

# Addressing Poverty in Sudan and Malaysia: A Story of Success and Constraints

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## Abstract

Sudan and Malaysia have shown some socio-economic similarities especially when it comes to the issue of addressing poverty. After independence, almost half of the entire population of both countries were living under poverty line. The successive national governments in both countries have embarked on eliminating the extreme poverty. The aim of this paper is to highlight the policies and programmes adopted and implemented by policymakers in both countries in addressing poverty. The overall objective is to uncover the secret of the success and constraints faced both countries in addressing poverty. To achieve such objective, the paper based mainly on a desk review of recent documents and review of some recent researches' result. The paper has come out with that the similarities between both countries manifested itself in that both are classified as Muslim countries, have an agricultural background, inherited the same legacy as been colonized by British, their communities consist of various ethnic groups and minorities with sharp spatial and ethnic inequalities in income and social class. Despite these, Malaysia has succeeded in reducing poverty from over fifty 52.4% in 1970 to around one per cent 1.2 % in 2015, while less progress has been made in side of Sudan. Moreover, unlike Sudan, Malaysia has managed to achieve the MDGs goals in halving a head before the time determined, while Sudan has long way and it seems impossible to fulfil such objective even after 2015. Our findings have shown that, formulated home-grown policies, rejecting imposed policies by international institutions (World Bank), availability and accessibility of up to date poverty data, ability to implement policies and above all the political will are the main drivers behind the secret of success in the side of Malaysia and vice versa for Sudan. Sudan like other countries has to follow the Malaysia model if the decision makers are serious in eliminating poverty. This paper may contribute to the on-going discussion on poverty and open rooms for more comparative study between nations. Comparative study will help the planners in formulating rational policy, benefitting from exchanging ideas and learning from each.

**Keywords:** poverty, policy, Malaysia, MDG, Sudan and sustainable development

## 1. Introduction

Sudan and Malaysia have some common similarities despite the fact that Sudan geographically located in the North East Africa and Malaysia is in the East South Asia. Both have been classified as a developing nation with mostly agriculturally based economy. Administratively, both are under the federal system rule with fourteen states in Malaysia and sixteen states for Sudan. Moreover, both have been occupied by British and inherited the same legacy and culture of the western colonizer. Economically both have started with agriculture and then shifted to services and oil industry. The multi ethnic demography coupled with regional disparities has led to local conflict between states and regions which led to the separation of Singapore from Malaysia in 1970 and to the South Sudan for Sudan in 2011. In the early independence more than half of population in both countries were classified as poor.

Several attempts have been made by both countries to reduce poverty and its negative impact. They have been embarked on implementation of national as well as international policies for poverty elimination. After independence, the national and successive governments in both countries have introduced several policies and implemented various programmes to make economic development and at the same time reduce overall poverty (Elhadary & Samat, 2011). In the case of Malaysia these policies include Pre New Economic Policy 1960 – 1970,

New Economic Policy 1971 -1990, National development policy 1991-2000, National vision policy 2001–2010 and National transformation policy 2011-2020. Like Malaysia Sudan has launched several strategic plans since its independence in 1956. The first program was stated in (1946-1951), followed by (1951-1956) program. These programs were in the colonial period, and it focussed mainly on improvement and development of transport and communication in the area of colonial concentration of development (Gezira Scheme). These programmes followed by (1956/1957-1960/1961) program .The 1960s were dominated by the implementation of the Ten-Year plan (1961/1962-1970/1971), followed by the five year plan for economic and social development (1971-1975). Then the six year plan for economic and development plan 1978- 1983. The National Comprehensive Strategy is followed by annual strategic plans for the period (2003-2006) and then started the long term vision: the Twenty Five Years National Strategic Plan (2007-2031), which is designed to be implemented in Five Years consecutive National Strategic Plans. The first Five Years National Strategic Plan (2007-2011) started in 2007. The second five-year development component started in (2012 - 2016) with a primary focus on sustainable development and poverty reduction. Among this plan the country introduced the Interim Poverty Reduction Strategy Paper for Sustainability of Economic Stabilization. This three year Salvation Economic Program (2012-2014) is an emergency plan to deal with the adjustment to new political and economic realities following the decision of the South to secede. The seriousness of eradicating poverty by both countries later has been enhanced by the assignment of Millennium Development Goals (MGs). In September 2000, Malaysia together with other 188 countries including Sudan has signed the Millennium Declaration Agreement (MDA) where halving poverty by 2015 is one of its eight goals (Anger, 2010). This implies that Malaysia has to reduce the overall poverty from 16.5% in 1990s to 8.5% and Sudan has to reduce it from 46.5 % to 23.2 % by the year 2015.

Available literature have shown that, unlike Sudan the implementation of above mentioned policies and its related programmes have succeeded in promoting economic growth and thus reduce the incidence of poverty very sharply in Malaysia (Elhadary & Samat, 2012). Malaysia has enabled it to achieve a drastic reduction of the poverty rate from 49.3% in 1970 to 1.7% in 2012 (UNDP, 2005; EPU, 2013; Mohamed and Xavier 2015). Based on the data gathered from EPU (2013) the poverty in urban area has reduced from 21.3% in 1970 to 1.0% in 2012 and in rural areas from 58.7% to 3.4% in the same stated years. In the case of Sudan and due to the lack of authentic data still the number of people impacted by poverty is vague. According to Ali (1994) poverty engulfs over 90% of the bulk of Sudanese people. In the same line Mahran (2006) stated that more than 90% of the population in Sudan is classified as poor of whom 50% live in the urban areas. While the official statistics indicated that the incidence of poverty in rural areas was 93.3% in 1995 compared to 84.6 % in urban areas (Magboul, 2004). With reference to the comprehensive poverty survey done by Sudan Central Bureau of Statistics in 2009, 46.5 % of households in Sudan live below poverty line (114SDG) with 26.5% were in urban and 57.5 were in rural areas. This even contradicted with available data.

