



DEPARTMENT OF STATISTICS MALAYSIA

SESRIC STATISTICAL CAPACITY BUILDING PROGRAMME TRAINING COURSE ON "SDG 1 (NO POVERTY) INDICATORS"

SUSTAINABLE DEVELOPMENT GOALS (SDG) IN MALAYSIA GOALS 1 (NO POVERTY)

MALAYSIA'S INDICATORS ON SDG RELATED TO POVERTY ERADICATION

18 JANUARY 2023




StatsMalaysia
www.DOSM.gov.my



20 OCT



2016 - 2030



AGENDA

- 01 **Concept of Poverty**
- 02 **Concepts and definitions for indicator 1.2.1 and 1.2.2**
- 03 **Poverty measurement**
- 04 **SDG Table 1.3: Multidimensional Poverty Index by state, Malaysia**
- 05 **Multidimensional Poverty Index (MPI) in Malaysia**
- 06 **Conclusion**





CONCEPTS OF POVERTY



ABSOLUTE POVERTY

Absolute poverty is a situation in which household income is insufficient to meet basic needs of food, shelter and clothing

RELATIVE POVERTY

Relative poverty takes into account the circumstances in which household incomes are in some cases below half of the median household income

MULTIDIMENSIONAL POVERTY INDEX

Identify deprivation experienced by household members in multi-dimension besides financing. MPI index value is between 0 and 1

HARDCORE POVERTY

The concept used for households earned less than food PLI

POVERTY LINE INCOME (PLI) 2019 METHODOLOGY



- In line with the current development and changes in Malaysia development towards developed country the PLI value has been re-evaluated in 2019 based on Cost of Basic Needs. The approach distinguishes between food and non-food component of PLI.
- The Ministry of Health Malaysia (MOH) has reviewed the needs of food items and suggested the concept of optimal and nutritional food. This is based on the Recommended Nutrient Intake 2017 (RNI) and the final draft of the Malaysian Dietary Guidelines (PDM) 2020. The food item is calculated based on dietary required by and individual and converted to food serving as in PDM 2020.
- Among the types of food items recommended are fish, chicken, meat, eggs, legumes, rice, wheat, bread, cereals, vegetables, milk and others.
- As for non-food item consist of basic needs which are clothing & footwear, housing, fuels & utility; furniture & furnishing; transport; education; and health.

GOAL 1: NO POVERTY

INDICATOR 1.2.1



INDICATOR	1.2.1 Proportion of population living below the national poverty line, by sex and age
<p>CONCEPTS AND DEFINITIONS</p>	<p><u>Global</u> The national poverty rate is the percentage of the total population living below the national poverty line. The rural poverty rate is the percentage of the rural population living below the national poverty line (or in cases where a separate, rural poverty line is used, the rural poverty line). Urban poverty rate is the percentage of the urban population living below the national poverty line (or in cases where a separate, urban poverty line is used, the urban poverty line).</p> <p><u>Proxy</u> The national poverty rate is the percentage of the total household living below the national poverty line. The rural poverty rate is the percentage of the rural household living below the national poverty line (or in cases where a separate, rural poverty line is used, the rural poverty line). Urban poverty rate is the percentage of the urban household living below the national poverty line (or in cases where a separate, urban poverty line is used, the urban poverty line).</p>
<p>FORMULA</p>	<p><u>Proxy</u> Poverty rate calculation involves all households having monthly gross income below Poverty Line Income. Formula for calculating the Incidence of Poverty (IP) is as follows:</p> $IP = \frac{\text{Number of households with income below the PLI}}{\text{Total number of households}} \times 100$

Path of Poverty Measurement in Malaysia



2019

To ensure that poverty measurement based on PLI is up to date and to accurately reflect the poverty situation, **PLI is reviewed in 2019.**

4

2005

The food PLI are determined based on the minimum energy/calorie intake for each household member

3

1977

Poverty Line Income (PLI).
on the **concept of minimum requirement of nutritional and non-food items** that are needed for each of the household members to live in a **healthy and active life in society.**

2

1965

Sarong Index per capita.
A household is categorised as hardcore poor if the value of Sarong Index is below one.

1

- Poverty measurement is an important factor that policymakers should consider in **developing appropriate poverty eradication policies and programs.**

01

1977 PLI reviewed

- The PLI 1977 methodology was extensively reviewed in 2005
- Economic Planning Unit, Department of Statistics, and nutritional experts from local universities in collaboration with the United Nations Development Program (UNDP).

02

Changes in the price items

- 2005 PLI methodology was used in calculating the incidence of poverty.
- takes into consideration the **changes in the price items** at the state, urban and rural level.

03

Food PLI (2005 methodology)

- based on the minimum energy/calorie intake for each household member.
- food pyramid and balanced diet as suggested by WHO Food and Nutrition Diet Allowance (RDA).•

04

Non-food PLI (2005 methodology)

real spending patterns based on low-income household groups in the country which includes spending on clothing, housing, transportation, and other non-food goods.

05

2019 methodology PLI

- Key difference for **food PLI** is in terms of individual nutrient intake.
- Concept of optimum-minimum requirements for an individual/household.
- The **non-food PLI** items: clothing and footwear, housing, water, electricity, gas, home appliances, health and transportation etc.

Food PLI

Example calculation of food PLI based on 1 HH ..

Food groups for Malaysian Food Pyramid	Number of servings	Number	Household member	Individual food cost per month (RM)
Vegetables and Fruits	Vegetables: At least or more than 3 servings Fruits: 2 servings	1	Father (30 -59 years)	RM344.50
Rice, other cereals, cereal-based products (preferably wholegrain) and tuber	3-5 servings	2	Mother (30 -59 years)	RM293.55
Legume Fish Poultry/meat/egg	1 serving 1 serving 1-2 servings	3	Son (13-15 years)	RM299.20
Milk and milk products	1-2 servings	4	Son (4-6 years)	RM183.70
Limit intake of fat, oil, sugar and salt	-	Total household cost per month		RM1,120.95

Number	Items	Cost for preparation food per month
1	Cooking oil – 5kg (estimated for use of one household)	RM20.85
2	Ingredients (5% of total household cost per month)	5% x RM 1,120.95 = RM56.05

Food PLI:
RM1,120.95+RM20.85+RM56.05 = RM1,197.85

The non-food PLI..

- The selection of non-food items is based on the expenditure pattern of B20 Household group
- Data Source: HES Survey
- The Classification of basic needs and needs:
 - Clothing and footwear
 - Housing and utilities
 - Education
 - Health
 - Transport
 - Communication
 - Personal care
- 146 items (2019) selected vs 106 items (2004)

The calculation of non-food PLI is made using the following formula :

$$PLI_{j,i} = \beta_i N_j P_{j,i}$$

- β** Constants. The amount of money needed to buy an item if IR resides in Kuala Lumpur
- N** Household size
- P** Price relative based on locality

ITEM	2004	2019	CAGR (%)
Clothing	6.43	20.64	7.8
¹ Housing	118.90	256.76	5.1
Durable Item	3.90	11.35	7.1
Transport	11.61	46.44	9.2
² Other non-food items	22.27	120.12	11.2

NOTES: ¹Value of α is 0.475
² Other non-food item include health, education and other goods and services

PLI in Malaysia (2019):

