

The Malays In The Malay Reserve Areas of Kuala Lumpur: How Poor Are They?

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ABSTRACT

This paper examines the extent of poverty in the Malay Reserve Areas of Kuala Lumpur using data obtained through a household survey administered in 1988. Poverty is evaluated both in absolute and relative terms based on household income and wealth. In addition, the paper relates poverty to the social and economic condition of households such as employment level, educational attainment, housing condition and accessibility to public utilities. Although the incidence of poverty in the study area is found to be relatively low, there is a high degree of income inequality among households and even greater inequality in wealth ownership. To a large extent, these inequalities are related to occupational and educational differentials. In relation to utilities, the households in the study area have fairly adequate access to public amenities.

ABSTRAK

Kertas ini meninjau sejauh mana kemiskinan wujud di Kawasan Simpanan Melayu Kuala Lumpur dengan menggunakan data tinjauan isi rumah yang telah dilaksanakan pada tahun 1988. Kemiskinan dinilai secara mutlak dan juga relatif berasaskan pendapatan dan harta kekayaan isi rumah. Di samping itu, taraf kemiskinan dikaitkan dengan keadaan sosial dan ekonomi isi rumah, iaitu jenis pekerjaan, taraf pendidikan, keadaan perumahan dan kemudahan awam. Walaupun insiden kemiskinan di kawasan kajian adalah rendah, tetapi pendapatan dan lebih-lebih lagi kepunyaan harta adalah amat tidak sama rata. Ketidaksetaraan ini adalah berkait rapat dengan perbezaan pekerjaan dan pendidikan. Dari segi kemudahan pula, kebanyakan isi rumah di kawasan kajian dapat menikmati kemudahan awam yang telah disediakan.

INTRODUCTION

There are three main areas in Kuala Lumpur where the incidence of poverty is relatively high, i.e., the squatter areas, the "new villages" and the Malay Reserve Areas. In 1980, the squatter population in Kuala Lumpur was estimated to be about one-quarter of the total population. They occupied an area of approximately 1,770 hectares or 7.3% of Kuala Lumpur area, about 95% of which were Government land. The new villages are mainly inhabited by Chinese. They are found in the Jinjang/Kepong and the Salak South areas of Kuala Lumpur (Dewan Bandaraya, 1981). While previous studies on urban poverty have generally focussed on the squatter families, this paper presents the preliminary findings on the magnitude of poverty in the Malay Reserve Areas (MRAs) on the Federal Territory of Kuala Lumpur. There are two main reasons for this shift in the study. Firstly, it is an attempt to examine whether poverty among the Malays in Kuala Lumpur goes beyond the squatter areas. Secondly, if there are poor Malays in the MRAs, what is the extent of poverty?

To that end, this study utilizes data from a survey on urban poverty conducted by the Faculty of Economics, Universiti Kebangsaan Malaysia. The study focuses on the six MRAs in Kuala Lumpur; namely, Gombak, Selayang, Sungai Pencala, Segambut, Kampung Baru and Datuk Keramat. Data were collected through a household survey administered in May and June, 1988, using structured questionnaires. The respondents were heads of households selected using a single-stage stratified random sampling procedure. Each area was regarded as a stratum and the respondents were selected randomly from each stratum.

The total number of household heads interviewed was 1,177. However, nine questionnaires were finally discarded due to errors, thus only 1,168 have been used for analysis. The distribution of respondents by area and the population covered by the survey is presented in Table 1. A total of 6,220 persons were enumerated and this number represents approximately 8 percent of the total population in the six MRAs which was estimated to be around 80,000 in 1988.

BACKGROUND OF STUDY AREA

The Malay Reserve Land in Kuala Lumpur has a total area of 1,176 hectares (Table 1). That comes very close to five percent of the total area of the Federal Territory. Figure 1 shows the location of the study areas. The largest area is Gombak with 318.8 hectares. Sungai Pencala and Segambut, which are approximately of equal size, cover a total area of 582.3 hectares. There are two separate areas in Selayang, one in Sungai Tua and the other in Selayang Lama, which together cover only 87.3 hectares. Kampung Baru and Datuk Keramat, though relatively small, are located most strategically, the former being within the city centre on the Golden Triangle, and the latter just outside it.

The total population in the MRAs in 1985 was 74,670 persons, representing 19.6 percent of the Malay population or 6.8 percent of the total population of Kuala Lumpur. The population is, however, unevenly distributed over the areas under study. Slightly more than 70 percent reside in Kampung Baru and Datuk Keramat.

The uneven distribution of the population is reflected in the population density which ranges from as low as 6.0 persons per hectare, in Sungai Pencala and Segambut to as high as 348.6 persons per hectare in Kampung Baru. The overall density in the MRAs is 63.5 persons per hectare, which is slightly higher than that of the whole of Kuala Lumpur, i.e. 45.0 persons per hectare.

