REPORT

INEQUALITY AND THE OBSTACLES TO HUMAN

DEVELOPMENT IN THE SOUTHEAST ASIAN REGION

POLICY DIALOGUE

SINGAPORE

28 JULY 2011

TABLE OF CONTENTS

EXECUTIVE SUMMARY

On 28 July 2011, UNDP Malaysia together with the International Development Research Centre (IDRC) Regional Office for South East and East Asia, and the Institute of Southeast Asian Studies (ISEAS), which also houses the ASEAN Studies Centre organized a regional policy dialogue titled "*Inequality and the Obstacles to Human Development in the South East Asia Region*".

The dialogue was attended by luminaries such as Kamal Malhotra, the UNDP Resident Representative for Malaysia, Singapore and Brunei Darussalam; Ambassador K. Kesavapany, the Director of ISEAS Singapore; and Dr. Rosalia Sciortino, Regional Director of the International Development Research Centre (IDRC) Singapore. Other participants such as Dr. Anuradha Rajivan, Practice Leader – Poverty Reduction and MDGs, UNDP Asia Pacific Regional Centre, to name a few, will be mentioned in the report when their sessions are discussed. Over 50 participants from the region participated, and came from various backgrounds such as academia, civil society, and governments.

The objective of the dialogue was to promote human development approaches towards poverty, to inform policy development in the South East Asia region. Participants who are actively involved in poverty reduction and development work in their respective countries met, networked and discussed best practices and challenges, and steps to be taken. At the event, practitioners and researchers debated on and (dis)agreed that development should not be seen as automatically deriving from economic growth or identical to it. The centrality of human beings and their diverse needs ought to be restated with a multi-dimensional conceptualization of development as including living conditions, sanitation, clean water, electricity, health, nourishment and education as the current Human Development Report (HDR) is trying to do. Participants left the dialogue with ideas and impressions of country best practices and lessons, and to apply, adjust them to their own (country's) poverty issues accordingly.

Country specific examples of poverty measurement, and an honest assessment of projects, were greatly welcomed by the participants. Interaction between speakers and participants exhibited a genuine curiosity and will to want better approaches to the problems they faced in their work. Some of the findings may be misconstrued as harsh, but the reality is that some of the methodologies are not applicable in view of current scenarios such as rural-urban migration in the 21st century and the current economic status of a country, for instance.

At the end of Kamal Maholtra's welcome speech which tabled the day's agenda, he said that participants would come up with recommendations and solutions, and that a stronger working relationship among them would inspire action and cooperation at day's end. The dialogue was not a one-off event; participants should see it as the beginning of more forums, conferences and also involvement among governments, practitioners and researchers.

Dr. Rosalia Sciortino observed in her closing remarks that efforts eradicating poverty needed to be broadened, and noted that all parties agreed multidimensional aspects had to be studied in more depth. The concept of poverty beyond income indicators had to be expanded too. Some of the questions she posed: Were the current methodologies enough? Should practitioners go beyond them to seek solutions? Did they (methodologies) need to be revised or replaced? These, Dr Sciortino said, depended on the goals and purpose of the findings. The processes had to be assessed for their sustainability in the long run. The administration of these solutions, on the local and regional level had to be relooked, and then there was the issue of population.

PROGRAMME

Venue: ISEAS Seminar Room 2, Singapore

Date: Thursday, 28 July 2011

8:30am: Arrival and Registration

9:00am: Welcoming Remarks

Ambassador K. Kesavapany, Director

Institute of Southeast Asian Studies (ISEAS), Singapore

9:10am: Opening Remarks

Dr. Rosalia Sciortino, Regional Director

International Development Research Centre (IDRC), Singapore

9:20am: Keynote Session

Mr. Kamal Malhotra, UNDP Resident Representative for Malaysia, Singapore and Brunei Darussalam

9:50am: Photo Opportunity

10:00am: Tea Break

10:30am: Session 1: Development Trends and Progress in Human Development in the ASEAN Region

By Dr. Anuradha Rajivan, Practice Leader – Poverty Reduction and MDGs, UNDP Asia Pacific Regional Centre

Question and Answer Session

11.00am: Session 2: Measuring and Monitoring Poverty and Inequality: the ASEAN experience

Moderator: Dr. Rosalia Sciortino, Regional Director, International Development Research Centre (IDRC), Singapore

Panel Speakers:

1. Dr. Celia Reyes, CBMS-Philippines Project Director, Angelo King Institute for Economic and Business Studies, De La Salle University, Philippines
2. Prof. Dr. Ragayah Haji Mat Zin, Principal Fellow, The Institute of Malaysian and International Studies (IKMAS), National University of Malaysia
3. Assoc. Professor Tan Ern Ser, Department of Sociology, National University of Singapore
4. Mr. Try Sothearith, CBMS-Cambodia Project Director, National Institute of Statistics (NIS), Cambodia

Question and Answer Session

12:30pm: Lunch

2:00pm: Session 3: Measuring and addressing inequality: Lessons for ASEAN and The Way Forward

Moderator: Mr. Kamal Malhotra, UNDP Resident Representative for Malaysia, Singapore and Brunei Darussalam

Panel Speakers:

1. Mrs. Suwanee Khamman, Deputy Secretary General, National Economic and Social Development Board, Thailand
2. Dr. Trihono, Director General, National Institute of Health Research and Development, Ministry of Health, Republic of Indonesia
3. Mr. Siviengxay Orabounee, Deputy Director General, National Economic Research Institute, Lao PDR.

Question and Answer Session

3:15pm: Tea Break

3:30pm: Session 4: Measuring Human Development and Multidimensional Poverty in the ASEAN region

Moderator: Mr. Rodolfo C. Severino, Head, ASEAN Studies Centre, ISEAS, Singapore

Panel Speakers:

1. Mr. Nguyen Van Tien, Senior Researcher, Centre for Analysis and Forecasting, Vietnam Academy of Social Sciences, Vietnam
2. Dr. Toby Melissa Monsod, Philippines Human Development Network, School of Economics, University of the Philippines, Philippines
3. Madame Sa'idah Hj Hashim, Principal Assistant Director (Statistics), Distribution Section, Economic Planning Unit of the Prime Minister's Department, Malaysia

Q&A Session

4:45pm: Wrap-up and Conclusion

Dr. Rosalia Sciortino, Regional Director, International Development Research Centre (IDRC), Singapore

5:00pm: End of Policy Dialogue

INTRODUCTION

The "*Inequality and the Obstacles to Human Development in the South East Asia Region*" Policy Dialogue featured a round-table discussion centred around the Human Development Report 2010 (HDR) on the issues of inequality in the South East Asia region. The event saw speakers from governments, civil society and academia from Cambodia, Thailand, Laos, Vietnam, Malaysia, the Philippines, Singapore and Indonesia presenting country reports on inequality as well as the application of the new methodologies and measures introduced by UNDP through the HDR 2010, and the appropriateness and relevance of the Multidimensional Poverty Index as a development planning tool. The Dialogue was also attended by government representatives from Brunei Darussalam and Timor Leste.

Four sessions were organised: two were held in the morning while another two in the afternoon. The morning sessions discussed development trends and progress in human development, and poverty measurement and inequality, and in the afternoon, panellists took to the floor discussing how the region had measure and addressed poverty, and appraised the subjective success of human development and multidimensional poverty in ASEAN.

The morning and afternoon sessions also focussed on varying aspects of poverty and social development, and the methodologies used by researchers, social scientists and local governments. Best practices and challenges were discussed in an open engagement. This report includes the details of the dialogue per sessions, and the interaction among participants and speakers.

Two points to note for the reader – there will be mentions of SEA and ASEAN in the report. While they may sound and seem similar, they could be very different in a geographical and political context. A short description of SEA would be consist of countries such as Cambodia,

Laos, Burma (Myanmar), Thailand, Vietnam and Peninsular Malaysia, Brunei, East Malaysia, East Timor, Indonesia, the Philippines, and Singapore.

