

RURAL-URBAN POVERTY LINKAGES AND INNOVATION FOR POVERTY REDUCTION



MINISTRY OF RURAL AND REGIONAL DEVELOPMENT
MALAYSIA (MRRD), MALAYSIA

27 JUNE 2018





MINISTRY OF RURAL DEVELOPMENT

AT A GLANCE

Target Group



7.88 million rural people



14,960 Head of Poor / Hardcore Poor Households



178,197 Orang Asli (Indigenous People)



622,489 Smallholders



72,276 Rural Entrepreneurs



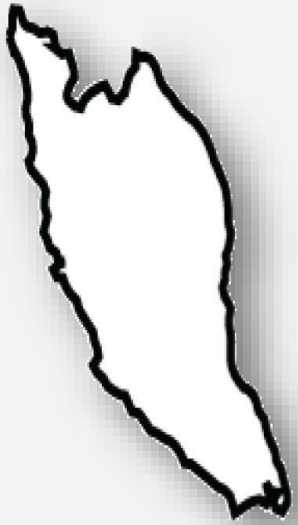
16,718 Village Development and Security Committees



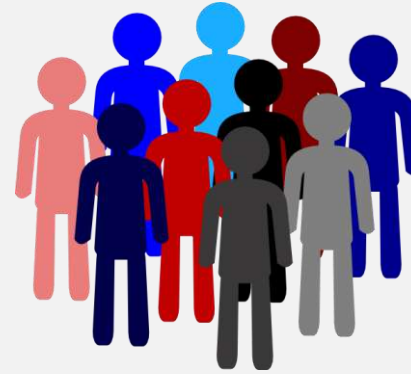
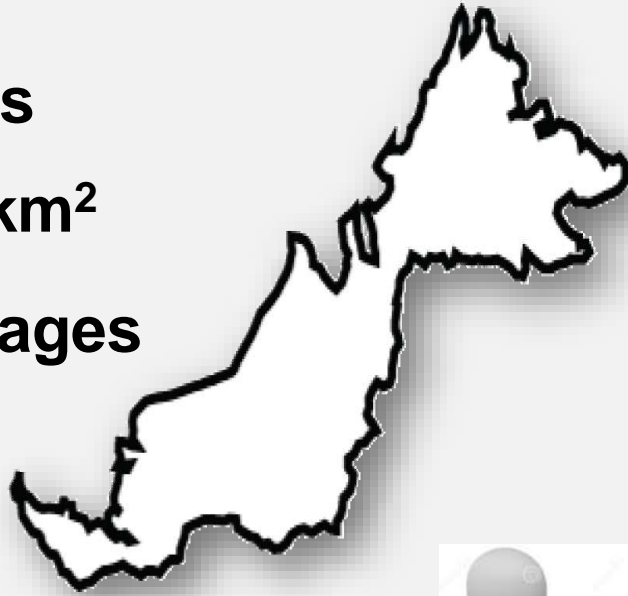
235,315 Children in Daycare / Kindergarten

OVERVIEW

MALAYSIA



14 States
328,550 km²
17,392 villages



32.05 million population
24.5% rural
75.5% urban

Unemployment Rate (2016)
3.3% rural
3.5% urban



GDP Growth:5.8%



Average monthly income (2016):
Urban:RM7,671/ approx. USD1,918
Rural: RM4,359 / approx. USD\$1,090



Poverty Incidence:
Urban: 1970:21.3% 2016: 0.2%
Rural: 1970:58.6% 2016: 1.0%

INDICATORS OF RURAL MALAYSIA..