Available literature indicated that, despite the socio-economic similarities, Malaysia has achieved the goal even before the date mentioned in the agreement, while Sudan has failed to achieve the MDG at the end of 2015. Unlike Sudan, Malaysia has managed to decline poverty from over fifty in 1970s to 1.2 in 2015. Despite its considerable attempt, still almost half of population in Sudan is living below poverty line. And most of the effort made by Sudanese failed to achieve the MDGS target compared to Malaysia experience. Therefore, this paper focuses on the success story behind eliminating poverty in Malaysia and what are the major constraints remaining in Sudan. The ultimate objective is to trace the successful experience in the side of Malaysia hoping to derive some relevant lessons that might be implemented in Sudan. The paper aims to answer the following questions: what are the common similarities between Sudan and Malaysia? What are the key major factors behind the sharp reduction of poverty in Malaysia? Why Sudan failed to meet the prescribed objective highlighted by MDG mainly in halving poverty? What are the lessons that can be learnt from Malaysia successful story?

## **2. Methodology**

Methodologically, the paper is based on the analysis of a recent and comprehensive literature written on poverty. To have an official document about poverty in both countries, this review used the official statistical documents published, released and approved by the government. Major among these include the survey conducted by the Central Bureau of Statistic (CBS) in Sudan 2009. In the side of Malaysia the paper rely on data published by the Economic Planning Unit (EPU). This has been enhanced by the review of some recent journals and published documents from international organizations like United Nations Development Program (UNDP) and World Bank.

### 3. Sudan –Malaysia Relationship

Historically, the relationship between Sudan and Malaysia dated back to the early 1970s and later it has been enhanced by the policy of “going east” adopted by most of African countries including Sudan. Officially the Sudanese Embassy in Kuala Lumpur has opened in 1991 and the Malaysian embassy opened in Khartoum in 1999 (Sudanese Ministry of foreign affairs SMFA, 2015). Several factors need to be highlighted in understanding why Sudan adopted the policy of looking east (China, India and Malaysia). Major among these factors was in 1993 when Sudan classified by International Monetary Fund (IMF) as non cooperative countries. Another factor was the isolation and sanctions imposed on Sudan by the United States of America (USA) and Western countries. In October 1997, the (USA) imposed comprehensive economic, trade, and financial sanctions against the Sudan. According to the Elfaki et al. (2012) the economic sanction by the USA has led Sudan to change of its foreign policy and move towards the Asian continent, especially East Asian countries such as (China and Malaysia). During such period, Malaysia has played a major role in supporting Sudan against the threat from the Western World, especially the America. Malaysia in the era of Mahathir Mohammad declared situations in fighting against many of the U.S. policies of hegemony, and sought their leaders to highlight the leading role of Malaysia in the ranks of developing countries (Elfaki et al., 2012). Moreover, Malaysia started to play an influential role in activating South-South cooperation, expand cooperation and partnership between the countries of the developing world (Hamidin, 2007). As a result of Malaysian efforts, a new agreement between Sudan and the IMF for the installment of payments was agreed upon (Osama, 2001).

Malaysia continued its exertions not only to mobilize and support Sudan, but also to directly be involved in filling the gap after the removal of the most of Western countries from aiding and financing Sudanese development projects (Elfaki et al., 2012). As a result, several Malaysian companies have invested in and financed the Sudanese oil project. Not only that, Malaysia has politically support Sudan in achieving peace and settling the conflict in Sudan. Moreover, the relation with Malaysia has opened many windows for Sudan to extend its relation to other Asian countries such as the Philippines, Thailand, Australia, Singapore and Brunei. The two countries shared identical views on different issues and suffered similar problems in applying their own programmes of self-reliance and economic development breaking through the western hegemony (Sudanese Ministry of foreign affairs SMFA, 2015).

Sudan and Malaysia shared identical views over many international issues as both members of the Organization of Islamic Conference (OIC), the Non-Aligned Movement (NAM) and recently become a member in Islamic Defense Movement created by Saudi Arabia in late 2015. The year 1997 is considered as a turning point in the relation between Sudan and Malaysia due to the big investment of the PETRONAS Malaysian Oil Company in Sudan. Since then the socio-economic and political cooperation has improved very rapidly. This relation has been enhanced by the condition of the complementary economy between two countries. As Sudan has huge animal resources compared to the less for Malaysia. Moreover, Malaysia is relatively advanced in technical knowhow and expertise as well as in financial management that could be utilized for investment in the huge and diversified natural resources in Sudan. Therefore cooperation in these fields between Sudan and Malaysia could bring considerable benefits for both countries (Sudanese Ministry of foreign affairs SMFA, 2015).

Since 1991 and up to the present the President of the Republic of Sudan, Mr. Omar El-Bashir has officially visited Malaysia five times (1991, 1999, 2002, 2003 and 2007) either participating in international dialogue like the “Smart Partnership” or for signing a join agreements in fields like energy and education. On the side of Malaysia, Dr Mahathir Mohammad, the former Prime Minister of Malaysia, had visited Sudan twice one in may 1998 and the second was in May 2005. In the last visit, he met Omar El-Bashir and made a presentation about the Malaysian experience in economic and social development to the leaders of the state and presented a technical lecture to workers in the oil sector. He was awarded a senior medal of recognition by the President El-Bashir for his efforts in promoting the bonds of cooperation between the two countries. The visit at presidential level had followed by successive exchange from the two parties at ministers, business and even researchers level.

Moreover, the demographic characteristics and the number of population in both countries are almost the same. According to the department of statistic the total population in Sudan during the last census was 34 million in 2012 (CBS, 2015), while it reached 29.715 million in Malaysia (EPU, 2013). The entire of both populations is a multi ethnic, religion and culture. More than half of Malaysian and Sudanese households were living below poverty line in 1970s. There is an interaction and contact between the people of the two countries through the Sufi *Tarigah*, the Malaysian-Sudanese Friendship Society in Kuala Lumpur and the Council of the Friendship of the Sudanese Malaysian People Cooperation, plus the exchange of higher education programmes and cooperation programme between the two countries in several fields such as health (Elfaki et al., 2012). This

section concludes that economic sphere is a very important aspect in answering the major question on how Malaysia assisted Sudan in the development of its economy according to the bilateral relations between the two countries. This is due to the fact that the relation between the two countries has witnessed rapid improvement in the year 1999 when Sudan started its oil exports.

