



CPPS Press Release

Addressing the concerns of Low Income Families & Community Groups in Malaysia

The Centre for Public Policy Studies (CPPS-ASLI) hosted a half-day Roundtable Discussion entitled “Fast Tracking Low Income Families towards High Income & Better Quality of Realities, Challenges & Hurdles, Opportunities, Possibilities & Models” yesterday on August 16, 2012 at Sunway University

The RTD was attended by about 30 people from public sector agencies, civil society and academic institutions with Dr Chua Hong Teck from Pemandu Director for the NKRA on low income households and Mr Harjeet Singh from Ministry of Women, Family and Community Development which is the lead agency on this NKRA presenting the initiatives of the Federal government.

Two academicians namely Prof Sulochana Nair who was previously head of the University Malaya Centre for Poverty and Development Studies and current at Binary University and Datuk Dr Denison Jayasooria from the Institute of Ethnic Studies, University Kebangsaan Malaysia provided a socio-economic critic.

There was a very fruitful open discussion and interaction reviewing specific policies and initiatives from the macro policy and structural perspective on the one hand and a reality check at the ground reality level on the other land.

Emerging out of the discussions is a number of major pointers and recommendations:-

First, that the Malaysian government has given priority and resources in addressing poverty as reflected in the reduction of poverty figures from 50% of the households in 1957 to less than 3% of the households in 2010 using the Poverty Line Income (PLI). It was recognised that Malaysia had formulated good macro development plans and ensured growth with distribution as its priority.

Second, that the recent initiatives through Pemandu’s specifically NKRA targeting of the very poor houses holds through e-kasih and one Azam is the right direction towards specific targeting and intervention. These initiatives are effective and as an on-going exercise will seek to welcome greater private sector and civil society participation to enhance the delivery and implementation

Third, concerns were raised that while abject poverty has been effectively reduced, however income inequality has significantly risen across ethnic groups and within including widening inequality gap between urban and rural communities. The rising inequalities, deprivation, hopelessness in the context of inflation and crime is negatively impacting the bottom 40% who are earning less than 3,000 MYR and are referred too as low income. This is especially so for the urban poor communities residing in low cost high rise flats in urban centres

Fourth, analysis indicated that this situation could have emerged due to the imbalance in public policy and delivery focus that has shifted towards achieving higher growth and economic profits. In addition the rise in public consumption might not be sustainable due to public sector injection of cash and resources. It was also noted that corruption which is loss of public resources has a direct impact on the poor.

Fifthly, there were clear calls for poverty to be redefined and different measurements used so as to capture the reality at the bottom of the socio-economic ladder. In this context it was felt that the over reliance on the PLI and income measurements must be altered towards a multi-dimensional approach with an orientation towards meeting ‘human needs and human rights’ with an emphasis on quality of life (health, education, housing etc). In this context it was strongly expressed that public policy focus must be



on 'equalising opportunities rather than equalising outcomes'. In addition 'fostering human capabilities' as formulated by Amarty Sen is most critical. This context as shift from a race based to class or needs approach will be consistent with the 1 Malaysia approach.

Sixthly, it was noted that while much public funds and resources were allocated towards addressing poverty and low income however there was no integrated and holistic plan in addressing inequality especially urban poverty. In addition there was no Ministry or agency with a specific priority of coordinating and addressing low income. As it involved a wide cross section of agencies in addressing human rights and quality of life aspects the impression given was that many agencies operated independently and an integrated dimension was really weak at the implementation level especially at the micro level.

Seventhly, it was also notes that community and group approaches were weak as the focus was largely directed towards individual and family as per 'e-kasih' data base. There has been conflicting messages and programs between hand out initiatives of cash, subsidies and easy loans on the one hand and self-reliance programs on the other such as job placement, micro business. People are opting for the easy way out which has created a dependency mind-set and culture which is difficult to break due to political interferences. What is therefore necessary is a shift away from 'welfare hand outs' towards community and group based self-help, self-reliance empowerment programmes such as capacity building, mind-set changes and values formation and through cooperative development, social economy and enterprise enhancement.

Eight, it was also noted that structural and macro policies such as low wages due to overdependence on unskilled foreign labour, inflation, corruption and vested interest is impacting especially the urban poor. This is compounded with many unresolved issues at the low cost flat neighbourhoods with inadequate public facilities especially in high rise flats is emerging as 'brick ghettos' which breeds anti-social behaviour and non-conducive living environment. There is therefore an urgent need to address urban poverty and low income living neighbourhood through neighbourhood based inter agency, multi-disciplinary, multi ethnic delivery teams.

Ninth, it was expressed that there was good potential to involve and tap the resources of volunteers through civil society and resources through corporate social responsibility of the private sector in complementing the public sector initiatives. In this context the call is shift CSR and volunteerism towards community empowerment and people centred development rather than hand-outs.

Tenth, it is proposed that the Federal government established a new Ministry or agency which will focus on addressing the concerns of the bottom 40% and serve as both the policy advocate and coordination centre for effectively addressing the needs and issues of the bottom 40% in a holistic and integrated way with social inclusion and cohesion as the priority base.

Issued on behalf of CPPS by
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