

Infrastructure Development in Malaysia: Lessons for India

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Abstract

Malaysia got independence on 31st August 1957; a full decade after India. The problems inherited by both the countries were quite similar – economy in bad shape, high levels of population and poverty, lack of resources, alarming levels of illiteracy and unemployment and a fledgling private sector. However, unlike India, by and large the Malaysian Government has succeeded in meeting the growing demand for infrastructure. In Malaysia, the Government built on the initial stock of infrastructure and all categories of infrastructure have since expanded manifold and facilities have also been modernized. The development of infrastructure has required very large investments and, appropriately, the infrastructure sector has received the largest share of public sector development expenditure in every one of the Malaysia Plans. From the early 1990s because of resource constraints faced by the public sector, the Malaysian Government has encouraged and facilitated private sector participation in infrastructure development. There is a lesson to be learnt for the policy makers in India from the Malaysian experience. In India, there have been few PPP (Public Private Partnership) models in all categories of infrastructure except few airports and highway development projects. These are also relatively recent phenomenon. There are many areas where policy formulation and implementation can be improved in India.

Key Words: Malaysia, Infrastructure, Growth, Lessons for India

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