



Consortium of Institutes on Family in the Asian Region
2010 Asian Award for Advancing Family Well-being
2010 亞洲傑出家庭工作計劃大獎

Aspiration for Sustainability, Innovation & Applicability (ASIA)

**Family-based Micro Finance &
Agricultural Income Generation Projects
Intervention in Indigenous People Communities**

Name of Organisation: Malaysian Care

Name of Person Responsible: Ooi Kiah Hui & Wong Young Soon



Malaysian Care is a national Christian NGO
established since 1978
with broad range of services
the wholistic well-being of the poor and marginalised
individuals, families and communities in Malaysia

Working in partnership with
local churches, government agencies and other NGOs

Poverty still exist in Malaysia

4% living below Poverty Line Index MYR 750 (USD250)

2% living under USD 1 per day

Persistent poverty is prominent among specific people group

- urban poor living in low cost housing or squatters
- single parent households
- indigenous people, natives
- refugees

Orang Asli = original people

Population: 150,000

0.6% of the 28 million national population

At least **50% of *Orang Asli* households live below** the
Malaysia Poverty Line Index

Poverty is **debilitating**

Families living in persistent poverty are NOT WELL

Limited access to basic services

Introduction



A house in an *Orang Asli* village.

This house, like many others, has no access to pipe water and electricity.

Poverty in Orang Asli

Poverty is multifaceted
not confined to material impoverishment
limited access to basic amenities, quality nutrition, healthcare,
housing, education, livelihood option

Affect the function, security and stability of family unit

Baseline survey

Baseline household survey done in 1998 indicated:

1. Majority of *Orang Asli* depends on **seasonal income**
 - forest resources & agriculture activities
 - economic instability: lean times between seasons
 - vulnerable to shocks: sickness, accident, death
2. *Orang Asli* have **limited access** to financial services
 - safe, legal & affordable
 - tailor-made to their situation
3. The *Orang Asli* are **family- and community-focused**
 - resource sharing
 - decision making process

