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Public Expenditure and Equitable Growth

End Poverty Day 2016 Event – Synopsis

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POV



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END POVERTY CAMPAIGN PRACTICE AND POLICY PERSPECTIVES TO END POVERTY

OVERVIEW

The World Bank Global Knowledge and Research Hub in Malaysia partnered with the United Nations Development Programme (UNDP) for an End Poverty Campaign event on November 8, 2016. Around 100 policy makers, development practitioners, civil society organizations and members of the media attended the half-day session, which addressed poverty, shared prosperity, and inequality issues at the global and community levels. This was the first joint World Bank-UNDP event in Malaysia, and represents a first step toward future collaboration.

Johan Mahmood Merican, Deputy Director General of the Economic Planning Unit (EPU) gave the opening remarks and touched on the Malaysian context of poverty eradication, as after reducing the incidence of poverty to 0.6 percent of households, the main focus has shifted to addressing the bottom 40% household income group (B40).

From there, Dr. Ken Simler from the World Bank's Poverty and Equity Global Practice and Dr. Michael Woolcock from the Bank's



Development Research Group took a global view on poverty and inequality with a presentation on main findings from the "Taking on Inequality" report.

Following that, Christopher Choong, Economist for UNDP Malaysia, reported on their recent field work from their Bottom 40% National Consultations project which featured a series of vignettes from interviews with people in the B40 from various places in Malaysia.

The main part of the event consisted of two panel sessions – one highlighting grassroots civil society organizations working to reduce poverty in Malaysia and the other featuring public policy makers. These sessions sparked a lively exchange of ideas, drawing from respective best practices and challenges in translating research into policy and policy into results on the ground.

ENGAGING THOSE IN NEED: PERSPECTIVES ON THE GROUND



The first panel session brought out the experiences and viewpoints of leaders of non-profit and civil society groups that have connected and engaged with poor people across the country. The four panelists were Munirah Abdul Hamid, Pertiwi Soup Kitchen founder, Deborah P. Henry, World Vision’s Child Rights Advocate and Fugee School Co-Founder, Prof. Dr. Sulochana Nair, Yayasan Sejahtera board member, and Dr. Colin Nicholas, Center for Orang Asli Concerns Coordinator. Suriani Kempe, UNDP Program Manager for Gender Equality and Women Empowerment, led the discussion as moderator.

The panelists agreed that on a macro level, Malaysia’s record in reducing poverty has been impressive, being successful in nearly eradicating poverty – extreme poverty is less than 1 percent. However, a pertinent point raised was on the need for more specificity in eradicating the poverty of the poorest among the poor. Reaching the remaining poor will require more customized and creative measures.

Policies and programs must think “from the ground up” for effective and efficient reach

Poverty today exists in small and diverse pockets of society in the country. Therefore, policies and programs would have to think “from the ground up” to be able to reach out more effectively and efficiently to ensure nobody gets left behind. Prof. Dr. Sulochana had made the observation that many programs were designed without consultation with those on the ground. In addition, many poor people are not cognizant of the fact that they are deprived themselves. They are unaware of their entitlements and the available facilities to empower them.

Furthermore, moving out of poverty remains a big challenge for many low income households. For Deborah, these households are treading on a thin line between surviving and falling back into poverty. According to Munirah, civil society groups are focused on these people, who tend to “fall between the cracks” of current poverty eradication policies and programs.

A subsequent point raised was on the service delivery aspect of programs. While civil society initiatives have been vibrant, government-led initiatives have the scale and resources to provide a sustained measure of impact. However, the panelists agreed that misdirection and leakages had sometimes led to ineffective implementation of otherwise well-meaning government initiatives.

Measuring poverty is another key area of concern. For Dr. Colin, while he agrees with the big improvements at the national level, poverty on the ground, especially among the Orang Asli community remains prevalent. The poverty rate for Orang Asli in Peninsular Malaysia remains high at 34%, as well as for the Bumiputera Sabah (20.2%) and Bumiputera Sarawak (7.3%). For these groups, poverty is not only a matter of lack of income, but also poverty in education, health, and basic amenities.

A broader scope of society mentioned as needing attention was the B40, the low-income group, who makes up the bottom 40% of Malaysian households (those with a monthly household income of RM 3,855 or less). These households are at high risk of shocks and at any given time may be susceptible to falling back into poverty given the state of their finances and limited safety nets, assets, and coping strategies.

