



Good morning distinguished guests.

At the start of the new Millennium world leaders committed themselves to ridding poverty in the world by 2015, one of 8 major objectives outlined in the Millennium Development Goals (MDGs).

The Malaysian government has, in line with the Millennium Development Goals, prioritized extreme poverty eradication as a major development objective. This has paid off in reducing the country's poverty rate from a substantial 52% in the 1970s to less than 7 percent by 1997. This number, however, rose again during and after the Asian economic crisis. It currently stands at less than 5 percent of the population being under the national poverty line, and the Malaysian Government aims to remove all hard core poverty by the year 2009.

Yet despite this outstanding achievement the Government has acknowledged that each of the ethnic, religious and social groups in Malaysia need to be incorporated into the development plan. There are sectors of society in Malaysia that are still living in poverty, despite Malaysia being one of the fastest developing in terms of economy and technological development.

Poverty restricts the poor from developing their talents, capacity and productivity, reducing their economic contribution which affects the society as a whole. It also limits their capacity to develop psychologically, economically, socially, and politically, impacting the role they can play as community participants.

Particularly, poverty has a de-humanising effect inflicting daily sufferings such as hunger and often pushes people towards violence. Poverty is known to be one of the major factors leading to or exacerbating violence against women.

In most cases the poor people are not poor by choice but lack the opportunities and access to resources, including education, which in turn results in perpetuation of poverty. The economic causes of poverty are usually attributable to lack of skill and capital. This leads people to live in unhealthy environment which affects their health and renders them incapable to earn a living.

Poverty eradication is a complex issue and requires an integrated, comprehensive approach of economic, political and socio-cultural aspect, one that requires a policy framework oriented at incorporating the poor into the process of economic

development. The complete eradication of poverty is of course an ambitious goal, yet it is hoped that we will be able to use all resources to reduce poverty to a minimum level.

Measures for poverty reduction that have been implemented in many countries are usually based on economic growth, and increasing productivity of the poor. High quality employment therefore becomes most important in order to implement an effective strategy to reduce poverty in a sustainable manner. In this respect education, both formal and non-formal, becomes instrumental. It enables the poor to acquire skills that will enable them to find work and earn income. In the long run it is more effective for the individuals involved and less costly for the rest of society to assist as many of the poor as possible to place themselves on a path to development that they can sustain with their own efforts. Only in this way can the poverty problem be truly solved.

Yet macroeconomic and sectoral policies are also needed to facilitate the process. For instance, once equipped with the skills the poor may still need access to assets such as land or working capital.

In order to tackle the root cause of poverty the poor need to be equipped with the instruments to help themselves, rather than through charity or other welfare from the state as it will create an expectation of the help to become a permanent feature and make people dependent. Of course facilitation from the state, civil society and businesses are still very much needed in the form of opportunities and protection of the law. The project Community Centres for the Empowerment of Indian Women in Malaysia adopts the approach of providing self-help and the means for the people to engage in self-employment and or business operations that do not require substantial initial start up funds.

Some poverty reduction programmes that have proven to be successful, according to lessons from the World Bank and the Inter-American Development Bank are based on policies that:

- i) foster rapid and enduring growth taking into account availability of unskilled labour as a factor production
- ii) improve basic health and nutrition; and
- iii) provide effective basic education for the poor

In addition other measures that have been implemented in many poor countries include promoting the development of skills and resources; improving access to credit, production, management, and marketing methods and information; providing tools, materials and other support to community-based self-help groups; vocational training to improve the skills and productivity of the poor. These approaches are aimed at promoting the informal

and community organizations, capitalizing on the skills and capacities of the poor themselves, again emphasizing the need of helping the poor to help themselves.

All these measures point back to the need to ensure sustainable development in order to achieve poverty eradication or alleviation. Relative poverty may always exist, but it should be possible to remove absolute poverty from our society when the poor are given the opportunities and access to resources that will help them raise the level of living through education and higher income.

The key is to invest in people and human resources while at the same time promoting opportunities for the creation of income, with laws and legislative framework that promotes and protects the rights of all groups. This requires the efforts of all groups being government, civil society and the people.

The Philippines Agenda 21 document which stresses the importance of coordinated efforts of the three-folding partnership between social, political and economic institutions is one that is accepted worldwide including by the United Nations as being an innovative and promising approach. This workshop has the same aim in mind, bringing together civil societies, government agencies and businesses to work on tackling the problems of poverty. It is only then that a broad comprehensive approach necessary to address this complex task of poverty alleviation can be achieved.

Your presence here today is already a good first step towards that goal, and I would like to, on behalf of our funding partner the European Union and the implementing partner ERA Consumer Malaysia, thank MIER for organising this event.

I am confident we will be able to work together on creating a sustainable development that will help erase out poverty. Thank you.