



Persatuan Pengguna Pulau Pinang Consumers Association of Penang

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Press Statement

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CAP calls for a Royal Commission of Inquiry into Malaysia's poverty scandal

Last week U.N. special rapporteur on extreme poverty and human rights, Philip Alston, announced that Malaysia had been fudging its poverty measurement and that its poverty rate is much higher than official reports. Instead of an official poverty rate of 0.4%, Malaysia's real poverty rate is at an estimated 15%. What it means is that Government policies of the recent past have not been effective in delivering development outcomes. But because we have deluded ourselves about our success, we continue to implement the same failed policies. This is a major scandal and deserves to be given the highest urgent attention by the Government.

CAP applauds this finding as it supports an issue that we have raised many times – that the Government has lost its line-of-sight on poor and vulnerable populations and consequently have implemented development projects that have not only failed to reach the poor, but have pushed the vulnerable further into poverty. Mega reclamation projects such as Forest City in Johore and the Penang's South Reclamation are examples of development projects that negatively impact vulnerable coastal communities that risk pushing them deeper into poverty.

At the heart of this damning finding by the UN is the failure of government institutions to develop honest, transparent and effective metrics to address issues of poverty alleviation and inclusive development in government policy making. Unless we fix this problem we will never attain the vision of a Shared Prosperity as outlined by Prime Minister Tun Mahathir.

Today there exist a wide array of poverty measurement tools for making the poor legible to Government policy making. Innovative methodologies have been developed for making the voices of the poor heard such as the World Bank's Social Observatory or the Multidimensional Poverty Index (MPI) by Oxford University. All these tools are ready to be utilized for effective public policy making provided they are utilized competently by serious and committed institutions. Yet the Government remains blind to these developments while it continues to perpetuate its failed developmental initiatives, creating even more poverty, unemployment and misery.

According to the Prime Minister's economic adviser, Dr Muhammed Abdul Khalid, official data shows that states like Johor, Melaka, Selangor, Kuala Lumpur and Putrajaya had 0% poverty. One only needs to look at the increasing number of homeless children and the long lines at the soup kitchens in the heart of Kuala Lumpur or Kota Kinabalu or Johor Bharu to know that the official poverty rate cannot be so low. Unless, of course, our officials are blind to what is happening at the ground and are deaf to the plight of the poor.

What we need is to recognize that our institutions have failed and they are in need of urgent reform. But before we can reform, just like a person with an alcoholism problem, we need first to acknowledge our problem.

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 calls upon 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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