CHAPTER 6

Ensuring a Better Quality of Life
CHAPTER 6
Improve Income Distribution and Living Standards of the People

6.1

Introduction

In 2006, the Prime Minister announced the National Mission which is a comprehensive framework towards achieving the objectives of Vision 2020. Five key thrusts form the overall strategic approach for Malaysia in the Ninth, Tenth and Eleventh Malaysia Plans.

In particular, the formula of “growth with equity” is given new emphasis, with a Third Thrust that aims to “address persistent socio-economic inequalities constructively and productively”. The Third Thrust retains the objectives of the “growth with equity” formula, but also aims to ensure focus on capacity building and raising competitiveness. The approach towards socio economic development would also be refined to take into account lessons learnt from past implementations, as well as pressures from global competition and liberalisation.

The following areas under the Third Thrust are adopted for the SDC:

- Eradicating poverty
- Reducing income disparity
- Reducing regional disparity
- Reducing employment disparity
- Reducing asset and wealth disparity
- Developing competitive Bumiputera entrepreneurs

6.1.1

SDC: The Socio-Economic Approach

For the SDC, the socio-economic development approach will be guided by the framework outlined under the Third Thrust of the National Mission. This is to ensure that socio-economic development efforts are aligned with the overall strategy of the nation.
At the same time, the framework for SDC must also take into account the unique challenges faced by Sabah. Though it has advanced in great strides over the decades, Sabah is still a state that is largely rural, with a current poverty rate of 24.2%\(^{26}\). This is compounded by the location of rural populations in remote places across large geographical areas.

In keeping with the mission and objectives of the National Mission, the socio-economic development approach for the SDC will be focused on these three overarching objectives:

- Eradicating poverty
- Reducing income disparity
- Increasing access to education

In the case of poverty eradication, the 9MP commits Malaysia to eradicate hardcore poverty and halve overall poverty by 2010. In the longer term, Sabah is targeting overall poverty to be less than 9% by 2015 and less than 5% by 2020.

In the case of reducing income disparity, the 9MP commits Malaysia to reduce the rural-urban income disparity from 1:2.11 in 2004 to 1:2.0 in 2010\(^{27}\). This objective is expected to be achieved through the following key strategies:

- Reducing employment disparity
- Reducing asset and wealth disparity
- Developing competitive Bumiputera entrepreneurs

Increasing access to education warrants its own specific focus, given that this is still a pressing issue in Sabah, which is still largely rural. This would involve promoting private sector and NGO participation in education development, providing incentives for rural teachers and various other initiatives.

### 6.2 Poverty Eradication

Sabah is currently afflicted with relatively high rates of poverty; indeed, Sabah has the highest poverty rate of all states in Malaysia (see Figure 6.1). In 2004, 23% of households were below the poverty line. Meanwhile, 6.5% of Sabahan households are categorised as “hardcore poor”. While there have been some success in tackling this problem, there is still much to be done. Of all the states in Malaysia, Sabah has the greatest prevalence of both overall as well as hardcore poverty: an issue that needs to be urgently addressed.

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\(^{26}\) UPEN

\(^{27}\) Ninth Malaysia Plan
While the state of poverty in Sabah vis-à-vis other states is obviously a major concern, equally important is the need to tackle poverty with respect to the individual districts within Sabah itself (see Figure 6.2).
The urban-rural divide is also quite pronounced, with the overall urban poverty rate at 14.0% compared to the overall rural poverty rate of 35.8%. In terms of hardcore poverty, the scenario remains the same, with overall urban hardcore poverty rate standing at 2.7% compared to 11.7% in rural areas.
There are currently 21,568 households under the hardcore poor category in Sabah, of which 13,837\textsuperscript{29} are productive hardcore poor households, while 3,715\textsuperscript{30} are categorised as being non-productive (old age). In addition to this, a total of 4,014\textsuperscript{31} hardcore poor household heads are categorised as being disabled. This has important implications as it highlights the vulnerability of the 7,729 families.

Poverty is a pernicious problem which needs to be vigorously eliminated. In the case of Sabah, both inter-ethnic as well as geographic disparities need to be studied to ensure that no community is excluded from the mainstream economic development in Sabah.

### Key Challenges

Efforts toward eradicating poverty in Sabah are particularly challenging because of the demographic and geographic realities of the state. Most of the poor population in Sabah live in rural areas, where many communities remain trapped in poverty as most rural folk remain employed in low-productivity activities.

