaysia include: 1) *Amanah Ikhtiar Malaysia (AIM)*; 2) *Yayasan Usaha Maju (YUM)* and 3) *Koperasi Kredit Rakyat (KKR)*.

Amanah Ikhtiar Malaysia, in terms of membership, is the largest among the three programmes. AIM started in 1986 as a pilot project that followed the foot-prints of Grameen Bank (GB) to bring credit the door-steps of the poor, particularly the women folk. Eligibility for loan was set at a monthly income of RM50 or a household income of RM250. And a minimum loan of RM500 to a maximum of RM 2,000 are given to the borrowers. As of 1995, AIM had 44282 borrowing members. (ibid., p.121). *Yayasan Usaha Maju (YUM)* implemented in 1988 became an institutionalised corporate entity in 1995, while *Koperasi Kredit Rakyat (KKR)*, which began as a Youth Social Club in 1970 to improve livelihoods of the estate workers through tuition, kindergarten and tailoring, was registered in 1975. KKR is a rural-based cooperative scheme in Batang Berjuntai in Selangor. KKR is the smallest among the micro-financial institutions with a membership of 2,060 in 1995. It is operating under auspices of the Credit Union and registered under the Society’s Act (ibid. p., 122-3). The institutional support lent to these micro-financial institutions increases their resilience in livelihoods management in Malaysia, especially at the grass-root level.

Good Governance and Sustainable and Livelihoods Management

Good governance is characterized by open and enlightened policy making with sound economic management based on accountability, participation, predictability and transparency. In Malaysia, good governance is reflected

in improved public sector management, sound financial management and public sector reform. Efforts to promote good governance focus on improvements in the public delivery system to make it more transparent, efficient and accountable. The public sector's attempt to enhance the efficiency and effectiveness of its administrative machinery is a continuous and serious process. Strengthening the institutional and implementation capacity forms part of the main thrusts of the Ninth Malaysia Plan, which includes promoting good governance and enhancing the public service delivery system.

Under "Good Governance for Development", good governance is addressed through the National Integrity Plan, creating Good Corporate Governance and responsible citizenship, addressing corruption and intensifying enforcement along with providing institutional support. "Efficient Public Service Delivery System" will be addressed by reducing bureaucratic red tape, creating efficient services, especially with regard to licenses, permits, land administration, local authorities, management of public complaints and facilitating investors. Quality management will be enhanced through performance measurement, strategic ICT development and public-private sector collaboration, along with institutional support. (Malaysia 1996; Chamhuri, 2005, p.28-29)

Since the 1990s, major efforts had been made to institutionalize the culture of excellence, not only in the structure and systems of administration, but also a paradigm shift in the values and mind-set of public sector personnel. Much effort was put in to improve the efficiency and effectiveness of the public sector to enable it to make a meaningful contribution towards national socioeconomic development. New initiatives/ reforms include a major shift toward a more pro-active and customer focused management paradigm, enhancement in the quality of service and effectiveness of the delivery mechanism and strengthening the working relationship with the private sector.

In the 2000s, continued efforts to improve service delivery and optimize resource utilization were made, particularly, through the extensive use of ICT, review of existing management structures, personnel policies and delivery systems to meet the requirements of a knowledge-based economy, strengthen management integrity to ensure greater accountability and transparency and to continue collaborating with the private sector and NGOs to enhance the process of governance (Ibid).

Effective Delivery System for Sustainable Livelihoods Management

Effective delivery mechanism is part and parcel of good governance. It includes sound planning and implementation capability and effective delivery system for poverty alleviation. Effective and efficient delivery system also entails efficient use of resources, constant monitoring, reviewing and evaluating. The capacity of the state to plan and implement development plans, and implement programmes and projects contributes to the success of poverty alleviation.

Effective delivery mechanism in Malaysia is ensured through sound and rigorous planning and implementation process involving the Economic Planning Unit (EPU) and Implementation Coordination Unit (ICU) as key players and coordinators of poverty alleviation strategies and programmes. Development Planning in Malaysia had been accepted as a function of the government in the 1950's with the preparation of the First Five-Year Development Plan covering period from 1956 to 1960. This function was firmly institutionalized with the establishment of the Economic Planning unit (EPU) in 1961 as the central agency of the government for planning national economic development. With regards to poverty alleviation and livelihoods sustainability, the monitoring of projects and programmes include the *in-situ* development scheme, crop replanting subsidy, agricultural extension services, rural economic development programme, housing assistance and rehabilitation programme and attitudinal rehabilitation programme. (Chamhuri, 2005, p.29-30)

Targeting and Participation for Sustainable Livelihoods Management

Effective and efficient delivery system also entails correct targeting to the poor. Identification of the poor and directing benefits toward the poor is considered as the best solution to the problem of poverty alleviation. There are several motivations for correct targeting of the poor. These include ensuring efficient use of resource, to avoid leakages, to reduce cost and to increase efficiency. In an era of budgetary deficits, with pressures to reduce expenditures, the need for correct targeting of the poor and to increase efficiency of the delivery system is paramount.