Countries which are a part of The Association of Southeast Asian Nations (ASEAN), a geo-political and economic organization of ten countries located in SEA, which was formed on 8 August 1967 are Indonesia, Malaysia, the Philippines, Singapore and Thailand. Membership has now expanded to include Brunei, Myanmar, Cambodia, Laos, and Vietnam. Its aims include the acceleration of economic growth, social progress, cultural development among its members, the protection of regional peace and stability, and to provide opportunities for member countries to discuss differences peacefully.

KEYNOTE ADDRESS BY MR. KAMAL MALHOTRA

UNDP RESIDENT REPRESENTATIVE FOR MALAYSIA, SINGAPORE AND BRUNEI DARUSSALAM

The keynote address by Mr. Kamal Malhotra, UNDP Resident Representative for Malaysia, Singapore and Brunei Darussalam provided the overall flavour of the dialogue. Participants were expected to present, discuss and resolve ways of measuring poverty, inequality and human development in SEA. [2] After the obligatory salutations and notes of appreciations to the organisations involved in the dialogue, he provided a brief historical background on the dialogue. "UNDP's office from Malaysia, Singapore and Brunei Darussalam, ISEAS and IDRC agreed some months ago to facilitate a strategy and policy-orientated regional dialogue on human development trends in the ASEAN region covering the last 40 years in an effort to identify and focus on key issues for the ASEAN region going forward. This event also seeks to build on the UNDP – IDRC joint launch of the 20th anniversary 2010 HDR global launch event in Toronto, Canada last year as well as other UNDP initiatives with ISEAS and ASEAN," he said.

The dialogue was to feature a policy round-table discussion centred around UNDP's 20th anniversary 2010 HDR, focussing on issues of inequality in the Southeast Asian region which needed to be addressed as a high priority issue in the future. New methodologies and three measures introduced by UNDP in the HDR 2010 as well as the findings for Southeast Asia would be discussed. The report, he said, "…is about the value of human development. It demonstrates the enduring relevance of an approach which continuously seeks to understand human development trends in the world around us, and remain forward-looking. It casts new lens on past progress, and provides tools to help us address the formidable challenges that lie ahead of us."

A major finding of this report, he continued, based on the empirical evidence of the last 40 years since 1970, was that human development achievements are possible even without rapid economic growth. Likewise, countries that achieve high economic growth rates do not always do well in terms of health and education – especially if that growth is not inclusive. The empirical data over the last four decades since 1970 suggests that the overall correlation between economic growth and health and education improvements is weak, especially for countries with low or medium levels of human development.

Moreover, he noted, it was possible to have a high human development ranking and yet be unsustainable, undemocratic and unequal at the same time. This simultaneously highlighted the limitations of any index or set of indices and puts a spotlight on the challenges of measurement for the broader human development concept (beyond the current HDI).

The appropriateness and relevance of the Multidimensional Poverty Index (MPI) as a development planning tool for countries and development partners in the Southeast Asian region and whether the MPI should be modified to account for countries at different stages of development, would be tabled too.

Maholtra remarked that, "It is not the data, methodology and heuristic systems per se that are of value, but rather their relevance for improving the lives and livelihoods of people in Southeast Asia." SEA's economic growth has been impressive over the past 20 years, he noted. In spite of the latest financial crisis, disasters and political uncertainties, in 2010 the region recorded an average growth of 7.3 per cent.

He spoke of three new methodologies which measured poverty and the well-being of society, and they were the Inequality-Adjusted Human Development Index, the Gender Inequality Index (GII) and the Multidimensional Poverty Index (MPI), which incorporated recent advances in theory and management of inequality. These new measures were holistic in their approach towards poverty and human development, and stimulate public debate.

Maholtra provided a brief overview of how the Asia-Pacific region had performed in terms of human development. Countries in South Asia and the East Asia and Pacific region have done relatively well in global terms but many challenges still remained.

"Since 1970, South Asia has been the second fastest improving region in terms of HDI, after the East Asia and Pacific region, with a 72 per cent increase in its HDI value, compared to a world average HDI increase of 41 per cent. This was partly contributed to by an average increase in the non-income dimensions of HDI, namely health and education of 69 per cent, which positioned the region as the third fastest in the world in these dimensions; and an average income growth of 162 per cent, which was the second highest in the world in this dimension, after the East Asia and Pacific region. Three countries in the region also ranked among the top 10 world performers in HDI since 1970: P.R. China, Indonesia, and Lao PDR. The success of P.R. China, due to its economic growth, is very well-known; but less so is the outstanding performance of Lao PDR and Indonesia, which have had exceptional and balanced progress in both the income and non-income dimensions of the HDI over the last 40 years. Countries in the region have also experienced overall progress in their health and education indicators since 1970, but this was relatively modest when compared with other regions. Somewhat surprisingly, the East Asia and Pacific region had only the 4th highest improvement in life expectancy - from 59 to 73 years, an increase of 23 per cent. Literacy

increased an average 76 per cent, with Lao PDR showing the highest rate of improvement at 96 per cent."

He continued. "Unfortunately as well, rising income in the East Asia and Pacific region has become associated with growing inequality, which is a major contributor to the more than 20 per cent loss in the region's HDI when multidimensional inequality is considered. Half of the 12 East Asian and the Pacific countries also fall in the bottom half on gender equality, with Papua New Guinea ranking amongst the bottom 10. Several countries in the East Asia and Pacific region also have little or no representation of women in parliament, even though the Philippines, Indonesia and Myanmar have, at some point in the past three decades, elected women leaders."

Maholtra said that the benefits of growth were not evenly distributed in the region. Overall growth had been achieved at the cost of greater inequity along geographical, gender and ethnic lines. Income disparities were stark, especially when one was to compare a country like Singapore which has one of the highest per capita growth domestic products (GDPs) in the world, to some of the least developed countries in the region, like Cambodia, Laos, Myanmar and Timor Leste. Across the region, poverty was consistently high in rural areas, and especially in upland, coastal and remote areas where ethnic groups resided. It was acknowledged that absolute poverty had been greatly reduced, but a significant proportion of the population continued to live below the poverty line. Many more survived at poverty levels, feeling increasingly excluded from the wealth and welfare of their well-to-do neighbours.

Malhotra remarked that inequity and its perceptions had become the number one development challenge facing SEA and the world. For governments, the struggle has shifted from reducing absolute poverty to addressing relative poverty and narrowing wealth disparities, in order to create stable and more just societies enabling citizens to live long, healthy and prosperous lives. The HDR [3] acknowledged that "…the past 20 years have seen substantial progress in many aspects of human development. Most people today are healthier, live longer, are more educated and have more access to goods and services. Even in countries facing adverse economic conditions, people's health and education have greatly improved. And there has been progress not only in improving health and education and raising income, but also in expanding people's power to select leaders, influence public decisions and share knowledge. "

"Yet not all sides of the story are positive. These years have also seen increasing inequality—both within and across countries—as well as production and consumption patterns that have increasingly been revealed as unsustainable. Progress has varied, and people in some regions—such as Southern Africa and the former Soviet Union—have experienced periods of regress, especially in health."

Hence, inclusive growth and more balanced distribution of resources required new policies based on a different conceptualization of development and growth, in at least two major ways:

1. Development could not be viewed as automatically deriving from economic growth. The centrality of human beings and their diverse needs, ought to be restated with a multidimensional conceptualisation of development such as living conditions (sanitation, clean water, electricity, health, nourishment and education), and to also include more qualitative factors like satisfaction and freedom. The HDR 2010 has

been attempting to do something similar. Hence the view that countries should pursue economic progress first and to worry about the benefits and consequences later needs to change, with governments not only recognizing, but finally acting upon the recognition that human development improvement is a pre-condition for sustainable and inclusive growth.