\textsuperscript{28} UPEN Sabah
\textsuperscript{29} Ministry of Rural Development, Sabah
\textsuperscript{30} Ministry of Rural Development, Sabah
\textsuperscript{31} Ministry of Rural Development, Sabah
Infrastructure is also a major issue. The eradication of poverty depends heavily on the ability to provide basic amenities (electricity and piped water supply as well as roads among others). This is more difficult to do in Sabah, particularly in remote rural areas, due to the size and sparse population dispersion in Sabah.

Accurate data to monitor and manage households with income below the poverty line is another challenge: without regularly updated databases of hardcore poor households, and the lack of data on the amount of direct assistance already provided to such households. This makes poverty eradication efforts all the more difficult.

6.2.2 Programmes

Under the 9MP, significant and effective work is already underway to promote the eradication of poverty in Sabah. Within the scope of the SDC, efforts should be focused on supporting and expanding existing efforts, while amplifying poverty eradication through targeted and sustainable initiatives.

Most importantly, basic infrastructure and utilities need to be made available to rural areas. Where remote areas are concerned, alternative solutions such as solar and wind power generation could be employed. (These are covered in greater detail under the Utilities and Infrastructure segment in Chapter 5).

Other initiatives to eliminate poverty under the SDC would include:
- Expanding the size and scope of existing poverty eradication schemes
- Improving productivity in rural areas especially through agriculture (see 6.2.2.2)
- Promoting small scale rural entrepreneurship

6.2.2.1 Expanding Size and Scope of Existing Poverty Eradication Schemes

There are currently a number of programmes dedicated towards eradicating poverty. The Ministry of Rural Development is particularly active in this area through its Skim Pembangunan Kesejahteraan Rakyat (SPKR).

The SPKR in Sabah involves nine different programmes under the ambit of the 9MP:
- Income Improvement Programme (Program Peningkatan Pendapatan)
- Career Skills and Training Programme (Program Latihan dan Kemahiran Kerjaya)
- Educational Excellence Programme (Program Kecemerlangan Pendidikan)
- Housing Assistance Programme (Program Bantuan Rumah)
- Local Community Development Programme (*Program Pembangunan Masyarakat Setempat*)
- Balanced Food Supplement Programme (*Program Tambahan Makanan Seimbang*)
- Human Mind Development Programme (*Program Pembangunan Minda Insan*)
- Kindergartens (TASKI)
- Bumiputera Share Trust (*Amanah Saham Bumiputera*)

There are also other additional allocations for poverty eradication. Some fall under the purview of the Ministry of Rural Development, while others fall under various ministries and federal agencies including the Prime Minister’s Department and FELDA.

The above programmes, including *Mesej or Mini Estate Sejahtera*, would be further intensified with additional funding to be devoted towards reaching remote areas in Sabah which are in need of support but currently underserved. The highly successful agropolitan model for 1,000 poor families in Pulau Banggi will be replicated to other areas with widespread poverty, such as Pitas (1,600 families), Tongod (2,200 families) and Beluran (2,977 families).

The organisational resources for tackling poverty would also be widened. Greater roles for agencies such as the state *Zakat* body as well as related non-governmental organisations (NGOs) would be promoted.

### 6.2.2.2 Improving Productivity in Rural Areas Especially through Agriculture

A large part of the problem of rural poverty lies in the fact that most rural folk are engaged in economic activities with low rates of productivity. Under the SDC, renewed efforts would be expanded to increase agricultural productivity as well as to promote rural industries.

Initiatives to promote alternative income sources through agriculture would be implemented. These would include the promotion of fruit farming as well as aquaculture. While cultivation would still be done at the smallholder level to promote asset ownership in rural areas, support in terms of logistics and marketing would also be provided.

Rural industries would also be promoted, particularly in the area of handicrafts. Rural communities would be organised to produce specific handicraft products, with an emphasis on the One District One Product concept to promote scale. Support in terms of logistics, marketing and product development would be provided.

By providing more opportunities for rural folk to be involved in economic activities with higher levels of productivity, it is envisioned that the recipients can help themselves escape poverty.
6.2.2.3 Promoting Small Scale Rural Entrepreneurship

Under the strategy of improving productivity, avenues should be found to improve the gains for rural folk who are already engaged in some form of productive economic activity.