#### 4. The state of poverty in Sudan and Malaysia

The economy of Sudan has witnessed some sorts of progress during the last two decades. According to IMF (2013) Sudan is considered as one of the highest growth rates of gross domestic production (GDP) in Sub-Saharan Africa which is estimated at 5.0% in 2015s, and a rapidly arising per capita income, with an estimated per capita GDP of US\$ 3027 in 2015s (table 1). This growth might be due to the discovery of oil and to some extent to the degree of political stability as a result of the signing of Comprehensive Peace Agreement (CPA) with Sudanese People Liberation Army (SPLA) in 2005. The exploration and exploitation of oil in Sudan led to a significant shift in the Sudanese economy, and Sudan became one of the important countries in oil production in Sub-Saharan Africa after Nigeria and Angola (Nour, 2011), so oil has become the major driver of the economic growth and Sudan's total export revenues. According to the Central Bank of Sudan reports, the share of oil in total revenues reached 64.7% in 2008 (Nour, 2011), and more than that in 2010. Recently, the share of oil has deteriorated very sharply and reached around 3.5% in 2014 (Central Bank of Sudan, 2014) see table 1.

Table 1. Sudan selected economics indicators

Items	2000	2005	2010	2015*
Population (million)	31.08	36.20	41.2	36.8
GDP Per capita US\$	420.8	970.4	1658	3027
GDP Growth Rate %	8.4	6.1	5.2	5.0
General Price Inflation %	8.0	8.3	13.0	10.0
Gross Domestic Investment %GDP	18.7	23.6	19.7	21.4
Gross National Saving %GDP	16.0	15.3	15.2	15.2

Source: International Monetary Fund, 2013.\* Estimated

Despite the rapid economic growth, poverty and its related negative impact is widely spread among Sudanese population. Poverty remains one of the most serious problems and it has become the major concern of the national government (Elhadary & Samat, 2012). According to Sudan Central Bureau of Statistics (2009), 46.5 % of households in Sudan live below poverty line (114SDG), with poverty gap 16.2% and poverty severity 7.8% (table 2).

Table 2. Poverty Indices in Sudan, 2009

	Incidence of Poverty %	Poverty Gap %	Severity ofPoverty %	Poverty gab among the poor
Sudan	46.5	16.2	7.5	34.8
Poverty by Residence				
Rural	57.6	21.3	10.6	36.9
Urban	26.5	7.1	2.7	26.6
Poverty by States				
Northern	36.2	10.5	4.2	29.1
River Nile	32.2	8.8	3.5	27.3
Red Sea	57.7	24.9	13.7	43.1
Kassala	36.3	14.7	8	40.6
Gedaref	50.1	15.9	6.7	31.8
Khartoum	26	6.4	2.4	24.7
Gezira	37.8	10.1	4.1	26.6
Sinnar	44.1	14	6.4	31.7
Blue Nile	56.5	20.6	9.9	36.5
White Nile	55.5	17.6	7.8	31.7
North Kordofan	57.9	24.6	13.1	42.5
South Kordofan	60	20.7	9.4	34.5
North Darfur	69.4	27.4	14.2	39.6
West Darfur	55.6	19.8	8.9	35.6
South Darfur	61.2	24.5	12.7	40.1

Source: Sudan Central Bureau of Statistic SBS, (2009)

Table 2 was an output of the official comprehensive survey conducted in 2009 before the separation of South Sudan. It indicated clearly the significance variation in the incidence of poverty between rural and urban areas (57.6% versus 26.5%, respectively) and among states. Also the data showed that Northern Darfur, Southern Darfur and Northern Kordofan were the poorest states with 69.4, 61.2, and 60.0 % below the poverty line respectively, compared to Khartoum, the capital, where only 26% of its population live below the poverty line in 2009.

It is important to note that the number of people living in poverty is higher in rural compared to urban areas. The table indicated clearly that more than half of population in rural areas are poor. Also that data of 2009 showed that urban poverty is widely spread among the urban dwellers living in Khartoum and Red Sea states. Nevertheless, it can be stated that poverty in Sudan is predominant in rural areas and among those whose income is from farming and livestock (IMF, 2013). Several factors have been accused behind the wide spread of poverty in Sudan. These include: lack of political will, local conflict, corruption and inequality in wealth distribution. Same conclusion is also reached by (Anger, 2010) who study poverty in Nigeria. According to Anger the policies and efforts failed to yield the desired results of alleviating poverty because they were only declarative without concerted effort and lacked the required political will among several other reasons. Although Sudan has abundant natural resources, fewer are benefiteres. Therefore, inequality is considered as one of the main factors behind the impoverishment of people in Sudan. Many scholars attributed inequality to planner and planning system (Obeng-Odoom, 2015). But the evident indicates that the oriented policies in Sudan like in some African countries are responsible of inequality and its negative impacts. As indicated by Obeng-Odoom in many African countries especially in rural areas the neglected policies pushed farmers to cities, and then became “floating migrants”. For many the neoliberalism is the cause of the urban inequality. Like Sudan, Malaysia has witnessed rapid economic growth during the last five decades. Available data has shown that between 1971 and 2000, real GDP per capita grew at an impressive 4.2 per cent per annum, on average, as a result of effective public policy (UNDP, 2005). This unprecedented growth has impacted positively to the poverty condition in Malaysia.

Accordingly, the incidence of poverty has declined from 49.3% (1970) to 1.7% (2012) see table 3. Table 3 indicated that the incidence of poverty in urban and rural areas have decreased from 21.3 % and 58.7% (1970) to 1.0 and 4.3 (2012) respectively. The incidence of hardcore poverty also showed a decrease from 6.9 % in year 1970 to 0.2 per cent in year 2012. The hardcore poverty for urban and rural areas decreased from 2.4 % and 9.3 in (1970) to 0.1 and 0.6 in (2012) respectively. Some states like Melaka, Penang, Selangor and Putrajaya are on the way to approaching zero poverty status. It is important to note that MDGs target in 1990 (16.5%) of poor people to be halved in the year 2015. This has been achieved in 2000 (8.5%) even before the mentioned date.