2. Attention was to be given to the apparent contradiction that in most developing countries in the past two decades, falling poverty rates had been accompanied by growing inequality and the moral and policy dilemmas. These needed to be tackled. The "One-dollar" or even a "Two-dollar-a-day" measure had clearly become an insufficient tool to assess poverty. The threshold of current poverty lines ought to be raised to better capture deprivation, as well as the perception of deprivation of people vis-à-vis other groups in society. The concept of basic needs needed revision and broadening beyond the list of necessities for physical subsistence purposes, which included items reflecting societal standards, such as for instance communication and entertainment.

To grasp the more complex realities there had to be better development data, including what the HDR called the human development "dashboard", such as the MPI, to substitute other types of poverty measurement.

Maholtra also said that similar efforts that were undertaken were very timid first steps and there was a need to improve the validity, reliability and accuracy of new instruments of poverty measurement. In particular there was a need to contextualise the discourse, learning from country and regional contexts. There was a need to understand the following: Basic needs of a country or area, criteria of discriminatory and social exclusion, whether they were based on gender, ethnicity or religion, and what people perceived as poverty and inequity.

Furthermore, one had to consider available data and its quality, and if information was lacking or insufficient, what feasible and sustainable systems could be developed to collect such data. Most importantly, there was a need to translate knowledge into policy and action, and learn from current efforts such as the Health Development Index by the Ministry of Health in Indonesia, or apply the philosophy of Sufficiency Economy in Thailand to the current country situation.

With that, he hoped that the dialogue would inspire the following:

- A set of recommendations for the consideration of ASEAN member countries and the ASEAN secretariat containing an analysis of the trends and progress in human development in the region; and

- A set of policy recommendations for further deliberation and potential follow up by ASEAN member countries and our other development partners, on the development of country specific Inequality Adjusted Human Development indices (IAHDI) as well as appropriate Multidimensional Poverty indices (MPI).

He ended his speech, expressing his hopes that the dialogue would spark off stronger discussion and cooperation between the ASEAN region, UNDP, IDRC and ISEAS on the critical challenges of inequality and poverty which still confront the ASEAN region.

SESSION 1: DEVELOPMENT TRENDS AND PROGRESS IN HUMAN DEVELOPMENT IN THE ASEAN REGION

The first session was led by Dr. Anuradha Rajivan, Practice Leader- Poverty Reduction and Millennium Development Goals (MDGSs), United Nations Development Programme (UNDP) Asia Pacific Regional Centre. [4]

Dr. Anuradha began her presentation by showing that based on the experience of ASEAN countries, income figures have been shown to be too diverse to the extremes - with Singapore and Brunei doing very well, while Laos, Cambodia and Myanmar at the lowest end of the other extreme. . She argued that there was too much emphasis on GDP growth, and that this approach was also shared by other countries in Asia-Pacific as well.

Governments, businesses, financial markets, media per se focused on a GDP's levels and trends for comparisons across time and nations, and although the GDP (and associated aggregates like Gross National Product (GNP), Gross National Income (GNI) was useful), it simply aggregated the money value of what passed through markets. Hence, it included things that were subtracted from wellbeing such as leisure, greenery, care services, unpaid or informal work. However the concept of human development revolutionised systematic thinking about people's quality of life. For example, Bhutan came up with the idea of human happiness as a policy aim.

Dr. Anuradha saw Human Development Index (HDI) as an alternative to GDP. Though not a perfect index, it aggregated both income and non-income components. Hence policies

needed to look beyond income, and also to look beyond these two components to look at the gaps. Among ASEAN countries, seven have medium to low HDI values, and they were Thailand, Philippines, Indonesia, Vietnam, Lao PDR, Cambodia and Myanmar. Inequality adjusted HDI (IHDI) HDI – captured losses in human development from inequality in health, education and income dimensions.

Global assessments revealed the importance on non-income components in improving human well-being. Giving the comparative example of Tunisia and China, it was noted that in 1970 a baby girl born in Tunisia could expect to live 55 years; another, in China, 63 years. Since then, China's per capita GDP has grown at a breakneck pace of 8 per cent annually, while Tunisia's has grown at 3 per cent. However a girl born today in Tunisia can expect to live 76 years, a year longer than a girl born in China." This may be due to better well-being and living conditions in Tunisia, access to healthcare and education.

Dr. Anuradha also advocated for the recognition of multidimensionality levels of poverty. Not only did such an approach have a long history of success, it was better able to recognise growing inequality, and correct previous methods that tended to ignore disadvantaged groups. Middle Income Countries (MIC) have shown interest in measuring deprivation by going beyond the conventional income dimension. The MPI was a new measure of non-income poverty, introduced by UNDP in its 2010HDR and looked at three dimensions of poverty beyond conventional measurements such as income. They included (1) health, (2) education, and (3) living standards. Local factors were also considered. For example, in some countries, alcoholism was an indicator of living standards. Hence, such indicators would be factored in during the evaluation. She then touched on how the tracking of multiple aspects of well-being could improve the accounting of incidence and intensity of deprivation.

She observed that there existed deprivation across education, health and living standards. These indicators did not go together. Even among the fast growing countries, such as China and India, huge deprivations in education, health and living standards existed. Therefore, there was a need for public policy to recognise the many faces of poverty – especially in middle income and high growth countries.

Lastly, she emphasised that while conventional measures of growth and well-being were developed mainly on the basis of income, there was a need to complement other non-income capabilities on a regular and comparable basis. This included the need to strengthen statistical systems for (1) more systematic tracking by sub-national units (across provinces, rural-urban divide) and population groups (location, ethnicity, gender); (2) forging agreement on indicators and methodology, and (3) keeping abreast of innovations in measuring multidimensionality of progress / deficits. There was also a need to change attitudes in national and regional policies. She concluded by mentioning the gains from tracking the multidimensionality of poverty fosters human development which included: (1) strengthened assessment of development gains across multiple capabilities; (2) better identification and targeting disadvantaged sub-groups, and (3) improved planning and programming through locating the deprived components i.e. sharper tracking indicators of deprivation.

A question and answer session followed thereafter. Some of the issues and questions raised were as follows:

(1) The issue of data availability, and also the role of stake-holders in the whole process.

(2) The philosophical dimension of the measurements i.e. as to whether equal weight was given to the three indicators of poverty.

(3) The statistics used i.e. as to whether they could be changed to age/sex indicators. In addition, a concern was also raised by the audience about the value added for policy

progress – what was the value? Although the new approach was ideal, it may not be useful for policy makers, especially when it came to budgeting.

The answer to the above was short. Anuradha believed that there should be a reality check in terms of practicality. She also reiterated that there was no philosophical issue behind it, despite of the many discussions and debates. Furthermore, there was no logical basis behind the equality of all the measurements; rather it was a statistical question. In relation to a demographic change, changes were not only in terms of gender, but also included the mobility challenges such as rural-urban migration.

SESSION 2: MEASURING AND MONITORING POVERTY AND INEQUALITY: THE ASEAN EXPERIENCE

MODERATOR: DR. EVAN DUE, SENIOR PROGRAMME SPECIALIST, INTERNATIONAL DEVELOPMENT RESEARCH CENTRE (IDRC), SINGAPORE

Four panellists took part in the session and they were Dr. Celia Reyes, CBMS-Philippines Project Director, Angelo King Institute for Economic and Business Studies, De La Salle University, Philippines; Prof. Dr. Ragayah Haji Mat Zin, Principal Fellow, The Institute of Malaysian and International Studies (IKMAS), National University of Malaysia; Assoc. Professor Tan Ern Ser, Department of Sociology, National University of Singapore, and Mr. Try Sothearith, CBMS-Cambodia Project Director, National Institute of Statistics (NIS), Cambodia.

