

SPECIAL REPORT ON POVERTY | THE ROLE OF FOUNDATIONS

YAYASAN PETRONAS



Complex issues involved in HELPING THE POOR

BY SYAHIRAH SYED JAAFAR AND SYAFIQAH SALIM

The government's social safety net offers vital support for vulnerable groups, but its official data on poverty fails to capture the extent of deprivation among the poor, say charity organisations that bring aid to affected communities.

Foundations that provide a range of benefits to the poor report that their efforts need to be multiplied to reach more people who qualify for assistance but who don't get help because resources are limited.

One issue is that poverty has many dimensions and needs to be tackled from many angles. For example, Yayasan Hasanah — a foundation under Khazanah Nasional Bhd that supports community development along with other philanthropic services — recognises that the face of poverty is different in urban and rural settings.

"Those in urban areas are more vulnerable to economic shocks or pandemics such as Covid-19 as they are dependent on earning daily wages to buy food. When they lose jobs or cannot go out to work, their purchasing power reduces a great deal and this has several consequences for their families," says Yayasan Hasanah managing director Shahira Ahmed Bazari.

In the rural areas, the poor will still be able to have food regardless of a pandemic or economic downturn for as long as they have farmland, says Shahira. However, they would lack quality education or digital resources to help them market their products to ensure they have sufficient income for the family.

Given poverty's many facets, foundations have to spread out the aid to different groups of vulnerable people to maximise their reach. For instance, Yayasan Hasanah's special grant initiative with the Ministry of Finance, as part of the Prihatin Rakyat economic stimulus package to combat the impact of the Covid-19 pandemic, has approved 42 projects with a total amount of RM7.6 million, with RM3 million disbursed so far.

"The most recent approved projects included providing vocational and social skills training to disabled youth to allow them to enter the job market, entrepreneurship training for disabled persons and single mothers, restoring padi-farming efforts as an alternative source of food and income for selected communities, providing access to rehabilitative services

for stroke survivors, tele-mental health support services for cancer survivors, building resilience in children to adapt to changes due to Covid-19 through certain interventions and the care of endangered animals," says Shahira.

According to Yayasan Petronas, it has started to encounter more instances of poverty in urban areas, although those who lack basic needs tend to come from the more rural parts of the country. "This may be due to the rising cost of living, sudden shifts in job opportunities and, most recently, the economic fallout of the Covid-19 pandemic," its CEO Lita Osman tells *The Edge* in an email.

Yayasan Hasanah's community engagement and data collection show that most of the disadvantaged are in the informal sector, hence they have no formal social safety nets such as pension funds, social security funds and health insurance as they are largely self-employed and rely on daily wages or income from micro-businesses and are thus living from hand to mouth. The situation becomes more dire when they have large families, says Shahira.

Yayasan Hasanah's community development projects include working with low-income women as well as low-income youth and children. Its initiatives include providing interest-free micro-loans to poor women to help them grow their micro-businesses as well as entrepreneurship training. The foundation also teaches digital and entrepreneurship skills to secondary school students and unemployed youth to support them in increasing their incomes.

Shahira notes that access to different types of social safety nets depends on the recipients being aware of their rights to such protection, having the ability to apply for these benefits and ensuring that they are eligible. "Our engagement has shown that many members of these communities do not know how to access the available social safety nets that they are entitled to, and outreach programmes are sometimes too complex for them to understand due to the formal language used. Moreover, there are many who may not be included in government databases and may miss out on the government's social protection," she explains.

Yayasan Petronas says the job of transforming the fortunes of disadvantaged groups should be a shared responsibility as it is a huge undertaking. "We need solutions, not a single solution, and the best way forward is more public-private collaborations, partnerships with non-governmental organisations (NGOs), experts and think tanks to help us

A lifeline for families on a shoestring

BY SYAHIRAH SYED JAAFAR

Help in the form of essential supplies makes an important difference to the poor, despite the best efforts of public and private institutions to address the root causes of poverty.

This is the idea that drives the MyKasih Foundation, which was established in 2009 by Dialog Group Bhd co-founder and executive chairman Tan Sri Dr Ngau Boon Keat and his wife Puan Sri Jean Ngau. The focus of the charity is on helping disadvantaged groups through food aid and education.

The foundation runs two cashless welfare programmes, namely the MyKasih 'Love My Neighbourhood' food aid programme, and the MyKasih 'Love My School' student bursary programme. The beneficiaries are Malaysian households earning a combined monthly household income of RM1,500 and below.

