

•MEENA RAMAN

UNEQUAL PROGRESS

The incidence of poverty among Malaysians was reduced from 16.5% in 1990 to 8.9% in 1995. In the rural areas, the incidence of poverty among Malaysians decreased from 21.1% in 1990 to 15.3% in 1995, while the number of poor households was reduced by about 42% from 492,500 to 285,600. However, in urban areas, while the incidence of poverty also decreased from 7.2% to 3.7%, the number of poor households increased slightly from about 82,000 to 84,600.

The progress in poverty eradication was made possible by the growth of the economy which increased employment opportunities for all, including the poor, and the implementation of various Government programmes and projects aimed at rural and agricultural household.

Though the incidence of absolute poverty has decreased, there is a growing concern about the rising inequality in the country in terms of the distribution of wealth and income in society. In 1987, the richest 20% of households (with 51% of total income) earned more than the bottom 80% combined (with only 49% of the total income). The top 5% of households had an income worth more than the poorest 50% combined.

The mean income of the bottom 40% of households grew by 8.1% from 1990 to 1995, i.e. from RM¹ 420 to RM672. However the rate was slower compared with the top 20% and middle 40% of households, which grew at 10% and 9.2% respectively. The different rates of growth resulted in a slight increase in overall income inequality for the 1990–95 period. The Implementation and Co-ordination Unit (ICU) of the Prime Minister's Department of Malaysia co-ordinates the poverty eradication programme, particularly the Development Programme for the Hard-Core Poor (PHCP). Data regarding the various levels of poverty and particulars of the poor households are collected from various households surveys and census commissioned by the Government.

The ICU with the assistance of the District Offices in the country, updates data periodically to evaluate the effectiveness of the PHCP in eradicating hard-core poverty. The District Offices rely on village level administrators i.e. village headman or Village Development and Security Committee to identify the hard-core poor.

Problems pertaining to the collection of data occur when the respondents do not supply correct information or the collector overlooks some families and gives incomplete information. Available data is not very comprehensive. Even though general and comparable data may be available, these are not widely publicised. Furthermore, some of the figures quoted are disputable, as other surveys have shown contradicting figures, i.e. there is no data available on the ratio of % of women living in poverty compared to % of men.

TABLE 1.

	1990	1995	
Percentage of households living in poverty	16.5	8.9	
Percentage of households in extreme poverty	3.9	2.1	
People in poverty (%)			
– Rural	23	s/d	
– Urban	8	s/d	
Unemployment rates (%)	5.1	2.8	
Ratio of highest 20% to lowest 20% (1981-93) = 11.7			
Labour force participation rate for population aged 10 to 14 (1991 Census Report)			
10-14 years	Urban	Rural	Total
Male	2.2	4.2	3.3
Female	1.7	3.4	2.6
Total	2.0	3.8	3.0

ACCESS TO BASIC SERVICES

WATER AND SANITATION

The rural water supply programme was expanded to provide

1 RM 2.5 – US\$ 1.

access to safe drinking water to a large segment of the rural population especially in the remote areas. Clean water is supplied through the tapping of underground water and wells in remote villages where the supply of potable water is not available. However, people in the remote areas have difficulty in getting clean water supply as rivers are silted due to erosion caused by long activities or clearing of forests for development and agriculture plantations.

In terms of sanitation, the Government continued to provide basic sewerage facilities where various systems were adopted including centralised sewerage systems, individual septic tanks and pour-flush latrines. The proportion of households covered increased from 42% in 1990 to 52.7% in 1995. The 1991 census indicates that 95% of the 3.4 million housing units in Malaysia had some sort of toilet facility.

The sewerage system was privatised in 1993 with the hope of reducing river pollution by domestic and animal waste. However the privatisation process is beset with problems particularly on the high charges imposed by the company.

HOUSING

With regard to low-cost housing, a total of 261,386 units of low-cost houses or 76% of the target for 1990–1995 was completed. Of this the private sector completed 21,89 units of which 131,525 units were under the Special low-cost Housing Programme and 8,68 units under the ordinary housing programme. The price of low-cost house was maintained at RM25,000 (US\$14,000) per unit.