Food PLI : RM 1,169

Non food PLI : RM1,039

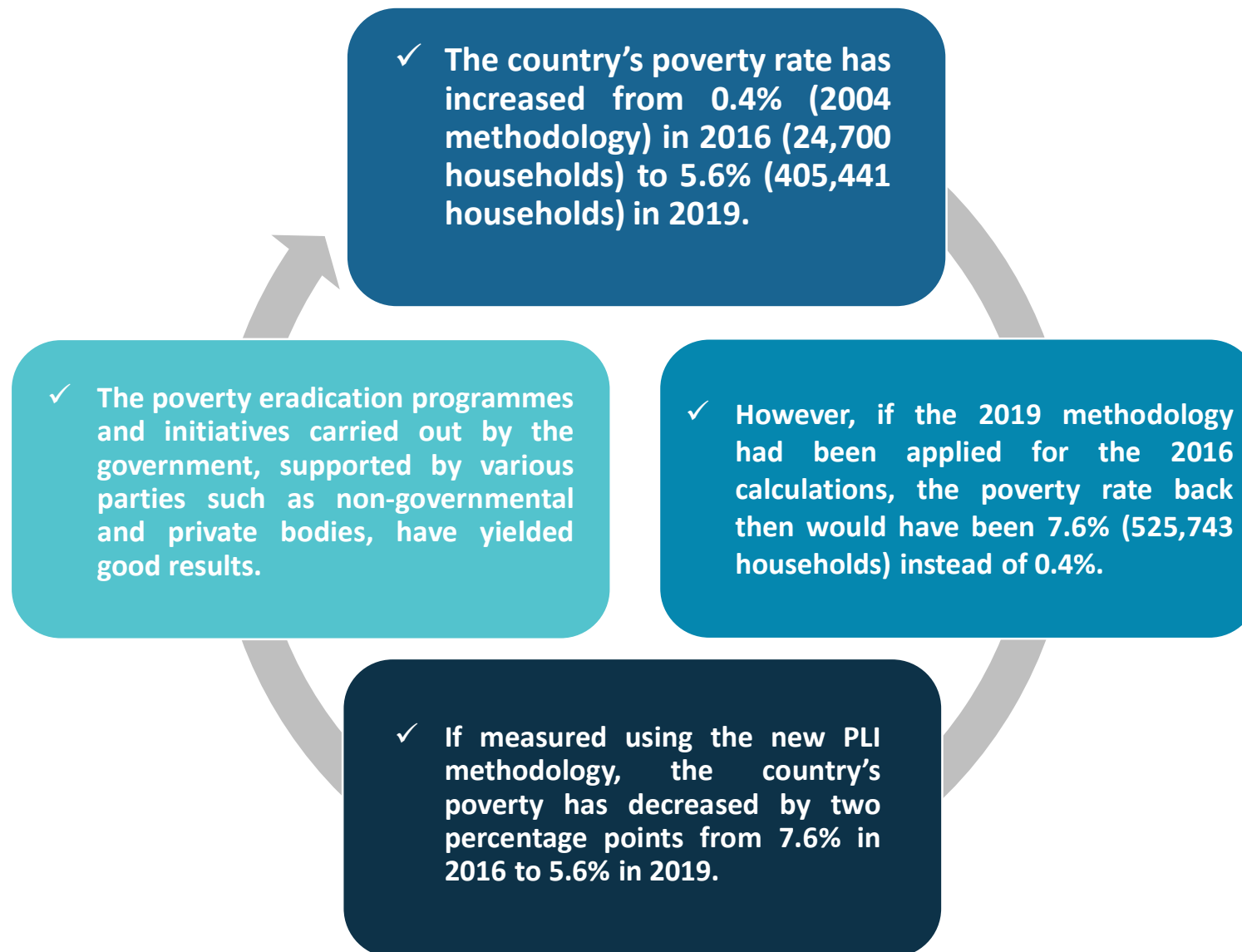
Overall PLI: RM2,208

Poverty Rate:

Malaysia: 5.6%

Urban: 3.8%

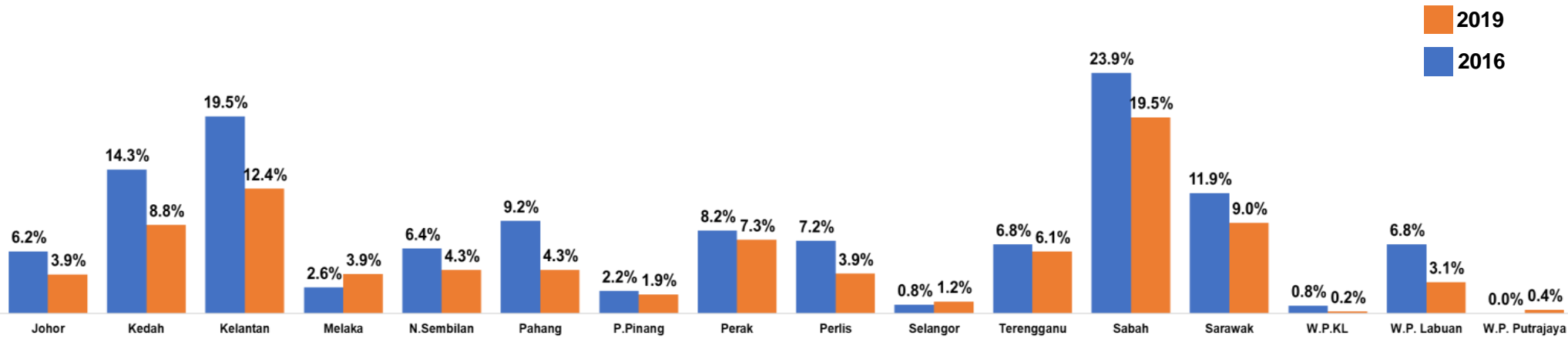
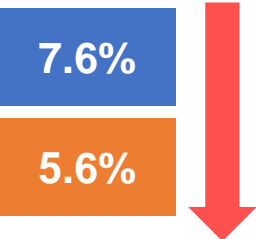
Rural: 12.4%



INCIDENCE OF ABSOLUTE POVERTY BY STATE, 2016 & 2019



Malaysia



Poverty Line Income by State, 2016 and 2019 (RM)

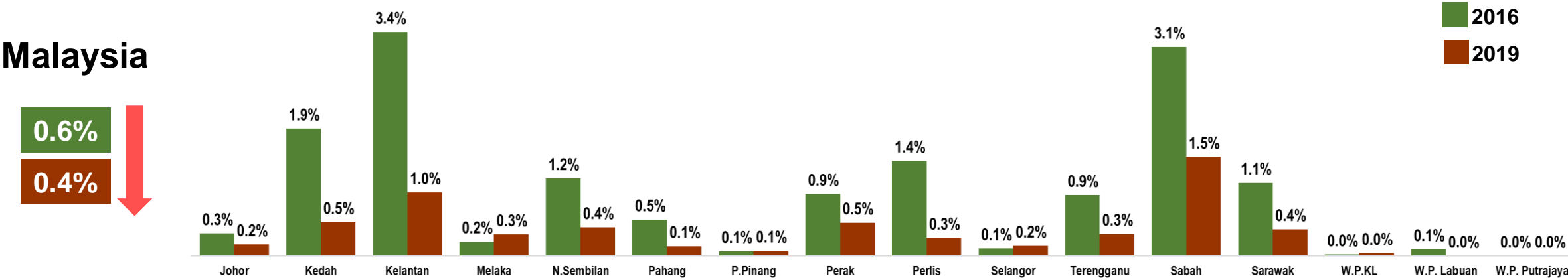
	Malaysia	Johor	Kedah	Kelantan	Melaka	Negeri Sembilan	Pahang	Pulau Pinang	Perak	Perlis	Selangor	Terengganu	Sabah	Sarawak	WPKL	WP Labuan	WP Putrajaya
2016																	
Average HH Size	4.1	4.0	3.9	4.5	4.1	3.8	4.1	3.8	3.7	4.2	4.1	4.7	4.7	4.1	3.6	4.7	3.9
Total PLI	2,141	2,428	2,113	2,054	2,272	1,972	2,274	1,938	2,010	1,957	1,950	2,347	2,514	2,108	2,206	2,676	1,980
2019																	
Average HH Size	3.9	3.8	3.9	4.4	3.9	3.7	3.8	3.6	3.5	3.9	3.9	4.7	4.5	4.0	3.3	4.3	3.8
Total PLI	2,208	2,505	2,254	2,139	2,375	2,088	2,270	1,989	2,077	1,967	2,022	2,507	2,537	2,131	2,216	2,633	2,128

INCIDENCE OF POVERTY BY STRATA AND STATE



State	Number of Poor Household			Poverty Rate		
	Total	Urban	Rural	Total	Urban	Rural
Malaysia	405,441	223,325	182,116	5.6	3.8	12.4
Johor	33,930	25,460	8,470	3.9	3.6	4.8
Kedah	43,590	29,089	14,501	8.8	8.0	10.8
Kelantan	42,671	16,445	26,226	12.4	9.1	16.0
Melaka	8,852	8,322	529	3.9	3.8	4.9
Negeri Sembilan	11,605	7,575	4,030	4.3	3.7	6.2
Pahang	15,057	7,415	7,643	4.3	3.4	5.9
Pulau Pinang	8,423	7,605	818	1.9	1.8	4.8
Perak	46,564	33,685	12,880	7.3	6.5	10.6
Perlis	2,304	1,762	542	3.9	4.4	2.9
Selangor	18,957	17,181	1,776	1.2	1.1	2.0
Terengganu	15,781	9,774	6,007	6.1	5.5	7.4
Sabah	99,869	40,051	59,818	19.5	12.5	31.1
Sarawak	56,166	17,323	38,843	9.0	4.8	14.6
W.P. Kuala Lumpur	825	825	n.a.	0.2	0.2	n.a
W.P. Labuan	731	698	33	3.1	3.3	1.3
W.P. Putrajaya	115	115	n.a.	0.4	0.4	n.a

INCIDENCE OF HARDCORE POVERTY BY STATE 2016 & 2019



Poverty Line Income by State, 2016 and 2019 (RM)

	Malaysia	Johor	Kedah	Kelantan	Melaka	Negeri Sembilan	Pahang	Pulau Pinang	Perak	Perlis	Selangor	Terengganu	Sabah	Sarawak	WPKL	WP Labuan	WP Putrajaya
2016																	
Average HH Size	4.1	4.0	3.9	4.5	4.1	3.8	4.1	3.8	3.7	4.2	4.1	4.7	4.7	4.1	3.6	4.7	3.9
Food PLI	1,128	1,223	1,132	1,134	1,220	1,146	1,207	974	1,061	1,131	1,115	1,226	1,160	1,076	1,099	1,342	974
2019																	
Average HH Size	3.9	3.8	3.9	4.4	3.9	3.7	3.8	3.6	3.5	3.9	3.9	4.7	4.5	4.0	3.3	4.3	3.8
Food PLI	1,169	1,165	1,214	1,181	1,279	1,216	1,201	1,004	1,102	1,133	1,166	1,312	1,179	1,096	1,110	1,319	1,074

Household Income Estimates and Incidence of Poverty, 2020






Household Income Estimates and Incidence of Poverty Report, 2020

JABATAN PERDANA MENTERI
JABATAN PERANGKAAN MALAYSIA

DOSM has conducted a study to evaluate the impact of COVID-19 pandemic on household income and poverty for 2020.

