

Development Planning and Administration in Malaysia: The Importance and Challenges of Evaluation

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Abstract: The current Prime Minister, Datuk Seri Najib Tun Abdul Razak emphasizes that his administration must give due focus on delivering results or outcome rather than input or output. Such expectation requires the role of Implementation Coordination Unit of the Prime Minister's Department (ICU) to go beyond its intrinsic role which involves coordination of development program and project implementation. Ensuring that the target group or stakeholder realizes the desired outcomes and impact of all program and projects will be another top agenda for ICU. Thus, this study attempts to discuss the importance of outcome and impact evaluation of government program and project and its potential challenges.

Key words: Development, planning, evaluation, program, Malaysia

INTRODUCTION

Development planning in Malaysia has been recognized as one of the most extensive particularly in Southeast Asia. According to Waterston (1979), "among the mixed economy countries, Malaya (as Malaysia was known before independence) probably has the most effective systems for planning at federal, state, district and local levels" (Yusoff, 1995). While Higgins who had personal experienced working in Malaysia, stated that:

"No other country opted more clearly and articulately for the construction of national policies and plans as an aggregation of regional policies and plans; and Malaysia is possibly the best illustration in the world of a major theme of this book (Regional Policy in A World)..."

Hussain (2003) shared the same view with Sanusi that Malaysian successes in managing and administering development can be attributable to: sound and sustained socio-economic development program; a committed and modernized bureaucracy; responsive to the political leadership and people's need and a system of planning, monitoring and evaluation that ensures implementation always remain on the track. Development planning and development administration in Malaysia have gone through several phases of changes and modernization with the aim of achieving National Vision and Mission of

balanced and equitable development between states in the Federation of Malaysia as well as between and within economic regions. One of the main focuses of the previous administration of Prime Minister Tun Abdullah Ahmad Badawi as well as the current administration of Prime Minister Dato' Seri Mohd Najib Tun Razak is on the outcome rather than input or output of projects.

During his tenure, Tun Abdullah Ahmad Badawi had emphasized on the strong need for government agencies to ensure that every single program and project in the country produced the desired outcomes that would benefit the target groups. He pointed out that there is no used of program and project if it fails to deliver the desired outcomes. This is further strengthened by his successor Dato' Seri Mohd Najib Tun Abdul in his maiden speech to government servants immediately after assuming the new post on 28th April 2008 at Putra International Convention Center (PICC):

"There is an eminent need to have a paradigm shift from an output and expenditure based culture into an outcome and impact culture based on a holistic point of view. We must shift from assessing success based merely on output into one that assessing success based on the outcomes produced and realized by the society"

Hence, this study attempts to address the challenges on outcome and impact evaluation of government

program and project. The first part of the study will provide a brief historical perspective of National Development Planning and Development Management and Administration and followed by discussion on the current state of affairs. Finally, it will touch on the importance and challenges of evaluation with special focus on outcome and impact evaluation of government program and project.

GENERAL OVERVIEW OF NATIONAL DEVELOPMENT PLANNING IN MALAYSIA

The origin of development planning in Malaysia can be traced back to British colonial period of the country's history (Hussain, 2003; Ramli, 2007). Economic Secretariat established in 1955 was the first secretariat which oversees development policy of the country. It was responsible in preparing Malaya for its independence in 1957 when it set up Malayan Public Investment Program, which later became the First Malaya Five-Year Development Plan (1956-60). This represented the first attempt at formulating an integrated public investment plan with specific development objectives. The emphasis of the plan was on the development of agricultural and rural sectors. The earlier practice was to simply put together program proposals submitted by various departments and agencies and these subsequently were modified and trimmed down to fit the estimated financial resources available at that time. There was no inter-departmental coordination and consultation and participation at the grass root was very minimal. The Second Malaya Development Plan 1961-65 represented a more comprehensive attempt at national development planning by improving and increasing departmental and grass root participation. Gradually the government role and public involvement in the country's development process became more significant.

Before the formation of Malaysia in 1963, each of the three component states, West Malaysia, Sabah and Sarawak had their own development plans (Yusoff, 1995). The First Malaysia Plan of 1966-70 was the first integrated plan for the three separate regions. The objectives stated and the planning technique adopted were basically the same as those in the previous plan. Subsequently, Malaysia development plan from 1971-90 has been governed by the New Economic Policy (NEP) as contained in the First Outlined Perspective Plan (OPP1). The two-pronged strategies of NEP aiming at achieving national unity are poverty eradication and restructuring of the society. The stated objectives of OPP1 are: promotion of dynamic economic growth, eradication of poverty; reorganization of the society; reduction of spatial disparities.