In Malaysia, serious attempts to identify the poor started in the Third Malaysia Plan (1976-1980) with the identification of the poor into rural

and urban target groups. The rural target groups were classified into paddy farmers, rubber smallholders, coconut smallholders, fishermen, and estate workers, while the urban poor were unofficially classified into squatters and low cost flat dwellers, petty traders, dwellers of urban traditional and new villages. Poverty data in official documents up to the Fifth Malaysia Plan period (1986-1990) were classified into rural and urban poor, with detailed classification for rural poverty.

The classification of poverty into poor and hardcore poor in rural and urban areas was maintained up to the present Ninth Malaysia Plan period (2005-2010). In view of the success in eradicating poverty, in the Mid-term Review of the Eight Malaysia Plan (2003-2005) a new category of the poor, known as the vulnerable was included, defined as those with household incomes between the PLI and RM1200 per month, which generally falls in the bottom 30 percent of income distribution. This act, although enlarging the target group of the poor, may affect the efficiency and effectiveness of poverty alleviation programmes, unless proper verification and monitoring is done.

Participatory development is a crucial component of good governance, and good governance is a pre-requisite for a successful participatory process. Genuine participation embodies some form of empowerment of the population and participation in the development process. People should be involved throughout the project or programme cycle, involving the design, implementation, monitoring and evaluation. Participation could involve the private sector, NGOs, and the beneficiaries of projects.

Livelihoods Sustainability: Malaysia's Experience

Undoubtedly, Malaysia has garnered appreciable amount of practical experience in charting "Growth with Distribution" policy since the 1970s. This policy has been the thrust of macro-perspective policies such as the NEP (1970-1990), NDP (1991-2000), and NVP (2001-2010). The uniqueness of this policy in Malaysia lies in the affirmative action strategies, giving priority and emphasis to the vulnerable sections of the society. Various socio-political and economic justifications may be given for this overriding strategy, which, in the end, benefits the nation in general in terms of creating a more balanced and just society. There was much debate on the possible trade-off between growth and equity, but Malaysia has shown that both growth and equity could be achieved with prudent and efficient management of financial, physical, economic and human resources. Here lies the critical role of the state, especially through public

sector management in ensuring good governance, an effective delivery mechanism of poverty alleviation and sustainable livelihood programmes.

Specifically, the growth policies pursued in Malaysia on the one hand include the following:

- Structural Change and Diversification Policy that ensures smooth structural change of the economy from a commodity producer to industry and services producer,
- Sectoral policies, including
 - Agriculture and Rural Development Policy with respect to food security and sufficiency, land development, land rehabilitation, rural development, National Agriculture Policies (NAP1, 1984-1991), NAP2(1992-1997) and NAP3 (1998-2010),
 - Industrial Policy: Industrial Master Plan charting growth of industries, incentives, infrastructures, industrial zones, finance and banking, telecommunications, ports, taxes and subsidies
- Investment Policy: covering both foreign and domestic investment, incentives for investments, equity participation, etc;
- Savings and Fiscal Policies: include Savings rate as percent of GDP, financial services, interest rates, microfinance, revenue and expenditure, fiscal
- Employment and labour Policies: including sectoral employment, foreign labour, wage policy, training and human resource development
- Price policy: Low inflation rates, control of prices of food, basic needs and essential services, expenditure burden, etc.(Chamhuri, 2005, p.35-38)

On the other hand, the distribution policies and strategies are as follows:

- Poverty Alleviation Policies, Strategies and Programmes i.e., economic programmes, agriculture and rural development, urban and industrial development, entrepreneur and small business development;
- Affirmative-action Equity and Restructuring Polices and Programmes i.e., pro-poor and pro-indigenous strategies, education and human resource development, wealth restructuring, equity participation, special share schemes;
- Social Infrastructures i.e., welfare, housing, health, education programmes for the poor, pension, old age;
- Provision of basic needs and amenities i.e., water, electricity, housing, food, clothing, infrastructures, services;
- Access to resources i.e., land, water, credit, legal aids. (ibid)

Poverty Incidence in Malaysia and Some West Asian Countries

Although Malaysia's national poverty line has been set above 2 dollars, taking the universal poverty line of \$1 a day will help achieve some amount of precision in trying to compare poverty incidences across countries. The \$1-a-day poverty line will contain those countries that have their national poverty line set at \$1 a day or less. At the \$1-a-day poverty line, the incidence of poverty seems almost to be non-existing in Malaysia. As poverty being a never-ending phenomenon, there has been a minimal percentage of the population in Malaysia living under the \$1 a day poverty line. Same scenario in Malaysia cannot be said of her neighbours in the West Asian region.