For poor and hardcore poor households that have been classified as non-productive, avenues must be found to involve them in the creation of economic value, to bring them out of the “non-productive” column and into the “productive” column. One of the most effective and proven methods in this respect is the promotion of small scale rural entrepreneurship.

There are various micro-credit schemes currently being operated in Sabah, including Yayasan Usaha Maju (YUM), Bank Simpanan Nasional, Amanah Ikhtiar Malaysia and Sabah Credit Corporation (SCC). Micro-credit loans have been proven to be a successful approach for promoting rural entrepreneurship amongst rural populations, especially among the womenfolk.

To further promote the availability of micro-credit facility, development financial institutions and other agencies would be encouraged to set up micro-credit operations in Sabah. In particular, parties with existing experience in Peninsula Malaysia would be strongly encouraged to expand their operations to Sabah.

The end objective is to promote social entrepreneurship, on the model of Grameen Bank in Bangladesh. Through micro-credit loans, rural entrepreneurs can engage in small scale businesses such as cellular phone rental, Internet access provision and others. This would help them move towards becoming full-fledged business owners and to escape poverty through their own efforts.

Alleviating poverty levels via entrepreneurship and homestay activities.
6.3 Income Distribution

Currently, socio-economic development in Sabah is still lagging behind many other states in Malaysia. Despite rapid advances in Sabah’s development, the mean monthly household income in Sabah is still lower than the national average (see Figure 6.4).

Sabahans living in urban districts predictably enjoy higher levels of income. Income distribution is a major concern, which needs to be tackled holistically. In this regard, there are three main leading indicators which also act as levers for income distribution:

- Employment structure
- Wealth and asset ownership
- Participation in commerce and industry

Figure 6.4: Mean Monthly Household Income by State, 2004

Source: Ninth Malaysia Plan

32 Ninth Malaysia Plan
Employment structure is an important leading indicator for income distribution. In order to promote growth in income, avenues must be found to move people into higher value employment (for example, downstream manufacturing, agropreneurship) and out of subsistence farming.

Wealth and asset ownership are also vital indicators for income distribution. The accumulation of wealth and assets allows individuals to benefit from investment income. For equity assets such as shares and unit trusts, owners stand to benefit from capital as well as dividend gains. For real estate assets such as land and houses, rising prices as well as rental incomes would benefit asset owners.

Income generation is most effective in an entrepreneurial environment where value creation opportunities are greatest. Hence, participation in commerce and industry is an important leading indicator for income growth. In particular, the Bumiputera Commercial and Industrial Community (BCIC) initiative has been part of the government’s key efforts to promote inter-ethnic income parity in Malaysia.

6.3.1 Key Challenges

One of the greatest challenges in tackling the state of income disparity in Sabah is the lack of data. While broad data is available, detailed data on income levels between ethnic communities and regions in Sabah is not regularly updated. The lack of data means that there is very little ability to gauge the success of such efforts, or to assess if there are other initiatives which would need to be implemented to achieve desired outcomes.

The other challenges in terms of tackling rural-urban income disparity are infrastructure, access to basic utilities and access to education. These challenges have in part contributed to rural population being engaged in localised economic activities, which limit their access to higher-value employment opportunities.

In terms of wealth and asset ownership, often the challenge is to help those from disadvantaged backgrounds to get on the first rung of the ladder towards being asset owners. Many poor folk are engaged in rural economic activities which generate very little, if any, surplus value that can be converted into cash savings for the purpose of investments in financial assets such as shares and unit trusts. Likewise, the lack of savings prevents many from having the necessary financial resources required to purchase their own homes.

As for the promotion of participation in commerce and industry, the challenges include lack of experience on the part of the promoted entrepreneurs, lack of infrastructure (especially for those involved in retail activities), as well as lack of seed funding.
6.3.2 Proposed Programmes

Addressing the issue of income distribution will require consistent and concerted effort. Furthermore, it requires action on all three fronts of employment restructuring, asset and wealth ownership, as well as participation in commerce and industry, for sustainable success to be achieved.

Across the board, efforts would be required to improve data gathering to support analysis and policy making. It is recommended that the State Economic Planning Unit expands its operations to include data gathering and monitoring on important indicators, which could include:

- Employment distribution in private and public companies (in terms of gender as well as ethnicity)
- Ethnic representation in registered professions (for example, accounting, law, architecture)
- Ownership of share capital of limited companies by ethnic group and sector
- Ownership of commercial buildings and premises by ethnic group

In addition to the need for macro data to facilitate policy-making, there is also a strong need for specific initiatives to be taken to promote greater balance in income distribution for Sabah.

