

Understanding poverty and vulnerability by utilizing the sustainable livelihood approach: a comprehensive study among Rungus ethnic in Sabah, Malaysia

Abstract

Livelihood assets have been widely recognized in the recent development literature to have positive consequences on poverty eradication. However, most studies examine the impact of individual livelihood asset on some narrow indicators of well-being. Therefore, it does not really shed light on whether overall livelihood assets are associated with better well-being. This gives rise to the question on whether Sustainable Livelihood Approach (SLA) also leads to poverty eradication. This paper attempts to fill this gap by extending the analysis not only on the impact of six livelihood assets (human capital, natural capital, physical capital, financial capital, social capital and information capital), vulnerability and institutions on poverty, but also to estimate the poverty gap, income gap and time exit poverty for the Rungus people, in Malaysia state of Sabah. Empirical evidence on the links between livelihood assets and poverty is provided by performing logit model. The analysis is carried out using primary data obtained from a survey of 327 Rungus rural households in Kudat, Kota Marudu and Pitas, northern most part of Sabah. The results show that all livelihood assets have a positive significant impact to exit poverty except for vulnerability. The estimation of time needed for the Rungus to exit poverty was 9.78 years with constant yearly financial growth. These results imply that investment in information capital is crucial to achieve poverty eradication objectives.