Specifically, Albania, Kazakhstan and Iran are the few countries maintaining poverty rates at/below 2 percent. The remaining countries, for whom data are available, are posting relatively higher poverty rates at \$1 a day. The prevailing poverty picture between Malaysia and her West Asian neighbours reflects largely a combination of pragmatic policies and strategies targeting economic growth, distribution and re-distribution of the benefits accruing from economic growth. Such livelihoods management prowess has always not been easy to attain in the majority of these countries. However, the few successful counter-parts (including Malaysia, the interest of the paper here) can exploit their dexterity to tighten up cooperation and collaboration with those countries struggling to improve livelihoods for the majority their population. Table 4 below further illustrates the poverty situation among these countries.

Country	Y %	Y %	Y %	Y %	Y %	Y %	Y %	Y %	Y %	Y %
Albania								'97(2)	'02(2)	'04(2)
Azerbaijan							'95(10.9)		'01(3.7)	
Egypt							'91(4)	'00(3.1)		
Iran		'86(2)	'90(2)	'94(2)				'98(2)		
Kazakhstan		'88(2)		'93(2)			'96(2)		'01(2)	'03(2)
Kyrgyzstan		'88(2)		'93(8.3)			'96(20.3)		'01(2)	'03(2)
Pakistan									'99(3.5)	'02(1.7)
Turkey		'87(2)		'94(2.4)					'00(2)	'03(3.4)
Uzbekistan		'88(2)		'93(3.3)				'98(19.2)		'03(2)
Yemen			'92(3.4)					'98(15.7)		
Jordan		'87(2)	'92(2)					'97(2)		'03(2)
Malaysia	'84(2)	'87(89(2)	'92(2)	'97(1)	'99(1.1)			'02(0.8)	'04(0.6)	

Table 4 Poverty Headcount at \$1 a Day in Malaysia and some West Asian Countries from 1980-2004

Y % denotes year and percentage of population below \$1 per day.

(..) indicates no data.

(2) means less than 2 percent

b= these figures were obtained from p6 of the Malaysia's Household Income Survey in the UNDP's Monograph entitled *Malaysia: Measuring and Monitoring Poverty and Income*. Published in 2007 in collaboration with the Economic Planning Unit, Prime Minister's Department. However, the figures are rounded to 1 decimal place.

Source: World Development Indicators database, World Bank, (various years) through nationmaster.

Implications of Malaysia's Livelihoods Sustainability Experience for Cooperation with West Asia

It is evident from the preceding discourse that successful livelihoods management can hardly be achieved on a silver platter. Specifically, sustaining livelihoods requires that economic growth be attained in the first place, which in fact doesn't guarantee livelihoods sustainability anyway until prudent distributive mechanism has been married perfectly with economic growth. In terms of economic growth, crucial determinants of growth encompass diversifying the economy from a primary commodities producer to industry and services producer, agriculture and rural development policies relating to food security and sufficiency, land development, land rehabilitation, rural development etc. Also, Industrial Master Plan charting growth of industries, incentives, infrastructures, industrial zones, finance and banking, telecommunications, ports, taxes and subsidies are pertinent determinants of economic growth. Malaysia has demonstrated great amount of efficiency in these growth-related strategies.

Sufficient evidence has shown that many of Malaysia's West Asian neighbours are largely agrarian economies. Malaysia's expertise and resilience in diversifying the agricultural sector to enhance economic growth could be valuable source of impetus to her agrarian neighbours in West Asia, particularly in relation to food security. Again, the manufacturing sector has been much more effective, and the need for foreign direct investment (FDI) to boost investment could create a win-win scenario in which some of her West Asian neighbours could be enticed to invest in Malaysia and *vis-a-versa*.

Another important dimension where productive relationship can be ensured has been the service sector. Banking and finance, telecommunications, etc are relatively more advanced in Malaysia than

in most of her West Asian neighbours. Showcasing the expertise and experience attained in these sectors to her West Asian counter-parts, most importantly to the information-technology-deficient West Asian countries, could blossom and deepen the trade relations. Managing and accessing credit, especially micro-credit/finance and relevant information are crucial in scaling up livelihoods to eradicating poverty and deprivation. And information is important in that direction. This underscores the crucial role of information technologies in livelihoods sustainability and the overall socio-economic development.

Conclusion

The intention in this paper has been to examine Malaysia's experience in sustainable livelihoods management, and to explore the extent to which the experience garnered could be exploited to enhance and strengthen cooperation with her West Asian neighbours. To this far, it is explicit that Malaysia's experience is no mean experience, which has the potential to deepen cooperation with West Asia in a number of important development and livelihoods related ventures. These areas include agricultural modernization, appropriate industrial technology and the service sectors. Also, administrative acumen in the form of policy design, implementation and monitoring constitutes a possible area Malaysia could exploit due to her relatively time-tested experience in these areas. In sum, the chances and opportunities to strengthen cooperation with West Asia are brighter and appealing. What is required of Malaysia is simply to showcase and to exploit such potentials that could create a win-win scenario for all parties involved. The only foreseeable challenges are inaction and the failure to realise and capitalise on such potentials.

End notes

1. These percentages have been calculated by the authors solely on social sector allocation. However, the official percentages have been calculated based on the total development spending

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