

Integrating the Madani Concept into Asean Poverty Eradication Policies: A Comparative Analysis of Rural Development in Malaysia, Indonesia, and Thailand

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DOI: <https://dx.doi.org/10.47772/IJRISS.2025.9010279>

Received: 12 January 2025; Accepted: 16 January 2025; Published: 19 February 2025

ABSTRACT

Poverty eradication remains a critical challenge within the ASEAN region, particularly in rural communities where socio-economic disparities are most pronounced. This study provides a comparative analysis of poverty eradication policies in Malaysia, Indonesia, and Thailand, with a specific focus on how Malaysia's MADANI (Moral, Compassionate, and Inclusive) concept can enhance these efforts. Utilizing a qualitative approach centered on detailed case studies, including historical contexts and scholarly analyses, the paper identifies best practices and areas for improvement. The findings suggest that while all three countries have made notable progress, integrating the principles of MADANI into poverty eradication strategies could further improve inclusivity, sustainability, and governance in rural areas. The paper concludes with policy recommendations aimed at enhancing the effectiveness of poverty eradication efforts within the ASEAN context, particularly through the application of the MADANI framework.

Keywords: Poverty eradication, MADANI, ASEAN, rural development, Malaysia, Indonesia, Thailand, policy analysis.

ABSTRAK

Pembasmian kemiskinan kekal Sebagai cabaran kritikal di rantau ASEAN, terutamanya dalam masyarakat luar bandar di mana jurang sosio-ekonomi paling ketara. Kajian ini menyediakan analisis perbandingan dasar pembasmian kemiskinan di Malaysia, Indonesia, dan Thailand, dengan tumpuan khusus tentang bagaimana konsep MADANI (Moral, *Compassionate*, dan Inklusif) Malaysia boleh meningkatkan usaha ini. Menggunakan pendekatan kualitatif yang berpusat pada kajian kes terperinci, termasuk konteks sejarah dan analisis ilmiah, kertas kerja mengenal pasti amalan terbaik dan bidang untuk penambahbaikan. Penemuan menunjukkan bahawa walaupun ketiga-tiga negara telah mencapai kemajuan yang ketara, penyepaduan prinsip MADANI ke dalam strategi pembasmian kemiskinan boleh meningkatkan lagi keterangkuman, kemampanan dan tadbir urus di kawasan luar bandar. Kertas kerja ini diakhiri dengan cadangan dasar yang bertujuan untuk meningkatkan keberkesanan usaha pembasmian kemiskinan dalam konteks ASEAN, khususnya melalui penggunaan rangka kerja MADANI.

INTRODUCTION

Poverty eradication is a central objective of the Sustainable Development Goals (SDGs), particularly SDG 1, which aims to "end poverty in all its forms everywhere" by 2030 (United Nations, 2015). In the ASEAN region, rural poverty presents a persistent challenge, exacerbated by factors such as limited access to education, healthcare, and economic opportunities (World Bank, 2023). Despite various national strategies, poverty remains entrenched in rural areas, posing significant barriers to achieving equitable development across the region.

This study provides a comparative analysis of the poverty eradication policies of Malaysia, Indonesia, and Thailand, with a focus on how the principles of Malaysia's MADANI concept can enhance these efforts. The

MADANI framework, introduced by Prime Minister Anwar Ibrahim, emphasizes inclusivity, justice, sustainability, and compassion—values that are critical for addressing the complex challenges of rural poverty. The research seeks to answer the following key questions: -

1. What are the key poverty eradication policies implemented in Malaysia, Indonesia, and Thailand?
2. How effective are these policies in addressing rural poverty?
3. How can the MADANI concept enhance poverty eradication efforts in Malaysia and potentially be applied in other ASEAN countries

Historical Context of Poverty in ASEAN Countries

Malaysia

Since gaining independence in 1957, Malaysia has focused on economic growth and poverty reduction as key national priorities. The implementation of the New Economic Policy (NEP) in 1971 marked a significant shift in Malaysia's approach to poverty eradication, aiming to reduce poverty and restructure societal imbalances, particularly among the Bumiputera population (Yusof, 2019). Over the decades, Malaysia has seen substantial economic growth, but poverty persists, especially in rural areas where access to resources and opportunities remains limited.

Indonesia

Indonesia's history of poverty eradication is closely tied to its post-independence economic strategies and subsequent political shifts. Following the fall of Suharto's regime in 1998, Indonesia embarked on a process of decentralization, leading to the implementation of the National Program for Community Empowerment (PNPM) in 2007. PNPM aimed to empower local communities through decentralized governance, focusing on poverty reduction by involving communities directly in development initiatives (Suryahadi, Votipka, & Widjaja, 2017).