Dr. Celia Reyes, CBMS-Philippines Project Director, Angelo King Institute for Economic and Business Studies, De La Salle University, Philippines

Dr. Celia Reyes presented an overall outlook on measuring and monitoring poverty and inequality at the national and local levels. In the latter, she addressed key features of the Community Based Monitoring System (CBMS), CBMS Indicators, CBMS Poverty Maps, uses of CBMS Data, and the status of CBMS implementation. At the national level, both the income and non-income based measures of poverty and measures of income inequality were used. They included the use of poverty incidence, proportion of malnourished children and the Gini coefficient. Data from surveys (regional and provincial level) were also incorporated, such as the Family Income and Expenditures Survey (FIES), the Annual Poverty Indicator Survey (APIS) and the National Nutrition Survey (NNS).

Reyes also explained that the CBMS was an organised process of data collection, processing and validating information at the local level, and the integration of data into the

local development process. It was one of the tools developed in the early 1990s to provide policy makers with an information base for tracking the impacts of economic reforms and policy shocks on vulnerable groups in society. It promoted evidence based policymaking and programme implementation while empowering communities to participate in the process. The system involved the development of data collection instruments and trained the capacities of local stakeholders in implementing the system. It also focussed on poverty analysis using CBMS data. [5]

The rationale for CBMS was mainly to ask the "Who, Where and Why of poverty", and "What and When of anti-poverty programmes." CBMS mainly provided policymakers a regular update on the results of monitoring the impacts of macroeconomic policies and shocks on local communities and households; addressed the lack of necessary disaggregated data for poverty diagnosis, programme formulation and implementation, and impact monitoring; and focussed on the need for support mechanisms for the implementation of decentralisation.

One of the key features of CBMS is that it includes a census of all households in the community and is not based on a sample survey. The census promoted community participation, used local personnel and community volunteers as monitors, generated a core set of indicators determining the welfare status of the population and the different dimensions of poverty, and established databases at each geopolitical level. It used freeware customised for CBMS-data encoding, processing and poverty mapping.

Through the CBMS, several dimensions of poverty are measured and they are health, food and nutrition, water and sanitation, shelter, peace and order, income, employment, and education. These dimensions of poverty fall under three indicators- "survival", "security" and

"enabling". Nonetheless, the CBMS is flexible enough to accommodate additional indicators relating to natural calamities and disaster management, environment protection, child labour, migration, disability, and access to programmes and services. By collecting data on the different indicators of poverty for each household at the same time, CBMS is able to provide the poverty status of households/individuals pertaining to the different dimensions of poverty.

By and large, the use of CBMS has many advantages, such as to diagnose the extent of poverty at the local level, formulate appropriate plans and programmes to address problems, provide the basis for resource allocation, identify eligible beneficiaries for targeted programmes, to monitor the achievement of the Millennium Development Goals, and monitor and assess the impact of programmes and projects. Furthermore, CBMS has facilitated the targeting of beneficiaries of social protection programmes i.e. health entitlements, cash transfers, livelihood programmes, and education scholarships.

Prof. Dr. Ragayah Haji Mat Zin, Principal Fellow, The Institute of Malaysian and International Studies (IKMAS), National University of Malaysia

Subsequently, Professor Dr. Ragayah Haji Mat Zin spoke about the measures undertaken by the Malaysian government in addressing income inequality. Malaysia implemented the New Economic Policy (NEP) in 1971, to attain national unity by eradicating poverty irrespective of race and by restructuring society so as to eliminate identification of race with economic functions and geographical locations. The NEP measured and monitored, among others, poverty incidence and income distribution. In the late 1980s, the Malaysian government introduced the concept of hard core poverty (those with half or less of the Poverty Line Index (PLI)) when the incidence of absolute poverty had dropped extensively. [6]

In the Sixth Malaysian Plan 1991-1995, the government introduced the idea of relative poverty, focusing on the bottom 40per cent of households, a concept which has been reinforced in the New Economic Model 2010 (NEM). In 2005, the Malaysian government revised the PLI methodology and changed the definition of hard core (HC) to those with income equivalent to food PLI or less. Income distribution is mostly measured using the Gini ratio.

In measuring absolute poverty, PLI was used to determine the income level that was sufficient for an individual or a household to enjoy the society's minimum standards of living. Those with income below the poverty line were considered poor. Prior to 2004, absolute PLI in Malaysia comprised three main components: (1) Food: minimum expenditure based on a daily requirement of 9,910 calories for a family of five consisting of an adult male, adult female and three children of either sex between the ages one to nine years; (2) Clothing and footwear: minimum requirement for clothing and footwear based on standards set by the Department of Social Welfare (requirement of residents of welfare homes), and (3) Other items: such as rent, fuel and power; furniture and equipment; medical care and health expenses; transport and communications; and recreation, education and cultural services, based on expenditures of the lower income group. The PLI was updated annually to reflect changes in price levels through changes in the Consumer Price Index (CPI).

Dr. Ragayah also highlighted the weaknesses of using the PLI which was based on the 1977 methodology. They included the failure to allow for the differences in urban-rural migration and regional living costs (she noted that there was too much emphasis on the poverty in Sarawak vis-à-vis Peninsular Malaysia); the failure to allow for the differences in household size i.e. it would be more accurate if per capita measure was used; the failure to allow for

24

changing consumption patterns as income grew; and the failure to allow for economies of scale in consumption.

She made an example of the E-kasih programme, a 2008 government initiative which utilises the Household Income Survey (HIS).. The programme acted as a database identifying the poor and aimed to reduce hard core poverty incidences to zero by the end of 2010. Urban households earning less than RM1,500 per month and rural households earning less than RM1,000 per month were eligible to register for assistance. In 2009, Ragayah pointed out that the income class for bottom 40per cent households was less than RM 2,300; those between RM1,500 & RM2,300 in urban and between RM1,000 and RM2,000 in rural areas were considered low income household (LIH). Still, hardcore poverty incidence went down to 108 families by December 2010 and this was considered zero hardcore poverty incidences achieved. However, as poverty was dynamic, the number of hardcore poor households rose to 3,000 in 2011. Households with a monthly income between PLI and RM1,500 were the most vulnerable and also monitored.

Ragayah pointed out that the Malaysian PLI was defined separately in the HIS based on its size, demographic composition and its location for each household. This turned out to be very difficult to understand and put into practice by the relevant officers. Thus, for wider acceptance and understanding, the mean of the PLI is used although the methodology yielded more accurate estimates. The public, including policy-makers and academics, were also confused by absolute and relative poverty. In terms of depth of poverty, Malaysia had introduced the Poverty Gap Measure in the 9th Malaysian Plan, but has yet to publish the Poverty Gap to measure the severity of poverty. NGOs such as Amanah Ikhtiar Malaysia had different criteria for determining poverty, taking account other matters such as housing conditions. The approach to monitoring the financial spending rather than the effectiveness

of these projects in raising the income of the recipients and how fast they get out of poverty was one. In implementing programmes, there is a need to also focus on the low income household, such as those between RM1,500 and RM2,300 in urban and between RM1,000 and RM2,000 in rural areas.