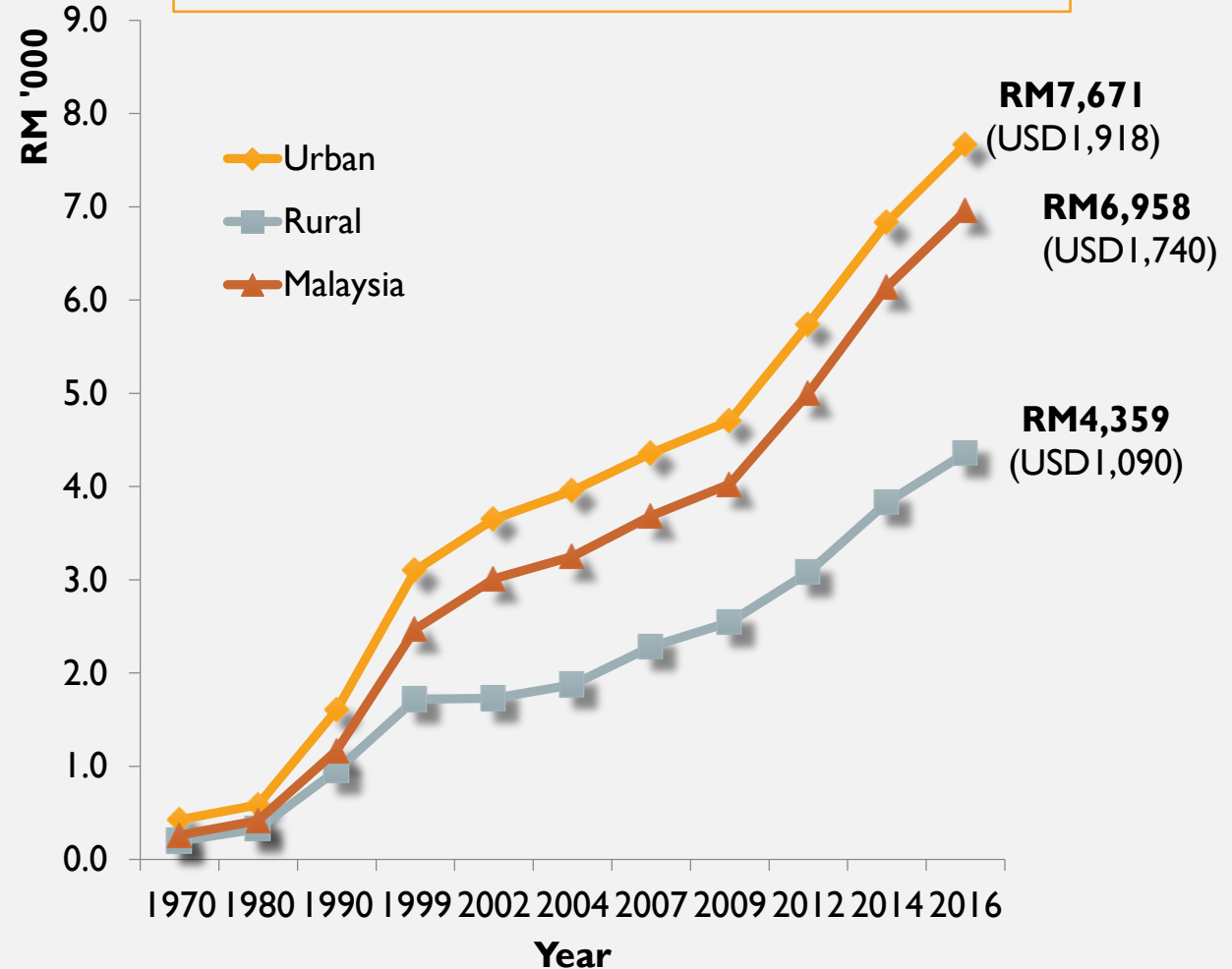
How does Malaysia define its rural area?

