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**"TEN YEARS OF 'WAR AGAINST POVERTY':  
WHAT WE HAVE LEARNED SINCE 2000  
AND WHAT SHOULD WE DO 2010-2020?"**

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# Moving Forward: Its Poverty Agenda Challenges, Dilemmas and Options for Malaysia

by

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# INTRODUCTION

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- ✘ The various policies strategies and programmes that were formulated and adopted have managed to have a significant impact on absolute poverty reducing its incidence from about almost 50% in 1970 to about 3.6 % in 2007 Malaysia is no longer just grappling with absolute poverty but also with relative poverty, pockets of persistent poverty and urban poverty as well as increasing inequalities.
- ✘ This is clearly exemplified in the recently launched New Economic Model (NEM) which provides the policy framework for Malaysia to move from a middle income to a high income nation by 2020.

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- ✘ This paper will provide insights into the strategic directions that policies and programmes need to take to resolve Malaysia poverty problems it will begin with an overview of poverty in Malaysia which will provide the contextual framework for the subsequent discussions.
  - ✘ The second part of the paper will highlight the various changes that have taken place over time in the way in which poverty issues are dealt with.
  - ✘ The third part of the paper will examine innovative ways in which poverty has been conceptualised and defined and its theoretical premises while the fourth part of the paper will review creative ways in which poverty has been dealt with both in the country and elsewhere and will conclude with some recommendations for policy and programmes direction.

# OVERVIEW OF POVERTY IN MALAYSIA

## Introduction

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- ✘ Malaysia's commendable success in reducing its poverty incidence from 49.3% in 1970 to 5.5% in 2000 is attributed to various factors including rapid economic growth with macroeconomic stability and the inclusion of poverty reduction as an integral element of its development strategy.
- ✘ Poverty in Malaysia persists, retaining much of its original characteristics; poverty tends to be concentrated amongst the Bumiputra in the rural sector, the *Orang Asli* or indigenous minorities and in the poorer East coast states of the Peninsular and in East Malaysia.
- ✘ The poverty problem in Malaysia has over time become more complex with the increasing importance of urban poverty, the emergence of new forms of poverty and increasing inter and intra ethnic and inter-sectoral income inequalities.

# CONCEPTS, DEFINITION AND MEASUREMENT OF POVERTY IN MALAYSIA

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- ✘ Poverty in Malaysia has been conceptualised and defined as income poverty and measured using a poverty line income to demarcate poor and non-poor households.
- ✘ In Malaysia the poverty line is determined in both absolute and relative terms absolute poverty line is calculated in terms of the income required to purchase a minimum food basket and other basic necessities like clothing.
- ✘ The relative concept of poverty stresses income inequality as its fundamental manifestation and is reflected in the definitions of poverty in the lower quintiles of the population, the welfare ratio and the index of poverty Relative poverty in Malaysia is defined as the per capita household income level that cuts off the bottom 40% of the population.
- ✘ Poverty in Malaysia is measured by comparing absolute levels of household income with the income required for minimum subsistence.
- ✘ The poverty line as defined in the Third Malaysia Plan in 1970 took into account minimum food requirements and minimum needs with respect to clothing, housing, consumer durable goods and transport services.

- ✘ Poverty was defined as the lack of income needed to acquire the minimum necessities of life and those who lack the resources to sustain life were considered as poor.
- ✘ The dietary component of the poverty line was derived on the basis of the minimum calorie and protein intake requirements for an average Malaysian family of five persons comprising two adults and three children.
- ✘ The non-food component of the poverty line is derived on the basis of various items considered essential to maintain a subsistence level of living. These items are classified as clothing and footwear, rent, fuel and power, furniture and household equipment, medical and health expenses, transportation and communication, recreation, education and cultural services.
- ✘ The poverty line income was initially defined as that level of income necessary to ensure households attained a minimum acceptable standard of living in terms of food and non-food items.
- ✘ In the Fifth Malaysia Plan, a more comprehensive concept of income was adopted which took into account imputed values for home consumption of produce, owner-occupied housing and for subsidised or free public services.

