

CHAPTER 1

GENERAL BACKGROUND

1.1 INTRODUCTION

The World Bank (1991 : 51) concluded that from 1973 to 1987, growth in Malaysia was accompanied by improving income distribution resulting from a rising share of wages in family income and a more even distribution of wages, with a broad expansion of education and improvement in literacy. Malaysia has done wonders by producing a strong Gross Domestic Product growth of more than 8.0 per cent from 1988 to 1996 (Economic Report, various years) and Malaysians now enjoy a better standard of living compared to the past. However, as in other countries, poverty still exists in Malaysia.

The incidence of poverty in Peninsular Malaysia fell between 1970 and 1997, from 49.3 per cent (Malaysia, 1997 : 67) to 6.1 per cent (Malaysia, 1981 : 34) of households living below the official poverty line. In absolute terms, the total number of poor households in Peninsular Malaysia in 1970 and 1997 were 791,800 and 294,400 households respectively. The poor households of 1970 consisted of 89.2 per cent households from the rural areas and 10.8 per cent from the urban areas. In 1997, 81.2 per cent poor households were from the rural areas

and 18.8 per cent were from the urban areas (Table 1.1). There was therefore an increase in the percentage of poor households from the urban areas.

Table 1.1: Peninsular Malaysia: Number and Percentage of Poor Households by Rural and Urban Location, 1970-1997

Year	Total ('000)	(%)	Rural ('000)	(%)	Urban ('000)	(%)
1970	791.8	100.0	705.9	89.2	85.9	10.8
1975	835.1	100.0	729.9	87.4	105.2	12.6
1980	666.1	100.0	568.5	85.3	97.6	14.7
1985	601.9	100.0	501.5	83.3	100.4	16.7
1987	485.8	100.0	403.2	83.0	82.6	17.0
1990	448.9	100.0	371.4	82.7	77.5	17.3
1995	370.2	100.0	285.6	77.1	84.6	22.9
1997	294.4	100.0	239.0	81.2	55.4	18.8

Sources: Malaysia (1981:34-35; 1989:52; 1993:58; 1997:67)

The New Economic Policy (1970 - 1990) had an important objective of eradicating absolute poverty by raising income levels and increasing the rate of employment, irrespective of ethnic background. The economic conditions and quality of life of the poor were improved through a wide range of free subsidised government social services and facilities. These social services and facilities included housing, public utilities, health and educational opportunities. The government also increased productivity and income level of the poor by helping them to expand their productive capital and utilising the capital efficiently. There were also inter-sectoral movements out of low productivity areas to high productivity areas. Provision of education, training, financial and technical skills helped to facilitate movements into the modern sectors of the economy.

Poverty alleviation policies and programs are often formulated on the basis of households as the unit of assessment. There are no special programs for women in poverty. Deprivation among women has increased despite the economic gains made by Malaysia in the past two decades. For example, it is found that women in general do not enjoy the same level of health and nutrition, education and access to productive resources as men do (Tan and Ng, 1997).

1.2 JUSTIFICATION OF STUDY AND RESEARCH OBJECTIVES

Traditional approaches do not give much consideration to poverty conditions affecting women which are in many instances different from men. This study therefore seeks to identify some of the conditions which can alleviate poverty for women. A number of key areas identified include education, employment, health, food security, decision-making and access to assets and credit.

It is believed that education is an important indicator of well-being and can help improve economic condition. However, educational attainment and achievement among persons in poverty are generally low. Worse still, literacy rate of women in poverty is generally lower compared to men in poverty.

Women in poverty is believed to have low literacy and educational level. Hence it is important to find out their employment patterns as these people are also most likely to be poorly paid compared to men.

It is noted that poverty is also closely linked to poor health status. Poor health status results from poor nutrition, low health awareness and lower access to health facilities and services. Women in poverty frequently face poor health problems as well.

Women in poverty also do not have much say in decision-making either in major or normal issues affecting them or the family. As such, intra-household decisions may further worsen their situation.

Dependence on income from unskilled labour is especially high among women in poverty. Hence, the disadvantages from poverty and from discrimination tend to be cumulative. Women in poverty are also less likely to have access to assets and credit. Indirectly, such discrimination of opportunities will perpetuate women in situations of economic deprivation.

Hence, the objectives of this project paper are as follows:

- (i) To consider alternatives to traditional poverty measures to highlight issues affecting women;

- (ii) To explore some key areas, such as education, training, employment, health, food security, nutrition, access to assets and credit, participation in household decision-making and support system, which may alleviate women's poverty;
- (iii) To identify the main issues for policies and programs to alleviate poverty amongst women.