Table 3. Incidents of poverty by ethnicity, strata and state, Malaysia, 1970-2012

Year	1970	1984	1992	1997	2002	2009	2012	hardcore
<u>Malaysia</u>	49.3	20.7	12.4	6.1	6.0	3.8	1.7	0.2
<u>Ethnic</u>								
Bumiputera	64.8	28.7	17.5	9.0	9.0	5.3	2.2	0.3
Chinese	26.0	7.8	3.2	1.1	1.0	0.6	0.3	0.0
India/Indian	39.2	10.1	4.5	1.3	2.7	2.5	1.8	0.2
Lain-Lain/Others	44.8	18.8	21.7	13.0	8.5	6.7	1.5	-
<u>Strata</u>								
Bandar/Urban	21.3	8.5	4.7	2.1	2.3	1.7	1.0	0.1
Luar Bandar/Rural	58.7	27.3	21.2	10.9	13.5	8.4	3.4	0.6
<u>Negeri/State</u>								
Johor	45.7	12.2	5.6	1.6	2.5	1.3	0.9	0.1
Kedah	63.2	36.6	21.2	11.5	9.7	5.3	1.7	0.1
Kelantan	76.1	39.2	29.5	19.2	17.8	4.8	2.7	0.3
Melaka	44.9	15.8	8.5	3.5	1.8	0.5	0.1	-
N.Sembilan	44.8	13.0	8.1	4.7	2.6	0.7	0.5	0.1
Pahang	43.2	15.7	6.9	4.4	9.4	2.1	1.3	0.2
Pulau Pinang	43.7	13.4	4.0	1.7	1.2	1.2	0.6	0.0
Perak	48.6	20.3	10.2	4.5	6.2	3.5	1.5	0.2
Perlis	73.9	33.7	19.8	10.7	8.9	6.0	1.9	0.5
Selangor	29.2	8.6	4.3	1.3	1.1	0.7	0.4	0.0
Terengganu	68.9	28.9	25.6	17.3	14.9	4.0	1.7	0.2
Sabah/F.T.Labuan	NP	33.1	27.8	16.5	16.0	19.2	7.8	1.6
Sarawak	NP	31.9	19.2	7.3	11.3	5.3	2.4	0.3
F.T.Kuala Lumpur	NP	4.9	1.7	0.1	0.5	0.7	0.8	0.1

Source: Malaysia Economic Planning Unit (2012)

## 5. Policies and Poverty Eradication Programmes

Since its independence five major strategic plans have been introduced by Malaysian government to ensure economic growth and thus eradicating poverty. The Pre New Economic Policy (PNEP) 1960 – 1970 adopted immediately after independence to develop the economy of the country. This plan started with huge allocation of money for education, health, and agriculture irrigation project (Malaysia, 1970) (Elhadary & Samat, 2012). Regarding poverty, the plan focuses on (i) eradicating absolute poverty irrespective of race by raising income levels and increasing job opportunities for all Malaysians, and (ii) restructuring society to remove the identification of race with economic functions (UNDP, 2005). The PNEP 1971 -1990 has managed to reduce the overall poverty incidence in Peninsular Malaysia from 49.3% in 1970 to 17.1% in 1990 (Mohamed and Xavier, 2015). The National Development Policy (NDP) 1991-2000 is an “ethnicity oriented policy” (Torii, 1997). In this

era several programmes to eradicate poverty were implemented. These include the development of local commercial and industrial community, involvement of private sector and development of human resources. Generally, the National Vision Policy (NVP) 2001–2010 aimed at establishing a united, progressive and prosperous Malaysia that lives in harmony and engages in full and fair partnership (Government of Malaysia, 2011). Moreover, it focuses on minorities group like in Sabah and Sarawak, which still records the highest poverty rates among all the states in Malaysia. This phase ended with continues drop in the incidence poverty to 3.8% in 2009 for Malaysia, with 2.0% for urban poverty and 7.1% rural poverty, and 5.3% for *Bumiputera* (Samat et al., 2015; EPU, 2013). The National Vision Policy (NVP) is followed by the National Transformation Policy (2011-2020). In this phase Malaysia set an ambitious goal to be a developed nation by 2020 with zero-poverty. This plan highlighted concepts like inclusive, people-centric focus, poverty eradication, and equitable distribution across ethnic communities and regions. Inclusiveness programmes will seek to enhance the income levels of low-income households from RM 1,440 (USD 480) per month in 2009 to RM 2,300 (USD 770) in 2015 (Government of Malaysia, 2011).

The adoption of above mentioned policies reflected obviously the seriousness of Malaysian government in eradicating poverty. These policies manifested itself in the implementation of several programmes in addressing poverty. The implemented programmes include land reforms, addressing needed group, microcredit schemes, etc). Since the majority of Malaysian population are depending on land for securing their livelihood, reforming land ownership is an excellent starting point in eradicating poverty. Malaysia is one of the four countries that adopted wise policies to reduce horizontal inequality through improving the ownership of land via redistribution of government-owned land, forcible purchases and restriction on ownership. According to the UNDP (2014) Fiji, Namibia, Malaysia and Zimbabwe have succeeded in addressing the problem of landownership. In this line several programmes have been adopted like Rural Economic Development (RED) and the land development scheme led by the Federal Land Development Authority (FELDA) to resettle the landless.

Supporting poor people through the adoption microcredit schemes is one of the sustainable strategies implemented by some developing countries to eradicate poverty. This strategy is introduced first in Bangladesh by an economist Muhammad Yunus, a noble price winner in 2006. Malaysia adopted such strategy which known locally as *Amanah Ikhtiar Malaysia* (AIM) (Mohamed and Xavier, 2015). AIM is targeting poor people in both urban and rural areas who failed to provide collaterals to get banking loans. The credit is not restricted to the rural people even urban households income below RM2000, or its per capita income is lower than RM400 per month are eligible to get the loan. This explains why most of the beneficiaries of the AIM programmes have been women. It has been stated that (AIM) provided micro-credit financing to about 69,000 poor families with interest-free loans of RM300 million provided by the Malaysian government. Until 2009, AIM was able to extend its outreach of ‘Urban Microfinance Program’ to 17 urban branches in Malaysia, and disbursed its loans under the program to 4402 clients (AIM, 2010).

Micro and small enterprise (MSE) is another programmes adopted to eradicate poverty. In Malaysian context (MSE) defined as a firm that retain annual revenue of less than RM250, 000 (\$764532), or employ less than 5 full time workers in the manufacturing or agro-based industry. In the same line and in order to assist in meeting the basic needs of the low income population in urban areas, the Malaysian government has launched the community shop named *Kedai Rakyat 1Malaysia* (1Malaysia People’s Store – KR1M), a store operating on a minimarket basis, which provides various basic necessities at affordable prices. This store is hoped to benefit and reduce the burden of the Malaysian citizen, particularly the urban low-income earners (Samat et al., 2015).