Initiatives to be implemented under the SDC to address income distribution via employment restructuring would comprise various human capital development initiatives including:

- Setting up a Human Capital Planning Council to promote dialogue on manpower requirements
- Expanding education opportunities through community colleges and UiTM franchise colleges
- Providing professional development and training funds

For promoting wealth and asset ownership, the following initiatives would be considered:

- Establishing a Housing Development Fund to promote home ownership
- Expanding access to Amanah Saham Bumiputera
- Establishing a property REIT for the rural community
- Enhancing the role of Wakaf, Zakat, and Baitulmal institutions

To promote participation in commerce and industry, the following initiatives would be needed:

- Setting up a State BCIC Development Council
- Expanding entrepreneurship loans and training schemes
- Providing strategic retail locations for Bumiputera entrepreneurs
- Promoting franchise development programmes
Establishing a Housing Development Fund to Promote Home Ownership

This fund would operate in a similar way to the Housing Development Board scheme in Singapore. Funds would be procured either through a regular grant from Federal or State Government or through private sector-supported means.

The funds would be used to develop affordable public housing which would be sold to eligible households under a lease arrangement that is converted into full home ownership at the end of the lease period.

This initiative would be particularly important in order to promote home ownership in urban areas within Sabah.

Enhancing Role of Wakaf, Zakat and Baitulmal Institutions

Wakaf and Baitulmal institutions presently exist in all states in Malaysia; however, many of them are under-utilised and can be leveraged further for socio-economic development.

Under the Wakaf initiative, idle Wakaf land can be consolidated and developed, either as stand-alone housing or commercial projects, or as part of a larger REIT.

Zakat collection should be optimised and funds resulting from collections can be channelled towards direct assistance for the poor and orphans. The state Baitulmal needs to be upgraded and professionalised to meet this new mandate.

Establishing a Property REIT for the Rural Community

Sabah is opening up larger tracts of land for real estate development especially for tourism. In order to realise maximum value of the land and to provide a sustainable income over the medium to long term, a trust should be set up to lease these land from the rural population (see Tourism Property Development Trust in Chapter 2).

The seed capital for this REIT could come from a grant from the Federal or State Government. Additional state land may also be injected into the trust to enhance the immediate value of the trust. Eligible land owners can lease their land to the trust in exchange for units, and a mechanism would also be put into place to enable the poorer Bumiputera to own such units and hold on to them over the long term.
Expanding Access to Amanah Saham Bumiputera

The Amanah Saham Bumiputera (ASB) has been proven to be a successful and sustainable mechanism for investing Bumiputera funds into value-generating investments which benefit Bumiputera investors. However, most of the units subscribed under ASB are largely held by Bumiputeras with high income levels who typically “max out” on their allowed investment amounts.

To promote unit trust investment among poorer Bumiputeras, bonus units could be awarded through a mechanism that ensures sustainable long-term investing. Matching grants could be provided to promote regular investing.

Setting Up a State Bumiputera Commercial and Industrial Community (BCIC) Development Council

Under the Second Phase of the BCIC initiative, a new cluster-based approach has been developed at the national level to promote sustainable, value chain-oriented Bumiputera entrepreneurs.

To ensure greater co-ordination among state and federal agencies, a state-level BCIC Development Council would be set up to provide Cabinet-level oversight. This Council would have a dedicated development and monitoring department to ensure regular monitoring and data collection, in order to facilitate analysis and decision-making. Among others, this department would help maintain a Bumiputera Contractor Master List to help provide a centralised database for capable Bumiputera contractors and provide job matching opportunities.

This Council would also identify suitable value chain clusters for strategic focus and implementation. Anchor GLCs would be appointed among the existing state GLCs (or new ones would be created whenever necessary) to act as mentors and provide business opportunities for capable Bumiputera entrepreneurs in each value chain cluster.

The BCIC Development Council would work closely with the State Economic Planning Unit and the Economic Planning Unit of the Prime Minister’s Office to promote BCIC development in Sabah.
Expanding Entrepreneurship Loans and Training Schemes

Currently, the Sabah Economic Development Corporation (SEDCO) is already actively providing financial and training assistance for Bumiputera entrepreneurs. However, SEDCO itself must balance this mandate with its own imperative for value creation through its existing subsidiaries.