The public sector constructed 46,497 units of low-cost houses or 36.7% of the target. The low achievement was attributed to unsuitable project sites, high infrastructure and construction costs. States lacked commitment to build low-cost houses. In order to expedite the construction of low-cost houses, several funds were established. For instance, in 1993, the Low-Cost Housing Fund was established with an allocation of RM500 (US\$ 200) million. Further, housing developers were required to allocate 30% of their schemes to low cost houses.

Even with the various low-cost housing programmes, there is still a shortage of affordable homes for the poor. The demand for houses is expected to increase due to the expanding population and the growing number of new households. A total of 800,000 units of houses is reported required during the Seventh Malaysia Plan (1996–2000). Of the total about 29.4% is to meet the demand for low-cost houses and 43.8% for low medium-cost houses.

In terms of overcrowding, in 1980 the congestion in urban areas was severe. On average there were 1.2 households per occupied living quarters. However by 1991, with living quarters in the urban areas increasing faster than the number of households, this urban congestion was considerably reduced to 1.05 households per living quarters. In total, 98% of the occupied housing units in Malaysia contained one household per unit.

EDUCATION

TABLE 2.

	1990	1995
% of the population with access to safe drinking water	80	89
% of safe water supply in rural areas	67	77
% of the population with access to sanitation		94
% of sanitary latrines in rural areas		92
% of budget allocated to water and sanitation (under public utilities)	0.17	0.2
	1980	1991
Number of households per dwelling place	1.10	1.03
Urban	1.20	1.05
Rural	s/d	1.02
Average number of persons per occupied housing unit	5.6	5.0

The thrust of education was on expanding capacity and increasing access to all levels of education, strengthening the delivery system and improving the quality of education. The percentage share of students at the upper secondary level in Government and Government-aided schools enrolled in the science and technical streams declined from 22.8% in 1990 to 21.3% in 1995. This enrolment level was still below the 60% target of having upper secondary school students enrolled in the science stream.

In order to meet the manpower requirements of a rapidly growing economy, tertiary education was directed at increasing enrolment at the degree, diploma and certificate levels, particularly in science, medicine, engineering and technical related courses. With respect to the output from public institutions of higher learning, arts graduates exceeded science and technical graduates.

By 1995, about 94% of rural poor households and almost all the urban poor were within 9 kilometres of a primary school while about 60% in rural and 96% in urban areas were within the same distance of a secondary school.

Educational facilities in the rural areas were expanded and improved. Hostel facilities were provided in rural and remote areas to cater for students who lived far away from their schools. Despite these efforts, much still needs to be done to improve the situation, especially in the remote areas in East Malaysia.

The government reports state that promising students from the rural areas were given opportunities to pursue their secondary education in fully residential schools. In addition, various kinds of educational assistance such as scholarships and free textbooks, food and accommodation and uniforms were provided to students in poor households.

The Ministry of Education took over the responsibility of providing education for the Orang Asli (indigenous people in Peninsular Malaysia) children from the Department of Orang Asli in 1995. The Orang Asli children were provided with trained teachers, better school facilities as well as teaching and learning materials. Nevertheless some Orang Asli communities find the schools inaccessible as the schools are far away from their villages. Lack of transport to the schools and students' attendance depend on

the weather conditions.

By using the population aged 10 years and above who had ever attended school as a proxy for literacy, the rate of literacy in the country in 1991 was 85% compared with 72% in 1980. Literacy level among females increased. Sex differential in the proportion of those ever been to school is narrowing.

TABLE 3.
HEALTH

	1990	1993	1995	
Literacy rate (%)	85.1		89.3	
– adult		82.2		
– female		76.3		
– male		88.2		
Rate of illiteracy				
– adults		2.1		
– female		1.4		
		1991	1994	
Rate of registration in basic education (%)		97.9	99.0	
		Secondary		
School. number of pupils	Primary	Lower	Upper	Post
(1990)				
Male	1,255,869	473,999	176,639	24,960
Female	1,189,726	468,802	184,722	36,896
Total	2,445,595	942,801	361,411	61,856
			1990	1994
University female intake (%)			37.2	49.5
		1990	1994	1995
Spending in Education	20.0	24.0	23.8	
– Budget (%)				

In terms of accessibility to health facilities, about 88% of the poor in urban areas and 77% in the rural areas were within 9 kilometres of either a Government or private clinic. Rural areas were served by mobile dental teams and dispensaries, village health teams and the flying doctor service to remote and outlying areas.