Thailand

Thailand's approach to poverty eradication has been shaped by its political history and the leadership of King Bhumibol Adulyadej. The Sufficiency Economy Philosophy (SEP), introduced by King Bhumibol, became a cornerstone of Thailand's development strategy, promoting moderation, self-reliance, and sustainability. This approach has been particularly influential in rural areas, where the philosophy has guided agricultural and community development efforts (UNDP, 2017).

LITERATURE REVIEW

Theoretical Framework: The Capability Approach and MADANI

This study is grounded in Amartya Sen's Capability Approach, which posits that poverty should be understood not merely as a lack of income but as a deprivation of basic capabilities that enable individuals to lead the lives they value (Sen, 1999). This approach is particularly pertinent for analyzing poverty in rural communities, where deprivation often extends beyond income to include limited access to essential services and opportunities. The Capability Approach provides a comprehensive framework for evaluating poverty eradication efforts, emphasizing the importance of expanding individual freedoms and capabilities.

The MADANI concept, introduced as a governance framework in Malaysia, complements the Capability Approach by emphasizing inclusivity, justice, sustainability, and compassion. It aligns with the SDGs and offers a values-driven approach to policy implementation. By integrating MADANI into poverty eradication efforts, Malaysia aims to create a more equitable and just society, particularly in addressing the socio-economic disparities that exist between rural and urban areas.

Poverty in ASEAN: Context and Challenges

Poverty in ASEAN is predominantly rural, with agriculture being the main livelihood for many households

(Asian Development Bank, 2023). However, rural areas often face challenges such as inadequate infrastructure, limited market access, and poor educational and healthcare services. These challenges are compounded by environmental vulnerabilities, including climate change, which disproportionately affects rural populations (World Bank, 2023). Despite economic growth in the region, rural poverty persists, highlighting the need for more effective and targeted poverty eradication strategies.

In Malaysia, poverty eradication has been a central goal since the implementation of the New Economic Policy (NEP) in 1971, which aimed to restructure the economy and reduce poverty, particularly among the Bumiputera population (Yusof, 2019). Indonesia's approach has been characterized by community empowerment through the National Program for Community Empowerment (PNPM), which focuses on decentralization and local participation (Suryahadi, Votipka, & Widjaja, 2017). Thailand, on the other hand, has integrated the Sufficiency Economy Philosophy (SEP) into its national development strategy, promoting sustainable and self-reliant development in rural areas (UNDP, 2017).

METHODOLOGY

This study employs a qualitative research design centered on detailed case studies from specific rural regions in Malaysia, Indonesia, and Thailand. The case study approach was chosen for its ability to provide in-depth insights into the complex and context-specific nature of poverty eradication policies. Each case study was selected based on its relevance to the broader themes of the research, including policy implementation, sustainability, inclusivity, and the integration of values-driven frameworks such as Malaysia's MADANI concept.

Case Study Selection Criteria

The case studies were selected using the following criteria: -

Relevance to National Poverty Eradication Strategies: Each case study region was chosen because it represents a significant focus of national poverty eradication efforts, providing a microcosm of the broader strategies employed by Malaysia, Indonesia, and Thailand.

Diversity of Contexts: The selected regions exhibit diverse socio-economic, cultural, and environmental conditions, allowing for a comparative analysis that highlights the varying impacts and effectiveness of poverty eradication policies.

Availability of Data: Regions were selected based on the availability of detailed secondary data, including government reports, academic studies, and other relevant documentation that provide insights into the implementation and outcomes of poverty eradication policies.

Data Collection and Analysis

The study relies on secondary data sources, including government policy documents, academic literature, reports from international organizations, and statistical data from reliable sources such as the World Bank, Asian Development Bank, and national statistics agencies. These sources were used to construct a detailed narrative for each case study, focusing on the following aspects: -

Policy Context and Objectives: Analyzing the specific poverty eradication policies implemented in each region, their stated objectives, and the socio-political context in which they were introduced.

Implementation Strategies: Examining the methods and mechanisms through which these policies were implemented, including any localized adaptations or innovations.

Outcomes and Impact: Assessing the effectiveness of these policies in reducing poverty, with a focus on key indicators such as income levels, access to services, and social inclusion.

Challenges and Lessons Learned: Identifying the challenges encountered during the implementation of these

policies and the lessons that can be drawn for future poverty eradication efforts.