To overcome the nutritional diseases and deficiencies among children, especially prevalent in the rural areas, the government initiated a long-term poverty-reducing project known as the Applied Food and Nutrition Programme (AFNP) (UNDP, 2005). The project is aimed at increasing local production of nutritious foods, improving nutritional education, and promoting supplementary feeding of pregnant and lactating mothers. The government also initiated the Nutrition Rehabilitation Programme in 1989 as an immediate strategy to rehabilitate undernourished children. According to the (UNDP, 2005) the Daily Per Capita Intake of Calories and Protein determined by Malaysia is even beyond what has been mentioned by the WHO. It reached 2,969 in the year 1999. The World Health Organization (WHO) defines malnutrition as a lack of food and nutrition as the consumption of fewer than 1,960 calories a day.

To ensure equity among its entire population, the Malaysian government is progressing well in providing good quality of social and physical infrastructure. People in both rural and urban areas enjoy equal access to basic services such as education, health, water and electricity. It has been calculated that more than 20 per cent out of national development budget has consistently been allocated to social programmes, such as education, health, and low-cost housing, as poverty-reducing measures. For instance, free schooling is provided at the primary and

secondary levels. Moreover, students from poor and low-income families like *Orang Asli (traditional ethnic group)* were provided with all materials needed including textbooks, school uniforms, fees, books, writing materials, and free transportation.

Like Malaysia, Sudan has launched several strategies to develop its economy and addressing poverty. During the period (1946–1975) no special attention was given to the poverty eradication. The programmes focused only on the development of infrastructure, productivity and provision of social services. This might be due to the fact that: first, after independence improving basic infrastructure was given high priorities. Second, the non-proliferation of high poverty rates among population at that time. During the six years plan (1978- 1983), the focus was on the economic and regional development. In the democratic era (1985-1989), in the transitional period, the country faced lack of economic stabilization thus no attempt made to address poverty. Theoretically, the efforts of poverty eradication in Sudan started during the last two decades mainly during the Comprehensive National Strategy 1992-2002. This plan comes after the economic conference which was held in 1990 in Khartoum, the capital of Sudan. The common objectives of this plan are to sustain economic growth, provide equal services, enhance rural development, reduce poverty through micro-finance schemes and promote good governance, equitable distribution of wealth, Development of productive employment opportunities and ensure social solidarity through charity and Zakat (Centre for Strategic Studies, 1992). National Comprehensive Strategy (1992-2002) is followed by annual strategic plans for the period (2003-2006) and then started the long term vision: the Twenty Five Years National Strategic Plan (2007-2031), which is designed to be implemented in Five Years consecutive National Strategic Plans. The first Five Years National Strategic Plan (2007-2011) started in 2007 and the second five years started in (2012 - 2016) with a primary focus on sustainable development and poverty reduction. Within this plan the country introduced the three years Interim Poverty Reduction Strategy Paper for Sustainability of Economic Stabilization. This three year Salvation Economic Program (2012-2014) is an emergency plan to deal with the adjustment to new political and economic realities following the decision of the South to secede.

Generally, the overall objectives of the Twenty Five Years National Strategic Plan is to establish balanced development on a platform of justice, equality, qualitative and quantitative improvement in living conditions, providing a decent quality of life for all and protecting them from poverty and deprivation. It is the first plan that mentioned poverty in figure as one of its aims mentioned that reduction of poverty by more than 50% during the first fifteen-years. One of the major missions of the first five years plan (2007-2011) is to reduce poverty and ensure equitable balance between the rural and urban areas. Also support the funding of quick-impact projects designed for poor and in particular for the displaced and war –affected population. Accordingly, breaking the cycle of poverty will entail implementation of the major components of the Poverty Reduction Strategy as follows: First: Directing budget resources to address people’s basic needs and the milestones on a roadmap for the achievement of the MDGs – particularly through targeting assistance for disadvantaged groups. Second: Development of services in rural areas, and particularly war-torn areas to reduce migration (flight) to cities and urban centres. Third: Securing maximum benefit from private sector projects, rural livelihoods projects, and resources of regional and international organizations in the field of poverty alleviation. Several programmes have been implemented to eradicate poverty. These include strategic stock of food grains, price-fixing, tariff reduction, and supporting the microfinance, increasing per capita income, Reduce unemployment, Pro-poor spending, and national strategy of poverty reduction and Meeting the basic needs. The projects implemented during the plan (2007- 2011) are highlighted in the table 4.

Table 4. The adopted poverty reduction projects during the five – year plan (2007-2011)

	projects	implemented	continuous	Not implemented	%
The first component of the Poverty Reduction Strategy	364	251	99	14	82
The second component of the Poverty Reduction Strategy	68	50	2	16	75
The third component of the Poverty Reduction Strategy	166	97	40	29	60
Total	598	398	141	59	

Source: Sudan National Council for Strategic Planning 2012.



The second Five years plan (2011-2016) was an extension to first plan (2007-2011) in terms of objectives. It consists of three main sectors: governance and administration, economic, and social and cultural development sector. The main objectives of the economic sector are: Address the problem of population movement and displacement, reducing the widening of poverty factors and Reduce unemployment. In social and cultural development sector, the main objective was eradicate of poverty and hunger through: The expansion of microfinance projects, the expansion of social insurance and increasing Zakat revenues. This plan coincided with the South Sudan separation in 2011. The separation has speed up the rate of poverty due to its negative impact of the economy of Sudan. Before the separation, Sudan earned 60 percent of its government revenues and 95 percent of its export revenues from oil income. Since 2011 the Sudanese government has lost the bulk of the oil in favour South Sudan. Most of programs of this plan relied on community's efforts and private sector. This implies that Zakat has become a major source of funding in the country. As a result the revenue coming from Zakat is increasing from 3571.1 million SDG in 2007 to more than 1,198.6 million SDG in 2012 (Sudan Zakat Champer, 2013)

To fulfill the objectives of the above mentioned policies, both Sudan and Malaysia have embarked on implementation of specific programs to address poverty. These include, among others, the solidarity fund (*Takaful*), the social insurance fund, the students support fund, the national retirement fund, the health insurance fund, and the social support fund (*Zakat*). The primary social protection mechanism in Sudan is Zakat, which is one of the five pillars of Islam. In Sudan Zakat is the major economic means and play very vital role in supporting the poor. Sudan is among the countries that consider Zakat Fund a means to supporting the poor.