Due to changing lifestyles and behaviour as well as the effect of demographic transition, the pattern of diseases changed with an increase in the occurrence of non-communicable disease. Heart and pulmonary diseases constituted the main cause of all death and the most common cause of admissions in hospital, followed by cases of accidents, cerebrovascular diseases and cancer.

According to the government, immunisation programmes have contributed significantly to the reduction of childhood diseases, as reflected in the improving infant and toddler mortality rates. In 1994, about 91% or 502,000 infants received complete immunisation against diphtheria, pertussis, tetanus, poliomyelitis and tuberculosis, as compared with 79% in 1990.

In Malaysia, reproductive health services is provided under the Family Planning Services. The number of health facilities providing these services have increased from 2,463 in 1990 to 2,590 in 1993.

TABLE 4.
Programmes on the control of communicable diseases such as malaria, tuberculosis and dengue as well as AIDS are given

	1990	1994		
Life expectancy at birth (in years)				
Male	68.9	69.3		
Female	73.5	74.0		
Infant mortality rate(*) (per 1,000)	13.0	10.5		
Child mortality rate(*) (per 1,000)	0.9	0.8		
Maternal mortality rate(*) (per 1,000)	0.2	0.2		
(*)for Peninsular Malaysia only	1990	1993		
% of prenatal care attended by professionals	78.1	71.9		
% of births attended by professionals	95.0	92.9		
Total fertility rate (for 1992)	3.6			
Fertility rate according to age (per 1,000 women)	1991	1992	1993	
15-19	20	20	19	
20-24	130	132	132	
25-29	208	211	215	
30-34	169	172	173	
35-39	103	104	104	
40-44	38	38	37	
45-49	4	4	4	
	1990	1991	1992	1993
Spending in health (as % of GNP)	1.68	1.79	1.77	1.64
	1990		1993	
Incidence of malaria (cases)	50,500		39,890	
Deaths due to malaria (cases)	43		23	

priority to reduce incidences. Bed nets treated with permethrine are used in endemic areas (mostly in Orang Asli villages) and the use of DDT routine spraying are carried out only in areas of high endemity. The Institute for Medical Research, Malaysia functions as the collaborating centre for research for the World Health Organisation in new areas such as screening and use of medicines for malaria.

FOOD – NUTRITION

Malaysian agriculture is still geared towards the production of export commodities, commercial crops such as natural rubber and palm oil. Nevertheless the self-sufficiency level improved for several products during the 1990–1995 period. The production of

rice experienced a marginal growth of 1.4% per annum while production of vegetables recorded a moderate growth of 2.7% per annum.

The export value of food commodities remained stable at RM4 billion. However the import of food increased by 8.0% per annum from RM4.5 billion in 1990 to RM6.7 billion in 1995. The increase in food imports was mainly due to the increase in the import of animal feeds, fisheries products, live animals as well as fruits and vegetables.

There is a growing concern that with the present emphasis of the economy on industrialisation and the pressure of urbanisation, more and more agricultural lands producing food will be converted for commercial use. Such a trend has already begun, and has grave implications for food security.

While the overall nutrition level in the country was satisfactory, moderate malnutrition among children below five years, iron deficiency anaemia among pregnant mothers and iodine deficiency among the specific groups of the population still persisted.

To address these problems, nutrition programmes were incorporated as an integral component of the Development Programme for the Hard-core Poor. These efforts resulted in an improvement in the nutritional status of children below five, where 0.42% of these children had a body weight less than 60% standard in 1995 compared with 0.5% in 1990. The percentage of anaemic mothers was reduced from 5.4% to 3.8% for the same period.