Comparative Analysis

Following the individual case studies, a comparative analysis was conducted to identify common themes and divergent outcomes across the three countries. This analysis focused on understanding how different socio-economic and political contexts influence the success of poverty eradication policies, and how the principles of the MADANI framework could be applied or adapted to enhance these efforts in Malaysia and potentially other ASEAN countries.

By focusing on case studies, this methodology allows for a deep, context-sensitive exploration of poverty eradication policies, providing valuable insights that are grounded in real-world examples. This approach is particularly suited to examining the nuanced impacts of policy interventions in diverse rural settings, offering a robust basis for the study's conclusions and recommendations.

Case Studies

Malaysia: The Impact of the New Economic Policy (NEP) and MADANI in Rural Kelantan

Context:

Kelantan, a northeastern state in Malaysia, is predominantly rural and has historically lagged in economic development compared to other states. The New Economic Policy (NEP), introduced in 1971, aimed to reduce poverty and restructure societal imbalances, particularly in rural areas. With the introduction of the MADANI framework, these efforts have been reoriented towards greater inclusivity and sustainability.

Policy Implementation:

The NEP focused on improving infrastructure, education, and healthcare in rural areas. Under the MADANI concept, these efforts have been expanded to include more community-driven approaches, emphasizing participation, justice, and environmental sustainability. Specific initiatives include rural electrification, educational programs, and sustainable agricultural practices.

Outcomes:

The infrastructure improvements led to increased economic activity, with rural markets becoming more accessible. The poverty rate in Kelantan decreased significantly from the 1970s to the early 2000s (Yusof, 2019). However, the integration of MADANI principles has introduced new dimensions of justice and sustainability, ensuring that the benefits of development are more evenly distributed and environmentally sound.

Lessons Learned:

The Kelantan case highlights the importance of integrating values-based governance frameworks, such as MADANI, into poverty reduction strategies. This approach not only addresses immediate economic needs but also ensures long-term social and environmental sustainability.

Supporting Research:

Scholarly research by Mohamad (2018) supports the effectiveness of the NEP in reducing poverty in rural Malaysia, particularly in areas with significant Bumiputera populations. However, the research also points to persistent challenges in achieving equitable development, which the MADANI framework aims to address through its focus on inclusivity and justice.

Indonesia: Community Empowerment in East Java Through PNPM

Context:

East Java, one of Indonesia's most populous provinces, has significant rural areas where poverty levels have historically been high. The National Program for Community Empowerment (PNPM), initiated in 2007, aimed to empower local communities by involving them directly in the planning and implementation of poverty reduction projects.

Policy Implementation:

PNPM in East Java focused on community-driven development, capacity building, and microfinance support, enabling villages to develop their own poverty reduction projects and small businesses. While the program has seen success, integrating principles similar to those in the MADANI framework could enhance its impact by promoting inclusivity and long-term sustainability.

Outcomes:

The CDD approach led to high levels of community participation, with local projects reflecting the most pressing needs of the population. Despite these successes, the program faced sustainability issues, particularly after the PNPM funds were exhausted. Incorporating MADANI principles could address these sustainability challenges by fostering more inclusive and equitable participation.

Lessons Learned:

The East Java experience demonstrates the potential of community-driven approaches in poverty eradication but also highlights the need for sustainable funding mechanisms and strong governance. Integrating a values-based framework like MADANI could further enhance these efforts by ensuring that development is both inclusive and sustainable.

Supporting Research:

Research by Suryahadi et al. (2017) provides evidence of the positive impact of PNPM in reducing poverty and improving social cohesion in rural Indonesia. The study highlights the importance of community participation but also notes challenges related to sustaining the momentum of these initiatives once external funding diminishes.

Thailand: The Sufficiency Economy Philosophy (SEP) in Northern Thailand

Context:

Northern Thailand is characterized by its mountainous terrain and significant ethnic diversity, with many rural communities depending on subsistence agriculture. The Sufficiency Economy Philosophy (SEP), inspired by King Bhumibol Adulyadej, has been central to Thailand's development strategy, emphasizing moderation, self-reliance, and sustainable development (UNDP, 2017).

Policy Implementation:

In the rural areas of Northern Thailand, SEP was implemented through agricultural reforms, water resource management, and community development projects aimed at improving overall quality of life. Integrating MADANI-like principles into SEP could further strengthen these initiatives by emphasizing justice and inclusivity.