Analysis was carried out **based on data from Household Income and Basic Amenities Survey (HIS/BA) 2019**, focusing on the impact of COVID-19 pandemic to household income.

INDICATORS RELATED TO HOUSEHOLD INCOME

- 1 Average salary and wages 
- 2 Employment structure 
- 3 Economic performance by sector 
- 4 Household demography 
- 5 Value of assistance provided by the government throughout the year 2020 

The 2019 household profile was then adapted with the **distribution of 2020 household pattern**.

* While the study does not produce a new Poverty Line Income (PLI) value, Thus the **2019 PLI value is maintained**.

*The analysis was carried out **without conducting the HIS/BA** which is usually conducted **twice in every five (5) years**.



Household Income Estimates and Incidence of Poverty Report, 2020

JABATAN PERDANA MENTERI
JABATAN PERANGKAAAN MALAYSIA

1. The analysis was carried out using data from the Household Income and Basic Amenities Survey (HIS/BA) 2019, using the 2019 household profile which was then adapted with the distribution of 2020 household pattern.
2. This study uses the extrapolation method to estimate household income in 2020.
3. Extrapolation is a forecasting technique or estimating outside observation range based on its relationship with other variables and some known hypothesis data.
4. Based on the international standard definition on household income, aids provided throughout the MCO are not counted as income received because it is not accrued (recurring and definitely received).
5. However, this analysis has taken into account relevant aids to identify the effect of receiving these aids on household or individual income during COVID-19 pandemic.

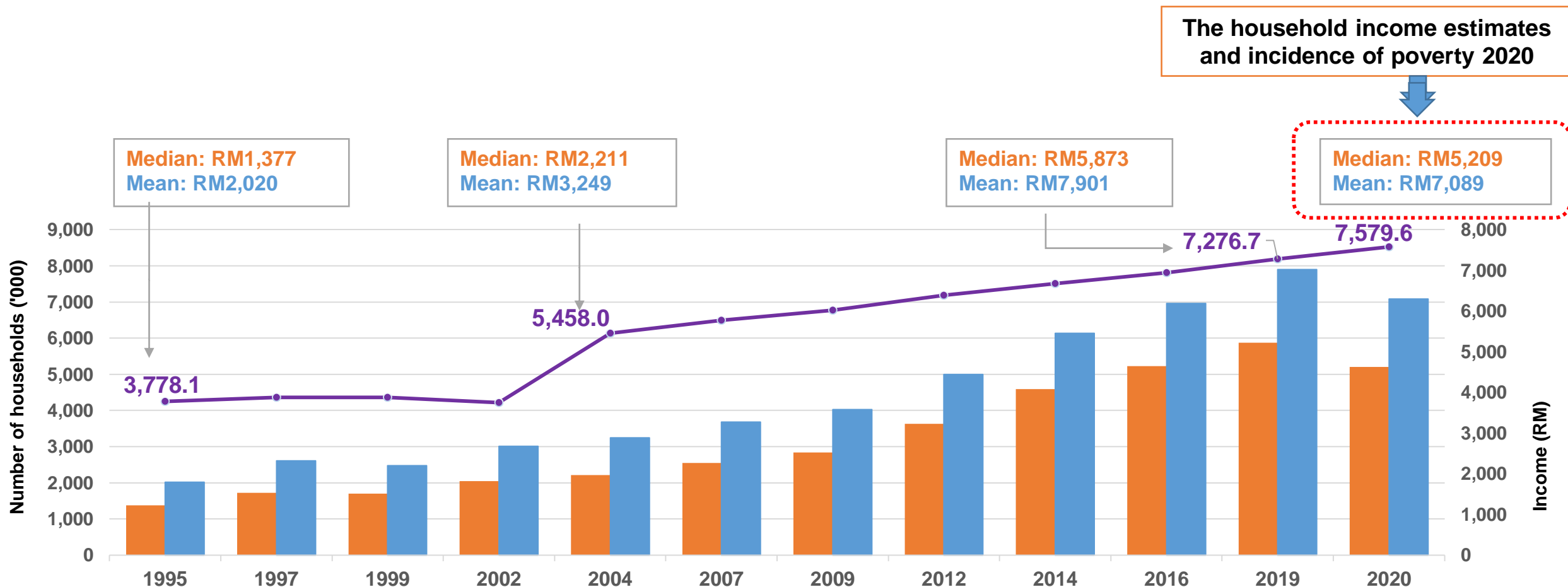
MAIN INDICATOR

- 1 Average salary and wages
- 2 Employment structure by sector
- 3 GDP contribution by sector
- 4 Value of assistance provided by the government throughout the year 2020



MEDIAN AND MEAN OF MONTHLY HOUSEHOLD GROSS INCOME BY STATE, MALAYSIA

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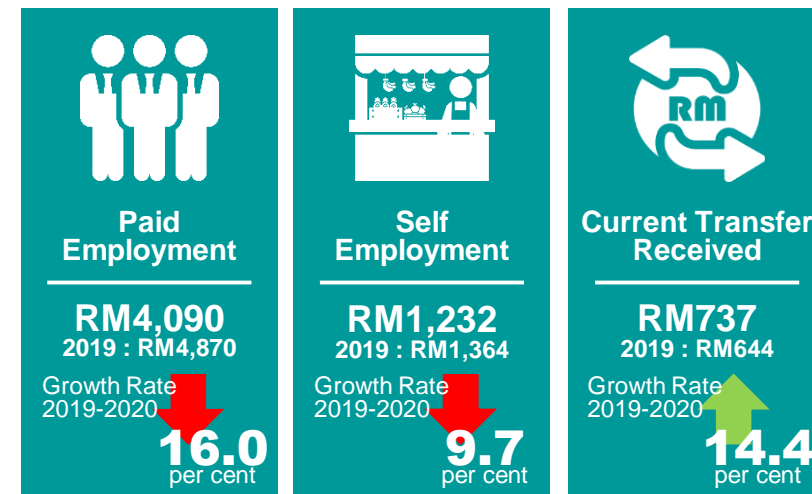


- Median, mean and growth rate of monthly household gross income on year 2020 at national level is **RM5,209** and **RM7,089** respectively.
- The **median** of household income recorded a decrease of **negative 11.3%** compared 3.9% (2019)
- The **mean** of household income decrease of **negative 10.3%** compared 4.2% (2019)



HOUSEHOLD INCOME BY STATE

Income based on sources



- Mean and median of monthly household income by national level decreased by 10.3% and 11.3% as compared to previous year
- **All states** recorded decrease of household income (mean and median)
- **W.P. Putrajaya** recorded the **lowest decrease** of household income (median & mean)

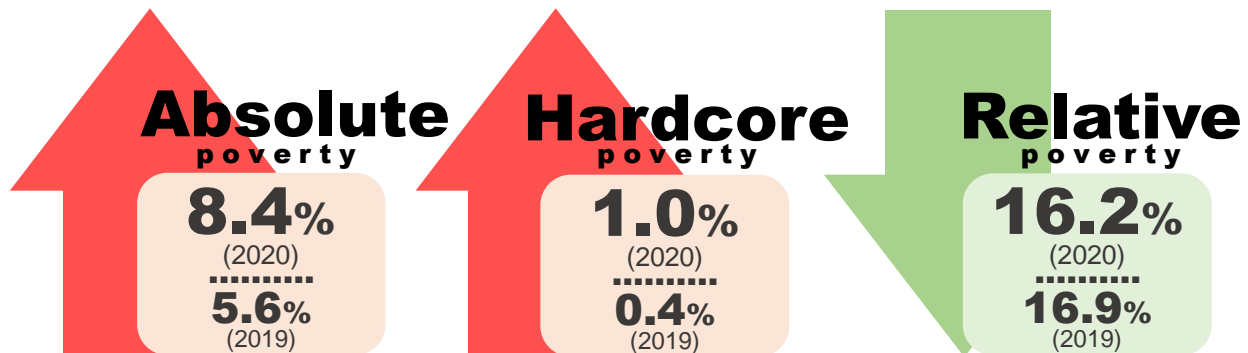
State	Median (RM)			Mean (RM)		
	2019	2020	Growth (%)	2019	2020	Growth (%)
Malaysia	5,873	5,209	-11.3	7,901	7,089	-10.3
Johor	6,427	5,690	-11.5	8,013	7,264	-9.3
Kedah	4,325	3,829	-11.5	5,522	5,005	-9.4
Kelantan	3,563	3,010	-15.5	4,874	4,411	-9.5
Melaka	6,054	5,447	-10.0	7,741	7,186	-7.2
Negeri Sembilan	5,005	4,478	-10.5	6,707	6,184	-7.8
Pahang	4,440	4,033	-9.2	5,667	5,144	-9.2
Pulau Pinang	6,169	5,474	-11.3	7,774	6,850	-11.9
Perak	4,273	3,759	-12.0	5,645	5,081	-10.0
Perlis	4,594	4,043	-12.0	5,476	4,971	-9.2
Selangor	8,210	7,300	-11.1	10,827	9,668	-10.7
Terengganu	5,545	4,790	-13.6	6,815	6,051	-11.2
Sabah	4,235	3,773	-10.9	5,745	5,215	-9.2
Sarawak	4,544	3,831	-15.7	5,959	5,087	-14.6
W.P. Kuala Lumpur	10,549	9,093	-13.8	13,257	11,728	-11.5
W.P. Labuan	6,726	6,126	-8.9	8,319	7,333	-11.9
W.P. Putrajaya	9,983	9,743	-2.4	12,840	12,322	-4.0