The distinguishing feature of these programmes is that they run on a cashless payment system, using the chip technology of the national identification card, or MyKad, to disburse aid to target beneficiaries.

Under the food aid programme, registered recipients use their MyKad to draw upon a minimum monthly allowance of RM80, which is contributed by donors, to purchase essential food items from 10 different product categories — such as rice, cooking oil, canned foods, biscuits, bread, noodles, seasonings, eggs, beverages and flour — at partner retail outlets.

The foundation partners retail outlets nationwide, including Giant, Econsave, The Store Pacific Milimewa, 99 Speedmart, Tesco and AEON, as well as smaller supermarkets and mini marts, to enable its welfare recipients to purchase approved essential items using their MyKad.

"This method of cashless welfare disbursement direct to low-income households was particularly useful during the Movement Control Order (MCO) when NGOs and volunteers were hard-pressed to procure, pack and deliver food aid to poor families. With so many restrictions in place, many corporations and NGOs opted to use our system to deliver aid to communities they were supporting. The system was made available for their use at no cost," the foundation tells *The Edge*.

Essential aid has become a critical lifeline for many households that were suddenly left without any income following the Covid-19 outbreak, which led to the imposition of the MCO.

Responding to their hardship, charities like ECM Libra Foundation have expanded beyond their traditional areas of work in education or community development to ease the burden of needy families.

ECM Libra Foundation chairman Datuk Seri Kalimullah Hassan was prompted to fund food aid programmes in Kuala Lumpur when he found that thousands of urban poor



Students from B40 households, including the Orang Asli, are not left behind in 21st-century learning. Out of the 108 schools and 10,000 students MyKasih is currently supporting, more than 5,000 students are indigenous studying in 31 Asli schools. All the schools are equipped with robotics and computer labs for interactive learning.

MYKASIH



The aquaponics edible garden project forms part of the MyKasih 'Love My School' programme, which teachers use to teach Science, English, Bahasa, Mathematics and Engineering to primary and secondary schoolgoers. Students also learn about healthy eating as they get to consume nutritious greens and fish, which the system yields.

who had lost their jobs were skipping meals, stealing, or pawning their possessions to feed their families.

In July, following the launching of the food aid programme, he envisaged that the funds that were raised could be used for essential supplies for 6 to 12 months, after which the vulnerable groups could be expected to get back on their feet again.

For MyKasih's student bursary programme, beneficiaries are able to use their MyKad-linked student smartcard to buy food and drinks at school canteens, as well as books and stationery at school bookstores in a cashless manner.

"Since the foundation's establishment, we have channelled RM280 million worth of aid to more than 300,000 families and students nationwide. Our donors are corporations and individuals who trust that 100% of their contributions go towards essential items to help poor families meet their immediate needs," MyKasih says.

The foundation believes its cashless welfare distribution system has the potential to help improve Malaysia's social aid distribution. It has been successfully adopted by government ministries and state zakat agencies, as well as corporations for their corporate responsibility initiatives, to provide direct and targeted aid via the MyKad and MyKasih smartcard.

Facilitating partnerships is important in this effort and MyKasih plays a crucial role in mobilising donor finance from public and corporate bodies towards communities who are most in need.

"We team up with corporates, NGOs, social-purpose organisations and the public sector to provide health screening, entrepreneurship training and educational assistance to low income families and school-going children. Through our cashless aid delivery and financial literacy and entrepreneurial income-generation programmes, we have been able to assist low-income families in Malaysia to break the cycle of poverty," it says.

Still, the foundation acknowledges that more needs to be done in efforts to reach out to the B40 segment, especially the Orang Asli.

"Vast sections of the country's poor remain under-served. As the responsibility in supporting the poor must be shared between the private sector and the government, we encourage more effort from the private sector to serve the poor through smart partnerships," says MyKasih. **E**



Ngau set up MyKasih with his wife in 2009

THE EDGE

A historic chance to prosper common folk

BY RASH BEHARI BHATTACHARJEE

Access to technology is the golden key to unlock the future for poor students in government schools, says a young changemaker who is leading a movement to transform their lives.

Raj Ridvan Singh, 37, is the founder of SOLS 24/7, an award-winning humanitarian organisation that works with underserved communities.