Cooperative model Community- & family-based Integrated economic interventions

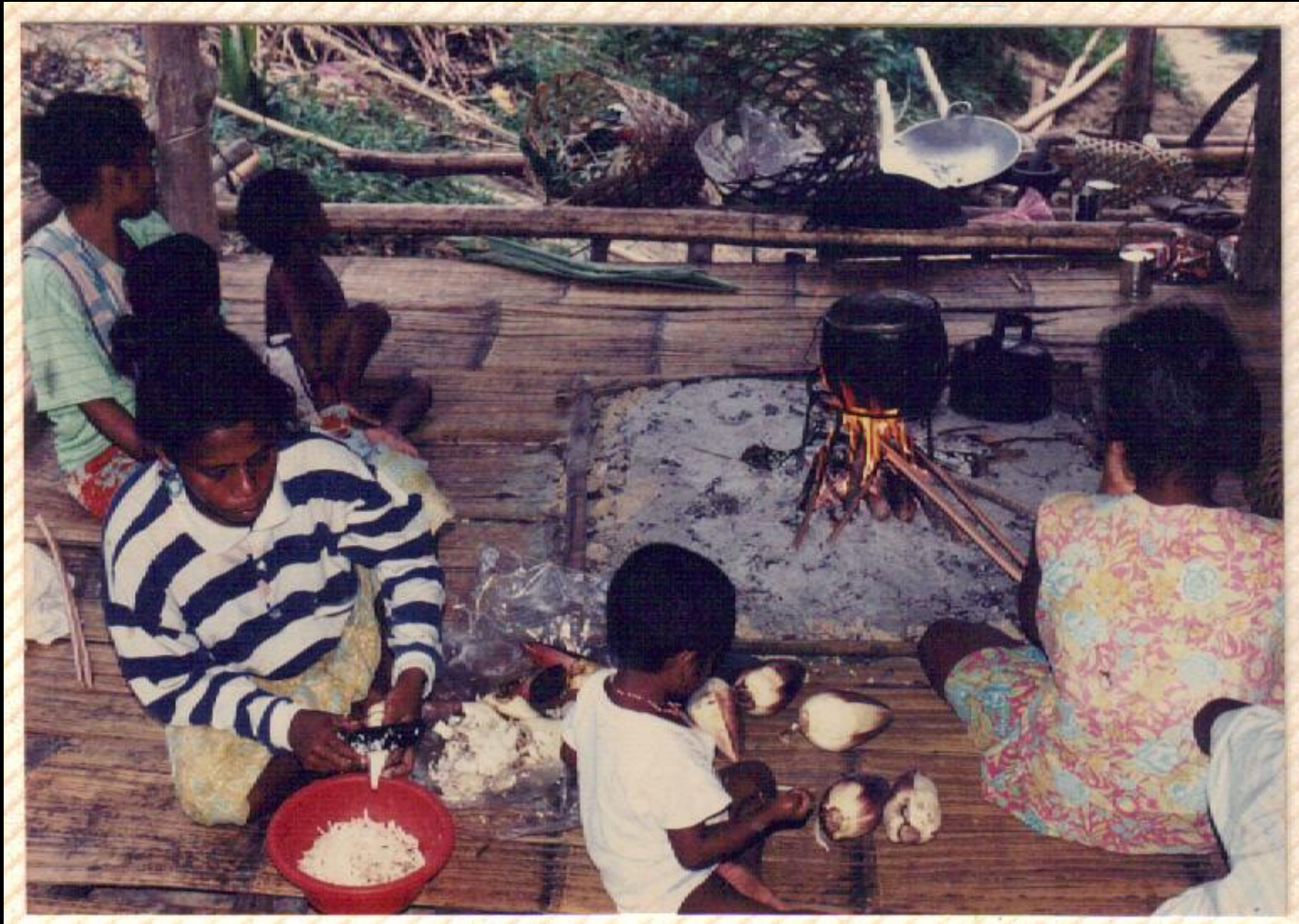
1) Cooperative model

- Latin America, Africa and South Asia
- People with a common identity formed membership body garnering collective strength & resources to assist members
- suitable model for the indigenous people – they shared similar culture, history, faced similar challenges in the rapidly changing society
- isolated - most are located in villages not fully accessible, far away from government development plans

2) Community- and family-based intervention

- communal community
- family support is an important factor in deciding their involvement in microfinance and income generating activities
- rely exclusively on family labour
- family based division to ensure profits match effort

The Orang Asli



Family interacting at the hearth

The Orang Asli



All members of the family gathered at the hearth

3) Integrated economic interventions

- savings, credits and promoting income generating activities to build economic stability
- focusing on agriculture activities – match traditional knowledge and skills, suitable for rural community with land for cultivation
- capacity building through technical training, empower community through participatory approaches

Objectives

1. To build community-based **core group** which will address local development issues -> [**cooperative**]
2. To facilitate creation of local **savings and credit facilities** for the provision of capital for income generation and local development needs -> [**micro finance**]
3. To enable the beneficiaries to have a **consistent and reliable source of income** through the project -> [**income generation projects**]

Step 1: become cooperative member in local village

- be a part of the cooperative movement

Step 2: micro savings (minimum MYR 1 or USD 0.30)

- monthly savings build stability and create financial buffer
- increase family resilience and socio-economic progress

Step 3: micro credit to start income generation projects

- small credits with decreasing interest are provided to members
- implement income generation projects
- concurrent capacity building process

1) Basic statistical analysis

- analyse 348 loans and borrowers' record between year 2003 and 2010

2) Semi-structured interviews

- 26 members of the the Sengoi Indigenous People Cooperative of Perak (KSPP) add depth and reliability to the analysis
- questions: perception, motivation, impact and aspiration

1) Set up independent cooperative

- Sengoi Indigenous People's Credit Cooperative Perak (KSPP)
- 800 adult members, 150 children members, 25 villages
- MYR 900,000 in savings



Members of the children saving club,
Kelab Kancil



The KSPP Annual General Meeting

Ownership



The KSP is wholly owned and managed by the Orang Asli themselves.



2) Beneficiaries built alternative and reliable sources of income

- Projects supplement their seasonal income
- Regular and predictable income - basic stability of household
- Crucial element to ensure buffer
- Enable family to save & plan long term

3) Family unit arrangement works positively

- income generation project is a family venture
- the family members involved in loan repayment - pooling money together, provide labour and share reward of improved family well-being.
- project with long term return provide economic security for current & future generations - build family resilience
- Cooperative members straddling a few generation

Family effort

Teenagers helping their families to unload the rubber seedlings.