INSIDENCE OF POVERTY DAN INCOME INEQUALITY 2020

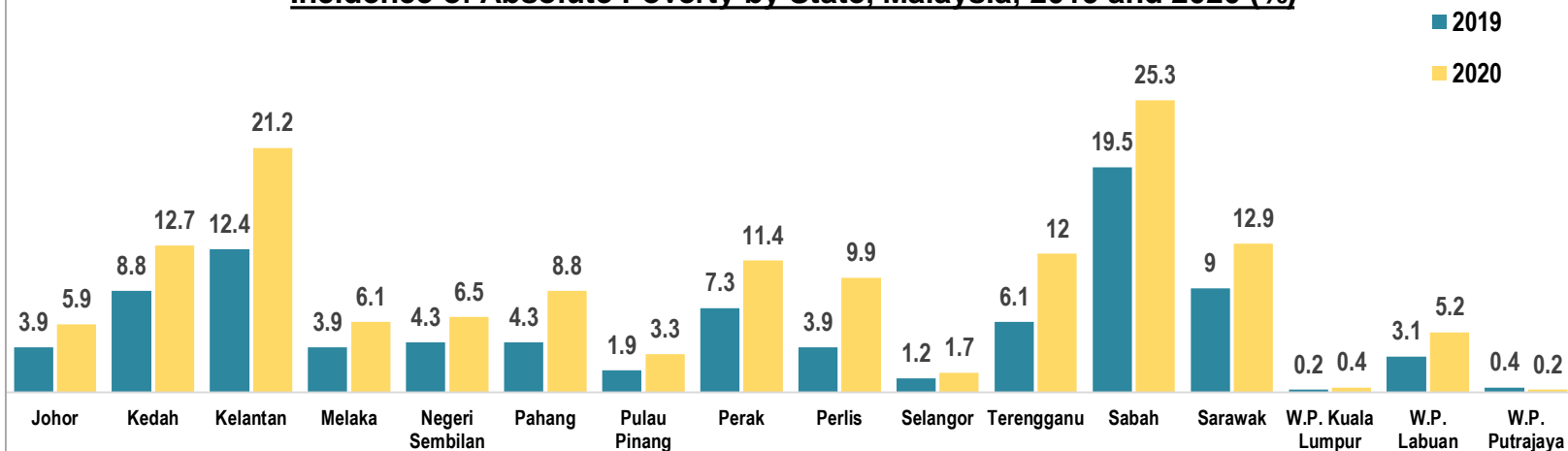
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In the year 2020, estimated that
639.8 thousand of households falls
under **absolute poor household**

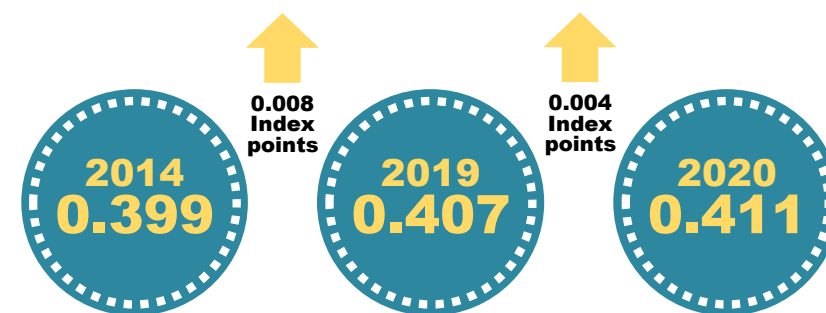


- 01** Sabah recorded the highest percentage of 25.3 per cent (2019: 19.5%)
- 02** Kelantan recorded a significant increase in poverty by 8.8 percentage points to 21.2 per cent from 12.4 per cent (2019)
- 03** Terengganu recorded increase by 5.9 percentage points to 12.0 per cent from 6.1 per cent (2019)

Incidence of Absolute Poverty by State, Malaysia, 2019 and 2020 (%)



Income Inequality



The national Gini coefficient recorded an increase by 0.004 index points to 0.411 (2019: 0.407)



GOAL 1: NO POVERTY

INDICATOR 1.2.2

INDICATOR	1.2.2 Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions
CONCEPTS AND DEFINITIONS	<ol style="list-style-type: none">1) Official multidimensional poverty headcount, by sex, and age (% of population)<ul style="list-style-type: none">- The percentage of people who are multidimensionally poor2) Average number of deprivations (intensity)<ul style="list-style-type: none">- The average percentage of dimensions in which poor people are deprived3) Official multidimensional poverty headcount (% of total households)<ul style="list-style-type: none">- The percentage of households who are multidimensionally poor4) Multidimensional deprivation for children (% of population under 18)<ul style="list-style-type: none">- The percentage of children who are simultaneously deprived in multiple dimensions of wellbeing





Indicator 1.2.2: Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

Table 1.3: Multidimensional poverty index by state, Malaysia, 2016 and 2019

State	Multidimensional poverty index					
	Incidence of poverty		Average intensity		Index	
	2016	2019	2016	2019	2016	2019
Malaysia	0.0366	0.0264	0.4147	0.4142	0.0152	0.0110
Johor	0.0136	0.0064	0.3774	0.3693	0.0051	0.0024
Kedah	0.0356	0.0226	0.3615	0.3796	0.0129	0.0086
Kelantan	0.1461	0.0793	0.4142	0.4066	0.0605	0.0323
Melaka	0.0029	0.0114	0.3517	0.3588	0.0010	0.0041
Negeri Sembilan	0.0094	0.0055	0.3921	0.3585	0.0037	0.0020
Pahang	0.0298	0.0147	0.3955	0.3962	0.0118	0.0058
Perak	0.0227	0.0212	0.3760	0.3802	0.0085	0.0080
Perlis	0.0091	0.0110	0.3444	0.3547	0.0031	0.0039
Pulau Pinang	0.0041	0.0021	0.3579	0.3467	0.0015	0.0007
Sabah	0.1737	0.1427	0.4363	0.4361	0.0758	0.0622
Sarawak	0.0909	0.0717	0.4278	0.4222	0.0389	0.0303
Selangor	0.0022	0.0019	0.3800	0.3796	0.0008	0.0007
Terengganu	0.0142	0.0097	0.3796	0.3696	0.0054	0.0036
W.P. Kuala Lumpur	0.0004	0.0000	0.3750	0.0000	0.0002	0.0000
W.P. Labuan	0.0138	0.0059	0.3635	0.3958	0.0050	0.0023
W.P. Putrajaya	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Notes:

0.0000 refers to less than half smallest unit shown

Source: Household Income and Basic Amenities Survey, Department of Statistics Malaysia



Introduction to SDG Goal 1: No Poverty



SDG

A new, universal set of goals, targets, and indicators that UN member state will be expected to use to frame their agenda and political policies over the next 15 years (2016 – 2030).



Goal 1: No Poverty

End poverty in all its form everywhere



10 Available

1 Partially Available

2 Not Available

Indicator 1.2.2

Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.

MPI

Currently, Malaysia measures this indicator based on the Multidimensional Poverty Index (MPI) as a complement to the income-based poverty measurement concept to measure the people's poverty level more comprehensively.



Concepts and definitions

The following 4 series are used to monitor the SDG 1.2.2



Official multidimensional poverty headcount, by sex, and age (% of population)

The **percentage of people** who are multidimensionally poor



Average number of deprivations (intensity)

The average **percentage of dimensions** in which poor people are deprived



Official multidimensional poverty headcount (% of total households)

The **percentage of households** who are multidimensionally poor



Multidimensional deprivation for children (% of population under 18)

The **percentage of children** who are simultaneously deprived in multiple dimensions of wellbeing

**Indicator
1.2.2**



Poverty measurement

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To measure poverty, the measured indicators involve Poverty Line Income (PLI) and Multidimensional Poverty Index (MPI).