In addition, the supplementary food programme for primary school children from low-income families was continued in all schools, benefiting 520,000 pupils. The government plans to continue nutrition intervention programmes incorporated into village economic development programmes and of supplementary programmes aimed at improving the nutritional status of the rural population and children in schools.

The Rehabilitation of Malnourished Children for Poverty Families programme was implemented in July 1988. In 1993 the number of malnourished children receiving food supply at the end of 1993 was 8,749. This is a reduction of 31% compared to the number of cases (12,690) at the end of 1989.

The National Action Plan on Nutrition (NAPN) initiated in 1995 to address all forms of malnutrition problems will be implemented. Under the NAPN, assessment and monitoring of the nutrition situation among children below five years of age under the National Nutrition Surveillance System will be stepped up.

PUBLIC SOCIAL SPENDING

TABLE 5.

	1990	1992	1995
Daily caloric offer per capita		2,884	
% of children with low weight at birth	8.2	8.2	
% of underweight children under five (body weight less than 80% standard)	25	25.13	
% of children below five with severe malnutrition	0.5		0.42
% of pregnant mothers with severe anaemia	5.4		3.8

The data provided below show the budget allocations by the government for the various sectors:

TABLE 6.

The Government is moving towards privatisation of various public services. One of the major concerns is the privatisation of

	1990	1991	1994	1995
% of public social spending	30.0	28.3	34.1	33.5
% of spending in health	6.0	5.2	6.1	6.3
% of spending in education	20.0	20.4	24.0	23.8
% of spending in housing	0.25	0.22	0.8	0.3
% of spending in public utilities	0.17	0.18	0.4	0.2

health care services which is now being considered by the Economic Planning Unit.

RESOURCES AND ECONOMIC OPPORTUNITIES

Presently land alienation process is not equitable, open and transparent. Many pioneer settlers in rural areas have toiled on the land for generations but, despite applications for land titles, are not given legal rights to land ownership.

Another aspect is the land acquisition issue. Over the years, in the name of development, small landowners have been deprived of lands which are acquired by the State to be given to private developers for projects such as resorts, golf courses, industrial estates, tiger prawn farming and other such commercial ventures. The landowner who depends on the land for his livelihood is deprived of making a living.

For forest dwellers such as the Sarawak natives and the Orang Asli, there is no effective recognition of their customary rights to land. Much frustration has been expressed over the awarding of timer concessions and projects over lands and forests in which traditional communities seek their sustenance.

RURAL - URBAN INCOME DISTRIBUTION

Rural household income grew by 5.3% per annum during the 1990-1995 period, compared to 2.5% achieved during the 1985-1990 period. However it was slower than the rate of 8.2% registered by urban household. The income disparity ratio between rural and urban households also widened from 1:1.7 in 1990 to 1:2.0 in 1995.

The widening income inequality in the country was brought about mainly by the difference in rates of growth of the rural and urban economies. The demand for both skilled and unskilled pro-

duction workers mainly in the manufacturing sector in the urban areas grew at 6.7% per annum. On the other hand, the agriculture sector, which was the mainstay of the rural economy, grew at only 2.0% per annum.

Demand for agricultural workers declined owing to the slower growth in output of the agriculture sector as the country was moving towards industrialisation. Young workers were more keen to take jobs in the manufacturing services sectors as it was more remunerative. The income imbalance widened between agriculture and non-agriculture households, which contributed towards increasing income inequality in the country.

LABOUR-LEGISLATION RELATING TO THE WORK OF WOMEN

Male-female wage differentials continue to exist in private sector establishments. However, these differentials are narrowing steadily, particularly in labour-intensive industries. In the public sector, there were no gender differences in pay for the same job.

The Employment Act 1955, although equally applicable to both men and women, contains protective provisions specifically for women in the work place. The Act includes provisions that prohibit women from working underground or on midnight shifts without permission from the authorities and provides maternity leave for up to five births for a period of sixty days with full benefits.

The Income Tax Act 1967, was amended in 1978 to allow a woman employee to have her income assessed under her own name.