When the Covid-19 pandemic forced schools to be closed earlier this year, he saw that poor children would be the most badly affected because they do not have the digital devices that enabled their richer peers to continue their lessons remotely.

"That means today, because of digitisation, the middle and upper-middle classes will be able to continue getting education, while the poor get left further behind," he says in a virtual interview with *The Edge*.

"The digital gap will become the digital education gap," says Singh.

That prospect was underlined by a Ministry of Education survey in March which showed that about 36.9% of 900,000 students affected by school closures have no access to an electronic device to engage in e-learning programmes.

The extent of the problem is probably much larger than the survey suggests, says Singh, considering that some seven million children and young persons are engaged in education from the pre-school to tertiary levels.

With the self-isolation made necessary by the Covid-19 outbreak, Singh saw the need to go online to deliver the training programmes that are the hallmark of his organisation.

It turned out to be an eye-opener about the potential of the digital education platform.

SOLS 24/7 delivers a variety of education and social empowerment programmes with a team of over 200 members from more than 50 countries. It has trained over 400,000 participants in English, IT and character development since its establishment in 2000.

"We had zero experience delivering online," says Singh. "Then, because of Covid-19, I told everyone we're going to run our classes virtually."

As a Google for Education partner, the team was familiar with Google tools. Being comfortable with the technology, they quickly put together a simple website for students to access.

"We were already teaching 1,500 to 2,000 students in Malaysia daily in seven locations before the outbreak. We thought we could hit 500 to 1,000 students online. But to our great surprise, we hit over 24,000 in three or four months. All this with less than 20 trainers," says Singh.

Encouraged by the response, the team started training some government school teachers to use the Google for Education platform, guiding them on how to digitalise their lessons.

"It showed that you don't need a three or four-year programme on digitalisation. Within 20 hours, any government school teacher could be ready and certified," says Singh.

The programme, promoted by the Ministry of Education and Google, was offered free to all teachers. About 2,500 government school teachers from across the country, including Sabah and Sarawak, took the initiative to join the online sessions and were trained.

innovate our way to enrich lives for a sustainable future for all Malaysians," says Lita.

Mah Sing Foundation believes that strategic partnerships are important for philanthropic efforts to have an optimum impact on society. "For example, we work with Yayasan Generasi Gemilang for the children's education programme as they are experts in that area," says Mah Sing Foundation chairman Datuk Indera Syed Norulzaman Syed Kamarulzaman.

"For our health and well-being programme, we have partners like SOLS Health, which has in-house psychologists to run family support activities and modules. For community development, our partner in Sabah — Hopes Malaysia — has



RAJ RIDVAN SINGH

Singh: The digital gap will become the digital education gap

Singh speaks with deep feeling about the potential for upscaling this effort and transforming the national education system.

"We have the opportunity to flip the narrative, where we could become one of the first countries in the region to digitalise our entire education system, by tapping our communications infrastructure and our trainers. Most importantly, we have the money within the economy. It's just whether we want to allocate it for the appropriate purpose," he says.

Drawing on the experiences of countries like Indonesia and China, Singh is hopeful that the authorities will empower the experts in the field to lead the effort.

Indonesia realised the power of the digital medium, and the need to completely change the mindset of the people, he points out.

Having a young population that is very savvy about the digital environment, its president Joko Widodo (Jokowi) made Gojek co-founder Nadiem Makarim, "who understands digital technology inside out, and understands how to bring that technology to the masses", the minister of education.

In Malaysia, however, the political will that is needed to make this happen in the education sector has been lacking.

When the Movement Control Order forced commerce to go online, businesses were quick to adapt.

"Businesses went dynamic, working places went dynamic, [but] why did the schools not become dynamic?" asks Singh.

For that to happen, he believes that younger people who are in tune with the digital world must be given the opportunity to advise the decision-makers.

"How can you have a bunch of people who don't understand technology, who don't know coding or programming, or have never been part of a tech start-up, lead the digital transformation of the entire education system for this country?" Singh asks.

"The challenge is to use the power of technology to enhance the delivery of the current education system. I believe that within two years of enduring the discomfort of adapting to change, we will be ready. The moment it becomes the new norm, Malaysia will fly because [we have an] advantage over other countries like Indonesia or Thailand in that our infrastructure is much better. But we are not leveraging it," he says.

The Ministry of Education has been approached for comments on this issue. However, at press time, it had yet to respond.

