

Working Paper No. 71, July 2014

**WHO'S POOR? WHO'S NOT? POVERTY MEASUREMENT IN  
MALAYSIA AND THE PARADOX OF DEVELOPMENT**

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## **Introduction**

Malaysia is presently at the turning point with respect to its poverty agenda. To overcome this problem, a change is needed not only in the paradigm where poverty is conceptualized and defined but also the way in which policies and programs are envisaged and implemented. In spite of achieving admirable success in reducing the incidence of poverty from 49.3% in 1970's to 1.7% in 2012, there are still some vital issues to struggle with and critical problems to be resolved. While there is a significant increase of wealth and the widening cohort of middle class population, poverty in country continues to elude policy solutions, creating new forms of poverty, manifesting impoverishment thus impeding development of the people concerned.

## **Concept, Definition and Poverty Measurement in Malaysia**

Income poverty has been widely used to define and conceptualized poverty in Malaysia thus, poverty line is normally used or referred to by the government to assess and distinguish between the poor and the non-poor households. Poverty line is widely used in determining both absolute as well as relative poverty. Absolute poverty is calculated based on the income needed to purchase a minimum food basket and other basic necessities. Relative poverty on the other hand stresses on income disparity as its basic manifestation and is reflected in the definition of