An area of less than 10,000 residents outside of local authority zones

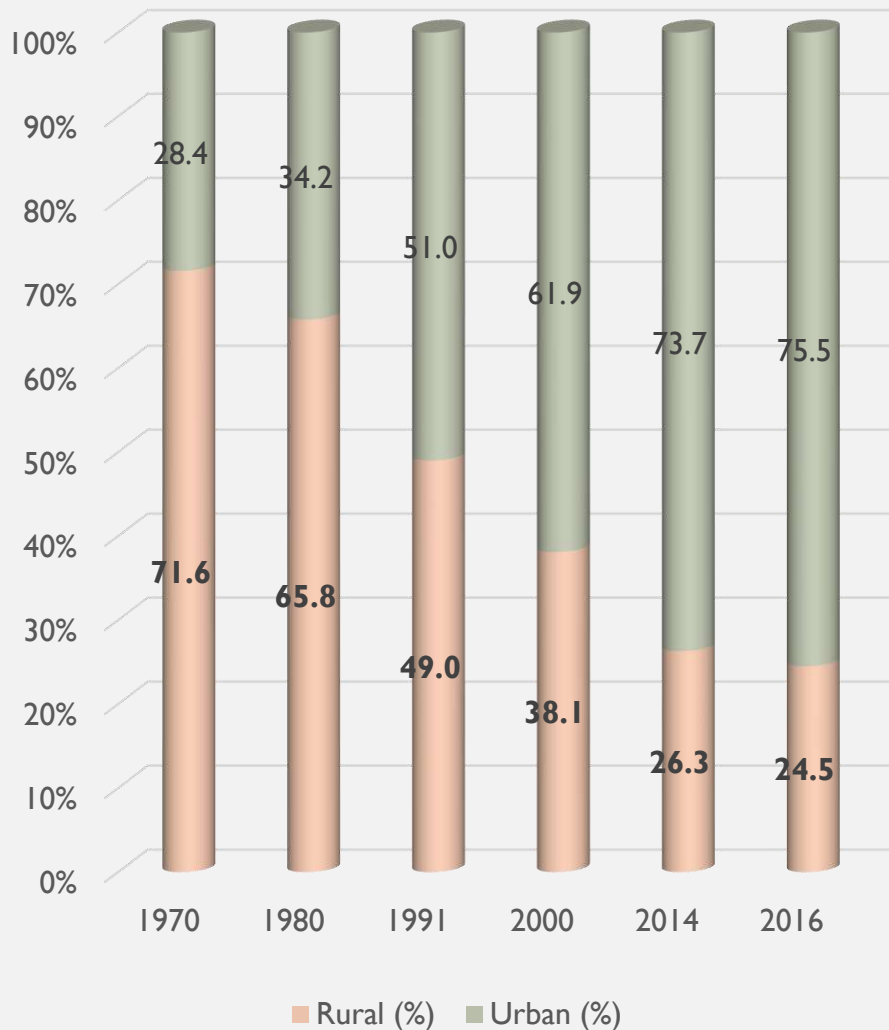
Malaysia's rural area comprises of 70% of its total size (231,180km² / 23 mil ha) including agriculture areas, forests, villages, coastal areas and islands