The MRAs in Kuala Lumpur were established through the Land Enactment of 1987 which was later revised in the Malay Reserva-

TABLE 1. Area, Population and Respondents by Area

Area	Area (Hectares)	Population (1985)	Household Heads Interviewed	Population Covered by Survey
Gombak	318.8	15,298	148	804 (13.0 %)
Selayang	87.3	2,200	136	705 (11.3%)
Sungai Pencala Segambut	582.3	3,500	149 155	777 (12.5%) 817 (13.1%)
Kampung Baru	100.4	34,999	380	2,034 (31.7%)
Datuk Keramat	87.1	18,673	200	1,083 (17.4%)
Total	1,175.9	74,670	1168	6,220 (100.0%)

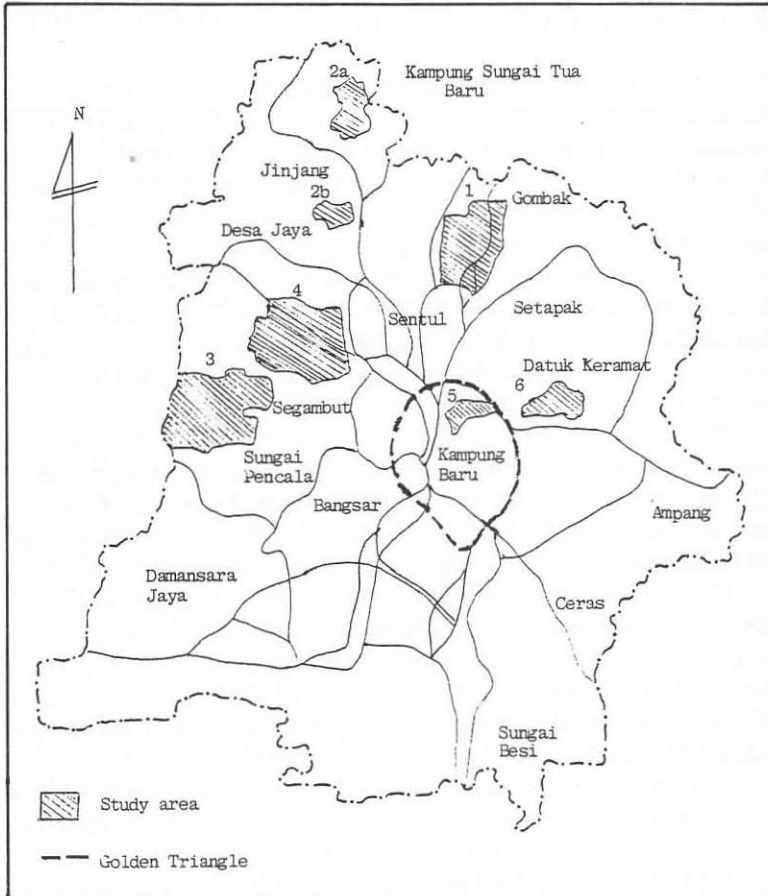


FIGURE 1. Malay Reserve Areas, Federal Territory of Kuala Lumpur

tion Area Enactment 1913. Some of the original areas were larger than they are today. The Malay reserve status in certain parts of Gombak and Selayang, for example, have been withdrawn (Amir Tan 1984). The provision of the enactment prohibits the transfer of ownership of Malay land through sale or lease to non-Malays. The enactment was made in view of the fact that Malays were losing land to non-Malays and might ultimately be totally displaced.

The MRAs were traditional Malay villages. However, some areas, particularly Kampung Baru and Kampung Datuk Keramat have undergone considerable changes in the process of develop-

ment and modernization, that the standard rural features of a Malay kampung have almost disappeared. But some areas in Sungai Pencala and Segambut still have strong traditional continuity as a Malay kampung. In general, the pace of development in these MRAs has been rather slow relative to that of the whole of Kuala Lumpur. One factor that hinders development in these areas is that the owners are unable to develop their land to its full potential due to lack of capital or technical ability.

Data from the survey reveal that slightly less than half of the residents in the MRAs were born in the locality. The others are migrants from other areas, many of them coming from other urban areas. Recent evidence suggests that there has been little migration into these areas lately. Based on data from Dewan Bandaraya Kuala Lumpur, the rate of population growth between 1980 and 1985 was only 1.2 percent per annum. This rate is lower than that of the natural increase and therefore indicates some net out-migration. In contrast, the Malay population of Kuala Lumpur is estimated to grow at the rate of 3.6 percent per annum during the same period. This evidence also indicates that Malay migrants into Kuala Lumpur tend to settle mostly outside the MRAs, notably in the squatter areas.

It is necessary to ascertain the poverty lines for the urban areas in the country as a whole and in particular for Kuala Lumpur in order to serve as approximate indications of the levels of purchasing power below which the basic needs of a household would be regarded insufficient as to place it in a situation of absolute poverty. The poverty lines used in this study are based on past estimates done by the Economic Planning Unit, Prime Minister's Department. Since the current estimates for Kuala Lumpur are not available, some adjustments have to be made, with periodic updates.

The extent of poverty is assessed in terms of both the absolute and relative sense. Such an undertaking calls for a cautious acceptance of assumptions, conceptual and measurement deficiencies. The methodological examination of the assumptions in estimation of poverty line and conceptualisation problems are beyond the scope of this paper. Nevertheless, the significant aspects of urban poverty studies in Peninsular Malaysia, the concepts and measurements of poverty are discussed briefly.