1.3 LITERATURE REVIEW

The first rigorous definition of poverty is often attributed to Rowntree (1901). He identified poverty as an economic situation which rendered an individual or family unit incapable of maintaining a minimum acceptable living standard. This doctrine is based on a "poverty line" using a consumption level required to survive. A minimum calorie intake level estimated by Atwater (a nutritionist), was used by Rowntree to derive his poverty line. Rowntree's basic concept is still applicable today. The concept has extended beyond Rowntree's calorie intake to that of minimum needs. An inventory of minimum needs is usually obtained at by determining the absolute basic ingredients of human subsistence. The basic ingredients include food, shelter, clothing, and transport. The list is then measured in monetary terms and summed up to derive at the poverty level.

Although adopted by many policy makers, this approach has been subjected to many criticisms. Rein (1971) demonstrated that defining poverty in terms of subsistence level income is essentially arbitrary; as conditions vary across regions and cultures, the poverty line would vary accordingly. He further noted that the poverty line does not reflect changes in the minimum needs standard brought about by development.

In a research based on the 1974 Malaysian Fertility and Family Survey, Salleh (1983) was guided by two alternative theories: the structural and traditional theories of poverty. The structural theory attributes being poor as the making of other people; it postulates that barriers in the social system keep some groups of people from climbing up the socioeconomic ladder, thus sustaining the vicious cycle of being poor from one generation to the next. The traditional theory of poverty argues that people are poor because they adhere to a traditional way of life, which in itself is assumed to be poverty-inducing in a modernising society.

Salleh used three types of variables, namely socioeconomic background characteristics, traditional values and demographic status to explain the variability found in poverty. Among the variables used were:

- (i) low SES condition - poor education, farm occupation and residence in the rural areas - factors generally regarded as causing and sustaining poverty in a developing economy;

- (ii) traditional values that make people poor, values like fatalism, short term gratification and reliance on children and other family members for financial support in old age - factors that are regarded as perpetuating poverty and;
- (iii) many children or big family size that tend to increase the dependency ratio and consumption, and therefore difficult to escape the vicious cycle of poverty.

The dependent variable used was level of living, based on a multidimensional scaling of household income, facilities and possessions. The study found that the poor were mainly Malays, the uneducated, the illiterate, the farmers and the rural residents.

According to Sen (1994), poverty has been understood in both absolute and relative terms. Absolute poverty is usually defined as having insufficient capacity to meet minimum needs. What these needs are and what criterion is used to determine the cut off poverty lines varies widely across countries. Comparison of inter-country poverty line is extraordinarily difficult due to the involvement of minimum caloric criteria, minimum income criteria and minimum (composite) needs criteria. Relative poverty acknowledges the implicit value that a society may place on economic equity. A poverty line that is linked to income distribution presumes that poverty is not only a matter of absolute deprivation, but that people's feelings of being poor are somehow related to their sense of being

marginally far from some social average. In a situation of very rapid growth, absolute poverty may decline while income distribution becomes less equal. Clearly, both absolute and relative poverty need to be considered in assessing a country's performance over time or relative to other countries.

The gender dimension of poverty raises at least three sets of issues. The first is the disproportionate incidence of poverty either in terms of absolute or relative poverty among households headed by women. Such households have been estimated to constitute between 10 to 20 per cent of all households in different Asian countries, and their incidence appears to have increased during the last decade. Since such households also tend to have higher than average dependency ratios, poverty problems facing them require special policy programs. The second issue arises from considering relative poverty through gender aspects. The unfair distribution of productive resources and economic opportunities to women has effected inequities and control of income by them.

The third issue is poverty is not evenly distributed across household members, because of existing gender hierarchies and patterns of subordination. Thus women and girls' access to basic minimum needs may be worse compared to men or boys. Improving household status may not necessarily improve the status of all members. Unfortunately, household income/expenditure survey data (on which most poverty studies are based) do not have information by gender.

Mathur (1994) mentioned that poverty among women is explained by three schools of thoughts and seemingly supported by three categories of scholars and practitioners. The first school consists of those who argue that women play at best a marginal role in development and that their access to all that development symbolises - productive employment, adequate shelter, basic infrastructure and services - is grossly limited because of distorted market conditions and several other forms of institutional, historical and cultural barriers.

Scholars and practitioners representing another school of thoughts argue quite differently. According to them, women play an extremely important and critical role in development. In many countries, they form an integral part of the survival strategies. However, because of the existing national social accounting and other classification systems and the manner in which concepts such as 'work' are defined and perceived, women's role and work are neither seen nor recognised.

Then there is a third category of scholars and practitioners who have taken pains to point out that developing countries have shown little or no sensitivity to the needs, problems and potential of women in formulating development policies, plans and programmes. Development which is understood and assessed has bypassed women.