Source: DOS, JPBD

Average monthly household income has significantly increased from 1970s

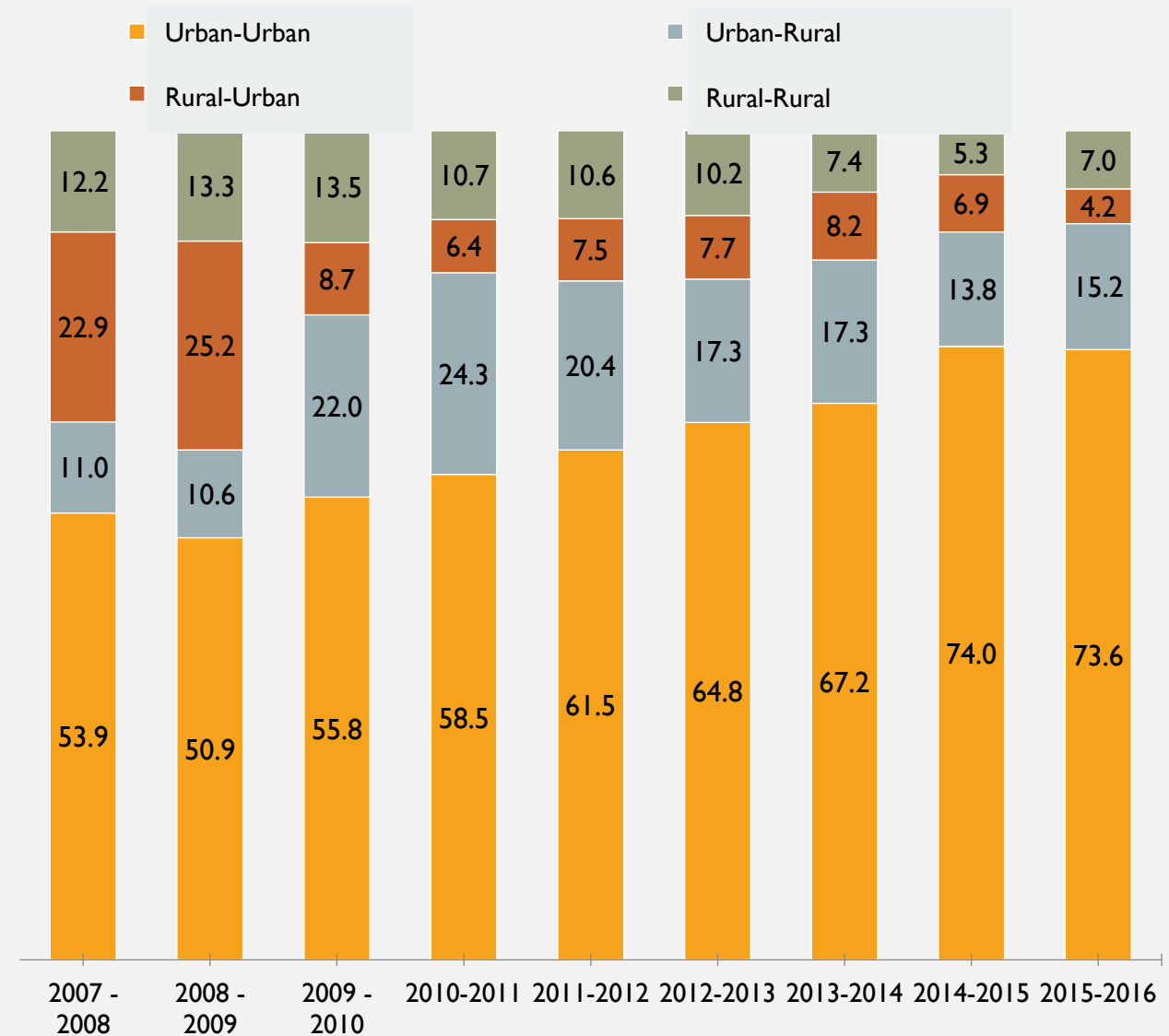


Percentage of rural population has been decreasing since 1970, from 71.6% to only 24.5% of Malaysia's total population