URBAN POVERTY STUDIES

At a moderately high level of development, such as has been achieved in Malaysia, poverty is perhaps less massive and not almost exclusively rural. Given the extent of industrialization and internal migration the centre of gravity of poverty has been shifting slowly from the country side to the urban areas. By now, urban poverty is quite considerable although the incidence has fallen over time. For example, in 1976, 15.1 percent of urban households in Peninsular Malaysia were in poverty or 11.9 percent of the total 688,300 poor households were in urban areas. By 1987, the incidence of poverty among urban households fell to 8.1 percent, and the total number in poverty also declined to 485,800 households, but 17.0 percent of which were in urban areas (Malaysia 1981; Malaysia 1989).

Out of 82,600 poor urban households in Peninsular Malaysia in 1987, nearly 15 percent (or 12,200) were in the Federal Territory of Kuala Lumpur. Almost a decade before that, in 1976, there were 82,100 poor households in Peninsular Malaysia and 6,300 or only 7.4 percent were in the Federal Territory. Official figures also indicate that in 1976, out of the total 9,500 poor households in the Federal Territory, 3,400 (or 36 percent) were Malays (Malaysia 1981). A recent study by Fong (1984), based on a small sample, shows that in 1984, the incidence of poverty among Malay households in Kuala Lumpur was slightly more than 20 percent (assuming poverty line income of \$75 per capita) compared with about 10 percent for the non-Malays.

The urban poverty studies in Kuala Lumpur have been focussed more specifically in the concern which emerge over two decades ago, with industrialization and in the more recent preoccupation with the informal urban sector. The migration of Malays from rural areas to Kuala Lumpur has resulted to a certain extent in housing shortages, dreadful conditions of sanitation, inadequate public services, and ecological and other related social problems, including unemployment and underemployment. However, studies on urban poverty in Kuala Lumpur in the past have been largely concentrated on squatters (e.g. Lim 1976; Chan 1977; Ishak Shari 1979; Pirie 1979) and housing problems (e.g. Wegelin 1975; Toh 1977; Sen 1979; Diamond et al. 1980). The present study is intended to complement previous studies not only in terms of updating information but also to cover new geographical areas.

CONCEPTS OF POVERTY

The notion of poverty subsumes a whole set of characteristics of a population: low life expectancy, malnutrition, illiteracy and low educational level, under consumption, precarious housing conditions, bad sanitary conditions, negligible capacity to save, attitudes of discouragement and other negative social values. In its wider sense, the concept of poverty includes not only material wants, but also psychological, sociological and political (Hammerskjold Report 1975), which can become obstacles to increased productivity and growth capable of alleviating poverty (Streeten 1972). These are in turn greatly influenced by the social and economic environment.

In conventional economic analysis, poverty is seen as a problem of welfare and the result of value judgement. It is often related to unemployment, underemployment, low purchasing power and lack of information. More recently, it has also been discussed in conjunction with accessibility to public services, notably water, electricity, education, health and sanitation; hence, it is also the question of human basic needs. But judgement on basic needs, although often restricted to material dimensions of deprivation, is inflicted with subjectivity.

Without going much further, there is little doubt that the subjective nature of poverty makes it particularly dependent on the value system and the governmental policy or eradication of poverty. In this respect, it is difficult, if not impossible, to come to a definition of poverty that is completely neutral. It is dynamic and specific to each society and locality.

Poverty in absolute sense can be seen in terms of visible hardship, starvation, malnutrition and lack of basic needs. Definition of poverty in absolute terms is rooted more in universal ideas of human dignity and basic human rights. It is less related to the prevailing standards of living in the society or to the average levels of resources it has available at a particular time.

Definitions of poverty in relative terms, on the other hand, are based on 'norms' that attempt to take account of actual deprivation with respect to average levels of needs satisfaction in the society as a whole (Altimir 1982). It is often expressed as the bottom of certain percentage (normally 20 to 40 percent) of households, which in practical terms implies that it is always present. They are approxi-

mations of the problem and concentrate on inequality at the bottom of the income scale (Ahluwalia 1974).

The two concepts of poverty, absolute and relative, may have different but complementary normative dimensions of the idea of justice. So are the policies and strategies needed to mitigate or eradicate them.

More often than not, the concept of poverty is confused with income distribution. They are quite related but definitely not equivalent. At one extreme, we can get a situation where there is no poverty but there is a high degree of income inequality; and at another extreme, we can get a situation where the income inequality does not exist, but everyone is equally poor. A typical case is a situation where the per capita income of a community may be high (such as in the states of Terengganu and Sabah) but the incidence of poverty is also high. This reflects a situation of high degree of income inequality or a situation of poverty amidst plenty.

MEASUREMENT OF POVERTY

The problem inherent in defining poverty in itself makes the actual measurement of poverty an extremely difficult task. In a well-known article, Sen (1976) described the problems involved in the definition of a poverty index meant to summarise the information on the poor. Basically, Sen distinguished three elements that should be included in a poverty index: the relative number of poor, indicating the incidence of poverty; the average income shortfall of the poor, indicating their average deprivation; and the distribution of income among the poor, indicating their relative deprivation. Since Sen's pioneering work, various proposals have been put forward for composite indicators of not only purchasing power available to a household but also the dimension of its resources and its actual access to specific goods and services to measure poverty.

