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MALAYSIA

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MALAYSIA'S RURAL AGENDA:
STRATEGIC INITIATIVES,
MILESTONES, AND
FUTURE TRAJECTORY

THEME 2026

“Toward Vibrant,
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Strategic Planning Division,
Ministry of Rural and Regional Development

MALAYSIA'S RURAL AGENDA: STRATEGIC INITIATIVES, MILESTONES, AND FUTURE TRAJECTORY

By Strategic Planning Division, Ministry of Rural and Regional Development

Introduction

Rural development has long been an integral part of Malaysia's national development agenda. While the country has experienced rapid urbanization and economic transformation over the past several decades, rural communities continue to play a vital role in sustaining economic growth, preserving cultural heritage, ensuring food security and strengthening social cohesion.

Today, approximately 8.1 million Malaysians, representing nearly one-quarter of the national population, live in rural areas. Ensuring that these communities continue to benefit from national progress remains a key priority of the Government of Malaysia. Like many developing nations, Malaysia's rural development journey began with a strong focus on poverty eradication and the provision of basic infrastructure.

Over time, however, the scope of development has expanded significantly. The focus has evolved from addressing fundamental needs to building vibrant rural economies, empowering communities, enhancing human capital, promoting entrepreneurship and embracing digital transformation.

As the lead agency for rural development, the Ministry of Rural and Regional Development (MRRD) adopts a holistic and people-centered approach to ensure that rural communities are not left behind. Guided by the Rural Development Policy 2030 and the MRRD Strategic Plan 2026–2030, Malaysia continues to pursue a vision of rural communities that are vibrant, prosperous and happy.

Setting the Direction for Rural Transformation

Malaysia's rural development agenda is anchored on the belief that sustainable development requires more than physical infrastructure. It requires investment in people, institutions, innovation and local leadership.

The Rural Development Policy 2030 serves as the nation's long-term framework for building inclusive, sustainable and resilient rural communities. The policy is guided by three key principles: sustainability, inclusivity and holistic development. These principles ensure that economic growth is balanced and development addresses the social, economic and human dimensions of rural life.

Complementing this vision is the MRRD Strategic Plan 2026–2030, which translates policy aspirations into actionable programs. The plan focuses on five key areas: strengthening rural economies, enhancing human capital, improving infrastructure connectivity, empowering entrepreneurs and strengthening public service delivery. Together, these frameworks provide a clear roadmap for rural transformation while supporting national priorities, the

Sustainable Development Goals (SDGs) and regional aspirations under the ASEAN Community Vision 2045.

Connecting Communities and Creating Opportunities

Infrastructure remains one of the most important enablers of rural development. Access to roads, clean water, housing and essential services not only improves quality of life but also creates opportunities for economic participation and social mobility.

Malaysia has invested consistently in rural infrastructure to improve connectivity between rural communities and economic centers. New roads and upgraded transport networks have reduced travel time, improved access to markets and facilitated the delivery of public services. These investments are particularly important for communities located in remote and geographically challenging areas.

Access to clean water remains another critical priority. Continuous investments in rural water supply systems have improved living conditions and public health outcomes for thousands of households. Similarly, housing assistance programs have provided safe and comfortable homes for low-income families, contributing to greater social stability and improved well-being.

Beyond physical infrastructure, these initiatives help create an environment where individuals and communities can pursue economic opportunities with greater confidence and security.

Investing in People from an Early Age

Malaysia recognizes that sustainable rural development begins with investing in people. Human capital development therefore remains at the heart of the country's rural transformation efforts.

One of the most successful initiatives under MRRD is the preschool program under the Department of Community Development (KEMAS), which has become a cornerstone of early childhood education in rural Malaysia. Through an extensive network of nearly 19,000 preschool classes nationwide, more than 210,000 children aged four to six receive access to quality early education each year.

The program has helped bridge educational disparities between rural and urban communities by ensuring that children in remote areas have access to learning opportunities during their formative years. Beyond academic preparation, KEMAS focuses on character building, social development and foundational skills that prepare children for lifelong learning.

Malaysia is also expanding support for children with special educational needs. The establishment of specialized autism-friendly early intervention centers in rural areas reflects the country's commitment to ensuring that development remains inclusive and accessible to all members of society.

Equipping Rural Youth for Future Jobs

As industries become increasingly technology-driven, preparing rural youth for future employment opportunities has become more important than ever. Technical and Vocational Education and Training (TVET) has emerged as one of Malaysia's most effective tools for social mobility and workforce development. MRRD manages one of the country's largest TVET ecosystems, comprising 281 TVET institutions offering more than 569 programs across 15 skills clusters.

These institutions provide youth with practical skills and industry-relevant competencies that enhance employability and create pathways towards higher incomes. Programs are continuously updated to reflect emerging industry needs, including areas such as automation, digital technologies, advanced manufacturing and the Fourth Industrial Revolution (4IR).