The role of women in the urban areas and particularly in relation to poverty alleviation, which is one of the most formidable problems currently facing the

urban areas of the developing world, has received comparatively little attention. Most of the work has been done in the context of the rural areas. Women's roles have been studied in relation to rural development and rural poverty. While some work has been done to highlight the discrimination that women in urban areas, particularly in respect of their access to the labour market, certain questions have not been systematically addressed. These include, for example, questions about whether women help in the reduction of poverty in urban areas, how they do this, what exactly do women do in poor urban households, the impact of women's work on the levels of literacy, health, nutrition etc., or indeed whether women are able to take advantage of development programs for the benefit of their families and in what ways are families where women work different from those where women do not work.

The Draft Approach to the Eighth Five Year Plan: 1990-95 (New Delhi, 1990) for women has also brought out the importance of women's contribution to development. It has pointed out that there are at least three major aspects that deserve attention:

- (i) Invisibility of women's work;
- (ii) Low pay, insecure jobs with extremely poor working conditions of women, with many of them working as unpaid family labour, reinforcing their invisibility; and
- (iii) Women not having any assets or control over assets which increases their vulnerability.

This draft suggested that the adverse consequences of investment, land use, production technology and other macro policies on women should also be examined so that the barriers facing them with respect to invisibility, low returns, lack of assets and safety could be removed.

Tan and Ng (1996) wrote that Malaysia is found to have limited information on women in poverty and poor households headed by women. They also reported that the implications of identifying women in poverty are important for several reasons:

- (i) In many developing countries, poverty condition has been found to have worsen for women. Older women are likely to end up living in poverty due to low educational attainment and also not able to earn high income or to save for their own old age.
- (ii) Poverty alleviation programs have tended to target at male members.
- (iii) Poverty conditions affecting women are quite different from those affecting men (Tan and Ng, 1997).

The official poverty line, developed by the Economic Planning Unit (EPU), is based on a minimum needs basket required to sustain an average household at 'subsistence' level. It includes basic essential food and non-food items deemed necessary to maintain a minimal decent standard of living. The Malaysian poverty line has three main components:

- (i) Food Expenditure.
- (ii) Clothing and Foodwear Expenditure.
- (iii) Other Non-Food Expenditure.

The current poverty line definition, as provided in the Mid-Term Review Fifth Malaysia Plan (Malaysia 1989: 45) for 1987 is as follows:

- (i) RM350.00 for a household of 5.14 persons in Peninsular Malaysia;
- (ii) RM533.00 for a household of 5.36 persons in Sabah;
- (iii) RM429.00 for a household of 5.24 persons in Sarawak;

According to the government, poverty line incomes are updated annually using the Consumer Price Indices, reflecting changes in the cost of living and price levels (Malaysia 1986: 89).

No doubt poverty line is one of the measures of poverty, the poverty line of 1987 as announced by government is not a rigorous measure of poverty. It is only based on a minimum needs and requirement of an average household for survival. The cost of living would differ across regions and cultures.

Due to historical and cultural barriers, such as gender hierarchies and patterns of subordination, women's work and contributions are seldom recognised. Hence, access to resources, such as employment, shelter, basic infrastructure and services, is limited or difficult. This has resulted in poverty issues which are different from men. Poverty may not evenly affect all household members; women may face worse poverty situations than men. Hence, women in poverty would

require special policy attention. The government has paid little attention to the needs and problems of women in poverty in formulating development policies and programs.

The literature review shows that scant research have been carried out on women in poverty. It is found that traditional poverty measures are not suitable in highlighting poverty situations of women since most data sets focus on the households, most of which are headed by men. This research paper has been fortunate in having access to a data set where data have been collected by gender of the head of the household as well as on some key issues in both the rural and urban areas. Hence, the findings of this research study would produce baseline information of women in poverty, and contribute a pioneering effort to identify and explore some key areas as alternatives or supplements to traditional poverty measures.

1.4 FRAMEWORK OF THE RESEARCH PAPER

This research paper comprises five chapters. This chapter has presented the justification of study and research objectives and the literature review.

Chapter 2 describes the research methodology, including framework of analysis and a brief description of the survey that was conducted. An outline of the sample areas and respondents' characteristics are also discussed.

Access to education, employment and health are covered in Chapter 3. In addition, respondents' educational level, their perception on education is also analysed. Respondents' employment activities, health, food security and nutritional status are also discussed. Chapter 4 discusses women's access to assets and credit, participation in household decision-making and support system.

Chapter 5 summarises the research findings and presents the results of a multivariate model. The implications for policies based on the findings are also presented in this chapter.