The basic problem encountered in poverty study is the identification of people living in poverty. This problem is usually solved by the measurement of a poverty line, an income level that is considered to be the demarcation line between the poor and the non-poor. Many different poverty line definitions have been given, reflecting equally many different views on the nature of poverty. They vary from a certain fixed level of purchasing power to decile defini-

tions of poverty. The former definitions arises from an absolute poverty concept, where poverty is seen as a situation of insufficient command of resources, independent of the general level of welfare in the society. The latter definitions arise from a relative poverty concept, where poverty is seen as a situation of purely relative deprivation.

To this effect, account should be taken of not only current monetary but also non-monetary values of income or expenditure, including the imputed value of public social services received, production for self-consumption, and aids and gifts received from others. The difficulties inherent in such a measurement point to the need for utilizing income or consumption as indicators of levels of living and the extent of poverty.

Household income may be defined in a way that covers all current receipts, whether in terms of cash or non-cash, i.e. in kind or imputed gains from goods produced or received or own consumption. The value of the free or subsidized public services to which each household may have access should also be imputed. The income as defined measures the purchasing power of the household before it makes any decision on how much and what to consume, and how much to save. To take income as a composite indicator of living standard assumes that consumers are efficient optimizers, especially in the sphere of nutrition and health.

But current income measurement has its own weaknesses. For example, it does not take into account the value of free time enjoyed by household members and the contribution of wealth in terms of security and opportunities. It is also subject to transitory fluctuations (unlike the permanent income) and affected by differences in prices. One might prefer to consider other adjustments or refinements to the measurement of poverty line, such as using after-tax income to better reflect the level of disposable income, counting the level of services that a household provides for itself (e.g. housework and children), and available leisure time. However, for this study, such considerations have been ignored for lack of adequate information.

The use of current consumption expenditure as an indicator of levels of living is less subject to transitory fluctuations and therefore more stable. It measures what have actually been consumed. It therefore takes care of price differentials. Therefore this indicator should provide a better measurement of purchasing power of

households. But current consumption measurement also has its own weaknesses. For example, our experience shows that it is more difficult to get accurate or very reliable figures from respondents during data collection.

In this paper, an economic definition of poverty is used, that is, poverty is considered as a situation where income, representing command over resources, falls below the poverty line. We have restricted our analysis to the use of income measurement of poverty and to the simplest index possible. The concept of income covers both cash and non-cash income. It is also supplemented by measures of wealth ownership, accessibility of public services and housing conditions.

The drawing of poverty lines implies the setting up of norms for the minimum quantum of resources required. The poverty lines synthesize a judgement as to what the minima would be below which unacceptable situations of deprivation or hardship would exist. Since the norm is not easily quantifiable, the measurement of poverty line can be no more than approximate and in practice contain some degree of arbitrariness.

Once the poverty line is chosen, then the proportion of households below the line measures the "incidence of poverty", which represents Sen's first element of poverty. This gives an approximation of the extent of poverty, but does not take into consideration the problems on the degree to which the incomes of the poor fall below the poverty line of the inequalities between households at different levels of poverty. For this reason, it is more meaningful to look at the existence of "hardcore poor", which has conventionally been defined as the proportion of households whose income fall below half the poverty line income. This then represents Sen's second element of poverty. Sen's third element of poverty is also discussed in terms of income distribution by decile to reflect the situation of relative deprivation in the MRAs of Kuala Lumpur.

In this study, we have attempted to use measurements as close as possible to official definitions in order to make comparisons with official figures more meaningful.

ANALYSIS OF DATA

On the basis of the above discussions, our analysis of the data should be interpreted with caution. We attempt to look at the po-

verty status of Malays in the Malay Reserve Areas of Kuala Lumpur in terms of both absolute and relative concepts. In addition to poverty measurement through income (monetary and non-monetary), we will also examine the employment characteristics, housing conditions and the accessibility of public services.

MONETARY AND NON-MONETARY INCOME

We have defined monetary incomes as those incomes received in the form of direct cash, like salaries and wages, business profits, transfer payments, property rents, interests and dividends. The non-monetary incomes consist of those received in kind or contributions received by households not for present consumption. These include the imputed rental values of own house, free or subsidised public services received, and employers' contributions to security funds.

As indicated in Table 2, the average monthly income per household in all areas under study was \$1,574. This comes to about 19 percent higher than the average urban household income in Peninsular Malaysia in 1987, estimated to be \$1,325 in 1988 price. There are variations among the six areas covered, with Kampung Baru being highest (\$2,051) and Selayang lowest (\$1,111). A large portion, about 80 percent, of the income are in the form of monetary income while non-monetary income account for the remaining 20 percent. The ratio of monetary to non-monetary income does not seem to vary much among the six MRAs. Nevertheless, Sungai Penca and Segambut residents, among those with low average income, have a relatively higher proportion of non-monetary income.

