



Persatuan Pengguna Pulau Pinang Consumers Association of Penang

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Press Statement

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CAP Decries the Institutional Blindness to Poverty and Calls for Urgent RCI

CAP is pleased to note that senior parliamentarian YB Lim Kit Siang has supported CAP's call on 3 September 2019 for a Royal Commission of Inquiry (RCI) to be formed to address the poverty scandal highlighted by UN special rapporteur on extreme poverty and human rights, Professor Philip Alston.

Ever since Professor Alston's expose that our poverty rate is a shocking 15% or higher, information has appeared in the public media that this issue has been raised numerous times in the past by various policy experts. This includes a February 2018 study published by UNICEF and DM Analytics that found that almost all of the children living in low-cost apartments in KL were in relative poverty and seven percent were in absolute poverty. To quote the UNICEF study:

"While the national poverty rate is less than one percent, and almost eradicated in Kuala Lumpur, these indicators unfortunately mask the rich information content of empirical case studies based on the reality of the situation on the ground. While Kuala Lumpur has an income per capita equal to developed countries, the children residing in its low-cost flats are not doing well. The study finds that about 22 per cent of children below the age of five are stunted, 15 per cent are underweight and 23 per cent are either overweight or obese."

Similarly, in a recent statement by the World Bank it has emerged that Professor Martin Ravallion, renowned poverty scholar and former World Bank official, had raised alarm bells about the questionable poverty measurement data utilized by the Government. It is important to note that his observation was made while he was holding the Royal Ungku Aziz chair of Poverty Studies at Universiti Malaya (UM).

In his statement YB Lim Kit Siang listed various experts, institutions and parliamentarians - such as YB Nurul Izzah, YB Charles Santiago, Professor Ragayah Haji Mat Zain and the Khazanah Research Institute (KRI) – who have raised this issue repeatedly in the past.

CAP is shocked by this observation because it shows that despite calls by highly credible experts – both Malaysian and international – to address this serious issue, their calls had fallen on deaf ears as witnessed by the MEAs response to Professor Alston's statement last week. The Government appears to be oblivious to the poverty scandal in their hands.

What it exposes is that the problem is not simply about poverty measurement, but about the institutional blindness in Government to recognize and address our poverty issue.

What is the cause of this institutional blindness? Why are the guardians of policy-making not listening to the concerns of the experts, much less the voices of the poor? Is it a matter of bureaucratic incompetence or structural administrative failure? Is it the outcome of political interference and elite-capture that entrench the marginalization of particular vulnerable communities? Or is it institutional racism? These questions need to be addressed and answered comprehensively.

More worryingly, these same blind institutions are formulating policies, programs and budgets to spend public funds for development. At this very moment they are busy planning the 12th Malaysia Plan. How can the public be assured that these policies will be designed based on an accurate understanding of poverty and development outcomes? How can we ensure that marginalized communities in Sabah and Sarawak, or the Orang Asli, or populations dispossessed by property development projects, or struggling members of the B40, or our youth in the gig economy are able to be counted and made legible for public policies that will bring real tangible benefits?

CAP reiterates the urgency of the matter and calls once again for the setting up of a Royal Commission of Inquiry (RCI). It is important to ensure that the composition of the RCI is made up of a broad base of experts with credible academic and practical expertise. They should resist recycling former technocrats and tap instead the insights from younger and fresher poverty scholars and practitioners. This should include members of NGOs with extensive practical insights working with poor communities, established academics with background not only in economics but also other branches of the social sciences, and internationally experienced experts from multilateral organizations such as the World Bank and the UN.

Given the urgency of the issue as it impacts upon the way Government budgets are allocated and policies formulated, with serious consequences to the poor on the ground, CAP reiterates its call to the Government to set up an RCI to investigate this scandal with three key objectives:

1. To establish an accurate picture of poverty in Malaysia
2. To identify institutional weaknesses in developing effective development and poverty alleviation policies
3. To recommend urgent reforms of the Government delivery system to ensure that it is poverty focused, is supported by a strong local governance framework and consistent with the Government vision of a Shared Prosperity.

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