Source: DOS

Percentage of internal migration rate 2007-2016



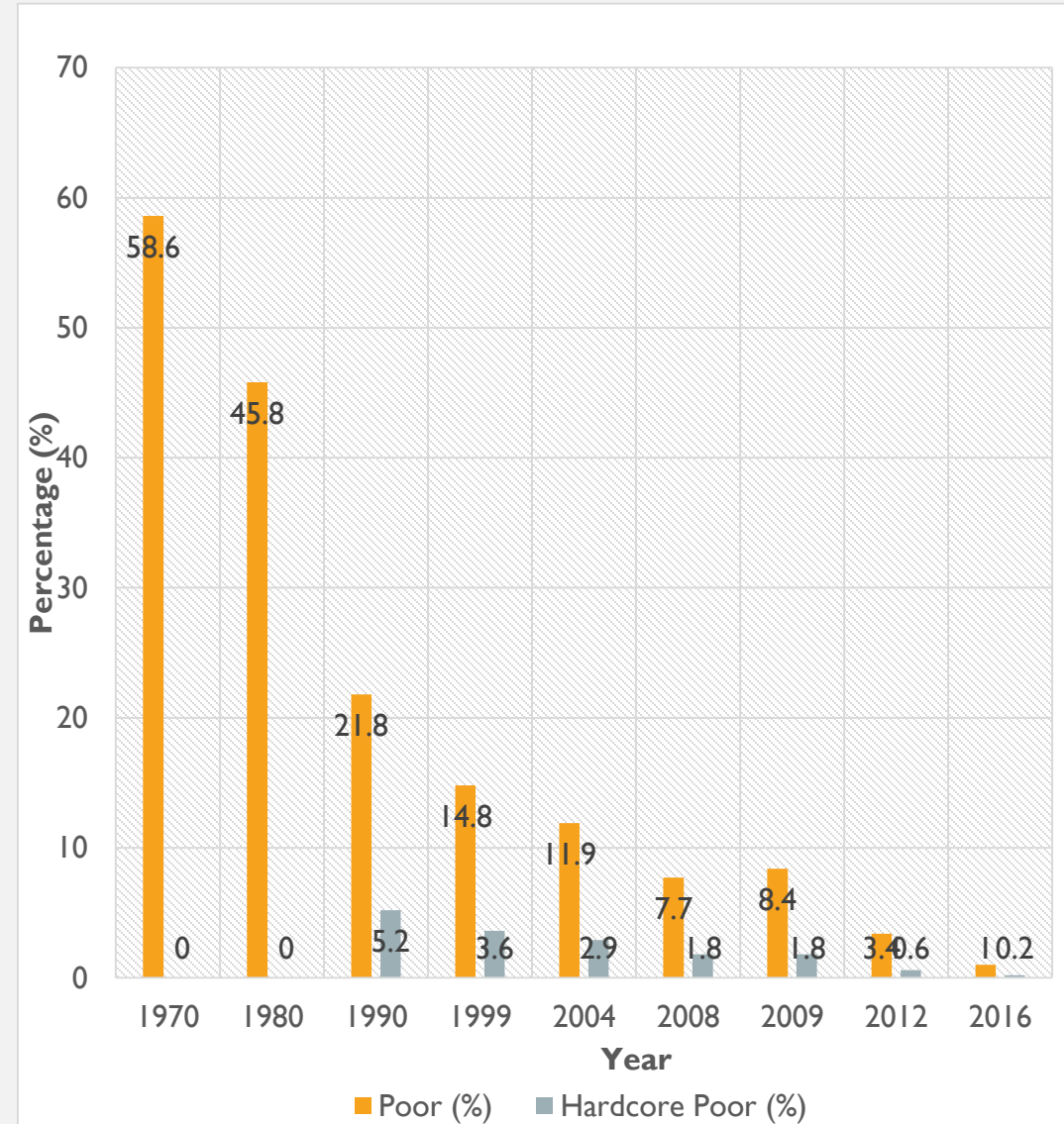
Malaysia Poverty Line Index for a 5 member household is separated into 3 categories according to territories

Territory	Poverty		Hardcore Poverty	
	USD	RM	USD	RM
Peninsular	252.5	1,010	158.75	635
Urban	236.705	946.82	155	620
Rural	240.75	963	161.75	647
Sabah	332.25	1,329	200.75	803
Urban	329.5	1,318	192	768
Rural	341.25	1,365	216.25	865
Sarawak	280.75	1,123	183.25	733
Urban	292.5	1,170	192	768
Rural	265	1,060	173.5	694

Exchange Rate: USD1 = RM4.00

Source: DOS, EPU

Since 1970s, Malaysia's incidence of poverty at rural area has been on the decline, wherein the focus has now shifted to pockets of poverty



FACILITATING RURAL-URBAN LINKAGES

FACILITATING RURAL-URBAN LINKAGES

Bridging Rural-Urban
Gap

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graph TD; A[Bridging Rural-Urban Gap] --- B[Policy]; A --- C[Infrastructure]; A --- D[Economic Activities]; A --- E[Human Capital Development]
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Policy

Infrastructure

Economic
Activities

Human Capital
Development

MALAYSIA RURAL DEVELOPMENT POLICY

Infrastructure

Post Independence (1957-1969)

- Basic Infrastructure
- Modernization & diversification of Crop

Human Capital

1990

- New Philosophy & Strategy for Rural Development-Human Capital Development
- Focus on Hardcore Poor

2000

- Expansion of rural infrastructure & amenities

2015

- Rural Transformation Plan
- 11th Malaysia Plan

Economy

1970

- Poverty Eradication
- New Economic Policy
- New land development scheme

1994

- Community Role in Rural Development

2009

- Rural Transformation Programme

Expansion of Rural Basic Infrastructure + Upgrading Economy

Poverty Incidence
49.3% (1970) to 16.5% (1989)