The major components of monetary income are wages and salaries, which account for about three-quarters of the total monetary income. This is not unexpected, as we shall see later, considering that most of the residents are wage or salary-earners. Next to wages and salaries, the second biggest component is business income, accounting for about 13 percent of the total. This mainly reflects involvement in small businesses and the informal sector. The remaining sources of monetary income are mainly rents from property and transfer payments (mainly retirement benefits). Again the variations among the six MRAs are relatively insignificant.

In terms of the non-monetary income, the major sources are imputed rent for own house and employers' contributions to EPF, Socso, etc. About 55 percent of the total non-monetary income are

in the form of imputed rents from own house. The high proportion (about 28 percent) of employers' contributions to security funds in the non-monetary component is mainly reflected by the high proportion of wage and salary earners. Among other sources of non-monetary income which are quite significant are free medical benefits and free school textbooks, which together account for about 10 percent of total non-monetary income.

ABSOLUTE AND RELATIVE POVERTY

As indicated earlier, it is difficult to get a precise measure of the poverty situation or the poverty line income (PLI). Some arbitrariness is inherent in selecting the PLI. If we assume a PLI of \$381 per household per month, based on projections of 1979 urban PLI in Peninsular Malaysia as computed by the Economic Planning Unit, only about 4 percent of the households under study were below the poverty line (Table 3). This incidence of poverty is relatively low compared with 8.1 percent for urban areas in Peninsular Malaysia in 1987 (Malaysia 1989). (We assume that the PLI is based on \$350

TABLE 3. Incidence of Poverty According to two Income Criteria

Area	Criterion 1		Criterion 2	
	Number	Percent	Number	Percent
Gombak	3	2.0	11	7.4
Selayang	7	5.1	21	15.4
Sungai Pencala	6	4.0	14	9.4
Segambut	8	5.2	13	8.4
Kampung Baru	16	4.2	38	10.0
Datuk Keramat	6	3.0	17	8.5
Total	46	3.9	114	9.8

Note:

Criterion 1 considers the minimum household income for subsistence to be M\$381.40. The Economic Planning Unit estimated that the minimum expenditure for subsistence in urban areas in 1979 was M\$272.60. This subsistence expenditure at 1988 price level is approximately M\$381.40.

Criterion 2 considers the minimum household income for subsistence in Kuala Lumpur to be M\$500.00.

TABLE 4. Distribution of Household by Income Class

Income class (monthly)	Gombak	Selayang	Sungai Pencala	Segambut	Kampung Baru	Datuk Keramat	All areas
Number of households							
< 250	0	4	3	5	6	2	20
251 – 500	11	17	11	8	32	15	94
501 – 750	26	40	28	30	33	28	185
751 – 1000	27	21	32	21	49	36	186
1001 – 1250	31	18	22	33	31	28	163
1251 – 1500	13	10	19	16	31	21	110
1501 – 1750	12	6	11	16	35	12	92
1751 – 2000	10	6	3	2	27	14	62
2001 – 2500	9	7	9	12	39	12	88
2501 – 3000	5	2	3	3	23	12	48
3001 – 4000	2	3	3	5	31	12	56
4001 – 5000	0	0	0	0	17	4	21
> 5000	2	2	5	4	26	4	43
Total	148	136	149	155	300	200	1168

per month for a household size of 5.14, which may be rather underestimated for a large urban area, such as Kuala Lumpur). However, if we were to use a criterion of $PLI = \$500$ per month, the percentage increased to about 10.0 percent. Based on this criterion, the areas which have above average incidence of poverty are Selayang and Kampung Baru. The results are quite different from that based on $PLI = \$381$. In this case, Segambut and Selayang tend to have the highest incidence of poverty.

In this survey, respondents were also asked about their perception on what the minimum income per household should be in order to live above subsistence. About 85 percent of the respondents said that the minimum income should be above \$380 per month and 51 percent said that it should be above \$500. The average estimate came to \$512 per month, which approximates the assumption of $PLI = \$500$. We believe that PLI of \$500 should be a reasonable indicator considering respondents tend to overestimate somewhat. Our calculation shows that should the PLI be \$750 per month, then about 25 percent of households can be classified as poor. Of course, PLI of \$750 is at best an extreme case or the maximum possible. However, it does indicate that a large proportion of households remain within the lower income bracket. As shown in Table 4, about 40 percent of households have income not more than \$1,000 and about 55 percent not more than \$1,250. Slightly more than 20 percent of households have income of more than \$2,000 per month. This pattern of distribution is almost homogenous in all the MRAs.

If we can accept \$500 as the PLI , then \$250 can be regarded as the border line separating the poor from the "hardcore poor". In the MRAs, the incidence of hardcore poverty (i.e., those having income below \$250) is about 1.7 percent, which is in relative terms very small. Nevertheless they do exist in the MRAs. The highest percentages of hardcore poor are found in Segambut (3.2 percent) and Selayang (2.9 percent).