The Government plans to amend the Employment Act 1966, to permit women to be gainfully employed in part-time employment while allowing them flexibility to look after their homes. Amendments aim at allowing employers to introduce flexible working hours (see Table 7).

CITIZEN PARTICIPATION

The economic model in the country is geared towards industrialisation, similar to that of the western model. Thus, we have «imported» the same growth syndrome as the industrialised countries, the same attitude of maximising exports, revenues, and exploitation of resources for the immediate present, instead of adopting a programme of conservation and allocation of resources for the long term.

What is undesirable is the type of growth that is taking place on the foundation of an unequal distribution of resources, wealth and income. This leads to the benefits of growth going mainly to a minority, thus increasing the inequality gap, thus burdening the poor majority with inequality within the nation, on top of the inequality in the international scale.

In the public sector, the revenues generated are largely sunk into huge projects which are often economically unviable, environmentally unsound and do not benefit the larger, poor commu-

TABLE 7.

	1990	1995
Rates of unemployment (%)	5.1	2.8
Rates of unemployment (%) (by sex & ages)	1990	1993
Both sexes		
15-24	72.4	70.1
25-54	25.2	27
55-64	2.4	2.9
Male		
15-24	70.7	66.4
25-54	26.2	29.8
55-64	2.4	2.9
Female		
15-24	74.5	75.6
25-54	23.8	22.9
55-64	1.6	1.5
Labour force (thousands)	1990	1995
	7,042	8,060
Labour force participation rates (%)		
Total	66.5	67.0
Male	85.6	87.2
Female	47.3	46.8
Rates of total employment (%) (by sex & ages)	1990	1993
Both sexes		
15-24	27.1	24.9
25-54	67.0	69.3
55-64	5.9	5.8
Male		
15-24	25.2	22.5
25-54	68.5	70.9
55-64	6.2	6.6
Female		
15-24	30.5	29.4
25-54	64.2	66.3
55-64	5.3	4.3
Female labour force by academic qualification (%)	1990	1993
No formal education	15.7	12.6
Primary	29.3	26.4
Secondary	45.1	50.0
Tertiary	9.9	11.0
Average household income (RM)	1990	1995
	1,167	2,007
Urban	1,617	2,596
Rural	951	1,300
Earned income share	1993	
Male	71	
Female	29.4	

nity. The poor are often the main victims. Their resource base is destroyed by chemicals or modern technology, their forest land taken away because of «development projects», their water resources are polluted by industrial wastes, their indigenous skills and products are rendered useless and irrelevant against the on-

slaught of modern processes and products.

Often development projects are imposed on the people without getting them involved in the decision-making or planning processes. There are shortcomings in the existing citizen participation processes. Much has to be done to strengthen the genuine participation of the public in the development process.

Election is conducted once every five years. In the eight general elections which have been held since the formation of Malaysia, the most recent being in 1995, the ruling coalition of political parties, the National Front, has retained its majority in parliament.

PLANS FOR THE ERADICATION OF POVERTY

Efforts to eradicate poverty had been made ever since the Government launched the First Malaysia Plan (1966–1970) with an allocation of RM 6.67 billion for agriculture and rural development. Under the Sixth Malaysia Plan (1990–1995) more than RM1 billion has been allocated to poverty eradication.

Poverty estimations for 1995 are based on the following poverty line incomes:

- RM425 per month of a household size of 4.6 in Peninsular Malaysia.
- RM601 per month of a household size of 4.9 in Sabah.
- RM516 per month of a household size of 4.8 in Sarawak.
- Hard-core poor is estimated using half the poverty line income.

Efforts to eradicate hard-core poverty are spearheaded by the PHCP (Development Programme for the Hard-core poor). The PHCP was introduced in 1989 to deal specifically with hard-core poor households. It was designed to meet the varying needs of different subgroups among the hard-core poor. Priority was to be given to the poorest states and districts as well as the Orang Asli community and the urban poor.

The PHCP encompassed income generating projects and the inculcation of the values, such as self-reliance and hard work as well as the provision of direct welfare assistance. The income generating projects, among others include cash crop cultivation's, livestock rearing, aquaculture, petty trading and cottage industries.