RURAL BASIC INFRASTRUCTURE



Rural Road

**5,633 km
(2010-2017)**



Electricity

**Coverage
(Rural): 99.7%**



Water Supply

**Coverage
(Rural): 83.4%**



Housing Assistance

**107,020 houses
(2010-2017)**

RURAL ECONOMIC ACTIVITIES



**Private Sector
Driven-Large Scale
Fruit Farms**



**Cooperative
(Community) Driven-
Desa Lestari/ 21ST Century
Village**



Agropolitan



**Rubber/ Oil Palm
Plantations**



**Youth Entrepreneur
Driven- Rural
Business Challenge**



Mobilepreneur



PUSAT TRANSFORMASI LUAR BANDAR

**Rural
Transformation
Centre (RTC)/ Mini
RTC**

HUMAN CAPITAL DEVELOPMENT



Skill Trainings & Career Programme



GIATMARA-Rural Youth Training Centre



KEMAS-Kindergarten/Nursery



Rural Leadership Programme

ROLE OF RTC/ MINI RTC



STRATEGIC LINKAGES MINI RTC-RTC-UTC

Main Function

**Community
Development**



**Rural Economy
Activities**



Urban Services



Supporting Function

- Training Centre
- One Stop Centre for Government Services
- Volunteers Centre
- Agriculture Collection Centre

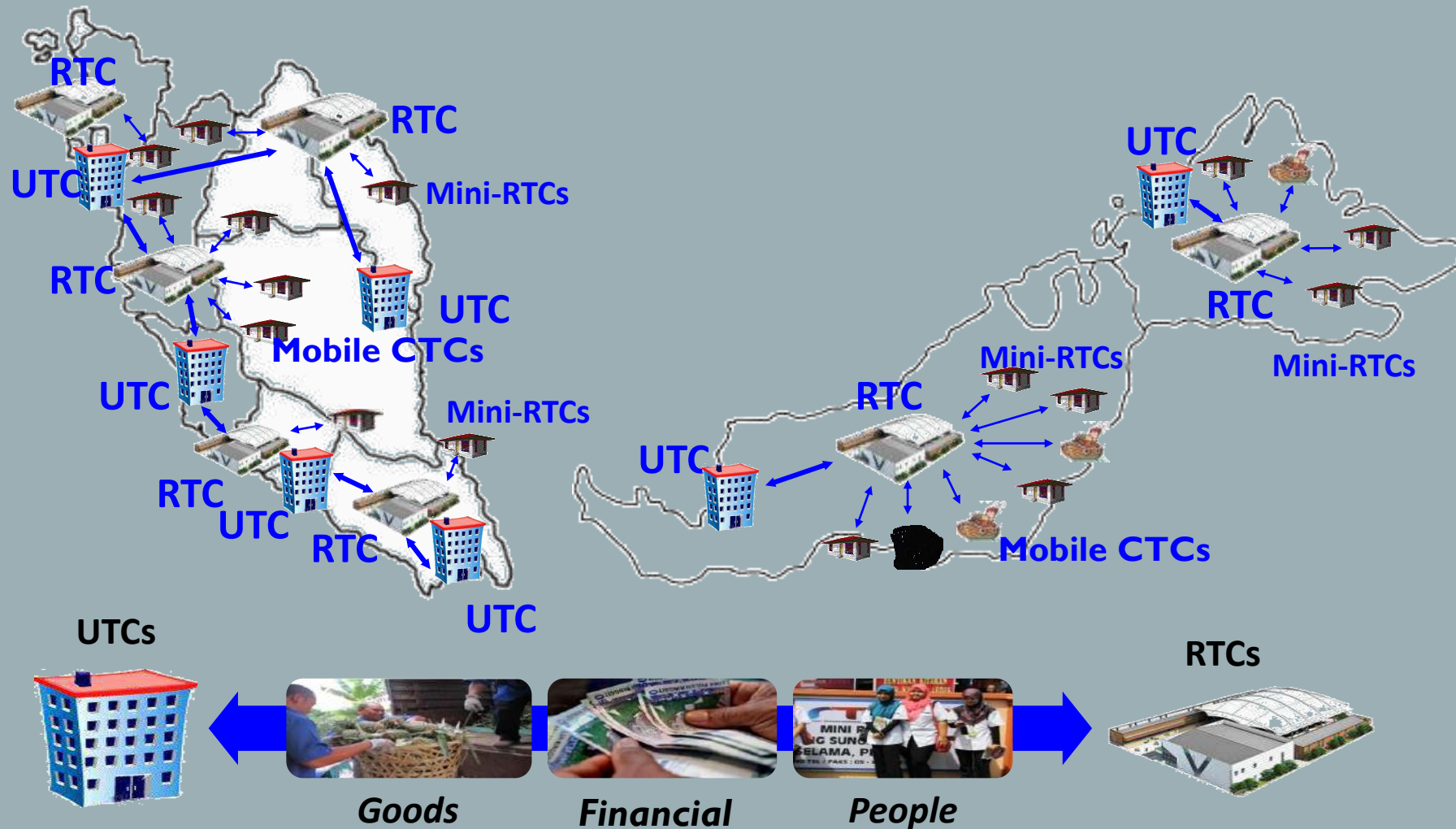
- Agriculture Supply Chain
- Skills Training
- Entrepreneurship Development Programme
- Selected Government Services
- Financial Services