In Table 5, we show the percentage distribution of income by household income group. Overall, about 47 percent of income belong to the top 20 percent of households, while the bottom 40 percent of households get only 16.4 percent of income. Differences among the six MRAs are quite insignificant, although household incomes in Kampung Baru and Datuk Keramat tend to be a little more skewed than the others. From Table 6, we can see that the income distribution pattern of urban Malays in Peninsular Malay-

TABLE 5. Percentage Distribution of Income by Household Groups

Household group	Percent of total income						
	Gombak	Selayang	Sungai Pencala	Segambut	Kampung Baru	Datuk Keramat	All areas
Top 20%	38.8	42.0	45.0	41.7	47.8	45.0	47.2
Middle 40%	39.9	38.9	35.9	38.9	37.8	37.5	36.4
Bottom 40%	21.3	19.1	19.1	19.4	14.4	17.5	16.4
Mean household income (M\$)	1248	1111	1332	1358	2051	1545	1574
Median household income (M\$)	1032	834	1012	1107	1558	1170	1152
Per capita household income (M\$)	236	214	255	258	383	285	296
Ratio of mean: median	1.19	1.33	1.32	1.23	1.32	1.32	1.37
Gini coefficient	0.3158	0.3750	0.3774	0.3641	0.4194	0.3770	0.4053

TABLE 6. Peninsular Malaysia: Distribution of Urban Malay Household Income
(% of Total Income)

Household Group	Total Study Area		Peninsular Malaysia				
	1988	1970	1976	1984	1987		
					Malay	Chinese	Indian
Top 20%	47.2	51.3	53.7	52.1	49.6	49.8	49.7
Middle 40%	36.4	34.7	32.9	34.0	35.3	35.6	35.3
Bottom 40%	16.4	14.0	113.4	13.9	15.1	14.6	15.0
Mean Household Income (M\$/month)	1,574	333	617	1,261	1,238 (1,325)	1,641 (1,756)	1,335 (1,429)
Median Household Income (M\$/month)	1,152	229	401	836	860 (920)	1,147 (1,227)	929 (994)
Ratio of mean: Median	1.366	1.454	1.539	1.508	1.440	1.431	1.437
Gini Coefficient	0.406	0.445	0.478	0.462	0.437	0.440	0.436

Note: Figures in brackets are in 1988 price.

Source: Our Survey and EPU.

TABLE 7. Percentage Distribution of Wealth by Household Groups

Household group	Percent of total wealth						
	Gombak	Selayang	Sungai Pencala	Segambut	Kampung Baru	Datuk Keramat	All areas
Top 20%	58.3	64.7	63.6	58.6	50.8	61.5	63.3
Middle 40%	37.7	31.5	32.0	38.0	47.0	36.2	34.0
Bottom 40%	4.0	3.8	4.4	3.4	2.2	2.3	2.7
Mean household wealth (M\$)	50364	35315	45355	41322	82696	58701	58783
Median household wealth (M\$)	25173	8751	17728	16667	43334	21112	20546
Ratio of mean: median	2.0	4.0	2.6	2.5	1.9	2.8	2.9
Gini coefficient	0.5900	0.6686	0.6630	0.6242	0.5576	0.6110	0.6212

sia has been improving since 1976. In 1987, about 50 percent of income went to the top 20 percent of households and 15.1 percent to the bottom 40 percent. This pattern does not seem to be much worse off than the distribution in the MRAs of Kuala Lumpur if we assume the overall trend in Peninsular Malaysia continues toward improvement in 1988.

DISTRIBUTION OF WEALTH

The average value of wealth owned per household in the MRAs is estimated to be close to \$60,000, the highest average being in Kampung Baru, followed by Datuk Keramat. The lowest are in Selayang and Sungai Pencala. This pattern of wealth distribution is quite expected considering the high values of property (mainly houses and land) in Kampung Baru and Datuk Keramat compared with the other areas. The top 20 percent of household in the MRAs own 63 percent of wealth while the bottom 40 percent own a meagre 2.7 percent. Table 7 gives a summary of wealth distribution in the MRAs.

Compared with the distribution of income among household in the study areas, the distribution of wealth is much more uneven. This can be seen in terms of the Lorenz Curves to depict the distribution of income and wealth (Figure 2). In fact, the non-monetary income distribution is also more skewed than the monetary income distribution (tables not shown) as a large proportion of non-monetary income are derived from imputed rent for own houses.

One implication from these results is that the extent of income equality is better determined by job opportunities than by wealth ownership, although the latter may be more important in terms of long term security and opportunities.