"Can the education system in Malaysia be digitised in a short span of time? My answer is, you absolutely can," says Singh. **E**

direct access to villagers and understands their needs and the support needed."

To get communities out of the cycle of poverty, charity foundations believe in focusing on providing better access to basic needs such as clean water, food and shelter, followed by increasing access to quality education. "Only with access to things like clean water, food and shelter can basic education such as literacy and numeracy follow," says Syed Norulzaman.

In 2019, Mah Sing Foundation said it had impacted the lives of 23,000 individuals, assisted more than 40 schools and NGOs and contributed more than RM2.1 million. While

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SPECIAL REPORT ON POVERTY | THE ROLE OF FOUNDATIONS

The many facets of poverty

BY RASH BEHARI BHATTACHARJEE

Malaysia's efforts to address poverty have received praise from many quarters, but the measurement of poverty has remained a sticking point.

The latest milestone in the official definition of poverty was set in July, when the Department of Statistics (DoSM) revised the poverty line income (PLI) from RM980 per month to RM2,208 per month.

"Debates on the concept of poverty and poverty measurement in Malaysia have been going on for many years, suggesting the need to revise its PLI to be more reflective of the country's economic development and the well-being of its people," says Emeritus Professor Datuk Norma Mansor, director of the Social Wellbeing Research Centre (SWRC) in a commentary for *The Edge*.

The revision of the PLI follows criticism by Prof Philip Alston, former United Nations Special Rapporteur for Extreme Poverty and Human Rights, that Malaysia's national poverty rate of 0.4% — the

lowest in the world — was "misleading and unrealistic".

As poverty is a multidimensional concept, its measures and perceptions vary, explains development economist Prof Niaz Asadullah in an email to *The Edge*.

"The most common and internationally comparable measure is one where poverty is defined with reference to income deprivation; the focus is also on absolute poverty. Malaysia follows this approach," says Niaz, who is professor of development economics at University of Malaya and Southeast Asia lead of the Global Labour Organisation.

DoSM uses a PLI that is calculated based on an assessment of the cost of basic needs. It's a "head count approach", where poverty is measured as the number of people below PLI, he says.

The "basic needs" concept refers to a consumption basket comprising food and non-food items necessary to achieve the minimum standard of living that is socially acceptable. The government calculates the amount of household expenditure necessary to meet basic food and non-food needs, then uses the expend-

iture figure to determine whether households fall above or below the PLI, says Niaz.

In addition, says Norma of SWRC, the multidimensional poverty index (MPI) was introduced in the 11th Malaysia Plan, providing a comprehensive and in-depth picture of poverty via optimum dimensions — health, education and standard of living — to better reflect the social mobility of households in Malaysia (see box).

In the past, the measurement of poverty failed to capture the complexity of the issue because too few parameters were used.

When introduced first in 1977, the PLI was calculated for a household of five members. In between, the minimum required figure was only adjusted annually for inflation using data on the Consumer Price Index (CPI), says Niaz.

Following the 2004 revision, multiple PLIs have been introduced, recognising that the minimum income threshold varies for each household depending on composition, age distribution and location, that is, rural versus urban settings.

Based on the 2005 methodol-

ogy, the national PLI was RM980 per household per month and the official poverty rate declined from 49% in 1970 to just 0.4% in 2016, Niaz notes.

Following the latest PLI revision, the poverty rate is 7.6% for 2016. For 2019, figures are 5.6% (in terms of the new PLI) versus 0.2% (old PLI).

"However, even the new PLI is considered not on a par with Malaysia's country peers in terms of income level. One reason is the underestimation of the non-food

share of the index (as food items dominate the basket)," says Niaz.

The higher food share reflects a shift in emphasis to healthy food requirements in the household diet, but the assessment is still about absolute requirements, he says.

In a relative assessment of poverty, non-food items receive greater weightage. In Malaysia, about 100 non-food items are considered based on DoSM survey data on spending patterns of the B20 group, says Niaz.

"Since non-food necessities de-

Multidimensional Poverty Index

In Malaysia, poverty has traditionally been measured on one dimension, namely income, using the PLI. Households that do not meet a specific income requirement are considered poor. In 2010, the United Nations Development Programme (UNDP) introduced the MPI in its Human Development Report.

In line with this practice, Malaysia has also developed a national measurement of MPI that is appropriate to the socio-economic wellbeing and development framework of the nation. The use of the MPI will ensure that policy deliberations will shift beyond poverty to include vulnerability as well. The MPI will complement the PLI to measure and monitor poverty from multidimensional perspectives.