Outcomes:

Many farmers benefited from SEP by diversifying their income sources and improving food security. However, its impact has been uneven, with some regions benefiting more than others. The incorporation of MADANI principles could help address these disparities by ensuring that all communities are included in the development

process.

Lessons Learned:

The case of Northern Thailand illustrates the importance of context-specific development strategies that emphasize sustainability and self-reliance. However, the integration of justice and inclusivity, as emphasized in the MADANI concept, could further enhance these efforts.

Supporting Research:

Pholphirul (2020) conducted an empirical analysis of SEP's implementation in Northern Thailand, highlighting its success in promoting sustainable agricultural practices and community resilience. The study suggests that incorporating a more explicit focus on social justice and inclusivity could enhance the effectiveness of SEP in addressing rural poverty.

RESULTS

The comparative analysis of these case studies reveals several critical insights into the effectiveness of poverty eradication policies in Malaysia, Indonesia, and Thailand:

Malaysia: The NEP, when enhanced by the MADANI framework, has the potential to significantly reduce poverty in rural areas by promoting inclusivity, sustainability, and justice.

Indonesia: The PNPM has empowered rural communities, but sustainability and inclusivity remain pressing challenges that could be addressed by integrating MADANI-like principles.

Thailand: The SEP offers a holistic approach to poverty eradication, but its impact could be enhanced through more localized and targeted policy measures that align with the values of MADANI.

DISCUSSION

The findings from the case studies suggest that while each country has made significant progress in poverty eradication, challenges remain in policy implementation, sustainability, and inclusivity. The integration of the MADANI framework into Malaysia's poverty eradication efforts presents a valuable opportunity to address these challenges, not only within Malaysia but also as a model for other ASEAN countries.

Policy Recommendations

Localized Policy Approaches: Policies should be tailored to the specific needs of rural communities, with greater decentralization and local government involvement in the design and implementation of poverty eradication programs. The MADANI framework's emphasis on inclusivity can guide these efforts.

Enhancing Community Participation: Policies should prioritize community-driven development models that involve rural communities in decision-making processes, ensuring that poverty eradication efforts are aligned with local needs and aspirations. MADANI's focus on compassion and justice can ensure these efforts are equitable and inclusive.

Integrating Social Protection with Economic Development: Combining social protection measures with initiatives that promote economic self-sufficiency can create a more comprehensive and sustainable approach to poverty eradication, in line with the MADANI principles.

Focus on Sustainability and Climate Resilience: Incorporating climate resilience strategies into poverty eradication policies is essential for ensuring that rural communities can adapt to environmental changes and reduce their vulnerability to climate-related shocks. MADANI's sustainability principle supports this integration.

Leveraging Technology: Investing in digital infrastructure and promoting the use of technology in poverty

eradication efforts can enhance access to information, financial services, and markets for rural communities, aligning with the MADANI framework's emphasis on innovation and sustainability.

Robust Monitoring and Evaluation: Establishing comprehensive monitoring and evaluation frameworks is crucial for assessing the effectiveness of poverty eradication policies and making necessary adjustments to improve outcomes. The MADANI principle of good governance supports the development of transparent and accountable monitoring systems.

CONCLUSION

This study underscores the importance of context-specific poverty eradication policies that address the unique challenges of rural communities in ASEAN countries. The comparative analysis of Malaysia, Indonesia, and Thailand reveals both successes and areas for improvement, providing valuable lessons for future policy development. Implementing the recommended policy improvements, guided by the principles of the MADANI framework, can enhance the effectiveness and sustainability of poverty eradication efforts, contributing to more equitable and inclusive development in the ASEAN region.

ACKNOWLEDGEMENT

First of all, I would like to take the opportunity here to express my gratitude to Almighty God for with His abundance and permission, He has given me guidance, inspiration, and strength to successfully complete this journal article. My special thanks go to the supervisor who is also my mentor, the blessed Dr. Faridah Jaafar who always gave me guidance and advice to complete this journal article. The encouragement she gave, gave me an injection of enthusiasm to concentrate fully on this thesis work so that it can be handled perfectly.

LIST OF ABBREVIATION

ASEAN Association of Southeast Asian Nations

FGD Focus Group Discussion

IPS Institute Pengajian Siswazah

IRSG International Rubber Study Group

NGO Non-Governmental Organization

PBB Pertubuhan Bangsa-Bangsa Bersatu

RISDA Rubber Industry Smallholders Development Authority

SDG Sustainable Development Goals

SDG 1 Sustainable Development Goal 1

UN United Nations

USM university Sains Malaysia.

UNDP United Nations Development Programme

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