Multidimensional index

01

Multidimensional poverty

02

Other countries

03

Income and living condition

04

Multidimensional child poverty



01

- Armenia
- Egypt
- Costa Rica
- Ghana
- Maldives

02

- Sri Lanka
- Panama
- Pakistan
- Paraguay

03

- Greece
- Germany
- France
- Denmark
- Belgium
- Finland
- Ireland
- Estonia

04

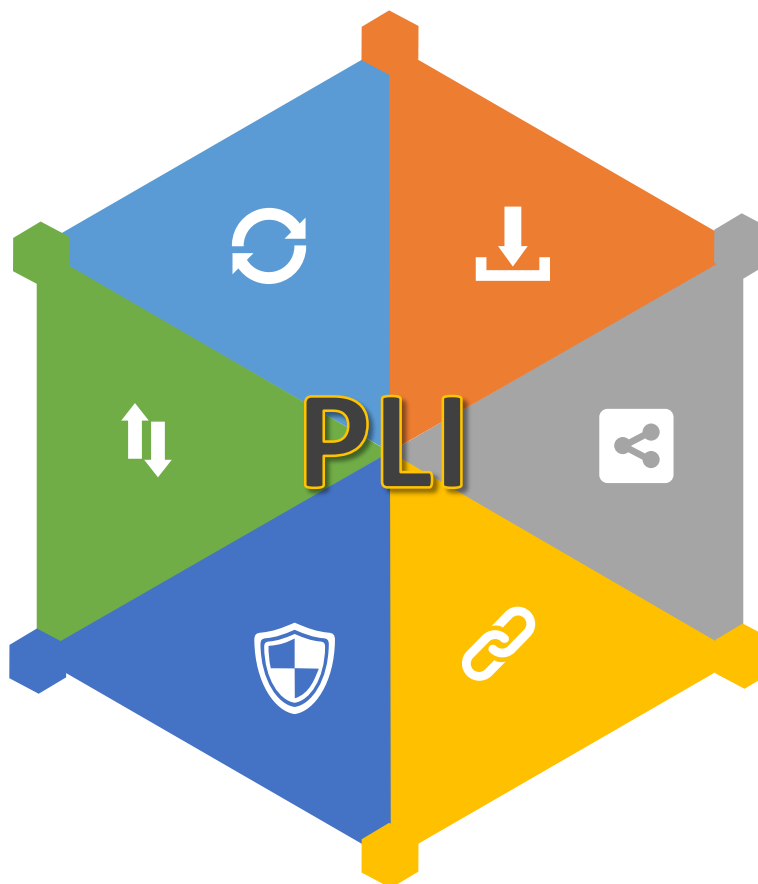
- Malawi
- Angola
- Bhutan

Introduction

- Since 1970's, poverty was measured using the absolute measure, (headcount) and basic needs (converted into monetary terms) approach, which encompassed all dimensions of basic needs such as food, housing, education, health etc. (components of Poverty Line Income).

Poverty Line Income (PLI)

- Indicate the amount of income required for minimum standard of living for food and non-food items.
- Incorporate comprehensive dimensions of basic needs—food (balanced diet) and non-food (basic needs).
- Data source: Household Income/Basic Amenities Surveys (HIS/BA).



MPI are use:

- To meet the households' expectation and reflect social mobility using certain cut-off or standards.
- Focus on human dimensions to enhance capability and mobilise human potential.
- To monitor the effectiveness of poverty intervention.
- Improve targeting, identify and focus on priority groups as well as locality and design of development programmes:
 - ◇ High impact
 - ◇ Efficient and effective resource mobilisation

The development of the MPI **complements the existing poverty measurement model which is PLI**. The MPI can measure the intensity of poverty in various dimensions, describe the specific non-food needs of each different household also reflect the social mobility and aspirations of the people, in line with the improvement of the standard of living and the socioeconomic development of the country.



UNDP

To complement the PLI measure, MPI was introduced in 11MP to monitor poverty from multidimensional perspectives

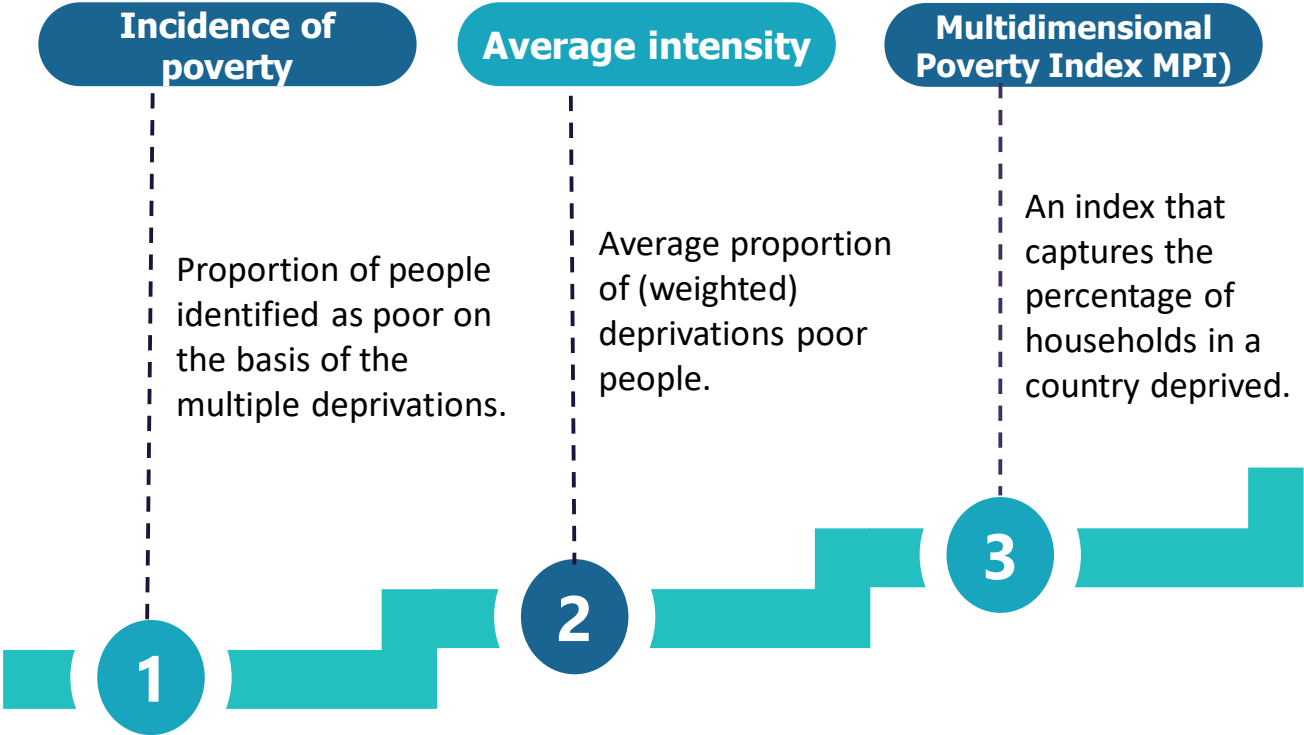


- Malaysia 2019 MPI improved from 1.1% compared to 1.5% in 2016. While the intensity of deprivation improved to 41.42% (2019) from 41.47% (2016).
- Aim of review is to seek improved data to capture non-income dimensions of poverty – dimensions, indicators and proxy, thresholds and weightage.
- MPI review will be completed for application in HIES/BA 2021/2022.
- The end result of UNDP's support will be to generate a basic consensus on the issues and priorities to guide MPI revision and push a collaborative agenda to refine concepts, data, methodological and intervention approaches on inequality.

SDG Table 1.3: Multidimensional Poverty Index by state, Malaysia

Goal 1: No Poverty

Consist of 3 components



Indicator 1.2.2 : Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

Table 1.3 : Multidimensional poverty index by state, Malaysia, 2016 and 2019

State	Multidimensional poverty index					
	Incidence of poverty		Average intensity		Index	
	2016	2019	2016	2019	2016	2019
Malaysia	0.0366	0.0264	0.4147	0.4142	0.0152	0.0110
Johor	0.0136	0.0064	0.3774	0.3693	0.0051	0.0024
Kedah	0.0356	0.0226	0.3615	0.3796	0.0129	0.0086
Kelantan	0.1461	0.0793	0.4142	0.4066	0.0605	0.0323
Melaka	0.0029	0.0114	0.3517	0.3588	0.0010	0.0041
Negeri Sembilan	0.0094	0.0055	0.3921	0.3585	0.0037	0.0020
Pahang	0.0298	0.0147	0.3955	0.3962	0.0118	0.0058
Perak	0.0227	0.0212	0.3760	0.3802	0.0085	0.0080
Perlis	0.0091	0.0110	0.3444	0.3547	0.0031	0.0039
Pulau Pinang	0.0041	0.0021	0.3579	0.3467	0.0015	0.0007
Sabah	0.1737	0.1427	0.4363	0.4361	0.0758	0.0622
Sarawak	0.0909	0.0717	0.4278	0.4222	0.0389	0.0303
Selangor	0.0022	0.0019	0.3800	0.3796	0.0008	0.0007
Terengganu	0.0142	0.0097	0.3796	0.3696	0.0054	0.0036
W.P. Kuala Lumpur	0.0004	0.0000	0.3750	0.0000	0.0002	0.0000
W.P. Labuan	0.0138	0.0059	0.3635	0.3958	0.0050	0.0023
W.P. Putrajaya	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Source: Household Income and Basic Amenities Survey, Department of Statistics Malaysia