There are allocations for upgrading or rebuilding the houses of the hard-core poor, particularly in the rural areas. The allocation has been increased from RM3,000 to RM5,000. Problems pertaining to this aid were the poor quality of materials provided for upgrading of house, the lack of manpower and the practice of favouritism in selection of hard-core poor to receive aid.

In the Orang Asli villages, many have complained that they have yet to receive aid to build new house. For those who have received the aid, the houses that were built were very small. (10 by 16 feet), with one room, without separate family room kitchen, bedroom, bathroom and toilet. Some of these villages are inac-

cessible by road, lack safe, clean water, sanitation, and electricity supply or public telephones and are far from the health centres and schools.

For the urban poor, priority is given to income-generating projects as well as the provision of adequate basic amenities, including low-cost housing.

Up to April 1994, a total of 105,844 families in the country were identified to receive aid under the PHCP. Of this total, 72,483 families were from Peninsular Malaysia while the rest were from Sabah, Sarawak and Labuan. The number of hard-core poor families in the country could be higher than what is reported, because there are contradicting figures in various studies that have been carried out.

In the report of the Sixth Malaysian Plan, it is reported that about 16,740 hard-core poor households benefited from income-generating projects, 39,060 participated in the attitudinal change programme and 37,200 received direct welfare assistance with some households receiving more than one type of assistance.

The Government launched a loan scheme in 1992 which enabled each hard-core poor household to obtain a RM5,000 interest-free loan to participate in the Scheme. This was aimed at increasing the income of hard-core poor households.

Complaints are rife regarding the misappropriation of aid given under the PHCP. Some well-to-do disguise themselves as poor to receive aid and donations. Another factor is the practice of favouritism in identifying the hard-core poor. A village level administrator is appointed by the District Office to identify the people who are eligible for aid. These appointees nominate their family members or close friends. Political affiliation also plays a part, where a certain party member would not want the aid given to a member of the opposition party. These practices have distorted the PHCP's main aim. Eligible families are often overlooked or totally ignored.

In addition to the PHCP, the implementation of various programmes by NGOs with the support of several private countries. Amanah Ikhtiar Malaysia (AIM), an NGO, provides interest-free loans worth RM77.1 million to about 36,200 poor and hard-core poor households to enable them to venture into poultry and livestock rearing and small-scale business such as retailing of groceries, and the servicing and repairing of vehicles.

Although absolute poverty has been reduced, there are special vulnerable groups who deserve much more focus such as the Orang Asli, the natives of East Malaysia, fishermen, farmers and estate workers. In the case of estate workers there has been no increase in their real wages and their living conditions are deplorable and still lacking some basic amenities. They do not have access to clean water and proper sanitation facilities.

Whilst the government has expressed commitment to further reduce the incidence of poverty, no serious efforts are directed at reducing the inequality in the distribution of wealth and income between the rich and poor. Government data do not provide detailed analysis of the income and wealth distribution in the country in terms of rich and poor, but is largely reflected in terms of ethnic and racial lines.

The government must direct its policy to restructuring wealth and opportunities, so that the poor and underprivileged improve their position. Such restructuring must be directed to access and ownership of productive assets like land, farming tools, fishing tools, boats, nets, credit, fair marketing and transportation.

It is critical to devise a new basis for land policy, in terms of the criteria for awarding land titles and access. The present land alienation policy has to be more equitable, open and transparent. The customary rights of the indigenous people to their lands and forests must be given recognition.

ENVIRONMENTAL PROBLEMS

Though the country has been charting a high economic growth rate of 8% in the past few years, the environmental situation in the country is worrying, in terms of natural resource depletion and deterioration of environmental quality.

The rapid rate of deforestation, the overfishing of our fishery resources, the loss of our wetlands and mangrove forests, the damage to our highlands, the degradation of our soils, the destruction water catchments and underground water resources, the generation of toxic and household wastes, the deterioration of air and water quality and the emergence of acid rain are all urgent concerns.

This goes to show that the current model of development is not environmentally sustainable. Though the government professes to be committed to sustainable development, the actual implementation of policies and projects does not reflect this commitment.

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