To ensure dedicated focus for entrepreneur development, it is proposed that the entrepreneur development mandate be removed from SEDCO and put under a separate agency – a Perbadanan Usahawan Sabah Berhad – which would report to the BCIC Development Council. Under this agency, existing entrepreneurship loans and training schemes would be expanded in terms of financial amount as well as geographic reach.

Providing Strategic Retail Locations for Bumiputera Entrepreneurs

For retail entrepreneurs, location is paramount. Providing strategic locations for business would go a long way towards promoting business competitiveness for Bumiputera entrepreneurs engaged in the retail business.

The state BCIC Development Council will take the lead in identifying such locations for acquisition or lease. Implementation of this initiative can be taken up by the Bumiputera urban property REIT, MARA, other relevant agencies or GLCs.

Promoting Franchise Development Programmes

Franchise development has been identified as one of the key initiatives for developing Bumiputera entrepreneurs. At the national level, the promotion of franchise development has been spearheaded by Perbadanan Usahawan Nasional Berhad (PUNB).

A Perbadanan Usahawan Sabah Berhad could be set up to take the lead in franchise development, and suitable Bumiputera entrepreneurs can be enlisted to become franchisees. Funding and business support would be provided for franchisees to ensure their success.
6.4 Basic Education

The state of education in Sabah is still lagging when compared to Malaysia as a whole, and this is largely attributable to the lack of infrastructure and facilities. This is mainly due to the fact that 72% \(^{33}\) of Sabah’s schools are located in rural areas. As a result, the problems of rural education are magnified in Sabah.

In terms of infrastructure and basic utilities, there is still much work to be done. Most rural schools lack 24-hour electric supply, supply of clean water, access to computers, and science laboratories.

In terms of the availability of teachers, the teacher-to-student ratio in Sabah is more favourably at 1:13.9 \(^{34}\), compared to the Malaysian average ratio of 1:16.4 \(^{35}\). However, due to the geographical spread of students, there is still a shortage of qualified teachers in Sabah.

As a result of lack of infrastructure as well as other social factors, the participation and drop-out rates in Sabahan schools are still a cause for concern, with the proportion of youth not attending school twice the national average (see Figure 6.5).

Figure 6.5: Education Attainment by Persons Age 6 and Over

![Figure 6.5: Education Attainment by Persons Age 6 and Over](source: UNDP 2007 Report on Sabah)

33 Ministry of Education, Sabah
34 Ministry of Education, Sabah
35 Education Development Master Plan (PIPP)
6.4.1 Key Challenges

The challenges towards improving access to education in Sabah are numerous. The most obvious is the need to tackle current deficiencies in infrastructure. Financial allocations are required to ensure that schools at least have access to basic electricity and clean running water. What’s more, for students in Sabah to be able to gain employment opportunities in higher value-added sectors when they leave the schooling system, more computer and science laboratories need to be built to ensure their access to science and technology education.

The quality of teachers is also a point of concern. More effort must be made to ensure that rural students have access to well-trained and experienced teachers to ensure effective and impactful education.

Improving participation in education needs to be given serious attention if rural populations are to be brought out of poverty and into the modern economy. More hostel facilities and financial assistance will be required to ensure all obstacles to education are removed. Motivation and counselling may also be required to ensure students and their families are fully aware of the downside of dropping out of school.

6.4.2 Programmes

The need for better infrastructure, especially for rural schools in Sabah, remains a serious concern. The State Education Department must work closely with the Federal Government to identify urgent needs and negotiate for the required allocations for installing and upgrading infrastructure. At the same time, the provision of necessary infrastructure should proceed by co-ordinating the following initiatives:

- Promoting ‘Adopt-a-School Programme’ among private sector companies
- Harnessing NGO participation
- Setting up Yayasan schools for high achieving students from rural districts

Under the Education Development Master Plan, *Pelandik Pembangunan Pendidikan* (PIPP) announced by the Ministry of Education in 2007, new incentives and facilities would be provided for teachers who have been asked to serve in rural schools. While the Ministry of Education would still be taking the lead on issues of teaching quality, the following can be implemented at the state level:
• Providing top-up allowances and other incentives for rural teachers
• Setting up programmes to encourage locals to enter the teaching profession

In order to tackle the issue of participation and dropping out, more resources need to be expended towards encouraging students to stay in school. At the same time, avenues must be found to ensure that those who have dropped out of school are not deprived of opportunities to develop themselves. Initiatives towards these objectives could include:
• Providing motivational and counselling resources
• Extending vocational training to younger age groups

6.4.2.1 Promoting ‘Adopt-a-School’ Programme Among Private Sector Companies

Under the Corporate Social Responsibility (CSR) initiative, many private sector companies are becoming increasingly aware of their obligations to give back to society. One of the primary avenues for CSR among such companies is in the area of education.