The Second Outlined Perspective Plan (OPP2) covering the period of 1991-2000, has been formulated based on the National Development Policy of attaining balanced development in order to create a more just society with emphasis on growth with equity. The extension of the OPP2 is the Third Outlined Perspective Plan (OPP3) which incorporates the National Vision Policy emphasizing in poverty eradication and national unity. Vision 2020 as contained in the National Vision Policy was launched to reflect the vision of a fully developed nation by the year 2020. It is a long-term vision containing broad policy directions encompassing various dimensions that encompasses economically, politically, spiritually, psychologically and culturally.

Current state of affairs: Malaysia now is in the second phase towards achieving Vision 2020. Global economic challenges in the year 2000s differ from those in 1990s in which Malaysia needs to deal with great changes in the global environment of open economy while at the same time requires upgrading of the country's domestic economic conditions. For this purpose the Government launched the National Mission in 2006, a policy and implementation framework that outlined the country's priorities for the next 15 years, along with the 9th Malaysia Plan (2006-2010). The National Mission 2006-2010 underscores the need to pursue program that enhance the nation's capability to compete globally as well as to strengthen national unity and to bring better distribution of income and wealth and higher quality of life among the people.

Malaysia in 2015 was ranked 7th as the most competitive nation in Asian region and 18th in the world behind Singapore, Japan, Hong Kong, Qatar, Taiwan and United Arab Emirates (Table 1).

Although, Malaysia is grouped in High Human Development Index (HDI) from 2005-2014, however it is still far behind other advance developing countries in Asia when measured in terms of poverty index, literacy rates, basic amenities coverage, GDP per capita and

Table 1: Global Competitiveness Index (GCI)

Country/Economy	GCI 2015-2016 rank	GCI 2008-2009 rank
Singapore	2	5
Japan	6	9
Hong Kong	7	11
Qatar	14	26
Chinese Taipei	15	17
United Arab Emirates	17	31
Malaysia	18	21
Saudi Arabia	25	27
Korea Republic	26	13
China	28	30
Thailand	32	34
Kuwait	34	35
Indonesia	37	55

Schwab and Porter (2008) and Schwab (2016)

Table 2: Human Development Index (HDI)

Country/Economy	HDI 2014 rank	HDI 2005 rank
Singapore	11	25
Hong Kong	12	21
Korea Republic	17	26
Japan	20	8
Brunei Darussalam	31	30
Qatar	32	35
Saudi Arabia	39	61
United Arab Emirates	41	39
Bahrain	45	41
Kuwait	48	33
Oman	52	58
Kazakhstan	56	73
Malaysia	62	63

UNDP (2005, 2014)

Table 3: The Malaysian quality of life index, 2008-2009

Index	2008	2009	Change(%) 1990-2009
Income and distribution	123.5	121.2	21.2
Working life	132.3	129.6	29.6
Transport and communication	119.7	120.5	20.5
Health	127.9	130.8	30.8
Education	128.1	130.9	30.9
Housing	131.5	132.3	32.3
Environment	94.1	98.8	-1.2
Family life	104.8	107.3	7.3
Social participation	110.4	109.9	9.9
Public safety	83.0	83.0	-17.0
Culture and leisure	108.7	106.7	6.7
MQLI	114.9	115.6	15.6

1990 is used as the base year, EPU (2011)

education index (Table 2). Malaysia however has made a significant progress in improving quality of life of the population since 1970's deriving from strong economic growth of Gross Domestic Product (GDP) which grew by an average of 6.5% per annum during 1957-2005 (9th Malaysia Plan, 2006). During the same period, per capita GDP grew at an average of 7.0% per annum at current prices which translated into marked increase and improvement in the standard of living and quality of life of the people (Table 2 and 3).

Figure 1 shows that the average growth rate of Malaysian Quality Life Index (MQLI), a composite of 42 indicators which represent 11 components of life has steadily increased on the average of 10.9% per year from 1990-2004. Nine indicators showed marked increase particularly working life; culture and leisure; housing; health; transport and communications and education. However, it should be noted here that environment and public safety showed an alarming decline. Income and distribution, leisure and working life and culture indicators showed a further decline in 2009 compared with 2008 as shown in Fig. 1. On the other hands, other indicators such as education, housing, health and family life show great improvement. Overall, the government's commitment to enhance the quality of life has benefitted every people across all walks of life including the urban dwellers