- ✘ The calculation of the poverty line income is based on a minimum level expenditure, and three major components of it are taken into account in its calculation, that is, food, clothing and footwear and other non-food items.
- ✘ The estimation of the food component of the poverty line is premised upon the assumption that households have adequate knowledge of calorie content of food items to ensure that the expenditure on food is sufficient to ensure a minimum acceptable standard of living.
- ✘ The PLI can also easily be manipulated by changing the definition or concepts of income or by changing the database used to define these incomes.

## INCIDENCE AND PATTERNS OF POVERTY

- ✘ During the Sixth Plan the overall incidence of poverty declined from 17.1% to 9.5% while the poverty incidence amongst Malaysians declined from 16.5% to 8.9%.
- ✘ A similar pattern was observed when incidences of hardcore poverty, urban and rural poverty were examined.
- ✘ The overall incidence of poverty amongst the hardcore poor declined from 4.0% to 2.2% while in the rural and urban sectors the decline was from 21.8% to 16.1% and 7.5% to 4.1% respectively.
- ✘ A closer examination of the poverty trend data indicates that there were several sub periods during which both the Incidence of poverty (IOP) and the number of poor households have increased.
- ✘ For instance, in 1999 the IOP and the total number of poor households increased compared to 1997 and this trend was due to the impact of 1997 Asian financial crisis, which seriously affected the growth of Malaysia's economy and subsequently the livelihood of the people.
- ✘ Under the Eighth Malaysia Plan (2001-2005) the IOP and the number of poor households increased, between the years 2002 and 2004.

## ETHNIC REGIONAL AND SECTORAL PROFILE OF POVERTY

### Ethnic Profile

- ✘ The ethnic profile of poverty in the post NEP and NDP period shows that despite an impressive decrease in the incidence of overall, rural and urban poverty from 49.3% to 7.5%, from 58.6% to 12.4% and 24.6% to 3.4% between 1970 and 1990 the ethnic dimensions of poverty were still significant.
- ✘ The Malays had a poverty incidence of 20.8% in 1990 compared to 5.7% and 8.0% for the Chinese and Indians.
- ✘ The ethnic profile of poverty groups in 1995 and 1999 showed a similar pattern with the Bumiputra households having the highest incidence of poverty at 12.2 % and 10.3%.
- ✘ Comparable figures for Chinese and Indian households were 2.1 % and 2.6% and 2.6 % and 2.9% respectively.
- ✘ The incidence of urban poverty was also highest for Bumiputra households at 4.4% compared to 2.2% for Chinese and 1.7% for Indians in 1999.

## Regional Profile

Regional differences in the IOP - was slightly lower in Peninsular Malaysia compared to Sabah and Sarawak, which had relatively higher IOP, at 58.3 percent and 56.5 percent respectively in 1976 (Table 2.3).

- ✘ An examination of poverty by economic activities showed that the agricultural sector (which includes forestry, fishing and livestock), which was concentrated in the rural areas, has the highest IOP as compared to other sectors, such as, manufacturing, construction, and services, which were mostly found in the urban areas.
- ✘ Poverty problems amongst estate workers and smallholders in the rubber sector as well as oil palm settlers and paddy farmers are exacerbated by the forces of globalisation.
- ✘ In the oil palm sector income level of oil palm smallholders and workers are also influenced by the fluctuations in palm oil prices in the international market.
- ✘ In the paddy sector there are increasing concerns about the implications of trade liberalisation through the ASEAN Free Trade Agreement (AFTA) and the World Trade Organisation (WTO).



## POVERTY AND INCOME DISTRIBUTION

- ✘ Income distribution as a policy concern was first mentioned in the Fourth Malaysia Plan in 1981 almost a decade after the enunciation of the New Economic policy.
- ✘ Poverty reduction strategies which emphasised increasing income levels of the poor at a faster rate than the rest of the population contributed significantly to reducing inter ethnic income inequalities among the Bumiputra and non Bumiputra as the majority of the poor especially in the rural areas comprised Bumiputra households.
- ✘ The long term objective of poverty eradication is contingent upon reducing income inequalities given the positive correlation between high income inequality and poverty levels.
- ✘ Higher income inequality may reduce growth rates and hence makes it more difficult to reduce poverty.
- ✘ Moreover even if the benefits of growth are spread to all income groups in society, higher income inequality would affect poverty reduction since the poor receive a smaller share of the income thus making poverty reduction slower.

