

**Budget good news and challenge to all Malaysians**  
**New Straits Times**  
**October 19, 2011**  
**By Mohd Shafie Apdal**

THERE can be little doubt that 2012 Budget is good news for rural Malaysia for not only does it propose significant new investments in rural infrastructure but it also is a signal of the government's commitment to a better quality of life for all Malaysians. For example, the Rural Transformation Programme will transform rural areas to attract private investments, create employment and economic activities as well as provide opportunities for the younger generation to stay or return to live and work there.

In addition, the establishment of Rural Transformation Centres (RTCs) will enable a better integration of services such as the processing and distributing of agricultural products; banking and insurance, business advisory services; training and skills. The RTCs will also provide clinics and make available new retail space.

The creation of the Professional Services Fund will encourage professionals such as lawyers, doctors and accountants to establish businesses in small towns. The RM110 million investments in Agropolitan Projects will boost the cultivation of commodity and cash crops as well as fish-caged culture.

All of the initiatives outlined above will add value to the government's investment in basic rural infrastructure. For example, RM5 billion will be allocated to the rural road programme, the provision of clean water to 200,000 houses and the supply of electricity to 39,000 homes. I was particularly delighted to see the emphasis placed on new banking services for rural areas and the provision of soft loans for rural bus services.

All of the 2012 Budget initiatives add to my conviction that the aim of rural development must involve the virtuous circle of infrastructure development that leads to greater economic activity, new rural wealth creation and greater per capita spending power.

Traditionally, rural development programmes tended to use "top-down" models emanating from the local or regional authorities, regional development agencies, non-governmental organisations, national governments or international development organisations. However, the government has already recognised the importance of and need for the collaborative and partnership engagement of local communities.

This is in recognition of two factors. First, that the outsider may not understand the setting, culture, language and dearly held local traditions. Secondly, is the fact that the process of rural development must involve empowering the people to take ownership and participate in their community's social and economic development. It is this second point that is the most difficult to achieve for it involves a change of mindset not only from those charged with the responsibility for rural development but also from the rural communities themselves.

If, for example, the process of rural development relies solely on government investment and implementation, then the attitude of dependency is reinforced rather than the mindset of empowerment, creativity and enterprise. It is for this reason that the government is determined to implement its policies of improved rural education, human capital

development and provide support for innovation, small business development and the nurturing of entrepreneurialism.

We have to recognise and address the current manifestations of rural economic activity that tend to show a pattern of low expectation and a narrow range of business activity. I could not help but notice that at the recent Rural Entrepreneurs Carnival, there was an excellent show of small local business activities but there were very few examples of knowledge-based, high-value manufacturing or advanced technology and communication enterprises. It is these that will generate the better paid jobs and add to the virtuous circle of greater spending power that in turn will create local markets for the existing and new small businesses.

To create this virtuous circle requires a new mindset, new investment and a raising of the skills levels in rural communities. I believe that we must be able to demonstrate that with the creation of our modern infrastructure, including easy access to the Internet, there are attractive inward investment opportunities for modern business enterprises in rural areas. In short, I want to see in addition to the government, an increase in private rural investment.

There was one theme of the budget that is not only pertinent to the whole of our society but one which we must adopt to remain successful. I refer to the prime minister's emphasis on the importance of innovation. This applies as much to rural development as it does to any other sector but it also implies innovation in the ways in which we implement our rural development projects.

Thus, while the budget sets out its ambitious and welcomed plans, it is also a challenge to us all to make sure that every ringgit has a beneficial impact on the quality of life for all Malaysians. When all is said and done, it is a question of innovation, innovation, innovation!

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