They also share responsibilities in cultivating and harvesting.



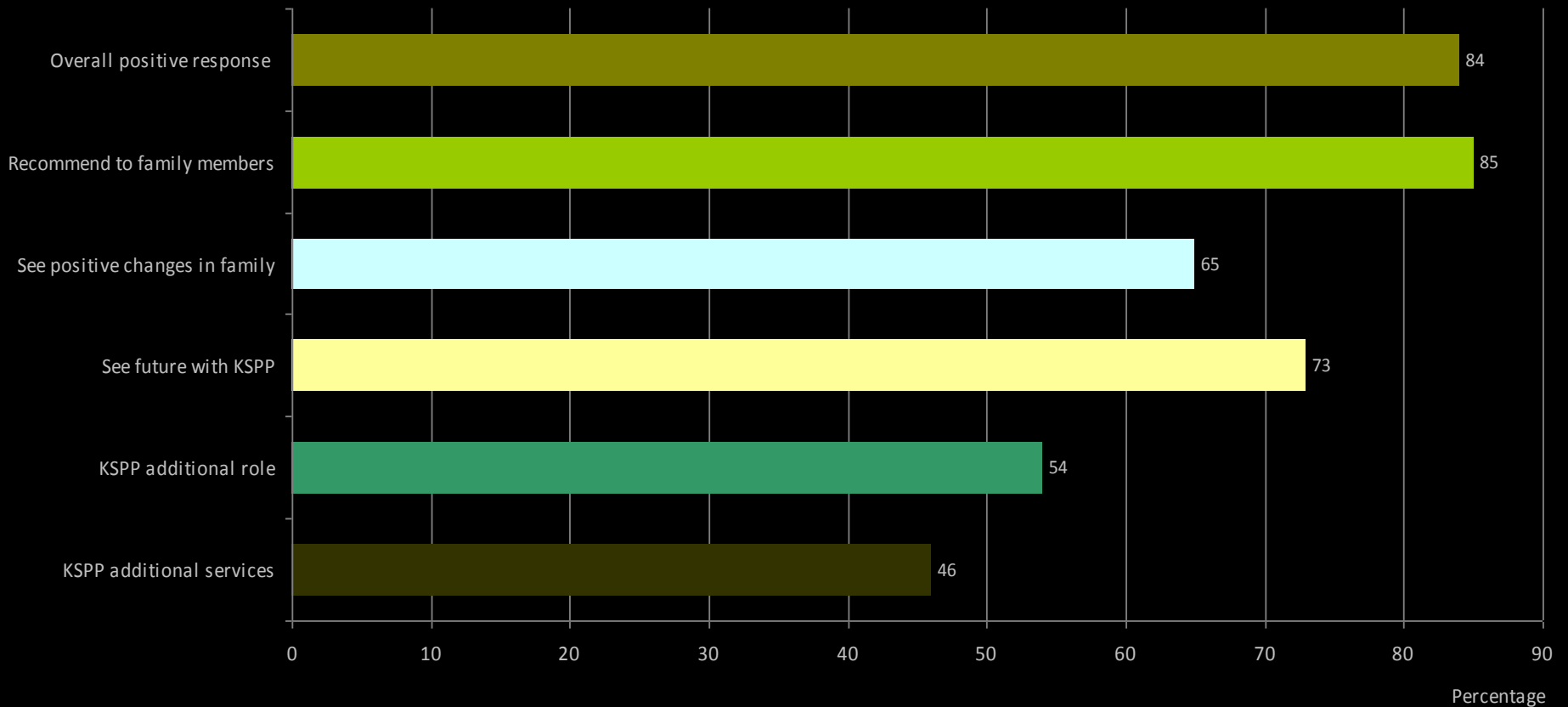
4) Two-thirds of the respondents indicating progressive improvement in their families

- build safety nets for families and assets for sustainable economic development.