Today, MRRD's TVET institutions maintain an employability rate exceeding 96 percent, demonstrating the effectiveness of skills-based education in helping rural youth secure meaningful employment and improve their socio-economic prospects.

Empowering Rural Entrepreneurs Through Digital Transformation

Entrepreneurship plays an increasingly important role in generating income and creating jobs within rural communities. Traditionally, many rural businesses operated within limited geographical markets. Particular attention is also given to women entrepreneurs, who continue to play an increasingly important role in driving household incomes and community-based economic activities across rural Malaysia.

However, advances in digital technology have created new opportunities for entrepreneurs to reach customers far beyond their local communities. Through various entrepreneurship development programs, MRRD supports more than 55,000 rural entrepreneurs across multiple sectors, including food processing, handicrafts, agriculture and community-based services. Strategic partnerships with e-commerce platforms and digital service providers have enabled entrepreneurs to adopt online business models, improve productivity and expand market access.

Digitalization has proven particularly valuable in helping rural entrepreneurs overcome geographical barriers. Today, products originating from villages and small towns can be marketed and sold to customers across Malaysia and beyond, creating new sources of income and increasing business resilience.

The experience demonstrates how digital inclusion can serve as a powerful catalyst for rural economic growth when supported by appropriate training, infrastructure and market access.

Unlocking Rural Potential Through Community-Based Tourism

Tourism has become an increasingly important component of Malaysia's rural development strategy. As preparations intensify for Visit Malaysia Year 2026, rural communities are being positioned as unique tourism destinations that offer authentic cultural experiences, natural attractions and local hospitality.

One notable initiative is Desa Kirana, a rural tourism program that showcases 25 selected rural destinations across Malaysia. The program highlights the unique strengths of rural communities, including traditional lifestyles, cultural heritage, agro-tourism experiences, eco-tourism attractions and locally produced products. More importantly, this program is driven by local community participation. Residents play an active role in developing tourism products, managing visitor experiences and generating economic benefits for their communities.

This approach ensures that tourism development remains sustainable while preserving local identity, cultural traditions and environmental assets. It also creates alternative income streams that reduce dependence on traditional economic activities and strengthen community resilience.

Strengthening Governance Through Collaboration

One of the key lessons from Malaysia's rural development experience is that meaningful transformation cannot be achieved by a single ministry or agency working in isolation.

Recognizing the interconnected nature of rural challenges, Malaysia has adopted a Whole-of-Nation approach that promotes collaboration across government agencies, the private sector, academia, civil society organizations and local communities.

A significant milestone in this effort was the establishment of the High-Level Committee on Rural Development, chaired by the Deputy Prime Minister who is also the Minister of Rural and Regional Development Malaysia. The committee brings together thirteen ministries to coordinate policies and interventions affecting rural development and communities.

This integrated governance model has strengthened policy coherence, improved resource utilization and accelerated the implementation of development initiatives. More importantly, it reflects a shared understanding that rural development is a collective responsibility requiring coordinated action at all levels.

Building Better Policies Through Research and Evidence

Effective policymaking depends on reliable data, continuous learning and evidence-based decision-making. To strengthen policy formulation and program effectiveness, MRRD established ThinkTank@MRRD as a strategic platform for research, knowledge generation and policy innovation.

The initiative supports studies on a wide range of topics, including infrastructure development, education, entrepreneurship, TVET, women's empowerment and community development. Findings from these studies help policymakers assess program outcomes, identify emerging challenges and design more effective interventions. This commitment to research and evidence-based policymaking enables Malaysia to remain responsive to changing socio-economic conditions while ensuring that rural development investments continue to generate meaningful impact.

Looking Ahead

One important lesson from Malaysia's rural development journey is that sustainable transformation requires a balance between physical infrastructure, human capital development and community empowerment. Investments in roads and utilities remain important, but long-term success depends equally on strengthening local capabilities, fostering entrepreneurship and ensuring active participation by rural communities themselves.

Malaysia's rural transformation journey continues to evolve alongside changing global realities. Emerging challenges such as climate change, digital disruption, demographic shifts and economic uncertainty require innovative and adaptive responses. While significant progress has been achieved, the work of building resilient and future-ready rural communities remains ongoing. Malaysia remains committed to ensuring that rural development goes beyond infrastructure provision to encompass economic empowerment, social inclusion, environmental sustainability and community well-being.

As countries across Asia and the Pacific seek effective approaches to rural transformation, Malaysia's experience highlights the importance of long-term planning, strong institutions, community participation and collaborative governance. Ultimately, the goal is not merely to develop rural areas, but to create communities where people can live with dignity, pursue opportunities and enjoy a high quality of life.

Malaysia remains committed to working closely with regional and international partners, including CIRDAP, to exchange knowledge, share best practices and explore innovative solutions that will advance rural development across Asia and the Pacific. Through collaboration and collective learning, we can build rural communities that are not only economically vibrant and resilient, but also inclusive, sustainable and future-ready.

May our vision continue to guide our efforts towards building vibrant, prosperous and happy rural communities for present and future generations.