## CHALLENGES FOR POVERTY

- ✘ Globalisation, liberalisation and Malaysia's current development policies pose numerous challenges, which have direct and indirect implications for poverty.
- ✘ Malaysia is poised to move into the information age with the establishment of the Multimedia Super Corridor, and emphasis on the k economy.
- ✘ The information technology sector is pivotal in pushing Malaysia into the ranks of the developed countries by the year 2020.
- ✘ The restructuring of the Malaysian economy toward capital intensive and high value added activities would increase the demand for knowledge and skilled human resources.
- ✘ The Asian crisis of the late nineties and the recent inter ethnic crisis in the poverty stricken areas of the Klang Valley have had important implications for the poverty issue.
- ✘ The urban poor the near poor and migrant workers were affected by contraction in employment, resulting in unemployment and retrenchment.
- ✘ The crisis also pushed the issue of foreign workers to the forefront of policy debate for several reasons.

- ✘ Poverty in Malaysia has generally been perceived as a rural problem with more than half the rural households being classified as poor. Strategies, programmes and development expenditure allocation reflect strong policy commitment to eradicating rural poverty.
- ✘ The growing interest in urban poverty in developing countries has been brought about by various factors, the rural bias in past development strategies, rapid rates of urbanisation, rural urban migration and structural transformation of the economies of these countries.
- ✘ It is recognised that rural and urban poverty are interrelated and overall success of poverty eradication programmes requires a balanced approach.

## **POLICIES, STRATEGIES AND PROGRAMMES FOR POVERTY ERADICATION IN MALAYSIA: AN OVERVIEW**

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- ✘ Development policies that have been pursued by the Malaysian government since the seventies bear testimony to the critical importance of poverty reduction as a developmental objective.
- ✘ The poverty reduction strategy of the NEP was premised upon the need to correct existing economic and social disparities amongst different ethnic groups in the country.
- ✘ Rural Malay poverty, its causes and manifestations became the provided the rationale for the various strategies and programmes for poverty eradication. Rural poverty was equated with low productivity and lack of access to factors of production.
- ✘ The NEP strategy of poverty eradication has been described by Mehmet as a top down interventionist strategy using institution building, fiscal policy and large scale land development and settlement as its major policy instruments.
- ✘ The strategy for poverty eradication under the NDP and the NVP changed from a target group-based approach to a more direct approach-based on the identification of the poor and hardcore poor.

- ✘ The focus of poverty eradication should be human development encompassing attitudinal change, community development and enhancing self help and diligence.

#### a) Poverty Programmes Under the NEP

- ✘ Under the NEP the programmes that were adopted by the Malaysian government to bring about rural development and eradicate rural poverty can broadly be classified into programmes that are directly geared towards increasing the productivity of the poor and programmes directed towards the problems of access to and control over productive assets.
- ✘ Other programmes in the paddy sub-sector included producer price support schemes, provision of input subsidies, extension services marketing, and credit and tenancy reform.
- ✘ The first group of programmes included the adoption of the Green Revolution technology in the rice sector, replanting in the rubber sector and adoption of modern technology in the fisheries sector.
- ✘ The major component of the second group of programmes was the land development and settlement programmes undertaken by the Federal Land Development Authority (FELDA).
- ✘ Felda's strategy has been described as a major redistributive instrument designed to improve rural living standards and a major vehicle for rural poverty redressal.

- ✘ Two programmes were implemented the government's Development Programme for the Poorest, (PPRT) and the Amanah Ikhtiar Malaysia (AIM) programme of the non-governmental organisation.
- ✘ i) Development Programme for the Hardcore Poor (*Projek Pembangunan Rakyat Termiskin [PPRT]*)
- ✘ ii) The NGO Approach to Poverty Eradication: *Amanah Ikhtiar Malaysia (AIM)*

## CONCEPTUALISATION, DEFINITION AND MEASUREMENT OF POVERTY IN MALAYSIA: NEED FOR ALTERNATIVE APPROACHES

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- ✘ Conceptualisation, definition and measurement of poverty have important implications for targeting and policy which in the Malaysian context not only has huge political ramifications but is further complicated by the ethnic and religious overtones.