Professor Tan Ern Ser, Department of Sociology, National University of Singapore

The third speaker, Associate Professor Tan Ern Ser began with the argument that poverty data was difficult to obtain in Singapore. Nonetheless, he pointed out several sources including the national census. Other indicators of poverty he mentioned included types of housing, social stratification and the homeless in Singapore. He also pointed out that the government preferred to use the term "government bonus" rather than welfare payments. [7]

According to the HDI, Tan said, Singapore ranked 27 with a score of 0.846 [as compared to Norway (1; 0.938), Japan (11; 0.884), South Korea (12, 0.877) and Hong Kong (21, 0.862)] on the prosperity/poverty scale. He then traced the poverty instances in Singapore. The average household income in 2010 was SG$7,214. The median household Income was SG$5,000. Relative poverty (50per cent of median income) was SG$2,500 (about 25per cent of households were at that level). Public assistance for two adults and two children was SG$1,350. Citing the research conducted by Asher and Nandy in 2007, public assistance was also limited (less than 5per cent of households received such support; 5-8per cent of per capita income.) He then shared some pictures to portray the incidences of poverty in Singapore (picture of 1 room flat versus condominium), loan-sharks and children living in one room flats.

Singapore's policies were described as "… fair, not welfare, equitable, not equal," by Tan. Several schemes were introduced by the state such as "Levelling Up", "Sharing Success", "Progress Package" and "Resilience Budget", but these programmes were not considered as welfare schemes. The goals of the state included producing a vibrant economy, job creation and creating high value-added jobs. Self-reliance was also preferred to family support; and community support. The Singapore government's assistance was only for the "truly needy" and "low-income earners". He also mentioned that questions were however often also raised as to whether any welfare scheme is available to the middle class.

Tan also raised some concerns regarding social safety nets. He surmised that the Central Provident Fund (CPF) was not a social security but a compulsory savings scheme. CPF offered no protection to those with low income or not working. He also pointed out the high incidence of old age poverty and how that was likely to affect women more than men. Hence, older people also need to continue working. He observed that support for the disabled, dependents and work injury cases were also inadequate. He also underscored some challenges – i.e. whether or not the family, 'sandwich generation', and women and community support groups were able to cope with welfare responsibilities.

He concluded by saying that as much as poverty was an issue, so was inequality. Some of the concerns that the state has to think about were the appropriate welfare models, the concerns and needs of the middle class (which were often neglected), insurance for unemployment disability and health, as well as for retirement.

Mr. Try Sothearith, CBMS-Cambodia Project Director, National Institute of Statistics (NIS), Cambodia

The last speaker, Mr. Try Sothearith, spoke of his country's experience. Cambodia was already moving from war to peace; from a culture of conflict to a culture of compromise; and from a culture of confrontation to a culture of dialogue and reconciliation. As Cambodia marched further into the 21st century, the next ten years represented a decade of opportunity to realise its development goals – defined through the Cambodian Millennium Development Goals (CMDGs) – to uplift the poor and vulnerable. As it is, the Cambodian Government had already in place a five year development plan – the National Strategic Development Plan (NSDP). [8]

It was important to note that while poverty had declined; inequality had risen dramatically in the same period. During the last decade, while the per capita consumption of the richest 20 per cent of the population grew by 45 per cent, the consumption of the poorest 20 per cent grew only by 8 per cent. Try however believed that Cambodia would achieve at least 23 out of the 59 CMDG targets. Nevertheless, there was still a need for improvement in poverty reduction, food security, education, health, maternal mortality, environment degradation and sustainable socio-economic development.

Try highlighted the nine goals of the CMDG. They are the following:

1. Eradicate extreme poverty and hunger

2. Achieve universal primary education

3. Promote gender equality and empower women

4. Reduce child mortality

5. Improve maternal health

6. Combat HIV/AIDS, malaria and other diseases

7. Ensure environmental sustainability

8. Develop a global partnership for development

9. De-mining explosive remnants of war (ERW) and victim assistance.

In general, Cambodia has made good progress. Nevertheless, there were areas where progress was generally slow and off-track. Two such examples are the level of lower secondary school education and the rate of children dropping out of school. The environment was another matter of concern, especially protected forest areas. There was a total loss of 350,000 hectares of protected land to economic land concessions. The dependence on fuel wood was another. Interestingly, gender parity and higher education and literacy have shown very good progress. Water and sanitation have also shown good progress.

Also making good progress were the low rates of war casualties and the increase in victim assistance. The annual number of civilian casualties recorded has fallen from a record 4,320 in 1996 to 243 in 2009. Several councils and initiatives have also been established, such as: the Disability Action Council, the National Plan of Action for Persons with Disabilities, Including Landmine/ERW survivors (2009-2011), and physical rehabilitative services, psycho-social support, vocational training and social reintegration services.

Try emphasised in his presentation the need to localize the MDGs and that the MDGs should not be a national initiative alone as local governments too are required to provide basic services – education, health, and so forth – a spectrum that is covered under many of

the MDGs. MDG targets could be used as guides for assessing the local situation and establishing clear social and human development priorities at the local level.

He then added the significance of CBMS, which he defined as an organized way of collecting information at the local level for use by local government units, public institutions, non-government organizations, and civil society for planning, programme implementation and monitoring. It was a tool intended for improving governance and greater transparency and accountability in resource allocation and leadership. The use of CBMS was seen as the way forward. Stakeholder advocacy however was needed for more cooperation and mobilising funds to expand and scale up CBMS for nationwide coverage.

The forum then opened to the floor with a question and answer session.

Some general questions raised were about the significance of rising mobility, which was a global phenomenon. Hence, how did migration affect data, as migrants may lead to rising poverty indicators. A related statement was made that in Indonesia, indicators and statistics changed according to elections.

Dr. Celia Reyes responded by saying that the CBMS was monitored regularly, as part of the government policy and budgeting process, making this more systematic. Professor Tan Ern Ser then commented that in Singapore, statistics mainly captured information on residents of Singapore. Prof. Ragayah then talked about the Malaysian context where data was also collected on non-citizens, particularly low skilled foreign workers.

SESSION 3: MEASURING AND ADDRESSING INEQUALITY: LESSONS FOR ASEAN AND THE WAY FORWARD

MODERATOR: MR. KAMAL MALHOTRA, UNDP REPRESENTATIVE FOR MALAYSIA, SINGAPORE AND BRUNEI DARRUSSALAM

The third session was a continuation of the earlier topic, but focussing on lessons and the way forward for ASEAN countries. Three panellists presented their thoughts, and they were Ms Suwannee Khamman, Deputy Secretary General, National Economic and Social Development Board, Thailand; Dr. Trihono, National Institute of Health Research and Development, Ministry of Health, Republic of Indonesia, and Mr. Siviengxay Orabounee, Deputy Director General, National Economic Research Institute, Lao PDR.

Ms Suwannee Khamman, Deputy Secretary General, National Economic and Social Development Board, Thailand

Khamman's talk focused on poverty in Thailand, with the presentation being divided into two subtopics: current poverty measurement indicators, their tools and applications, and the country's plan on the elimination of poverty using strategies developed around the multidimensional poverty index. [9]

Thailand uses different types of poverty measurement indicators. At the national level, the main method was the absolute poverty line. Thailand measures poverty incidence at the household level by comparing per capita household consumption against poverty. This was equivalent to the consumption level that was sufficient for an individual to enjoy society's minimum standards of living, or as Khamman termed it, a "…decent living standard". Those who had expenditure consumptions below the poverty line were classified as poor. The official poverty line used an absolute concept based on the cost of basic needs, i.e. the sum

of food and non-food consumption. There were also measurements at the community level, such as the Basic Minimum Needs (BMN) and Rural Development Indicators (NRD 2C).

Thailand's poverty levels have gradually decreased since 1988, with the exception of the temporary hikes during the Asian Financial Crisis and its aftermath. As the government considered poverty reduction as high priority, various interventions had taken place to strengthen the grass-root economy, as well as to provide temporary subsidies to mitigate the impact of the crisis on the incidence of poverty. As a result, poverty incidence declined to 8.12per cent in 2009. Despite the achievement, there is still concern over disparity. Poverty incidence levels in the north and northeast regions of Thailand are much higher than the national average, and roughly 80per cent of the poor reside in these regions. Khamman stated that new policies must now focus on reducing this disparity, along with poverty among the young and elderly.

