Encrypted for kindness

IT began as a cashless payment system for ordinary Malaysians to get subsidised petrol. But a change of direction by the government closed the door on that — and opened a new window for intelligent technology to deliver kindness and much-needed aid to the most vulnerable communities in our country. For a decade now, some 280,000 families and schoolchildren have obtained financial relief through MyKasih Foundation, which has put food on the table and, more importantly, helped children stay in school.

MyKasih Foundation, using proprietary software developed and owned by Dialog Innovation Ventures Sdn Bhd, a subsidiary of Dialog Group, delivers valuable support to needy families through a cashless payment system using the recipients' MyKad.

Only 10 years ago, naysayers doubted if such a system would work and if poor or illiterate people would even use it. As it turned out, recipients realised how user-friendly the system was as they overcame their fear of new technology and took steps to get the aid they desperately needed for their families. Adults easily use the six-digit PIN to make payments using their MyKad. MyKasih clocks on average 10,000 transactions daily all over the country, and on July 16, 2013, the number hit a whopping 17,827.

The genesis of this technology could not have been more differently intended. At the turn of the century, Malaysia's leadership was aggressively pushing for all Malaysians to embrace new technologies and enter the cashless era, which promised safety, accuracy and lower costs. That was the spirit of MyKad, the national identity card introduced in 2001, the technology of which had multiple applications, including payment. At the time, debit cards were not fully established here and credit cards were exclusive to people with much higher incomes. With MyKad, all Malaysians would have a card for payment. Malaysian commerce did not show real interest in MyKad's capabilities because they would have been unable to put their brand on it.

In 2005, Dialog's IT arm, then called ePetrol Systems, was designing a cashless payment system to work with the government's proposed petrol subsidy plan and explored the MyKad as a viable tool. The pilot, the ePetrol MyKad Payment System, rolled out with 187 Malaysians using their MyKad at 11 participating petrol stations. It was the very first time the MyKad was used for payment. It was launched by the then Bank Negara Malaysia assistant governor Datuk Nor Shamsiah Yunus in September 2008. But almost immediately after that, petrol prices stabilised and the subsidy plan was put on hold. Dialog's system was not needed.

The gloom did not last long though. Dialog executive chairman and founder Tan Sri Dr Ngau Boon Keat was in church when a pastor appealed for food aid for a community in Selayang. As on previous occasions, kind people were expected to collect bags of rice, noodles, milk and other food items and physically deliver them to individual homes. Ngau fielded the idea of using the MyKad system to help them. The difference was that the general public would no longer use the system for petrol; only registered users, identified as underprivileged, could shop for food.

As the tech team got to work, they found that many of these families did not even have a bank account. So they innovated again and took the bank out of the system and consciously made it as simple as possible for the beneficiaries and retailers. Now it connected MyKad holders directly to retailers. The money was at the back end, not on the card itself. At the point of sale, the MyKad is presented, the retailer dials in, gets a signal, the PIN is keyed in and the purchase is authorised. At the end of the day, the retailer submits a sales report and gets paid.

In December 2008, the 25 Selayang families were invited

Ngau and his wife Jean receiving the UN Malaysia Award 2018

to use their MyKad to shop for food. The retailer was a Caltex petrol station in their neighbourhood. The owner, Nik Ruziah Nik Salleh, a strong supporter of the idea, had deliberately stocked rice, cooking oil and other food items not typically found in petrol station stores.

It was a big moment and as clear as day when technology translated into welfare. In April 2009, the MyKasih Foundation was born and the Love My Neighbourhood programme launched. The number of people receiving food aid multiplied rapidly, more retailers came on board and corporations took notice of the cashless method that ruled out wastage, leakage and the physical act of delivering aid to the needy.

In 2012, the student bursary was launched. Pupils on the Love My School programme are issued smartcards because parents typically do not allow their schoolgoing children to carry their MyKid or MyKad. The smartcards — with the children's names and photographs — can be used in school canteens and bookshops. At year's end, sponsors like to top up the smartcards for a limited period so children can buy uniforms and shoes as well. More than 20,000 smartcards have been issued to date. Teachers help manage how the children spend with their smartcards. On the ground, it means these children can have a meal at school and buying stationery at the bookshop is both a necessity and a matter of pride.

There is a starting cost — about RM1,000 for a dedicated terminal to be installed at a retailer to read the MyKad, which is absorbed by MyKasih. It needs only a working phone line. The system will pay only for merchandise with a barcode already on an approved list.

Abuse is rare but unusual spending patterns detected by the system offer insights into human needs. Like the Primary One boy who bought a large number of erasers. Teachers found that he wanted his classmates to have one each. It was purely an act of kindness. Or the housewife who suddenly began buying numerous bags of rice. During her food aid year, she was, for the first time in her life, actually able to start a nasi lemak business. Both cases are aligned with MyKasih's own goals: kindness and independence. **E**