### Sen's Capability Approach

- ✘ The capability approach pioneered by the work of Sen circumscribes poverty as the failure to attain basic capabilities .
- ✘ The approach emphasizes functional capabilities as substantive freedoms such as the ability to live to old age, engage in economic activities or participate in political activities and these are construed in terms of substantive freedoms people have reason to value instead of utility of access to resources and poverty is seen to be a deprivation of these freedoms.
- ✘ Issues pertaining to the capability approach include the definition of basic capabilities as well as how to measure these capabilities.

## Social Exclusion and Poverty

- ✘ The social exclusion approach with its focus on multiple deprivations provides an attractive framework for conceptualising relative poverty.
- ✘ The concept gained popularity In Europe and in the United Kingdom with the creation of the Social Exclusion Unit in the late nineties.
- ✘ Social exclusion also focuses on the relations and processes that cause deprivation and individual s or groups can face simultaneous deprivations and exclusion can occur at all levels of society .
- ✘ The concept moves beyond mere descriptions and draws attention to social relations processes and institutions that contribute towards deprivation.

## Participatory Approach

- ✘ Chambers' pioneering work on Participatory Rural Appraisal (PRA) constitutes the basis from which current Participatory Poverty Assessments (PPA) approaches have evolved.
- ✘ The participatory approaches try to understand poverty within the social cultural economic and political contexts and its methods focus on the poor themselves and their ability to understand and analyse their own conditions and realities.
- ✘ The participatory approach's usefulness in contributing to programme and project formulation may be limited by the poor's clouded perception of their actual conditions and situation of poverty arising from their social conditioning, environment and lack of information.

## Consensual Approach

- ✘ The consensual approach to poverty was pioneered by the work of Mack and Lansley in 1985 in their Breadline Britain survey.
- ✘ The methodology for the Breadline Britain survey sought to establish a consensual view of poverty and a survey is undertaken of the general population to determine an inventory of socially perceived necessities.
- ✘ The advantages of the consensual approach are that it allows for both the relative nature of poverty and its absolute core because as society changes socially perceived necessities will change and avoiding poverty depends on normal participation in society.
- ✘ Several of the arguments posed in a paper for a consensual approach to poverty in South Africa can also be applied to the Malaysian context.
- ✘ It is argued that a consensual approach will not only reflect the common aspirations of the citizens but also provided insights into what are perceived to be acceptable standards.
- ✘ There are several difficulties that are likely to arise in using the consensual approach in developing countries when large segments of the population are not part of the mainstream it will be difficult to arrive at a consensus as to what the basic necessities are and those that are marginalized have never been part of the mainstream and live at bare subsistence levels while the rest of the society enjoys standards of living that are compatible to standards enjoyed in developed countries.
- ✘ This leads to a second problem that is the lack of knowledge of marginalized groups who have limited exposure to what constitutes the average standard of living of the rest of the country.

## Human Rights Approach

- ✘ A human rights approach to poverty reduction links poverty reduction to rights and obligation and moves away from welfare or charity as approaches to poverty reduction.
- ✘ Using such an approach compels moving away from national averages to the identification of the most vulnerable groups and designing strategies to help these groups.
- ✘ This approach points to the numerous aspects of poverty like vulnerability, the lack of dignity and stigma and the multiple deprivations faced by the poor like discrimination, the lack security and social exclusion.
- ✘ The human rights approach broadens the scope of poverty reduction strategies and help to focus on structures of discrimination that generate and sustain poverty.
- ✘ The Human Rights approach focuses on the dignity and worth of a human being. Incorporating a Human Rights approach provides a more comprehensive understanding of the root causes and consequences of poverty.
- ✘ A Human Rights Framework links a comprehensive analysis of poverty to a normative framework that guarantees results and accountability for efforts in the process of poverty reduction.
- ✘ A human rights framework is particularly useful in dealing with urban poverty which is increasingly becoming an important dimension of the poverty problem in Malaysia.