OCCUPATIONAL PATTERN

The occupational pattern in the villages of an urban area is definitely different from that in a rural area. As demonstrated in Table 8, a large percentage of the workers are related to salaried occupations. About 12 percent of the workforce are found in the Government officers, managers and executives category; about 33 percent in the clerical and related occupations, and 27 percent in the general labourers and equivalent occupations. The security personnel

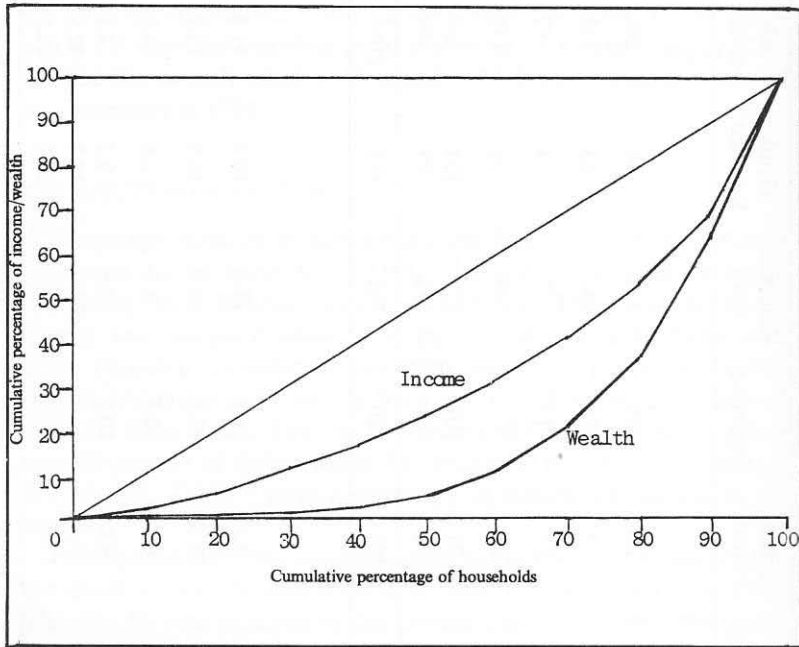


FIGURE 2. Lorenz Curves for Income and Wealth of All Areas

account for about 8 percent, while businessmen comprise 16 percent of the total workforce.

Kampung Baru, which has the highest income per household tend to have the highest proportion of not only the officers, managers and executives group but also the businessmen and clerical occupations. On the other hand, it has the lowest percentage in the labourers category. The highest mean monthly income group is the "officers/managers/executives" with an average of \$1,121 per worker, compared with \$774 for teachers and \$683 for businessmen. Apparently, the type of business undertaken by residents of the MRAs are normally those of the small-scale type, like sundry shops, restaurants, workshops, roadside stalls and others which can be classified as the "informal sector".

Most of the households have more than one worker to support

the family. The total number of workers in the sample survey is 2,090. That works out to 1.8 workers per household. The incomes of household include those from supplementary occupations. Most of which are in the business category, which accounts for more than half of the total workers doing supplementary jobs. Another one-third are in the "labourers/taxi drivers" category. Most of these workers are doing their jobs on temporary or part-time basis.

Based on a different classification of employment, about 37 percent of the workforce in the MRAs are government employees, 44 percent are employees in the private sector, and 19 percent own-account workers. High percentage of government employees are especially found in Segambut (50 percent) and Datuk Keramat (45 percent), and the lowest in Sungai Pencala (29 percent). High percentage of private sector employees are found in Sungai Pencala (54 percent), Selayang (51 percent) and Gombak (50 percent); while that of own-account workers are in Datuk Keramat (28 percent) and Kampung Baru (21 percent).

Judging by the level of educational achievement, close to 40 percent of household members have at least 11 years of schooling, i.e. at least Form V. Among the MRAs, Kampung Baru which has the highest income per household, has the highest percentage of this group, accounting for about 45 percent, compared with the lowest in Sungai Pencala and Selayang, both around 32 percent. The close relationship between income and educational levels has also been demonstrated in the study by Fong (1984).

Related to the question of employment is unemployment. The unemployment rate is relatively high in the MRAs. On the whole, it is 13.3 percent, with 11.2 percent among males and 18.2 percent among females. The highest rates of unemployment are found in Segambut (19.2 percent), Sungai Pencala (17.1 percent) and Gombak (16.3 percent). The lowest are in Kampung Baru and Datuk Keramat, both at 12.0 percent. But without exception, the unemployment rate is higher among females than males. Most of the unemployed are young school leavers but there are also a few college or university graduates. At this juncture, it is difficult to pre-judge to what extent unemployment has contributed to the incidence of poverty. More data will be needed to give a true picture.

HOUSING AND PUBLIC UTILITIES

A family's need for housing requires that it has a dwelling which provides sufficient shelter and safety, allows adequate space and privacy, in condition on stable tenure, a reasonable distance from the place of work, and access to public services. In fact, poverty line should cover the resources needed to ensure access to a dwelling that meets these requirements in minimum fashion (Altimir 1982). However, this is not an easy task. The definition of minimum housing needs is more controversial than the establishment of minimum food needs. In this paper, no attempt is made to define "housing poverty". What we intend to do is to give an overall picture of housing ownership and types of houses in the MRAs.

As shown in Table 9, slightly more than half (53 percent) of the households own houses in the MRAs. Differences among the MRAs in this regard is minimal. Another 42 percent have to live in rented houses. A very small proportion (less than 5 percent) live in lodged houses or those provided by the employer. Most of these houses are of the wooden 'kampung' type. Overall, 45 percent live in kampung houses, the highest being in Selayang (63 percent) and Gombak (61 percent) while the lowest in Kampung Baru (32 percent) and Datuk Keramat (40 percent). However, 12 percent live in bungalows, 18 percent in semi-detached houses, and 14 percent in link houses. For the remainder, 8 percent live in segmented single houses and only 3 percent live in flats.

