



United Nations Development Programme

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## POVERTY PROGRAMMES TO BENEFIT FROM NEW DATA

**KUALA LUMPUR, Dec 11** – New statistics that provide a comprehensive profile of the poor in Malaysia are expected to help the government better target its policy investments, as well as interventions for poor and vulnerable groups in the country.

The joint United Nations Development Program (UNDP) – Economic Planning Unit (EPU) publication, titled *“Malaysia: Measuring and Monitoring Poverty and Inequality”* is the first of its kind to officially document the methods used by the government to measure poverty and income inequality.

Announced during the International Poverty Conference, the data go beyond capturing poverty at the household level and above, to provide micro-level data on the incidence of poverty among certain groups, including children and ethnic minorities.

“It looks at how individuals from poor households, such as children, are affected by poverty,” said Dr. Richard Leete, UNDP Resident Representative for Malaysia, Singapore and Brunei.

“With this detailed profile, there is an opportunity for Malaysia to fine tune priorities and focus action on poverty reduction programs that make them more effective, as well as deliver them to where they are most needed.

“The data in this publication present a strong case for evidence-based policies specifically designed for vulnerable groups. For example, pro-poor programmes for children can target improving nutrition, removing obstacles to continuing education, and closing the ICT gap.”

According to the report, child poverty rates – the proportion of children under age 15 living in poverty relative to all children under 15 in each state- are highest in Sabah at 41.6 per cent, followed by Terengganu at 25.9 per cent, Kelantan at 18.5 per cent and Sarawak at 14.9 per cent. This compares to only 0.8 per cent in Penang and 2.6 per cent in Selangor.

“States where child dependency ratios are highest tend to have higher poverty levels. One reason why households remain in poverty is the demographic trap, whereby impoverished families tend to have many children.

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“Children born into poverty face tremendous challenges in having access to adequate basic amenities, sanitation, healthcare and education. The poor are limited not just in terms of opportunities, but also in the choices they have to make on an everyday basis,” he added.

The three-day conference will explore various themes and trends in poverty, including growing income inequality in Asia. In Malaysia, disparities between states, ethnic minorities, and urban and rural areas have been on the rise since the 1990s.

Malaysia’s Gini coefficient—a measurement for income inequality where 0 indicates perfect equality and 1.0 indicates perfect inequality—of around 0.46 is the highest in the region. That is significantly greater inequality than the levels in poorer countries such as Indonesia (0.32), Vietnam (0.36), and Laos (0.37). It is also higher than Thailand’s 0.41.

“Malaysia’s successes in alleviating hard-core poverty at the macro-level have been well-documented. However, income distribution between and within states and ethnic groups remains extremely unequal, and the gap is widening.

“The widening inequalities between the haves and have-nots underscore that economic growth alone—especially when the benefits are not evenly shared—will not be enough to make meaningful progress in reducing poverty,” said Dr. Leete.

The International Poverty Conference seeks to promote enhanced understanding of international and national perspectives on the definition and measurement of poverty and income inequality among policy makers and poverty specialists. Member countries of the World Bank Institute’s Poverty Analysis and Data Initiative (PADI), government officials and academia were represented at the conference.

The event is a follow up to an EPU-UNDP capacity-building project, which culminated in a revision to the poverty line income gauge included in the Ninth Malaysia Plan.

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Note to Editor:

**ABOUT PADI:** *PADI (Poverty Analysis and Data Initiative) is an initiative launched in 2000 by WBI and its partner institutions in East Asia to address capacity building needs on poverty related issues through promoting knowledge and experience-sharing across member countries on poverty reduction. PADI is a network of policymakers, researchers, and data producers involved in designing, supporting, implementing, and evaluating anti-poverty programs and policies, monitoring and evaluating poverty reduction, supporting and undertaking poverty research for better policymaking, and generating poverty data in support of evidence-based policymaking on poverty reduction.*

*Member countries include Malaysia, Cambodia, Thailand, Lao PDR, Indonesia, China, Vietnam, Philippines, and Timor-Leste.*

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**ABOUT UNDP:** *UNDP is the UN's global network to help people meet their development needs and build a better life. We are on the ground in 166 countries, working as a trusted partner with governments, civil society and the private sector to help them build their own solutions to global and national development challenges. Further information can be found at [www.undp.org.my](http://www.undp.org.my)*

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