Table 5. Pro poor expenditure from Zakat Fund (1999-2013) (million pounds)

Year	Beneficiary (families)	Pro poor expenditure	+ %
1999	NA	29.42	-
2000	NA	54.57	85.5
2001	NA	64.29	17.8
2002	NA	70.40	9.5
2003	NA	96.62	37.2
2004	NA	134.37	39
2005	1,763,403	154.65	15
2006	1,893,452	187.25	21
2007	Unspecific	204.69	9.3
2008	1,021,123	244.99	19.7
2009	1,517,122	293.80	19.9
2010	Unspecific	329.80	12.2
2011	2,306,356	434.00	31.6
2012	2,960,978	504.10	16.1
2013	Unspecific	834.90	65.6

Source: Sudan Ministry of Welfare & Social Security, 2010, Sudan Zakat Champer, 2008-2013. – Unspecific

Like Malaysia, Sudan has embarked on addressing poverty through microfinance credit. In 2007 Central Bank of Sudan has established a Microfinance Unit as an independent unit, both administratively and financially, within the sector of financial institutions (Elhadary & Samat, 2012). The unit is entrusted to formulate microfinance policies and do the following:

- Encouragement of microfinance (in both Islamic and conventional banking systems) as a tool to provide financial services to the poor with a view of alleviating poverty and promoting economic development
- Provision of microfinance through banks and financial institutions and facilitation of the flow of finances, from governmental and non-governmental sources, to the weak segments in society.

- Institutional development of banks and microfinance institutions through training programs (*Microfinance Unit (MFU), Official website*).

The providers of microfinance are: the banking sectors, microfinance institutions, NGOs, social funds, and the international donors (UNDP, WFP, IFAD, and IDP). Moreover in 2009, the state has increased the pro-poor spending from 6.2% to 10.2% of the GDP in 2009 (Ministry of Finance and National Economy, 2009). In 2011 the total amount of finance providing by banking sector and microfinance institutions reached 42.7, 937.9 million SDG respectively see table 6.

Table 6. Total amount of finance providing by banking sector (2007-2011) million SDG

YEAR	Total amount finance	+ %
2007	232	-
2008	243	5
2009	335	28
2010	450	26
2011	937.3	108

Source: Higher Council of Microfinance, 2103

Beside the above mentioned efforts in eradicating poverty, recently the Government of Sudan introduced programs to support vulnerable groups including the extreme poor, the homeless, the orphans and the poor pensioners. One of these is the Community Development Fund, which is funded by the donor community. The objective of this project is to increase access to priority economic and social services and infrastructure in war-affected and underdeveloped areas in Sudan. The total project cost is US\$ 30.00 million (*The World Bank, Official web site*).

Despite all these efforts, poverty remains one of the serious problems in Sudan where almost half of the entire population is poor. Unlike Malaysia, Sudan is almost to fail in fulfilling the objective the Millennium Development Goals of halving poverty by 2015. This finding are highlighted by Elhadary & Samat (2012) who stated that poverty in Sudan has declined by 20%, from 64% in 2005 to 46% in 2009. Also the UNECF report (2014) indicates that, the progress in reducing hunger in Sudan is -30.04 in Global Index Hunger (1990 – 2013). And the progress in reducing malnutrition is 28% at the same period. Thus, it is difficult for Sudan to achieve the MDG goal even after 2015. This was probably due to the lack of political will and poor governance in tackling the challenges of poverty and its consequences. The section below provides some details about the challenges and limitation.

## 6. Result and Discussion

Although not rejecting the internal factors, several authors have blamed external factors in escalating the rate of poverty in most of the developing countries including Sudan. Global marketing, financial crises, adoption of international policies are some of external factors that speed up the process of poverty (Ali, 1994; Elhadary & Samat, 2011 and Elhadary & Samat, 2012). For example, the adoption of the Structural Adjustment Programme (SAP) has its vital role in increasing poverty in Sudan (Elhadary & Samat, 2011). In the early-eighties particularly on the eve of oil crisis some developing countries has adopted (SAP) under the pressure or incentive of the World Bank and IMF. Unlike Sudan, Malaysia has refused such policies; despite it has been hit hardly by the Asian financial crises in 1997. Rejecting such policy has put huge challenges to the economy of Malaysia mainly during the Asian financial crisis. But, by formulating home grown, Malaysia has gained a number of significant advantages. Accordingly, Malaysia has to recover at least as quickly as any country that implemented IMF policies (Buckly, 2004). This paper believed on that rejecting IMF policies is the key success of the economic growth in Asian countries, mainly Malaysia and China. This paper is in line with (Cobbinah et al., 2013) who stated that universal approaches to poverty reduction have yielded few successes. For them poverty should be viewed as a global phenomenon but tackled at the local level using local indicators.

Internally, the decline of agricultural sector as a consequence of national policy has led to the impoverishment of the majority of rural people in both countries. Despite its significant positive impact on gross domestic product (Nour, 2011), but the decision of completely shift from agriculture to oil industry is one of the big mistakes adopted by the current regime in Sudan. The country benefits less from such shift and has a great lost specially

after the separation of the South Sudan where much the oil is concentrated. The shift to oil has led to separation; speed up the rate of local conflict and declining food production. Not far from that, oil revenue create internal tensions or conflicts related to the desire to maintain or over oil resources especially in failure to achieve an equitable distribution of its revenues. This cases found in many countries in Africa. In Sudan the secession of South Sudan is an inevitable result of an unequal distribution of oil revenues. In Nigeria, Libya and different parts of the continent, the conflict over oil is more intensified (Obeng-Odoom, 2015). Due to the geographical and demographical set up of Sudan coupled with the availability of natural resources, agriculture is best driver to the economy of Sudan compared to oil. Several points need to be highlighted to proof this argument. Agricultural production is highly needed by all especially during these days where there is food insecurity compared to oil. Oil price is always fluctuated and even the use of oil in the near future might be change due to its negative environment impact. More poor people can benefit from agriculture but very few can do with oil. Oil can be found in many countries but practicing agriculture needs special environment to do that and Sudan is qualified for that. Thus, concentrating and improving agriculture with its branches (animal, fish) is the major factor for improving the economy and eliminating poverty practically in the case of Sudan. The unexpected change of the Sudanese economy from mainly agriculture to oil industry has impacted negatively on the livelihood of the majority of traditional producers mainly farmers. In 1999, the contribution of agriculture to GDP was almost 50% compared with 31% in 2010. The contribution of services sector has been the fastest growing sector in recent years; it increased sharply from 34% in 1999 to 44 % in 2010 (Central Bureau of Statistics CBS 2010). Besides its less contribution to the GDP, the decline in agriculture has caused negative impact on the food security in the country. Sudan which was once classified as the bread basket of the Arab World is highly dependent on imports of food (Mahran, 2006). Ironically, Sudan has gone from food surplus to deficit and astonishingly, in 2009 one third (35%) of Sudan's imported items were things related to food (Central Bank of Sudan, 2009). It could be argued that the dependence on oil, and lack of economic diversification hurt the economy. One of the main challenges created by oil is its weak effect in improving social development indicators. Reports indicated that the share of development spending from oil revenues declined from 58% in 2006 to 34% in 2008, while the share of current spending from oil revenues increased from 42% in 2006 to 66% in 2008 (Nour, 2011). It is important to note that there is no correlation between the economic growth and poverty reduction particularly in Africa. Available literature has shown that in Africa there is evidences that economic growth in many times not accompanied by social improvement. For example, countries like Nigeria, South Africa and Zambia have experienced growth, levels of poverty continue to rise or, in the case of South Africa, remain nearly the same (Obeng-Odoom, 2015). In the same context, Zambia has increasing levels of poverty, although it is among the fastest growing countries in Africa. In Nigeria, poverty levels have been rising, reaching some 61% in 2012, and economic growth has counted as neutral or positive the wide and vast ecological crises brought about by oil extraction (Obeng-Odoom, 2015).