✘ The UN guidelines for a Human rights approach to poverty reduction strategies provide a useful starting point for making these changes.

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✘ These guidelines include:

1) Identification of the poor

2) National and International Human Rights Framework

3) Equality and Non discrimination

4) Setting Targets , Benchmarks and priorities

5) Participation

6) Monitoring and accountability

7) International Assistance and Cooperation

8) Integrating specific human rights standards which include the rights to work , adequate food and adequate housing, health , education , personal security and privacy , equal access to justice and

9) Political Rights and freedoms.

## Need for Alternative Approaches

### Urban Poverty

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- ✘ Poverty in Malaysia continues to be conceptualized in terms of the PLI which despite its refinements over time has serious limitations when used to reflect the changing dimensions of poverty in the country.
- ✘ The use of the PLI based on a single income level to conceptualise urban poverty will underestimate the scale of poverty in the urban areas and underscore its multi dimensionality as income is only one dimension of poverty.
- ✘ Urban households require higher incomes than rural households to avoid poverty and affordable public transportation, housing, access to basic amenities, food, health care and child care and children's education are determinants of the poverty status of the household.
- ✘ The interrelationship between the health status of households and the quality of housing is often underscored in the PLI approach to urban poverty.
- ✘ In general urban poverty in Malaysia is caused by limited access to formal employment opportunities and possibilities for earning incomes, inadequate and insecure housing, violent and unhealthy health threatening environments, limited access to education and health facilities, lack of social protection and disempowerment and increased susceptibility to violence and crime.

## Rural Poverty

- ✘ Poverty amongst the indigenous communities of Sabah and Sarawak poverty is caused by isolation and lack of access to transportation and other basic amenities which result in these communities being physically cut off from the rest of the population and living at very basic levels of subsistence.
- ✘ Poverty amongst the indigenous people, the Orang Asli of Peninsular Malaysia and the non Malay Bumiputra of Sabah and Sarawak is closely linked to the lack of ownership and access to land.
- ✘ Indigenous communities in Malaysia especially those that live in the interior sometime do not even have access to the basic amenities like electricity water and sanitation that the majority of Malaysian have been enjoying for the last four decades.
- ✘ Some of them live at such low levels of subsistence detached from the vast development that other fellow Malaysians are privileged to part of.
- ✘ Access to health facilities and education come at a very high price for these communities who are at the bottom of the economic ladder.
- ✘ In the case of access to education sometimes the students have to use waterways to go to school and often they travel in small old boats and without life jackets thus endangering themselves.

## Perception of Poverty

- ✘ Perceptions of poverty vary and this is influenced by the environment in which the poor live, their access to information and their exposure to the different lifestyle of other Malaysians.
- ✘ Perceptions of what is needed to move out of poverty vary significantly amongst the poor communities.
- ✘ Some of the poor who have been receiving hand outs from the government want even more hand outs while others feel some capacity building would benefit them.

## Moving On What Malaysia Needs to Do

### i. Re Defining Poverty

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#### a) Approaches

- ➔ The capability, social exclusion, participatory and consensual and human rights approaches to poverty that have discussed above can provide the framework to help re conceptualize poverty in Malaysia.
- ➔ The capability approach suggests that to overcome poverty the poor must be helped to enhance their capabilities so that they can join mainstream society and have a decent income.
- ➔ The participatory approach focuses on the need for a bottom-up "will" to overcome poverty while the Through the consensual approach we learn what the viewpoints of the poor are, i.e. what they themselves think that they need to overcome poverty.

## b) Role of the Government

- Without the support of government, through its policies and in creating, implementing and monitoring poverty development programs, it will be extremely difficult to achieve the objective of alleviating poverty.
- ➔ In order for poverty eradication efforts to work effectively it needs the support of society at large, and hence, the need to "mainstream" the awareness that certain people in the society still live in poverty.
  - ➔ To mainstream the issue of poverty, awareness of poverty must be created through media reports & programs and the private sector should be encouraged to contribute to poverty alleviation through its Corporate Social Responsibility programs.