Further analyses revealed characteristics of the poor with the most striking one as having very little education, thereby limiting their job opportunities and earning ability. Poverty in Thailand has been reported as multidimensional, namely income poverty and the lack of accessibility to social services, utilities and resources. This definition is very similar to the definition of poverty in the multidimensional poverty index developed by the Oxford Poverty and Human Development Initiative (OPHDI).

Thailand has plans to combat current poverty issues, Khamman said, with several programmes and projects designed dealing with various aspects of poverty and disparity situations in the short and long term. These measures are i) short-term measures to mitigate impacts from crises which only occur at times, ii) income generation by creating opportunities, capacity building, access to social services and resources, and skills training,

iii) strengthening the agricultural sector, including an agricultural price stabilization scheme, and iv) upgrading of the country's social protection scheme.

Thailand's way forward would be to use the new Eleventh National Economic and Social Development Plan (NESDP) as a guideline for the Kingdom's development from 2012 - 2016, with five main goals to be achieved:

1. Reduction of income gaps among groups and area

2. Providing and promoting quality and inclusive social protection and gender equality

3. Improving accessibilities and a fair justice system

4. Advancing immunities and capacities to cope with changes among the poor and vulnerable

5. Increasing governance and participation in the Kingdom's development

In order to achieve these goals, four strategies are to be implemented. The first strategy deals with socio-economic security, and it deals with expansion of the economic and social securities to all Thais under the context of an inclusive growth strategy. The second strategy is to provide social services to all Thais by focusing on the creation of individuals' immunity and participation in the decision-making process for the Kingdom's development. The third strategy is social empowerment, which plans to strengthen all partners in the society in order to have choices in their livelihoods and to participate in the economics, societies and politics of the kingdom. The final strategy is social cohesion, which aims to support relationships in society for social share values and benefits.

Monitoring and evaluating the progress of these goals will be measured using eight indicators, and will be initiated from 2011 – 2012 with support from the Thailand Development Research Institute (TDRI). A research project will be conducted to help further

develop Thailand's MPI model with the new data. The release of the NESDP-MPI to the public is currently planned for the end of 2012..

Ms Khamman finally concluded that cooperation between stakeholders was the most essential factor in implementing any activity in today's world. She stated that international cooperation was an invaluable tool as it brought together viewpoints, experiences, and expertise, all of which can be shared to avoid repeating the same mistakes.

Dr Trihono, Director General, National Institute Of Health Research And Development, Ministry Of Health, Republic Of Indonesia

Dr. Trihono's presented the Indonesian government's new national index called the Indonesian Public Health Development Index (IPHDI) as a diagnostic tool for measuring underdeveloped districts. His presentation covered the background definition of IPHDI, the process of the tool formulation, the relation between poverty and IPHDI, the utilization of IPHDI, narrowing the gap among cities/districts and finally, a number of conclusions derived from the use of the tool. [10]

The Human Development Index (HDI) used by the local government is an indicator of development, and the health element in HDI is life expectancy at birth. However, improving the use of life expectancy as a health element was difficult, which led to the development of the IPHDI. It consists of 24 basic health indicators picturing the development of public health at the district level, formulated from community-based surveys. The formulation of the IPHDI took a year, with regular intensive discussions held among experts from the National Institute of Health Research and Development (NIHRD), universities, and professional organizations. The purpose of developing this index was to analyse the health development

level in each district/city. With the IPHDI, the districts/cities are able to be ranked and therefore appropriate planning for more effective programme interventions in health development could be developed. During development, up to 22 different alternatives of IPHDI were used, with the final model being defined as the alternative with the highest correlation.

Dr. Trihono said that the lowest ranking district was Pegunungan Bintang District in the Papua Province with a value of 0.247059 and the highest ranking district being Magelang City in the Central Java province (the value ranged from 0 to 1, with 0 being the worst and 1 being the best). Based on the normal curve of the IPHDI, the cut off point for determining severe public health problems in the district was calculated at 0.415987. It was shown that 70 districts had severe public health issues, but none of the cities were classified as severe.

Dr. Trihono observed that health was closely related to poverty, by showing the results of a conducted statistical analysis. The districts/cities were categorized into three groups based on the proportion of poor people, with the results showing that the IPHDI was significantly different among the groups. Another study was then shown with the IPHDI being used to study the gaps in a specific province since that province showed that the gap ranged from rank 32 to rank 437. It was then concluded that the lowest group districts/cities should be supported by the central government, both technically and financially, and with intensive stewarding to the severe problem areas; the local government would also know best which intervention to use.

Mr Siviengxay Oraboun, Deputy Director General, National Economic Research Institute, Laos

Mr. Oraboune's presentation was related to measuring poverty and inequality in Lao PDR. His material covered poverty in the country, the poverty line and multidimensional poverty criteria, MDGs and the National Socio-economic Development Plan (NSEDP), and challenges, specifically urban and rural disparity that his country faced. [11]

Lao PDR's national poverty line had shown dramatic decreases since 1990 to 2008, with HDI doubling in the same time frame. Lao's national poverty line and its criteria, is determined by food consumption in terms of caloric intake. As rice was the main food of Lao people, its price was used to determine the income poverty line. Regional poverty criteria were also introduced to prioritise and ensure provisions of development resources to the poorest areas, including such categories as no access to clean water and roads. An area where the poor covered over 51per cent of the village was also classified as a poor district, with the most serious areas considered as poorest districts. Data gathered showed that there were 72 poor districts and 47 poorest districts. A poverty alleviation mechanism was also constructed to handle poverty, with development criteria created at the household, village, *kum ban* and district levels.

He then said that the National Socio-Economic Development Plan (NSEDP) played a significant role in the development agenda of the country. As poverty alleviation was a core focus of the NSEDP, other poverty-related programmes including the MDGs and National Human Development Report (NHDR) had been directly integrated into the NSEDP. As an example, with Laos being the most heavily bombed country per capita in history, MDG 9 will serve as enhanced assistance to unexploded ordinance clearance, survivor assistance, and

risk education, and would function as a multiplier for MDGs 1-7 by providing increased access to assets and services for improved livelihoods.

Mr. Oraboune acknowledged that there were still challenges that need to be solved, such as the remaining widespread poverty in rural areas where a majority of the population lived, the lagging of several MDGs despite high GDP growth, and income disparities that had increased significantly in recent years, reflected by the rise in the country's GINI coefficient. He brought up the urban-rural disparity, where poor infrastructure made for an uncompetitive environment. Based on the recent poverty assessment; it was shown that the poor have much less access to basic infrastructure.

He concluded by mentioning policy implications and reduction of the gap between urban and rural areas being of utmost priority. A UNDP study had shown that in terms of infrastructure development, only the development of roads could improve rural livelihoods, particularly for non-agricultural activities. The study showed that the roads improved market access and provided increased opportunities for trade, services, or tourism. He gave an example of how a recent Asian Development Bank (ADB) assessment on a constructed connecting road showed similar conclusions, with human development through livelihood activity increasing, leading to community-based tourism and more stable sources of income.

A question and answer session followed suit.

One of the questions asked was with regards to what type of policies in the presenters' countries led to such a dramatic reduction in poverty. Another question pertained to rural

and urban areas: i.e. in which sectors of the economy had growth been most effective? Was it agriculture or manufacturing? What about the effect of overseas workers and whether they played a role in stimulating the economic situation? Another issue touched upon was about the issue of inequality, and whether it was about the measurement or the issue per se. A specific question with regards to IPHDI was whether the model includes factors relative to the elderly and what the impact was.