Like Sudan, Malaysia has shifted its economy from mainly agriculture to industrialization process. The export of manufactured goods increased sharply from about 12.0% in 1970 to 87.0% of total export in 1997. And its share to the GDP also rose from 13.3 to about 30.0% during the same period (UNDP 2005). Like Sudan, in Malaysia huge productive land was taken from rural communities to serve industrial and settlement purposes as well as to cater to the high demand of urban people (Elhadary & Samat, 2012). Consequently the contribution of agriculture to the total export has declined dramatically from 40% in 1980 to less than 8% in 2003 (UNDP, 2005). Unlike Sudan, industrialization policy has created a lot of opportunities for people, and economically, Malaysia has become a country difficult to surpass. Moreover, Malaysia has directed the rapid economic growth for the benefit of the local people. This through the increase of salary income and enhance the provision socio-economic services and infrastructure to all regardless of location and ethnic. For Malaysia economic growth only is not sufficient to eradicate poverty if not supported by affordable and access to health, education. Malaysia's impressive improvements in the social sectors can be seen in key human development indicators. Between 1970 and 2000, life expectancy at birth rose sharply for females and males, the combined figure being from 64.2 to 72.8 years, while the infant mortality rate fell from 40.8 to 7.9 per 1,000 live births. Over the corresponding period, the adult literacy rate rose from 60 per cent to 94 per cent, and since 1990 primary school enrolment has been universal for both girls and boys.

Microfinance is the wise strategy adopted by Sudan and Malaysia to reduce poverty. This strategy is implemented differently in both countries. Poor people in Malaysia can easily access microfinance without paying interest, while it is very long and complicated process for poor in Sudan to achieve that. It is important to note that not all money allocated for such purpose accessed by poor. For example, in 2008, only 3% of the microfinance credit was accessed by the poor and the poor is required to show collateral, which is beyond the means at the disposal of the potential beneficiaries. This has been aggravated by the lack of coordination

between most of the institutions and stakeholders involved in poverty matters. Each institution in Sudan is working separately leading to overlaps and slows down the process of accessibility. Moreover, Microfinance in Sudan faced several challenges like: the instability of economic situation, the transaction costs, the cost of administering and the delivering credit, increase of Profits fees by banks, the guarantees demanded by banks for microfinance, usually above the power of those seeking finance. Using examples from countries like Nigeria, it is evident that many countries in Sub-Saharan Africa are unlikely to achieve their MDG targets due to persistence of poverty and other challenges such as corruption and mal-administration of funds (Ogujiuba and Jumare, 2012). Besides that, there is a difficulty in obtaining microfinance due to grantees required by microfinance institutions. Usually these grantees above the power of those seeking finance, in a society where poverty is spreading (46.5%). In addition, there are some difficulties small and micro-entrepreneurs face in obtaining finance are related to 'transaction costs' — the cost of administering and delivering credit and the cost arising from the risk of default. It is generally noted that small enterprise loans are relatively small, while the cost of administering credit is fairly constant, irrespective of the size of the loan. Bankers also consider small enterprises to be risky clients because they do not keep the proper records needed by the financial system and hence are not able to meet conventional security requirements (Ibrahim, 2003). Also increasing in profit fees by banks is a one of abstaining reasons from microfinance. Besides that, there are many problems and challenges facing the microfinance institutions include: poor training and little experience in microfinance, no more information about the financing procedures of the SME's, and costs and high expenses that result from documents and documentation expenses repeated visits to institutions, donor funding and the cost of time caused by the long waiting and process. It is important to highlight that most of microfinance projects are concentrated in the cities with the neglect of rural areas, and mostly are non-productive (Abukasawi et al., 2006). These limitations questioned the role of microfinance in eliminating poverty and achieve its objective in Sudan.

One of the secret of success in the side of Malaysia is the availability and accessibility of up to date and accurate data on poverty. Several Malaysian institutions have empowered to provide accurate and recent data on poverty. These official institutions include Economic Planning Unit, the Household Income Survey (HIS) and the Departments of Statistics, Malaysia. The HIS has conducted the first survey in 1973 and then been carried out twice in every five years, that is, two surveys within each Malaysia Development Plan period. A special Household Income Survey (HIS) to gather information on household income of *Bumiputera* minorities in Sabah and Sarawak was conducted in 2002 (UNDP, 2005). To further identify and more effectively target the urban poor, the government has established a database to build an 'urban poverty map. Lack of accurate, reliable and accessible data in the case of Sudan is answering why the country failed to meet the MDGs and reduce the number of people living in poverty. Still the number of people living in poverty is not clear. The only official survey data on poverty was conducted in 2009 even before the separation of the South Sudan. For political reason the government of Sudan believed on that only 4.3% earns less than one dollar a day, while others mentioned those under this category could be about 90%. This is completely different in the case of Malaysia where there is standard in data gathering and no overlaps between documents on poverty. Not only that, the indicators of poverty is set clear and based on scientific approach. For example, the daily calories requirement for a family of five persons is 9910 even more than what determined by WHO. The World Health Organization (WHO) defines this as the consumption of fewer than 1,960 calories a day. Moreover, there is harmony and integration between various institutes working on poverty reduction. The determinant of minimum requirements for clothing is based on standards set by the Department of Social Welfare for welfare homes. While the other non-food items are set by Malaysian Household Expenditure Survey (HES) and the incidence of poverty is monitored through the Malaysian Household Income Survey (HIS).