Note:
refers to less than half smallest unit shown

Incidence of poverty index

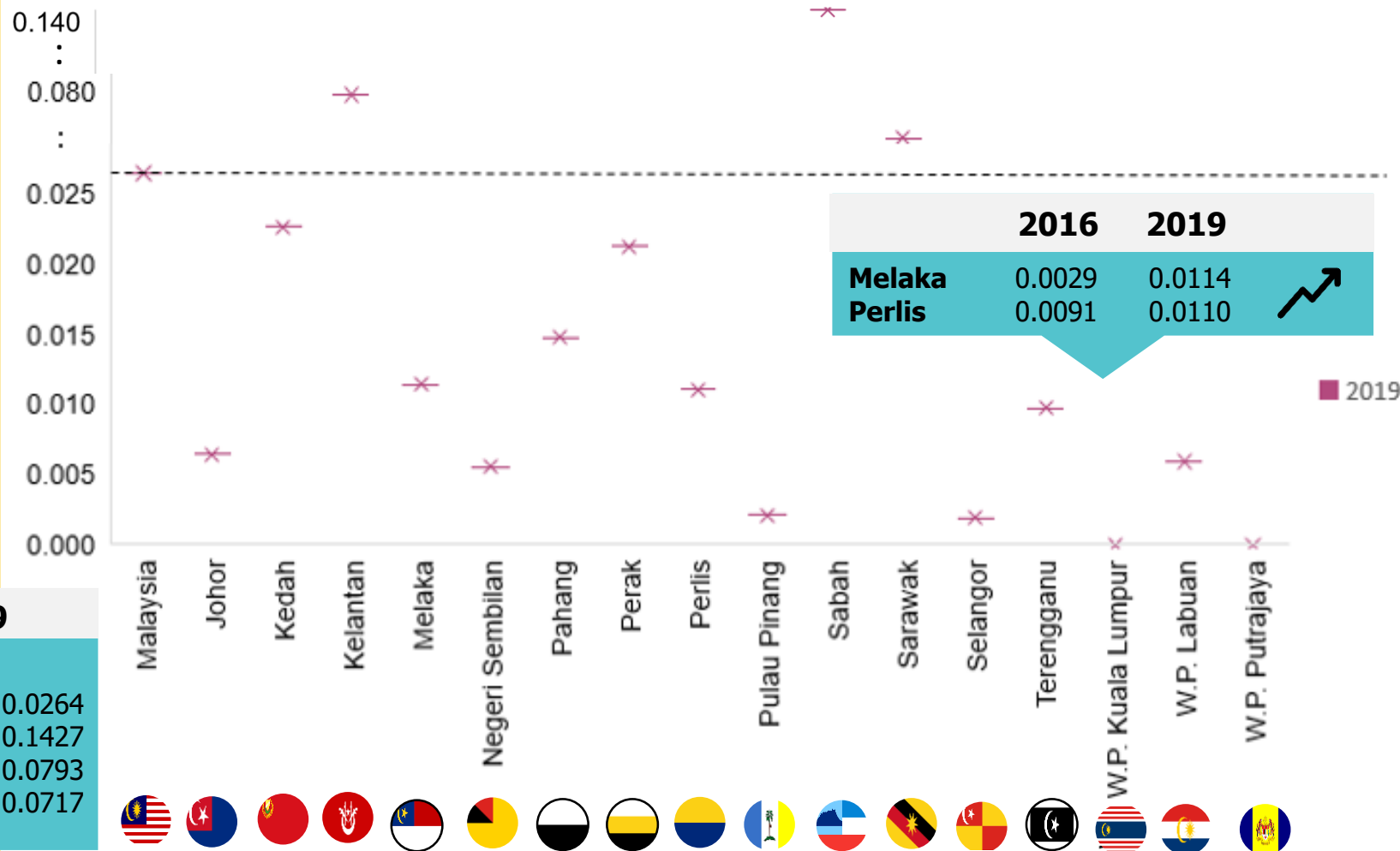
- Incidence of poverty index that above the national average (0.0264) are Sabah (0.1427) and closely followed by Kelantan (0.0793) and Sarawak (0.0717) while other states show the incidence of poverty that below the national average in 2019.
- The incidence of poverty index in all states, except for Melaka and Perlis shows a decrease from 2016 to 2019 where the government's efforts to reduce poverty in Malaysia are increasingly showing positive effects.



2019

Malaysia 0.0264
Sabah 0.1427
Kelantan 0.0793
Sarawak 0.0717

Incidence of poverty index

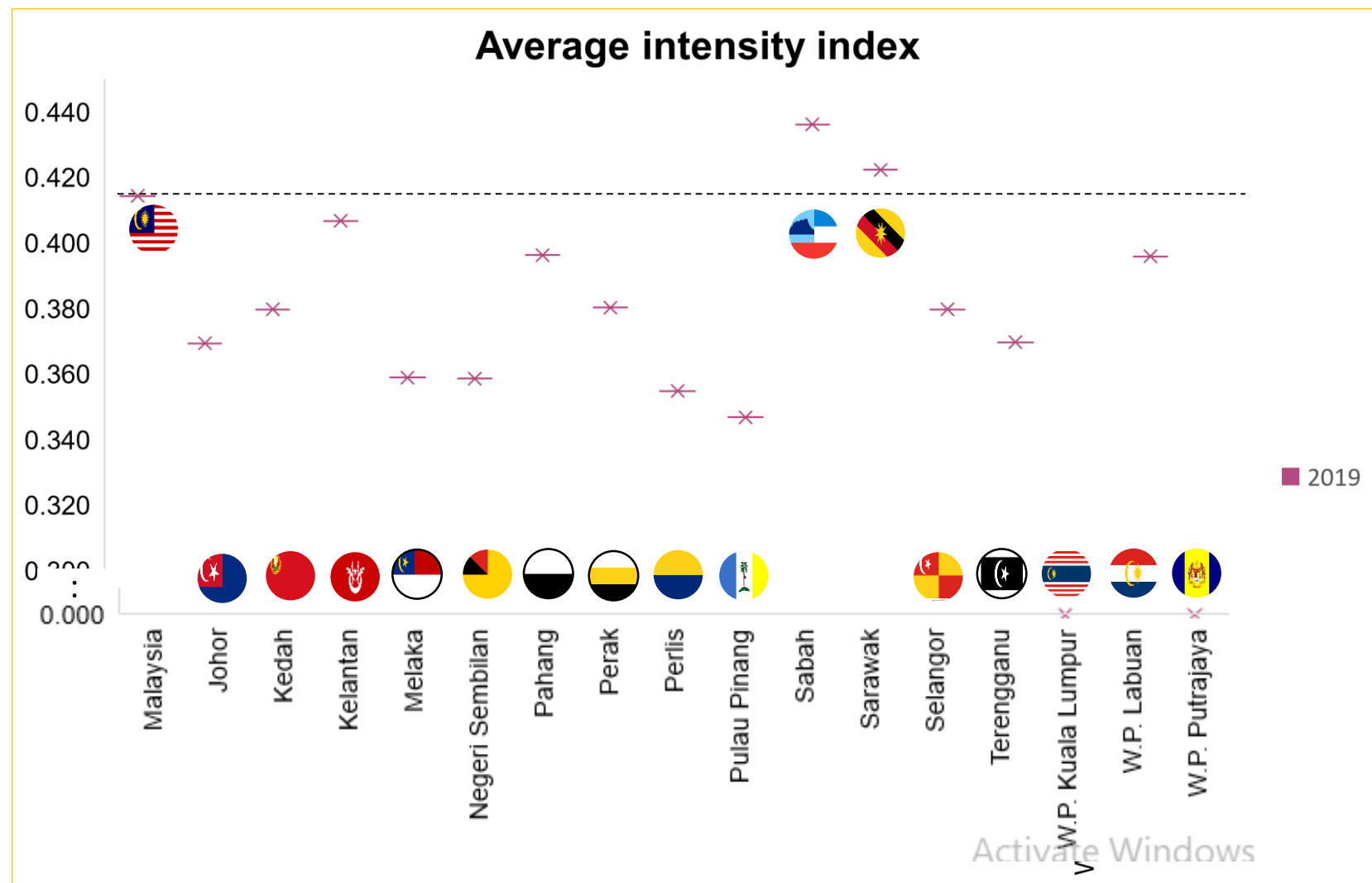


2019

Malaysia 0.4142
Sabah 0.4361
Sarawak 0.4222

Average intensity index

- The average intensity index in most states are below the national average in 2019 which is 0.4142, except in Sabah (0.4361) and Sarawak (0.4222).