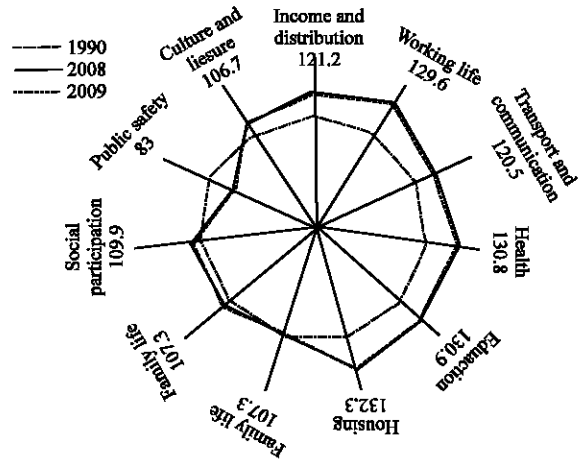


Fig. 1: Malaysian quality of life index 1990, 2008 and 2009, EPU (2011)

as well as peasants and those who are living in the rural areas. However, transport and communications only increase by 0.67% while public safety remained unchanged. Thus, it can be concluded that Malaysian public safety quality made no different from 2008-2009. Despite the higher score in housing, health and education and working life, however our quality of life in terms of public safety and environment is being compromised.

In general, the development plans have provided a collective and explicit sense of directions for development of the country. After >35 years of rigorous development effort, the country has managed to weather down world economic crises in 1997 and 2008 and 2009 with a sound economic development packages and is enroute to become a developed nation by the year 2020 as envisaged in Vision 2020. Now with the advent of information and communication technology, Malaysia is ready to leap to a different stage of development concentrating on non-physical aspect, rather than physical development

THE IMPORTANCE OF EVALUATION AND THE POTENTIAL CHALLENGES

Over the past 15 years since closing of the Socio-economic Research Unit (SEPU) of the Prime Minister's Department which used to oversees evaluation of government program and projects, no evaluation of any single projects were conducted. It was realized that there is a 'Missing Point' in the Project Cycle of Planning, Implementation and Evaluation. For the past 22 years of the previous administration, the emphasis was on input and output and the management process without having to look at the immediate as well as the eventual outcome of such projects or programs. In the past practice,

approval has been given prior to the formulation of project briefs. As a result, projects have been implemented without really assessing the positive or negative outcomes or impacts on the target groups. Consequently, the maximum impact of programs and projects could not be realized.

The term evaluation is no longer strange to many of us today. It is the new 'realism' at the global levels such as in Europe, Canada, the United States of America and now in Malaysia. It has become the 'buzzword' and attracted the attention and interest of many people at different levels of the society. The media as well as the public have started demanding transparency and accountability on the part of the government pertaining to the delivery system in meeting the people's and stake holders' expectation. Among the frequent question raised by the media and public include; did the programs and projects implementation meet the aspirations of the Stakeholders? And for every single ringgit spent, has it produced the equivalent value for money? Therefore, it is imperative for Malaysian government to demonstrate that programs and projects undertaken produce the desired and intended outcome and impacts.

Desired outcomes must be set during the planning or approval stage and the role of evaluation takes place during the implementation stage. The best practice approach requires evaluation process to help in the corrective efforts of issues raised during the implementation. It is strongly believed that the philosophy of evaluation will pave the way towards balanced decision making in term of strategy, financial, economics as well as social issues in development that affect the population as a whole. Moreover, evaluation will provide a value added in future development plans as it take into account the positive and negative outcomes and impacts of planned programs and projects based on evaluation conducted on similar programs and projects in the previous development plans.

Hence, the current Prime Minister, Datuk Seri Najib Tun Abdul Razak emphasizes that his administration must give due focus on delivering Results or Outcome rather than Input or Output. Such expectation requires the role of Implementation Coordination Unit of the Prime Minister's Department (ICU) to go beyond coordination of development program and project implementation. Ensuring that the target group or stakeholder realizes the desired outcomes and impact of all program and projects will be the top agenda for ICU. However there are few challenges that ICU needs to be aware of. In Malaysia, evaluation is still not yet a culture in the society. The denial syndrome towards evaluation among Malaysian is

still fairly high. Furthermore, the leadership in evaluation process is also still lacking due to incompetence of human resources.

CONCLUSION

The potential challenges that have been highlighted in this study could affect the effectiveness and efficiency in the process of data collection and evaluation conducted under the ICU. Nonetheless, given the strong leadership commitment on evaluation in the Prime Minister of Malaysia, Datuk Seri Najib Tun Abdul Razak as well as with serious commitment to continue doing evaluation on the part of the ministries, state governments agencies and departments, it is highly expected that the ICU can deliver desired outcomes and impact for each nation program and projects in the future.

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