The MPI reflects both the incidence of multidimensional deprivation (the number of people who suffer deprivations in multiple aspects of life at the same time within a given population) and its intensity (how many deprivations they experience at the same time). The model comprises four dimensions with 11 indicators. Households deprived in at least one third of the weighted indicators are considered vulnerable to or at risk of becoming multidimensionally poor.

Dimensions, indicators, cut-offs and weights for MPI

DIMENSION	INDICATOR	DEPRIVATION CUT-OFF	WEIGHT
Education	Years of schooling	All household members aged 17-60 have less than eleven years of education	1/8
	School attendance	Any school-aged children (aged 6-16) not schooling	1/8
Health	Access to health facility	Distance to health facility is more than 5 kilometres away and no mobile health facility is provided	1/8
	Access to clean water supply	Other than treated pipe water inside house and public water pipe/stand pipe	1/8
Living Standards	Conditions of living quarters	Dilapidated or deteriorating	1/24
	Number of bedrooms	More than 2 members/room	1/24
	Toilet facility	Other than flush toilet	1/24
	Garbage collection facility	No facility	1/24
	Transportation	All members in the household do not use private or public transport to commute	1/24
Income	Access to basic communication tools	Does not have consistent fixed line phone or mobile phone	1/24
	Mean monthly household income	Mean monthly household income less than PLI	1/4

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Long-term efforts needed for real change

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efforts need to be multiplied, the foundations agree that they also need to be spread out over the longer term to bring about real change.

As for Yayasan Petronas, it recently launched a 24-month flagship programme called MEKAR, or Memampan Ekonomi Asas Rakyat. It utilises three approaches to address poverty — supporting under-

privileged communities with access to basic provisions and infrastructure, providing skills training and motivation to improve their employability and increase their incomes, and enabling market access to provide communities with steady and sustainable streams of income.

“Program Mekar is an extension of Petronas’ 2017-2019 Planting Tomorrow Programme, which partnered government

agencies and NGOs to help communities in Sabah and Terengganu to be self-sustaining. The initiative reached 1,080 families, of which 80% saw an increase of RM500 to RM1,000 in household income,” says Yayasan Petronas’ Lita.

“Over the next two years, MEKAR aims to assist 3,400 low-income families across eight states — Kedah, Kelantan, Terengganu, Pahang, Selangor, Johor, Sabah and Sarawak.”

SAM FONG/THE EDGE



Norma: It is a major challenge to ensure that the rights to social protection becomes a reality where no one is left behind

PATRICK GOH/THE EDGE



Niaz: According to one estimate, the number of urban Malaysians reportedly not having enough money for food has increased more than threefold ...

pend on the norms in society and the necessities change as others in the society get better-off, OECD countries use relative poverty lines, which is a function of a country’s median income,” he says.

To complicate the picture, poverty shows in different ways in urban and rural settings.

“It is different mostly in terms of cost of living and the social standards of what defines basic necessities and human dignity in the separate settings,” says Niaz.

For example, housing cost dominates as a concern with reference to the cost of living in urban areas compared to rural areas. Some 24.8% of urban residents reported not having enough money for shelter in 2018 (compared to 18% in rural areas), he says.

Concern over relative deprivation is also higher in urban locations.

Third, concerns over rising food prices have also increased sharply in urban areas.

“According to one estimate, the number of urban Malaysians reportedly not having enough money for food has increased more than threefold (from 8.6% to 28.7%) during the 2012-2018 period,” says Niaz.


However, geographic isolation due to poor public amenities is a greater concern for the rural poor.

For SWRC, to promote the well-being of the people, it focuses on the plight of vulnerable groups through multidisciplinary research on social protection.

The think tank, which was established with a grant from the Employees Provident Fund in 2011, bases its work on the concept of social protection, which implies systematic intervention to help avert poverty or to improve the plight of the poor by the state in a market economy to achieve distributive justice.

As Malaysia progresses towards the status of a developed nation, it is a major challenge to ensure that the rights to social protection becomes a reality where no one is left behind, says Norma.

“Comprehensive social protection entails income security and access to social services including healthcare and long-term care. Failure on the part of the government to provide such social protection may cause these groups of society to slide into poverty, hindering socio-economic equity and cohesion,” she says.



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