Measured in terms of square metres of livable floor space, each house has an average of about 140 square meters of space. On average, the biggest are found in Kampung Baru (152 sq. m) and Datuk Keramat (141 sq. m). In terms of space area per person, it works out to be about 26 to 27 square metres of livable space per person, with average household size of 5.3. Average number of persons per room is estimated to be around 2.4 to 2.6. The world Bank estimated a minimum requirement of 60 sq. metres approximately 12 sq. metres of live able space per person (Altimir 1982). On the whole, the housing condition is rather comfortable.

About 86 percent of household have access to piped water inside the house, with another 1.8 percent with own piped water outside the house and 6.3 percent sharing. Less than a percent use piped water by the roadside. On average, about 5.6 percent are still without piped water. They often have to use wells or river water. Among the MRAs, Sungai Pencala seems to be the least adequate in terms of

TABLE 10. Household Size, Number of Persons Per Room and Size of House

	Gombak	Selayang	Sungai Pencala	Segambut	Kampung Baru	Datuk Keramat	All areas
Average household size	5.4	5.2	5.2	5.3	5.4	5.4	5.3
Average number of persons per room	2.3	2.6	2.4	2.5	2.3	2.5	2.4
Average size of house (per sq. meter)	137.7	130.6	139.6	129.0	151.6	141.0	141.0

TABLE 11. Percentage of Households Not Having Basic Amenities

	Gombak	Selayang	Sungai Pencala	Segambut	Kampung Baru	Datuk Keramat	All areas
No house ^a	0.7	3.7	2.7	1.9	1.8	0.5	1.8
No piped water supply ^b	2.1	5.9	26.9	9.0	0.0	0.0	5.6
No electricity supply ^c	0.6	7.4	4.0	9.7	2.9	3.0	4.2
No proper toilet ^d	2.7	4.4	11.4	5.2	2.1	2.5	4.1
Waste/garbage not collected by City Council ^e	77.7	41.9	17.4	22.6	2.3	11.0	22.7

Note:

a – Households lodging/squatting in someone else's house.

b – Obtain water for cooking and washing from wells, rivers, ponds or drains.

c – Use generator, gasoline or kerosene lamps.

d – Use rivers and drains as toilets.

e – Wastes/garbage are burnt, buried or disposed in bushes, rivers and drains.

piped water supply. More than a quarter still have to rely on wells or river water. Less than 75 percent have access to some form of piped water. This situation is much below average measured by Kuala Lumpur standards, and for that matter for large urban areas as a whole.

A slightly better situation can be seen in term of electricity facilities. About 96 percent have access to electricity and 1.6 percent use generators. The remaining 2.6 percent still use gasoline lamp, kerosene and other lighting facilities. Practially all the MRAs can be said to have access to electricity supply. Nearly 40 percent have access to flush toilets and another 54 percent use 'pour' toilets. The rest, which is quite significant, have no proper toilet facilities. But inadequacies are particularly pertinent in waste garbage disposals. Only about 77 percent of households have access to services provided by the City Authority. About 16 percent have sufficient space to burn their disposals/garbage on their own, while 5.6 percent do not have proper place to dump their garbage. We also found that, in general, about 20 percent of households have own telephone in the house, and 45 percent rely on public phones. Less than 20 percent either never use telephone or, in case of emergency, use neighbour's telephone. Table 11 gives an overall summary of the percentage of households not having access to the basic amenities discussed above. In general, the household in the MRAs are quite adequately serviced with basic needs of urban life. But there are still a few who are deprived of such facilities and they are presumably the hardcore poor.

SUMMARY

In short, the incidence of Malay poverty in the MRAs is generally quite low. On the whole, the extent of Malay poverty in the MRAs is less than those in the squatter areas of Kuala Lumpur. Nevertheless, the presence of the poor and especially the handcore poor needs attention. The poor not only have low level of income and wealth, but also lackof access to public utilities. The relative income inequality among the MRA households can be as serious as the national urban poverty problem. The concentration of wealth ownership, unemployment and job differentials may have contributed to the inequality. However, this paper has made only a modest attempt to present a broad picture regarding the extent of poverty

in the MRAs, but do not go into any detail regarding the causes of poverty.

If it can be extrapolated, the number of people living below the PLI of \$381 per month in the MRAs of Kuala Lumpur is estimated to be around 3,200 or about 4 percent of the population. If we assume a PLI of \$500, then the number of poor people would be nearly 8,000 or close to 10 percent of population in the study area. The hardcore poor, those having income below \$250, accounts for less than 2 percent. But in absolute number, it turns out to be over 1,500, a figure which simply cannot be ignored by any measure of human justice. As in the rural area, it seems that much of this poverty stems from lack of opportunity to earn a living through productive work and as in the case of rural development, one wonders why poverty eradication policies have been slow to yield effective results. Closer examination of these questions should be the next line of action. Together with the development of the organised sector, the informal sector certainly deserves a greater deal of attention and support for raising the level of economic activity and incomes.

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