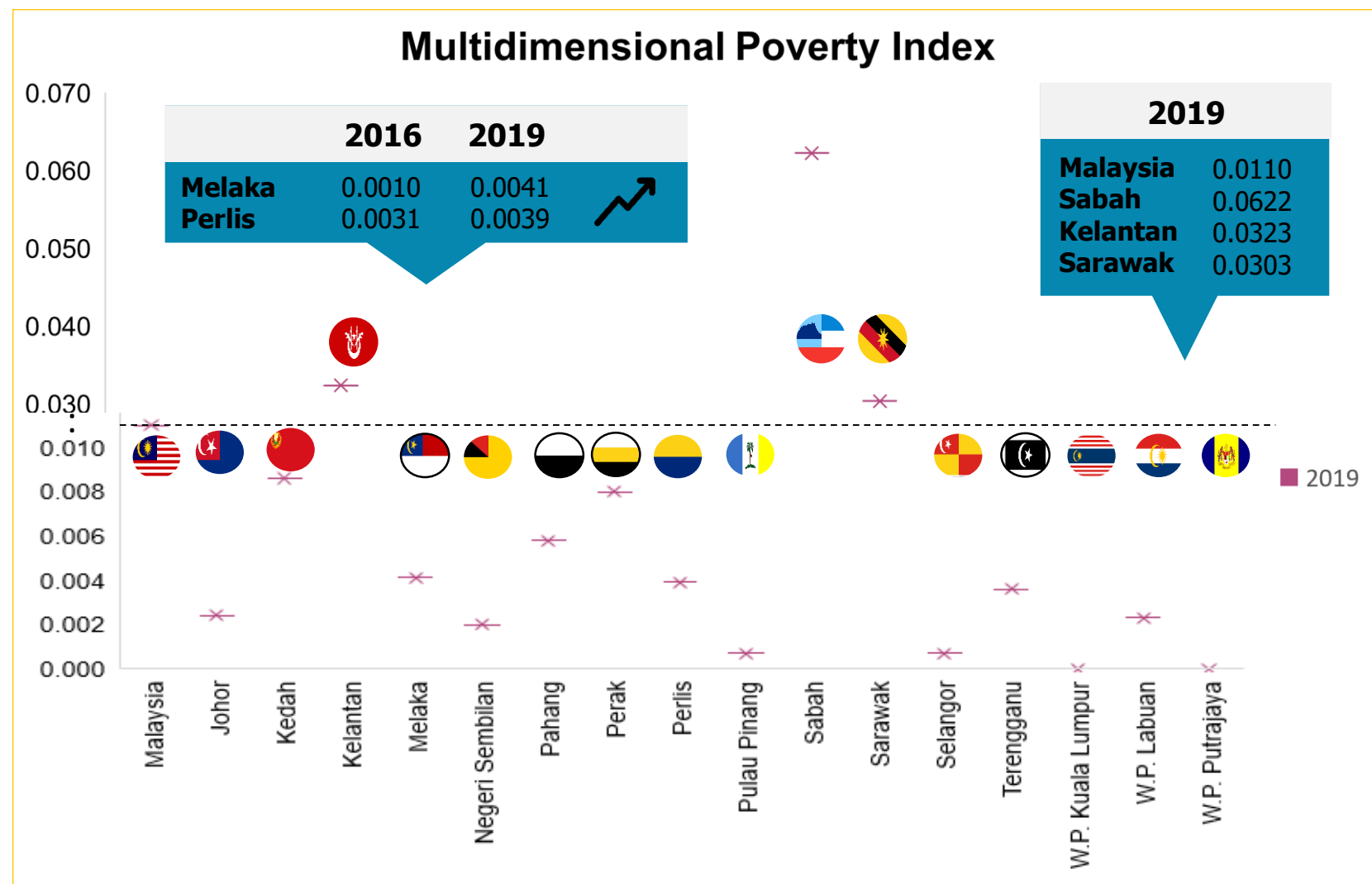


Multidimensional Poverty Index



Multidimensional Poverty Index

- Overall, the Multidimensional Poverty Index value in all states is lower than the MPI value at the national level (0.0110), except in Sabah (0.0622), Kelantan (0.0323) and Sarawak (0.0303).
- There were a slight increase in the MPI value of Melaka and Perlis from 0.0010 and 0.0031 in 2016 to 0.0041 and 0.0039 in 2019, respectively.





Introduction

- MPI is a versatile measurement method that can be customized with a wide selection of indicators, cut-offs and weights, as to peruse and their requirements.
- MPI is an index that captures the percentage of households in a country deprived along three dimensions of well-being – monetary poverty, education and basic infrastructure services – to provide a more complete picture of poverty.



Advantages of MPI

- ✓ Portray comprehensive picture
- ✓ Comparative and replicable
- ✓ Flexibility
- ✓ Effectiveness
- ✓ Working Levels



Challenges of MPI

- Poverty is a complex issue and depends on various factors (monetary and non-monetary).
- Gathering of data for multidimensional indicators can be challenging.
- Large numbers of indicators
- Intra-household inequality is not captured.



$$\text{MPI} = H \times A$$



MPI formula

H = Multi-dimensional poor household incidence

A = The average intensity of deprivations in multiple dimensional experienced by the poor household

Dimensions and indicators to develop MPI in Malaysia



Education $\frac{1}{4}$

Schooling years
 $\frac{1}{8}$

*13 to 60 years old that have less than 6 years of schooling

School attendance
 $\frac{1}{8}$

*6 to 12 years old who did not attend schooling



Health $\frac{1}{4}$

Access to health services
 $\frac{1}{8}$

*distance to health services over 5 km

Access to clean water supply
 $\frac{1}{8}$

*besides piped water at home and public water pipe



Living standard $\frac{1}{4}$

Living quarters condition $\frac{1}{24}$

Crowdedness $\frac{1}{24}$

Home toilet utility $\frac{1}{24}$

Access to garbage collection $\frac{1}{24}$

Usage of transportation services $\frac{1}{24}$

Access to basic communication utility $\frac{1}{24}$



Income $\frac{1}{4}$

Monthly household gross income
 $\frac{1}{4}$

*less than household's PLI

Here are 4 indicators to develop MPI in Malaysia with equal weight $\frac{1}{4}$.

Example of MPI calculation

MPI



Example of calculating a multi-dimensional poverty index using hypothetical data



Indicator	Household				
	A	B	C	D	E
Education					
Total years of schooling	0	1	0	1	0
School attendance	0	1	0	0	0
Health					
Access to health services	0	0	1	0	0
Access to clean water supply	1	1	0	1	0
Living standards					
State of residence	0	1	1	1	0
Room density	0	0	1	0	1
Home toilet facilities	0	1	1	0	0
Access to garbage collection facilities	0	0	0	0	0
Ease of use of transportation	1	1	1	1	0
Access to basic communication equipment	0	1	0	1	0
Income					
Gross monthly household income	1	1	0	1	1
Intensity of deviation	0.4167	0.7917	0.2917	0.6250	0.2917
Poverty line (poverty cut-off > 0.3000)	Yes	Yes	No	Yes	No

Note: Number “1” refers to deprivation and “0” refers to not deprivation.



- i. Score the intensity of exclusion (c^i) for each household
= Total (household deviation x weighted value of each indicator)

Household A (IR A)

$$c^i = (1 \times 1/8) + (1 \times 1/24) + (1 \times 1/24) = 0.4167$$

Household B (IR B)

$$c^i = (1 \times 1/8) + (1 \times 1/8) + (1 \times 1/8) + (1 \times 1/24) + (1 \times 1/24) + (1 \times 1/24) + n(1 \times 1/24) + (1 \times 1/4) \\ = 0.7917$$

Household C (IR C)

$$c^i = (1 \times 1/8) + (1 \times 1/24) + (1 \times 1/24) + (1 \times 1/24) + (1 \times 1/24) = 0.2917$$

Household D (IR D)

$$c^i = (1 \times 1/8) + (1 \times 1/8) + (1 \times 1/24) + (1 \times 1/24) + (1 \times 1/24) + (1 \times 1/4) = 0.6250$$

Household E (IR E)

$$c^i = (1 \times 1/24) + (1 \times 1/4) = 0.2917$$



ii. The incidence of multidimensional poor households (H)

= The number of households that experience deprivation in various dimensions /
The number of households

$$= 3/5 \times 100 = 60\% @ 0.6$$

iii. Average household marginalization intensity of various dimensions (A)

= Total intensity of deprivation of multi-dimensional poor households /
Total multi-dimensional poor households