## c) How to Redefine?

- ➔ Need to use a mixture of approaches and the outcome of this will be influenced by the heterogeneity of poverty in the country arising from geography and isolation, race and ethnicity, as well as inter and intra regional variations between urban and rural poverty, between Peninsular Malaysia and the Borneo states of Sabah and Sarawak and the new poor who are the elderly, single mothers, the disabled, foreign workers etc.

#### d) Empowering the Poor

- ➔ Using participatory and consensual approaches to defining poverty can contribute to the process of empowering the poor as it is the poor 's perceptive that is used in the formulation of policies and programmes.
- ➔ The poverty profiles derived can be used as the basis for adopting a bottom up participatory approach in the formulation and implementation of policies and programmes for poverty eradication.
- ➔ Policies and programmes should be tailored based on needs assessment of the poor and it is important to incorporate the poor from the inception stage.

#### e) Challenges Faced

- ➔ Policies, programmes and projects have to be more inclusive and non race based and this would require dramatic changes which may not be politically feasible in the short run.
- ➔ It would require strong political will at the highest level and changes in the operational framework and delivery mechanisms.
- ➔ All indicators, programmes, delivery institutions and agencies needs to remodelled.
- ➔ Delivery agencies and frontline workers need to change their values and mindsets to move away from a race based affirmative action basis of providing services to one based on human needs.
- ➔ Staffing patterns of the civil service end delivery agencies to reflect the multi ethnic and multi religious nature of the country.

## ii. Mainstreaming Poverty

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- ✘ There is need to mainstream poverty and create awareness amongst all stakeholders of the changes that have been made which has implications for targeting , policy , programme and project formulation and implementation, in order for the alternative approaches to poverty to work.
- ✘ Poverty mainstreaming refers to the establishment of poverty as the central issue in the formulation and implementation of programmes and policies.
- ✘ In this context the state has to play a key role. Poverty mainstreaming has to occur at all levels, the national, and regional and district levels.
- ✘ Mainstreaming poverty has the advantage of ensuring that poverty reduction becomes a collective responsibility and not that of just the government or a single agency entrusted with the task of eradicating poverty.
- ✘ This would also enable the poverty eradication agenda to be integrated into all government policies and programmes and facilitate the formulation of pro poor policies and programmes.
- ✘ Mainstreaming poverty serves as a vision for all stakeholders irrespective of the sector in which they work and conscientize stakeholders in minimizing the negative impacts of their activities on poverty groups.

- ✘ In mainstreaming there is a need to include all stakeholders from the beginning and this is necessary to inculcate a sense of ownership of the programme or activity from the beginning to the end and this will contribute towards programme success.
- ✘ Mainstreaming poverty will also help to foster a common understanding and perception of poverty and this will contribute towards developing a shared commitment towards poverty reduction.
- ✘ Mainstreaming poverty can also help bring together the various stakeholders and foster smart partnerships amongst them. For example there are several non-governmental organisations who work at the grassroots level, their services can be called upon by the private sector which may want to contribute towards poverty alleviation as part of their corporate social responsibility (CSR).

## CREATIVE WAYS OF DEALING WITH POVERTY

- ✘ Poverty eradication efforts in the future have to be carefully designed and targeted so that the poor can become a major contributor to the development process.
- ✘ The kind of dynamism that is currently required to pull the poor out of the doldrums requires key drivers that are unlikely to come from the government sector.
- ✘ Therefore a new approach incorporating the private sector as the key driver and the community as the custodian of the rights of the poor is proposed.
- ✘ This approach is premised upon creating a dynamic community amongst the poor imbued with the desire to integrate with the modern sector and become key players in the global economy and move up the value chain.
- ✘ The private sector can be engaged to play an effective role in poverty eradication through responsible contract farming and the creation of social businesses.