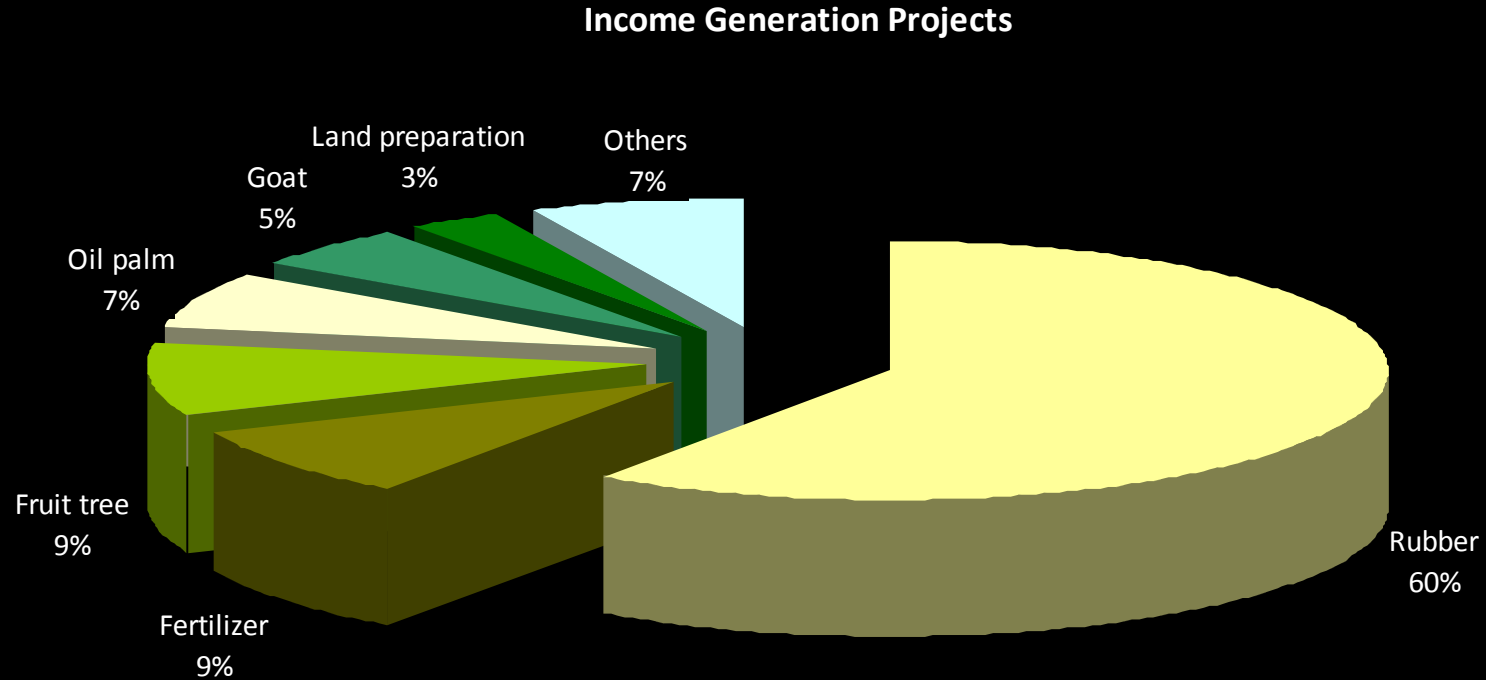
Impact family

Impact of Microfinance and IGP on Family Well-Being



5) Projects are 93% agricultural ventures.

- 60% of loans invested into rubber cultivation projects



Project option



A Cooperative member and his oil palm harvest. Oil palm requires higher labour input compared to rubber.

Receiving rubber seedlings.