$$= c^i (IR\ 1 + IR\ 2 + IR\ 4) / 3$$

$$= 0.4167 + 0.7917 + 0.6250 / 3$$

$$= 0.6111$$

iv. MPI (M) = H x A

$$= 0.6 \times 0.6111 = 0.3666$$



Incidence of Deprivation at National Level



Strata



Incidence of
Multidimensional
poverty Households



Average deprivation
intensity of
Multidimensional poverty
households



MPI

National



2016

2019

0.0366

0.0264

2016

2019

0.4147

0.4142

2016

2019

0.0152

0.0110

Urban



0.0128

0.0094

0.3843

0.3801

0.0049

0.0036

Rural



0.1233

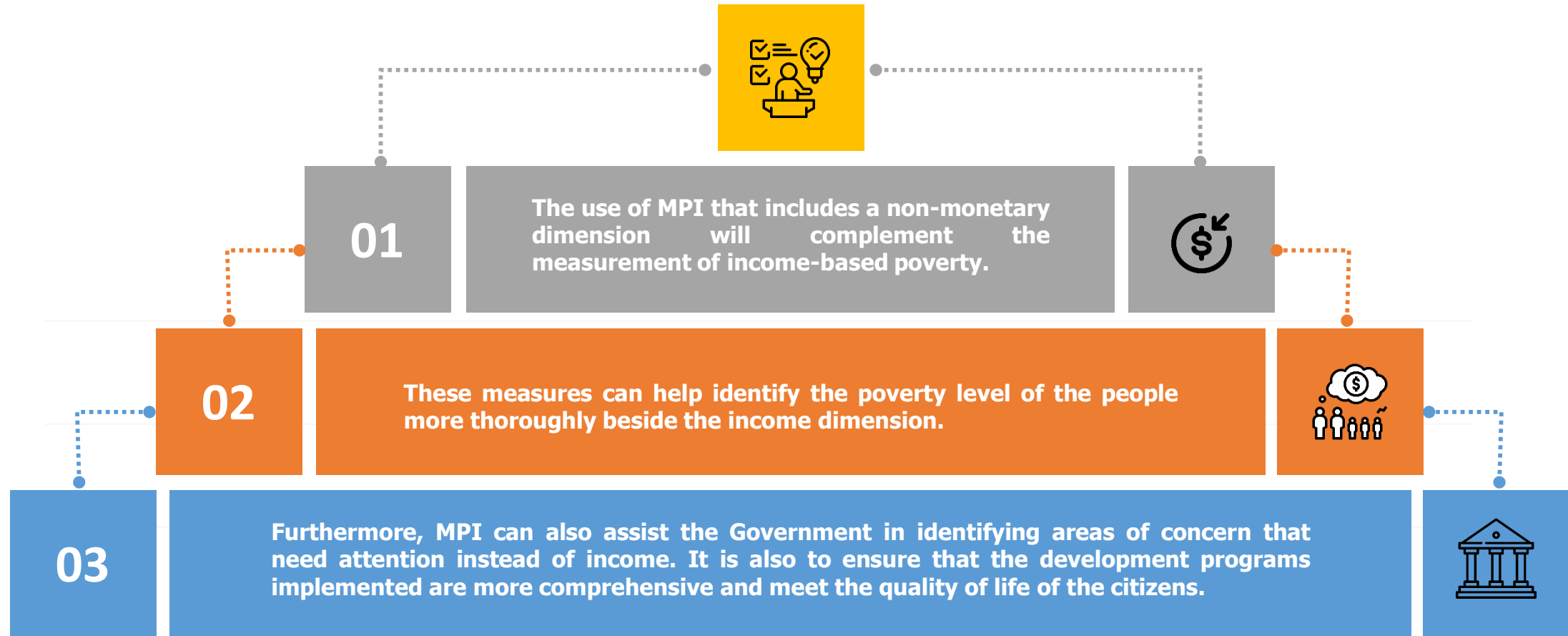
0.0938

0.4262

0.4277

0.0526

0.0401



SUPPORT TO GOVERNMENT POLICY



Way Forward: Twelfth Malaysia Plan, 2021-2025



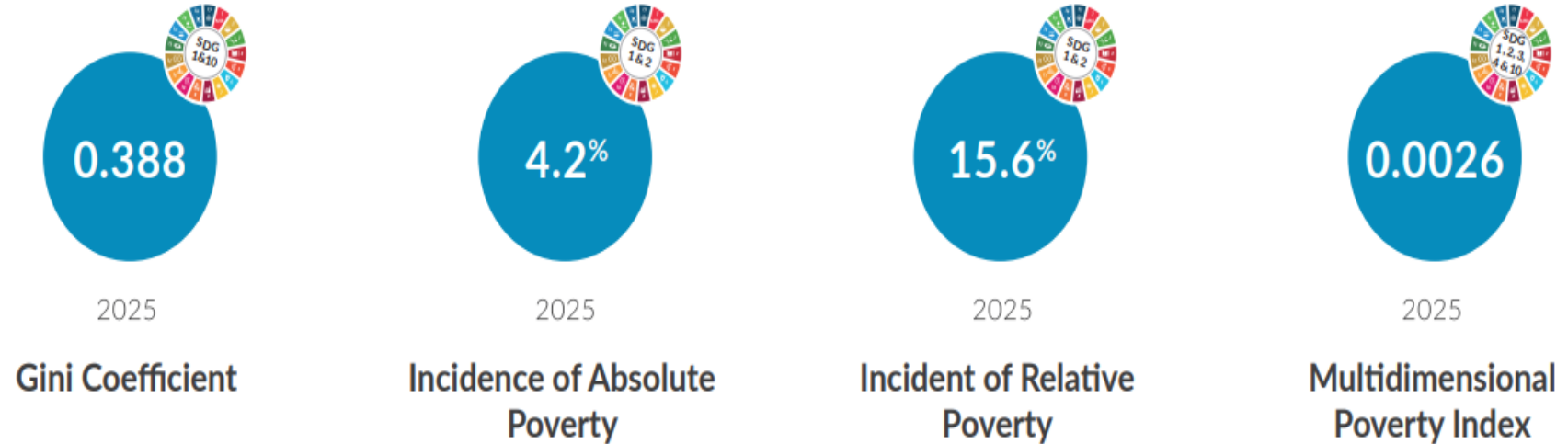
DEPARTMENT OF STATISTICS MALAYSIA



   
StatsMalaysia
www.DOSM.gov.my



Addressing Poverty and Narrowing Inequality



Increasing Income and Standard of Living of B40





MAPPING OF 12TH MALAYSIA PLAN WITH SDG

JABATAN PERDANA MENTERI
JABATAN PERANGKAAAN MALAYSIA

Theme 1 Resetting the Economy

Chapter 2: Restoring Growth Momentum



Chapter 3: Propelling Growth of Strategic and High Impact Industries as well as Micro, Small and Medium Enterprises



Theme 2 Strengthening Security, Wellbeing and Inclusivity

Chapter 4: Enhancing Defence, Security, Wellbeing and Unity



Chapter 5: Addressing Poverty and Building an Inclusive Society



Chapter 6: Improving Regional Balance and Inclusion



Chapter 7: Enhancing Socioeconomic Development in Sabah and Sarawak



Theme 3 Advancing Sustainability

Chapter 8: Advancing Green Growth for Sustainability and Resilience



Chapter 9: Enhancing Energy Sustainability and Transforming the Water Sector



Policy Enabler 1 Developing Future Talent

Chapter 10: Developing Future Talent



Policy Enabler 3 Enhancing Connectivity and Transport Infrastructure

Chapter 12: Enhancing Efficiency of Transport and Logistics Infrastructure



Policy Enabler 2 Accelerating Technology Adoption and Innovation

Chapter 11: Boosting Digitalisation and Advanced Technology



Policy Enabler 4 Strengthening the Public Service

Chapter 13: Strengthening Public Sector Service Delivery



ROAD MAP TO UNAVAILABLE SDG 1 INDICATOR





GOAL 1 : NO POVERTY INDICATORS



Available

Partially Available

Not Available

1.1.1

Proportion of the population living below the international poverty line by sex, age, employment status and geographic location (urban/rural)

1.2.1

Proportion of population living below the national poverty line, by sex and age

1.2.2

Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

1.3.1

Proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work-injury victims and the poor and the vulnerable

1.4.1

Proportion of population living in households with access to basic services

1.4.2

Proportion of total adult population with secure tenure rights to land, (a) with legally recognized documentation, and (b) who perceive their rights to land as secure, by sex and type of tenure

1.5.1

Number of deaths, missing persons and directly affected persons attributed to disasters per 100,000 population

1.5.2

Direct economic loss attributed to disasters in relation to global gross domestic product (GDP)

1.5.3

Number of countries that adopt and implement national disaster risk reduction strategies in line with the Sendai Framework for Disaster Risk Reduction 2015-2030

1.5.4

Proportion of local governments that adopt and implement local disaster risk reduction strategies in line with national disaster risk reduction strategies

1.a.1

Total official development assistance grants from all donors that focus on poverty reduction as a share of the recipient country's gross national income

1.a.2

Proportion of total government spending on essential services (education, health and social protection)

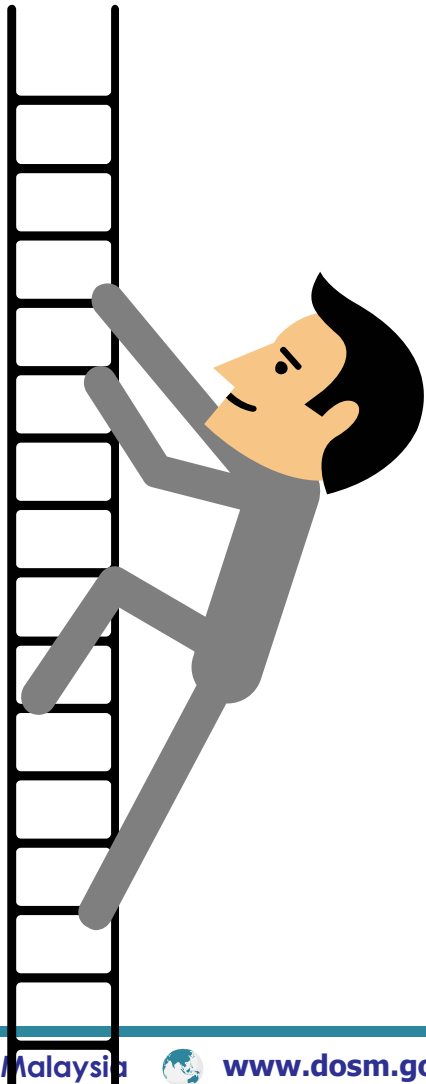
1.b.1

Pro-poor public social spending

MOVING FORWARD



Way Forward



01

Malaysia is conducting the HIES/BA 2022 from January to December 2022. The analysis will be done as early as January 2023, followed by publication in second quarter of 2023.

02

The new PLI will be studied based on HIES/BA 2022 conducted taking into account the impact of the COVID-19 and also changes in population spending patterns after the pandemic.



Data quality

- Continues meeting/ discussion/ briefing/ seminar
- Discuss the SDG metadata and harmonise data from agencies and ministries
- Partnership with international agency for some indicator development

Awareness

- Promote the concept and importance of SDGs to agencies and communities
- Localizing SDG

Granular Data

- Data centralized, administrative data
- Revise/update current survey questionnaire
- Planning new survey



- Line Ministries/Agencies as custodian agency of SDG indicators should lead in SDG Indicators development and data reporting (i.e. MOH and MOE).
- Appointment of SDG Focal Person by line Agencies/Ministries .
- Data reported to International Agencies by line Ministries/Agencies –DOSM in the loop.
- Cooperation with line Agencies to develop partially and proxy indicators to full fledge indicators.
- Strengthen the role of Working Committee to ensure the continuous efforts and involvement from Ministries/Agencies in SDG Coordination.

Thank You