Ms Khamman responded that not only had poverty been reduced by using direct intervention, but other factors were present as well; particularly in Thailand. There are other indicators that showed more dimensions, like the two community indicators as mentioned in her presentation. Regarding inequality, she agreed that solving inequality was not easy and that new methodologies needed to be developed. The Eleventh NESDP would be implemented to incorporate the four categories mentioned earlier in her presentation to tackle inequality.

In response to the question about foreign workers, Dr. Trihono said that they played a major role in improving the economy but from a domestic point of view. The issue of inequality, from the health viewpoint, was not about the measurement, but the issue, which was about the (poverty and human development) disparity among the districts.

Dr. Oraboune believed that it was different from country to country, and the final goal of Lao PDR was to graduate from being a Least Developed Country by 2020. Therefore, the improvement in poverty had been due to both economic and social policies, but now the social sector was receiving more priority. Basic infrastructure needed to be improved in order to broaden income sources to improve their social welfare.

SESSION 4: MEASURING HUMAN DEVELOPMENT AND MULTIDIMENSIONAL POVERTY IN THE ASEAN REGION

MODERATOR: MR. RODOLFO C. SEVERINO, HEAD, ASEAN STUDIES CENTER, ISEAS, SINGAPORE

The last panel session was presented by three speakers, and they were. Mr. Nguyen Van Tien, Senior Researcher, Centre for Analysis and Forecasting, Vietnam Academy of Social Sciences, Vietnam; Dr. Toby Melissa Monsod, Philippines Human Development Network, School of Economics, University of the Philippines, Philippines and Madame Sa'idah Hj Hashim, Principal Assistant Director (Statistics), Distribution Section, Economic Planning Unit of the Prime Minister's Department, Malaysia.

Mr. Nguyen Van Tien, Senior Researcher, Centre for Analysis and Forecasting, Vietnam Academy of Social Sciences, Vietnam

Mr. Tien began the session by outlining how the global MPI had been modified in the case of Vietnam, and then proceeded to go through the data, methodology, indicators, MPI results, and limitations of the model. The data for Vietnam in the Global HDR 2010 was based on the Vietnam Demographic and Health Survey in 2002, with a sample size of roughly 7,000 households spanning 41 provinces. There were multiple sub-categories within the two main sections of household and women. However, the data for the Vietnam HDR in 2011 was taken from a more recent study in 2008, covering all 63 provinces, increasing the sample size to nearly 46,000 households, with roughly 37,000 households completing the income survey and approximately 9,000 households completing both income and expenditure surveys. Data from 2008 was used as it represented the current picture better, but MPI could also be calculated for all provinces and not only the national index as in the previous year's HDR. [12]

Mr. Tien followed up with a discussion about the methodology developed by Vietnam. The main difference between the global HDR method and Vietnam's method were in the indicators, with Vietnam having nine indicators instead of 10 (only one indicator instead of two for the health dimension); however, both methods still used equal weighting. Vietnam's methodology then set a poverty line, with cut offs being set for each dimension, resulting in either deprived of non-deprived outcomes. If any three indicators of the health indicator and at least one education indicator were deprived, the area was recognized as poor, with the latter being multi-dimensionally poor. The last three steps consisted of the calculation of the headcount ratio, the intensity of poverty, and the MPI. Mr. Tien then described the nine indicators used in Vietnam's HDR. 2011, briefly explaining further how the indicators function.

The results between the Global HDR 2010 and the Vietnam HDR 2011 were then shown to compare accuracy, and it was seen that the poverty rate in 2008 was the same under both methods. Regardless of how good the model was though, there were still limitations. Currently, there was only one health indicator and addressing that issue with the addition of another indicator could help improve the sensitivity of the analysis. Furthermore, the weights of each indicator were equal, and that may not be representative of the current picture. Once again, this could affect the sensitivity of the analysis.

Dr. Toby Melissa Monsod, Philippines Human Development Network, School of Economics, University of the Philippines, Philippines

Dr. Monsod focussed mainly on measuring human development and multidimensional poverty in the Philippines. The Philippine Human Development Report (PHDR) was developed and published by the Human Development Network (HDN), an independent, non-profit, non-stock, non-partisan network of advocates, and was used to report the state of human development at the national level compared to other countries over time. Two sub-national levels were discussed: one for interprovincial comparisons which highlighted the top gainers and losers, and the other one for international comparisons, highlighting how the provinces compared to other countries. Innovations in the knowledge component was also touched upon in the report, with the change from using functional literacy rate to weighted average of high school graduate ratio and basic enrolment ratio, as the two were highly correlated and the latter was more useful for inter-provincial comparisons. An example was shown from the 2008/2009 Philippines Human Development Report (PHDR) showing the largest and smallest gainers of basic enrolment rates in 2002 versus 2004. The HDI was also shown but computed using the gap improvement method. An example of the international comparison was shown, with some of the lowest HDI provinces being comparable to poor African countries, a Middle Eastern country and a Southeast Asian one. [13]

Dr. Monsod then raised the issue of moving forward and evaluating proposed changes in the HDI. Two significant changes were mentioned which have already been implemented in preliminary stages: new education indicators and arithmetic to geometric mean. The impact of the former was that there were notable changes to the ranking of the education index and the list of top HDI gainers was significantly affected. The impact of the latter on provincial HDI lowered the values, but there was an insignificant change in the rankings. Two other

proposed changes that deal with global innovation were currently being evaluated and computed: the inequality-adjusted HDI (I-HDI), which adjusts for inequality in distribution of each dimension across the population, and the Gender-Inequality Index, which will replace the Gender-related Development Index (GDI). The problem with the latter, said Dr. Monsod, was that there were data limitations, such as the frequency of surveys. The HDN was likely to continue using the Growth Development Index (GDI) along with gender inequality tables, and would be augmented with the GDI whenever it became available. The MPI was also being evaluated preliminarily as not all indicators were available from just one survey, and not all indicators in one survey were available across time, and they may not be representative at the provincial level, which was the purpose of the Philippine study. Ultimately though, Dr. Monsod stated that it would have to be value-added for policy purposes in identifying relative deprivations or rankings and in identifying policy priorities.

Dr. Monsod concluded by posing questions, specifically the what, why, and for whom constraints. The purpose of the study must be decided before the scope of the project was taken into account i.e. whether the study raised the issue of absolute poverty or inequality, income poverty or non-income poverty, and multiple indicators versus expanded indices. By narrowing down the scope of the project to a reasonable level, these types of studies would be much more conducive to good policymaking.

Madame Sa'idah Hj Hashim, Principal Assistant Director (Statistics), Distribution Section, Economic Planning Unit of the Prime Minister's Department, Malaysia

The last presenter of the day, Madame Hashim, discussed the pilot MPI study currently being conducted by the Government of Malaysia. She began by sharing the background of some of Malaysia's poverty measurements. [14] For example, since 1970, Malaysia used the absolute measure and monetary approach to measure poverty. More recently however,

household demographic composition and retail prices by locality were taken into account and non-monetary facets of poverty and declining poverty have become more prominent issues. Madame Hashim mentioned that the data source which Malaysia used to conduct this pilot study came from the Household Income/Basic Amenities Surveys (HIS/BA) 2007.

She then displayed a graph showing the decline of poverty in Malaysia since the 1970s, with significant reductions from nearly 50 per cent in the early 1970s to around four per cent in 2009. The rural areas were still naturally higher than that of the urban area, but even the rural areas were around the 10 per cent mark. The data source, the HIS/BA survey, was then discussed, with some key points being that it was conducted twice during each Malaysia Development Plan period. Household data was reflected by the characteristics of head of household, and that it contained national and sub-national indicators. Although Malaysia's programme followed the three dimensions of MPI promoted by the HDR, they only used six indicators, with one on health and one on education. Also, instead of using six sub-indicators under living standards, only four were used in Malaysia's case. Since the three dimensions were all of equal weighting, it should be noted that the four sub-indicators for living standards were weighted equally, with the sum of the weights being one.