Project option



Income generation project option: goat rearing

Integrated approaches



Integrated approaches: capacity building programme, e.g.
goat rearing course

Project option



Income generation project option: fish farming

Project option



Income generation project option: banana farming

Project option



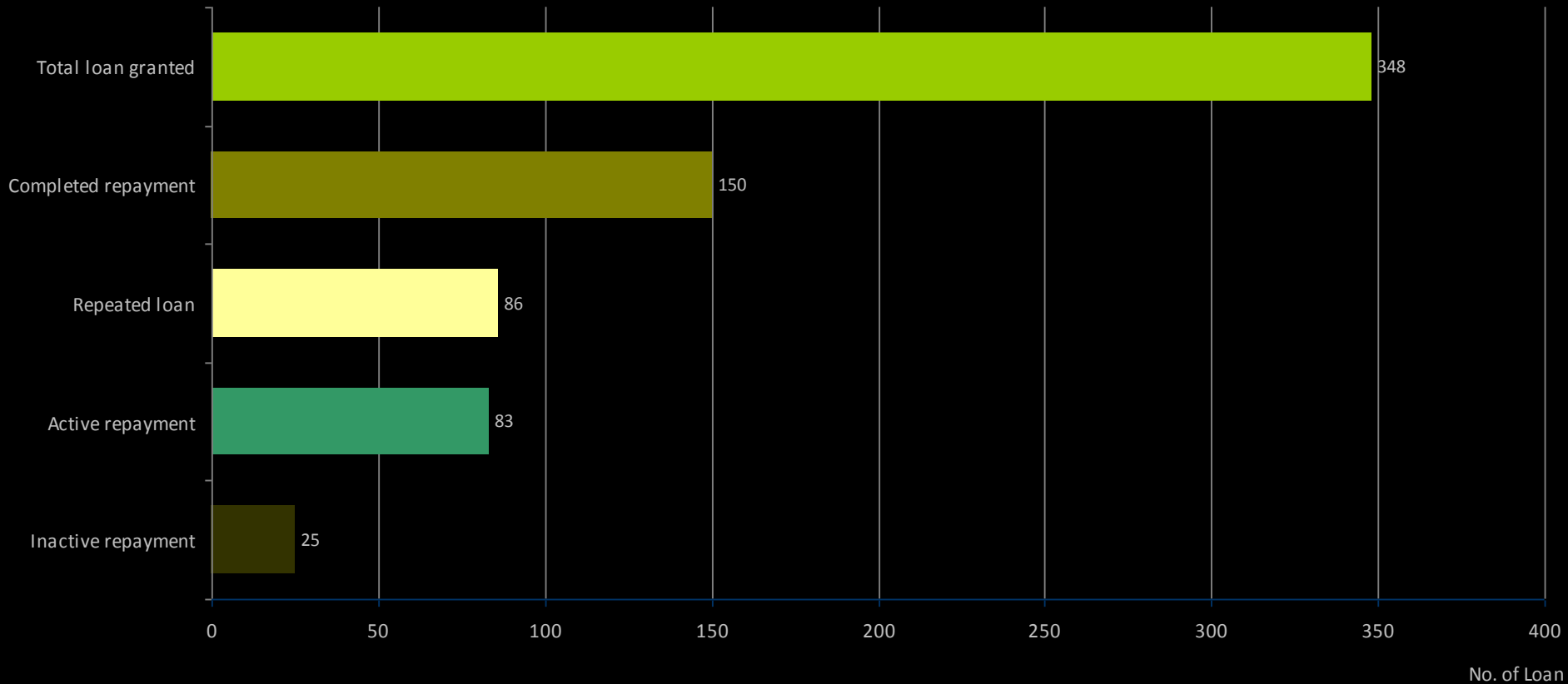
Income generation project option:
Orang Asli traditional handicraft

1) Sustainable at community level

- only needs assistance of **seed grant** in the beginning
- substantial **membership** and growing savings
- do not depend on external funding
- funding sources are generated from **savings and return of investment**. E.g. invest in oil palm plantation

- important: **ownership** and continuous **capacity building**
- **rural urban migration** draining village of young people, affect sustainability

Status of Loan & Repayment



Inactive repayment at 7%

2) Potential for replication in the country

- **basic principles**: small group membership, regular meeting, group accountability, trust and relationship, empowerment.
- very **flexible**: adaptable to different culture and setting- number of members, frequency of meeting, amount and structure of savings & loans
- Credit cooperative is being **replicated in many places**, e.g. Grameen Bank in Bangladesh.

3) Partnership with government

- important to have a distinct **voice, space and platform** to make collective decision through the Cooperative.

- Family-based integrated economic intervention has been proven **effective** through the cooperative model & integrated economic development strategies
- Strategies used promote **economic stability that is foundational to family well-being**, which leads to sustainable development of the community
- **Empowerment processes** do not work well isolating individuals from their family and community context
- To replicate these strategies successfully, **consistent and long term support** are needed to empower the community towards positive outcomes.