The panelists welcomed the shift from focusing on the income-centric absolute poverty level to a multidimensional poverty index, as announced in the 11th Malaysia Plan (11MP) as a step in the right direction

towards inclusive development. Taking into account vulnerabilities in areas such as health, living standards and educational attainment, the Multidimensional Poverty Index broadens the definition of poverty and departs from the traditional practice based on an income threshold known as the Poverty Line Index (PLI). The MPI will be complementary to the PLI in identifying the extent of poverty in the country.

On the more qualitative aspects of policy making and program design, a key consideration highlighted was the need for planners and implementers to acknowledge the diverse backgrounds of the poor. Anti-poverty policies and programs should not be homogenized. Formulation of policies and programs ought to be bottom-up and hence, proper understanding of community needs should come first.



Dr. Colin took this point a step further in the case of Orang Asli – there may be areas beyond the expanse of policies and programs for poverty eradication. Towards this end, he suggested that it would be best to leave the Orang Asli communities alone. According to Dr. Colin, these communities have good track records in being their own

custodians of local programs, built for their context. This leads not only to better designed initiatives but also initiatives that command local credibility and trust, allowing for communities to walk their own path of development.

This point raised a broader imperative for design and implementation of initiatives: policies and programs need significant community ownership to ensure collective buy-in which will heighten odds of overall success.

IMPLEMENTING POLICIES TO REDUCE POVERTY AND INEQUALITY



After hearing from a very elucidating first panel discussion on conditions on the ground, the second panel discussion shifted to the policy level. Moderated by Dr. Norman Loayza, Lead Economist in the World Bank's Development Research Group, two distinguished panelists took the stage for this discussion – Muhammad Idris, Director, Distribution Section, Economic Planning Unit and Dr. Amjad Rabi, UNICEF Deputy Representative and Senior Social Policy Specialist.

Strong delivery platforms need to be built and supported by good stakeholder collaboration

Taking his cue from the earlier discussion on poverty, Muhammad described the human condition as complex and dynamic with varied manifestations across socio-economic levels among those in deprivation. While governments and their partners have been working over decades towards eradicating poverty, the solution to ending poverty remains elusive, as does the more challenging goal of reducing inequality.

However complex the condition, there had to be a starting point and for the Government of Malaysia, a baseline reference was the PLI, which focused only on the income dimension. However as illustrated by the preceding panel, the approach has evolved to take into account a multidimensional approach via the MPI as defined in the 11MP.

Expounding on the priority group for intervention, the B40, Muhammad agrees that they are not homogenous and a varied and customized approach leading to different types of intervention is the way forward. However, the challenge underpinning public policy and programs on poverty eradication is to meet the different sets of needs and expectations.

However, from a policymaker lens, the delivery system is the top priority when it

comes to poverty eradication. Strong platforms need to be built and this can be reinforced with good stakeholder collaboration. He also pointed to initiatives that are moving beyond the scope of distribution into areas where improvements in social mobility can be facilitated.

Dr. Amjad took this idea further by delving into the area of labor productivity. He advocated for the need to lift the level of education amongst the poor. Through education, children in poor communities will stand a better chance to get better jobs or get into business.

He pointed that skillsets, especially amongst the B40, would need to match market demand. A mismatch could lead to an inadvertent rise of inequality. Those with the relevant skills will have the capability to scale upward and those who do not will fall behind.

He described Malaysia's early successes. He pointed out that the first big push by Malaysia was to tap its demographic window of opportunity which provided for a suitable and sufficient labor supply to the economy. This brought the country towards its upper middle-income level. However as an economy in transition towards high income, there is a need to think more about marginalized people and to usher them into the wider, mainstream opportunity for upward social mobility.

In closing, the panelists raised the point that in order to eradicate poverty in Malaysia there is a need to ensure that policy makers

and practitioners to address the poor as people with varied and distinct contexts and not benign objects or statistical figures.

CONCLUSION

To end the event, Jakob Simonsen, ad-interim UNDP resident representative for Malaysia, Singapore and Brunei Darussalam provided for closing remarks, thanking the panelists and appraising the key learnings from the session.

The event explored the multiple dimensions in the discourse on poverty, tapping on the narratives of global development institutions, to the national policy level and all the way to those mobilizing resources on the ground.

While the concern of poverty may be too large and complex to be thoroughly dealt with over a half-day session, the rich exchange was certainly a good effort to embody and reflect on this challenge of humanity. It is hoped that this event had spurred thoughts and ideas towards poverty eradication in the country, continuing the good work towards seeing the day when nobody gets left behind.

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