Although not rejecting the general definition adopted by international organization, Malaysia has its owned definition on poverty. Unlike Sudan, Malaysia has succeeded to formulate its national definition of poverty where is differ according to sectors and geographical location. According to Mohamed and Xavier (2015) poverty and hard-core poverty have been given a standardized definition under the Tenth Malaysia Development Plan (2011-2015). All those households having an income below USD 740 per month are considered low-income households irrespective of whether they are rural or urban dwellers (Government of Malaysia, 2011). Generally in Malaysia there are three type of poverty in Malaysia: Absolute, hard-core and relative poverty. Absolute poverty refers to the concept of poverty line income PLI always for household not individual. This PLI is based on the minimum consumption requirements of a household for food, clothing, and other non-food items, such as rent, fuel, and power; furniture and household equipment; medical care and health expenses; transport and communications; and recreation. The concept of hard-core poverty was first used by the Malaysian government in 1989 to help identify and target poor households whose income is less than half of the PLI. This concept reflected clearly the severity of poverty. The relative poverty concept measures poor people based on the social,

geographical structure (rural urban) and within income groups. Sudan has to follow Malaysia in creating its own definition for poverty based on developed and less developed region.

This ever impressive experience has led Malaysia to move further in the socio-economic and human index. Malaysia is moving ahead in Human Development Index as it ranked number 62 in 2014 with overall value increase from 0.577 in 1980 to 0.770 (nearly approaching one). The mean monthly household income for Malaysians increased from RM264 (1970) to RM4,025 in year 2009 and later to RM5,000 in year 2012 with an increase of 7.2 per cent per annually. It is important to note that Sudan's HDI has improved by 1.12% annually, from 0.491 to 0.531 over the period 2000 and 2007 respectively. Later the indicator of human development outcomes become weak (IMF, 2013), and still Sudan ranks among the poorest countries in the world. According to UNDP's Human Development Index, Sudan ranks 166 out of 187 countries in 2013s. This puts great difficulties on the country to reduce poverty and meet the MDGs objectives by 2015. Based on HDI measurement, Malaysia is increased by 0.81% annually from 0.6 in 1980 to 0.8 in 2007 and almost approaching one (0.829) and ranked 66, placed it at the high development cluster countries.

Unlike defense and security, Poverty in Sudan is not given the attention it deserved from the planners and policy makers. This argument has been supported by Mahran (2006) who indicated that in Sudan huge money is allocated for items such as defense and security at the expense of provision of economic and social services, particularly education and health. This led the authors to declare that Malaysia is progressing well in eliminating poverty, while Sudan is lacking behind. Moreover, Malaysia has achieved the MDGs and even before date determined and Sudan is almost fail to achieve such objective. Therefore, despite the similarities mentioned above and the good relation, Sudan benefited less from the experience of Malaysia particularly in addressing poverty. Official literature has shown that poverty in Sudan has declined by 20%, from 64% in 2005 to 46% in 2009. If no serious action is taken, poverty in Sudan will continue to increase especially in the current global economic and food crises. According to the Global Hunger Index (2008) Sudan received a score of 20.5, which is considered as "alarming" compared with Malaysia which scored only 6.5 (International Food Policy Research Institute IFPRI, 2008). In this line Ali (2004) states that Sudan needs at least 28 years to achieve the goal on condition that its GDP growth rate constitute at about 7 percent per annum. This paper added that the rate of poverty in Sudan will increase especially after the separation of the South in July 2011. This because most of the oil fields are now located in the southern Sudan. Thus lost of oil due to the separation of the South means the collapse and ruin the whole economy, if no serious action is taken to compensate such a great loss (Elhadary & Samat, 2012).

From the above it can be said that, poverty reduction in Sudan requires a new approach and a rational development policies that include: institutional and structural reforms, Building strong economic institutions which have ability to improve the economy, Combating corruption, Conflicts resolution, equity in resources distributions, transparency. Without addressing such issues reducing poverty to some tolerable level is far dreaming in Sudan. The situation has become more complicated for Sudan after the introduction of new goals by ending 2015. Recently the international community has introduced Sustainable Development Goals (SDGs). According to the OECD, (2015) the year 2015 marks a turning point for development policies: from a period when development efforts focused on the MDGs, to a post-2015 development agenda which will be encapsulated in a broader and much more ambitious to be achieved by 2030. To achieve sustainable development, developing countries should focus on meeting the basic needs of their inhabitants and be committed to ensuring stable political and economic environment (Cobbinah et al., 2013).

## 7. Conclusion

The relations between Sudan and Malaysia dates back to 1970s and it has been strengthened by the economic relation particularly after the discovery of oil in Sudan. Since then both have exchange officials, businesses and educational visit and support each other in regional and international arena. This paper highlighted the socio-economic similarities between Malaysia and Sudan mainly in the ways of addressing poverty. Since its independence both countries have embarked on formulating national policies and adopted various programmes to eradicate poverty. In the case of Malaysia the stable political system, refusing IMF funding policy, coupled with incorporation of policies in different national economic plans have led to rapid reduction in the incidence of poverty. The growth pole strategy, implementing SAPs, lack of political will, unstable political system coupled with the concentration of development in the capital region and neglecting others are some limitations behind the failure of addressing poverty in Sudan. Unlike Sudan, Malaysia has moved further in achieving MDGs and the number of poor has declined very sharply. Our findings have shown that, formulated home-grown policies that respond to the need of local people rather than responding to global economy are the main drivers behind the secret success of the Malaysian model. This paper concludes that Malaysia is one many success stories to learn

from as now it is on a mission to be a developed country with zero poverty in 2020. Sudan and other developing nation should used Malaysian model as a guide to be implemented in economic growth and poverty reduction. Malaysia's experience in poverty reduction is of particular interest because it has been achieved in a multi-ethnic and culturally diverse setting which was the case for Sudan. It can easily be implemented in Sudan with some slight modifications.

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