- Government Services
- Youth Centre
- Financial Services
- Health Services
- Community Development

Rural

Urban

To create positive impact on the life of people in rural and urban area by developing strategic linkages and cooperation as well as effective coordination among implementing agencies within **UTC-RTC-Mini RTC**



Coordination Points under Strategic Linkages

HIGH VALUE FARMING

Rural people engaging in high-value community farming around mini-RTCs



FAMA bringing businesses to engage in contract farming with community farmers



Collection & distribution centre @ mini-RTC



COLLECTION & DISTRIBUTION CENTRE

FAMA and MDTCC working to create an efficient RTC-UTC supply chain

LOGISTICS & FAIR-PRICE STORES

Discounted KR1M products for rural consumers

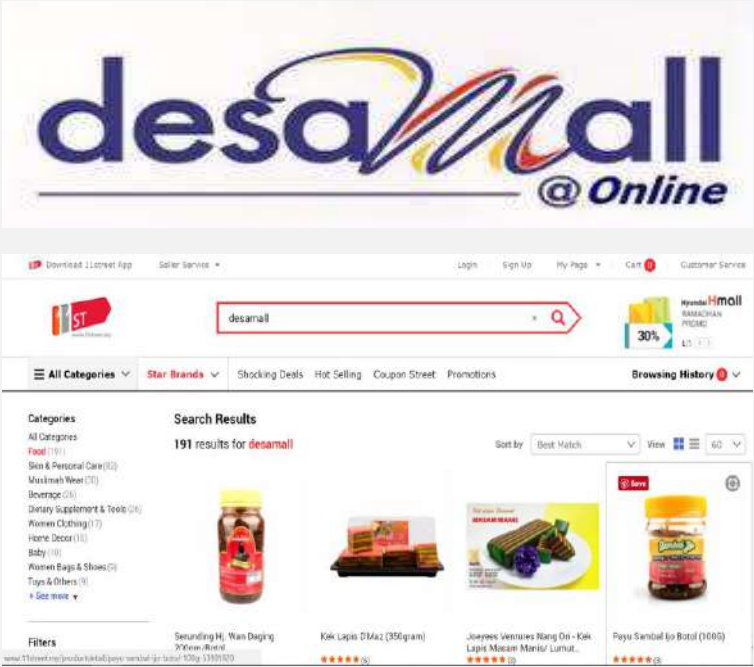


Cheaper rural products for urban consumers



WAY FORWARD

CURRENT INNOVATION



Online Shopping Platform for Rural Entrepreneurs

Village Profile Database

Banking Agents in Rural Area

IMPROVEMENT

Malaysia to improve:



**Rural-Urban Public
Transportation Connectivity**



**High Speed Internet:
Connectivity + Cost**



Courier Service

A scenic landscape featuring a bright blue sky with scattered white clouds. Below the sky is a lush green field of tall grass. In the foreground, a wooden bench with a slatted back and a gravel path leading to it are visible. The text "Terima Kasih" is overlaid in a black, cursive font across the middle of the image.

Terima Kasih