## RESPONSIBLE CONTRACT FARMING

- ✘ A chilly farming project in Bukit Awang in the Eastern State of Kelantan in Peninsular Malaysia which showcases responsible contract farming is discussed as a creative approach to poverty eradication.
- ✘ The project started as a PPRT (hardcore poverty project) project with in 1994 with 4 farmers working 4 acres of land.
- ✘ In 1996 the Area Farmers' Association entered into a contract farming arrangement with Nestle and the project increased in size to include 25 farmers operating 25 acres of land and a purchase contract of 120 metric tons of chillies with Nestle.
- ✘ The project which currently involves 250 participants has brought upon significant changes to the income levels and livelihoods of the participants and their families, where they have been able to generate a sustained income, improve their standard of living, purchase new land, invest in and upgrade their machinery and educate their children, a previously unattainable achievement.
- ✘ The farmers are exposed to Good Agricultural Practices and modern technology like fertigation, the adoption of which enables them to obtain higher yields and improve the quality of production.
- ✘ The farmers on their part have to adopt modern technology, adhere to the prescribed farming practices and exhibit responsible behavior as a member of the Farmers' Association.

- ✘ This project is a result of Nestlé's sustainability-related policies aimed at creating new income opportunities for hard-core poor farmers.
- ✘ Nestlé's objective for this project is to improve the yield and quality of the crops through maximum utilisation of agricultural resources by gearing the farming activities towards a commercial approach; with emphasis on more systematic and professional farm management systems that meet globally-acknowledged standards.
- ✘ Nestle is assured of a guaranteed supply of good quality inputs for their factories and at the same time is able to exercise its corporate social responsibility.
- ✘ The project has also shown that age is no impediment to technology adoption as their exemplary farmer who has adopted fertigation is above ninety years of age.
- ✘ The project has enabled rural hardcore farmers to avail themselves of modern technology as all the chillies are grown using the fertigation method.
- ✘ This project has not only enabled the farmers to improve their standards of living but also have linked them to the commercial world.

## SOCIAL BUSINESSES AS A WAY OF ERADICATING POVERTY

- ✘ The concept of social businesses has been pioneered by Muhammad Yunus, the architect of the renowned Grameen Bank microcredit scheme.
- ✘ He states that "Social business simply defined is a business with a social benefit as the driving force rather than a profit. If a profit is made, the funds are either reinvested into the company, or into a new social business."
- ✘ "Social Businesses have to have needs to have positive social objectives (help comes from the altruistic social services that the business provides to the poor): e.g. health, education, poverty, environment or climate urgency and there has to be non-profit distribution in that investors cannot take profits out of the enterprise as dividends"- Muhammad Yunus.
- ✘ Yunus distinguishes between two types of social businesses:
  - i) focuses on providing a social benefit rather than maximising profits for the owners and are owned by investors who are driven by social benefits like poverty reduction health care for the poor social justice and global sustainability.
  - ii) owned by the poor or by the disadvantaged, and the dividends and financial growth generated by the business is channelled back to the poor to enable them to escape from poverty.

- ✘ A new social business based on a health care model that prioritizes girls' health and prosperity as fundamental to ensuring the health of future generations and accelerating economic progress was announced in 2009 and launched in 2010 as the Grameen Caledonian Nursing College.
- ✘ This new vision for the amelioration of female health through social business is seen to offer an innovative practice to the current health care marketplace in Bangladesh with a new approach to health education and service.
- ✘ “The health of girls and women is a true indicator of the health of a nation and of the next generation. If girls and women are not healthy, we are all at a disadvantage.” (Muhammad Yunus).
- ✘ “Girls have been invisible to the health care system far too long; they must be at the center of it. By engaging girls and young women to provide quality health care for those around them, we can address girls' health needs while creating productive livelihoods and a healthier society overall.”(Muhammad Yunus).

## CONCLUSION

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- ✘ A key challenge of inclusive growth In Malaysia is the design of effective measures that strike a balance between the special position of *bumiputera* and legitimate interests of different groups.
- ✘ Under the NEM market-friendly affirmative action programmes are to be designed to:
  - a) target assistance to the bottom 40% of households , of which 77.2% are *bumiputera* the majority of whom are located in Sabah and Sarawak ,
  - b) ensure equitable and fair opportunities through transparent processes,
  - c) allow access to resources on the basis of needs and merit
  - d) enable improvements in capacity, incomes and well-being,
  - e) have sound institutional framework for better monitoring and effective implementation.