As it stands, several companies (Khazanah and ECM-Libra among others) have already embarked on the ‘Adopt-a-School’ programme, where companies ‘adopt’ a school and help to repair infrastructure, provide facilities such as computers, and even provide teaching volunteers from among their staff.

A central clearinghouse could be established to match interested companies with schools in need of support. State GLCs and indigenous Sabah private companies would be particularly encouraged to participate.

6.4.2.2 Harnessing NGO Participation

There are many international NGOs which are currently engaged in fundraising for rural education in far-flung areas such as Africa and Latin America. Malaysian and international NGOs should be encouraged to raise awareness among Malaysians about the plight of rural schools in Sabah.

Fundraising from NGOs can be used as part of a dedicated ‘Adopt-a-School’ programme, or even to adopt individual children in remote rural areas. Donors would be given regular updates on the development of the schools or children they are currently funding.
6.4.2.3 Setting Up Yayasan Schools for High Achieving Students from Rural Districts

There is already much effort currently being made by state agencies such as Yayasan Sabah to promote access to education for rural children. For bright and capable rural students, places are made available for them in government-run, fully-residential schools (SBPs) or MARA Junior Science Colleges (MRSMs), with financial assistance often provided by Yayasan Sabah.

To increase access to quality education for rural students, it is proposed that Yayasan schools be set up at the primary and secondary levels in the relevant rural districts. Such schools can be structured like the MRSM-YT in Terengganu, which are jointly run by MARA and Yayasan Terengganu. Such schools would increase access to quality education, especially for bright students from rural areas who are unable to secure places in SBPs and MRSMs.

6.4.2.4 Providing Top-up Allowances and Other Incentives for Rural Teachers

Under the Education Development Master Plan, there are a number of strategies already outlined to promote the quality of teachers, especially for those posted in rural areas such as the interior districts of Sabah.

To attract capable and motivated teachers to serve in such areas, the State Education Department and Teacher Training Institutes could identify teachers to serve in specific schools. Additional allowances and other incentives such as housing and cost of living top-ups could be provided to these teachers, over and above existing schemes by the Ministry of Education.

6.4.2.5 Setting Up Programmes to Encourage Locals to Enter Teaching Profession

Responsible agencies in Sabah should work with the State Education Department to identify secondary school leavers, diploma holders and graduates from the relevant rural areas to join the teaching profession and serve in their own hometowns and villages. This would help create greater attachment between teacher and school, and help increase the impact of the teacher on the education of his or her students.
Providing Motivational and Counselling Resources

For students in rural areas particularly, spending time in school may pose opportunity costs. Students in such circumstances may well question the need for schooling, in view of the pressing need to earn income to support their families.

The State Education Department, Yayasan Sabah and local schools can work together to identify the motivational and counselling needs for students. Permanent counsellors could be placed in large rural schools, while smaller schools could be served by a travelling counsellor. Funding could also be obtained to bring motivational speakers to visit rural schools and inspire the students to strive towards better education to improve their quality of life.

Extending Vocational Training to Younger Age Groups

Sabah is largely rural, with a substantial rate of student drop-outs. Many of them may not be academically inclined and others may feel compelled to leave the education system early due to the need to earn an income for their families. Unfortunately, this state of affairs usually leaves such students trapped in low-earning economic activities with very little skills for them to leverage.

A demand-driven programme would be set up where companies would identify potential employees, who would then be provided with training that is relevant to the needs of the company. Syllabus and certification would be provided in consultation with industry players.

A second programme would be set up to implement a new vocational curriculum, where the Ministry of Education can collaborate with state-level agencies to identify vocation-driven syllabuses which would be offered to students in selected schools across Sabah. This programme would help to reduce the rate of students opting out of the school system by providing them with a practical, vocation-oriented education which will allow them to shift into more advanced vocational courses or to set up their own businesses.