The initial cut off, in terms of percentage of households deprived in each indicator, was un-weighted and used to ascertain the number of households in samples for each indicator that was identified as lacking. There were six levels of cut off and it was mentioned that further investigation needed to be done as the difference between being deprived at one cut off and two cut offs was at a staggering 14per cent. If cut offs for education were also reduced, then the contribution by education would also be reduced.

However the question was what was the value-add of utilizing the MPI for policy formulation because if just the headcount was used, it only focused on the magnitude of households that were poor. This meant that there would only be a focus on the monetary aspects of poverty. However, based on the MPI, non-monetary poverty criteria were able to be identified, such as education (policies, level of education, and so forth), health (outreach of health facilities, including manpower), and the urban-rural disparities which need to be reduced.

Finally, Madame Hashim concluded that currently, the study only uses household data, and the need to integrate basic amenities information on to the individual data set should be looked into as soon as possible. New indicators such as assets should also be looked into, and reviewing the forthcoming HIS/BA questionnaire to incorporate relevant additional questions that could facilitate developing the MPI would help with the sensitivity of the analysis. A time-series comparison of movements in the MPI levels was also on the wish list, as well as mapping the MPI across states.

The first question which came from the floor, after the session ended, pertained to developing the HDI at the district level using the new methodology, and how stakeholders would be convinced to accept the outcome without any suspicion of the conflict of interest. A comment proposed to involve a more explicit discussion on inequality - an easy example mentioned was to present a difference in education and health by income group. A question was then asked about the quality and intensity measurement of poverty and inequality, and how it would contribute to the viewpoint of success of a programme. Sustainability was also raised as a concern. Finally, a meta-analysis was suggested as well as a longitudinal analysis so that studies could be combined even with different measures to obtain the findings, so that a comprehensive view for what is really happening could be had.

Dr. Monsod replied that the people who computed the data were neither government nor UNDP, so by virtue of that, there had never been a question of political agenda or partisanship. The government had not used the HDI to allocate funds and the rewards were more on a social level, i.e. being proud to be a top gainer. Regarding the question of the viewpoint of success, Dr. Monsod stated that the goal of the study was never to have zero subsidies as it would not be possible by definition of a private market, so there would always be some state intervention at some level. Sustainability was also addressed when analysing the HDI over time for spikes to determine whether the gains/losses are transient or permanent.

Madame Hashim mentioned that having examined existing studies, Malaysia had traditionally only been using one data source to measure income distribution and inequality, but there have been a lot of different types of studies conducted which have been looked at and may be used in the future.

CONCLUDING REMARKS

Dr. Rosalia Sciortino, Regional Director of the International Development Research Centre (IDR.C) Singapore closed the event. There were points she determined throughout the entire conference, which should be noted. The first was that all parties agreed that multidimensional aspects must to be studied in more depth, and the concept of poverty beyond income indicators had to be broadened. Disparity was a big and upcoming issue, and none of the participants were well-prepared enough to measure this aspect yet. Questions lingered regarding how to share growth, and how benefits for different groups needed to be redistributed, and developing methodologies to address this issue for MIC. Geographic disparities also proved to be a challenge, such as countries comprising of islands (the Philippines and Indonesia). Other aspects such as gender, ethnicity and age were less focused in the past and would need to be more focused from now on.

The second point was the depth of scope for the methodologies. The question as to whether to go in-depth or to broaden the scope would depend on what the goals were and for what purpose. The assumption had been made that methodologies would have an impact, but the right type of methodology needed to be assessed.

The third point linked the different levels of administrations, such as regional and provincial. The challenge here was to find consistency so that general models may become more accurate.

Next was the sustainability of the methodologies themselves. Was it possible to do it every year, every two years, and so forth, she asked. This is important for intervention as well.

Finally the next point she raised was the issue of population. Were destitute migrants taken into account in the studies conducted? Should they be counted among the poor or not, and what did that imply? The near poor was also a challenging population - if the poverty line is raised just slightly, they would not be considered poor.

Dr. Sciortino had seen a lot of creativity and innovation in the region, with a lot of exciting experiments. The community was always tinkering with the current methodologies, to see what worked and didn't. The potential for further development was still there, and the day's forum proved that a lot has been done already in the ASEAN region, and that all could learn from one another.

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[6] Measuring and Monitoring Poverty and Inequality: The Malaysian Experience by Prof. Dr. Rogayah Haji Mat Zin

[7] Poverty and Inequality: Singapore by Ass. Prof. Tan Ern Ser

[8] MDG as a Tool to Measuring and Addressing Inequality in the National and Local Level by Try Sothearith

[9] Multidimensional Poverty Index: Thailand Case Studies by Mrs Suwannee Khamman

[10] IPHI (Indonesia Public Health Development Index) as a Diagnostic kit for Under Developed District in Public Health by Dr. Trihono

[11] Measuring Poverty and Addressing Inequality - A Case in Lao PDR by Mr. Syviengxay Oraboune

[12] How Global MPI has been modified for Vietnam by Mr. Nguyen Van Tien

[13] Measuring Human Development and Multi-dimensional Poverty in the Philippines by Dr Toby Melissa Monsod

[14] Pilot MPI @ Malaysia by Madam Sa'idah Hj Hashim

LIST OF PARTICIPANTS

Speakers
1. Mr Kamal Malhotra
2. Ms Suwanee Khamman
3. Dr Toby Melissa Monsod
4. Mr Nguyen Van Tien
5. Mr Siviengxay Oraboune
6. Dr Anuradha Rajivan
7. Prof Dr Ragayah Haji Mat Zin
8. Dr Celia Reyes
9. Mdm Sa'idah Hj Hashim
10. Mr Try Sothearith
11. Associate Professor Tan Ern Ser
12. Dr Trihono

Dialogue Moderators
13. Dr Evan Due
14. Ambassador K Kesavapany
15. Dr Rosalia Sciortino
16. Mr Rodolfo Severino

International Delegates
17. Ms Adlina Merican
18. Mr Akbar Usmani
19. Ms Florencia Dorotan
20. Ms Hajah Rina Bte Haji
21. Dr Somchai Jitsuchon
22. Mr Nay Win Maung
23. Mr José Nelson
24. Mr Natharoun Ngo
25. Ms Nguyen Thi Thanh
26. Dr Arianto A Patunru
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30. Dr Kecuk Suharyanto
31. Mr Abdurrahman Syebubakar
32. Mr Maximus Tahu

Public Sector
(Ministries & Statutory Boards)
Majlis Ugama Islam Singapura
33. Mr Mohamed Zulfadhli Bin Mohd Gazali
34. Miss Nurazlin bte Mohd Aniba
35. Miss Ida Iryanee binte Nooraman

Private Sector & Others
36. Mr Takaaki Oiwa
     Japan Int'l Cooperation Agency (JICA)
37. Mr Robin Stienberg
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38. Mr Lee Kwang Boon
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39. Ms Belinda Chng
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40. Mr Masaaki Nishikawa
41. Ms Nicola Pocock
42. Dr Irene Y H Ng
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43. Mr Tan Tarn How
44. Dr Yap Mui Teng

Media
45. Mr Goh Chien Yen
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IDRC
46. Mr Prem Koman Damodaran
47. Ms Karen Lou Francisco

UNDP Malaysia
48. Mr Ahmad Hafiz Osman
49. Ms Anita Ahmad
50. Mr James George Chacko

ISEAS
51. Dr Aris Ananta
52. Dr Theresa W Devasahayam
53. Ms Amy V R Lugg
54. Dr Lee Poh Onn
55. Mr Norshahril Saat
56. Mr Sothirak Pou
57. Mr Daljit Singh
58. Mr Thanut Tritasavit
59. Dr Tin Maung Maung Than