

Report: Poverty Rates Increase In Malaysia As 20% Of M40 Households Move Into B40
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We've all seen the severe impact of Covid-19 on our economy and our livelihoods, but with these recent numbers on our poverty rates, we finally have a better understanding of how badly we've been hit.

The Department of Statistics Malaysia (DOSM) recently released their Household Income Estimates and Incidence of Poverty Report 2020, and the results are not pretty.

Based on their report, the incidence of absolute poverty has increased to 8.4%, as compared to 5.6% in 2019. This means that the incidence of hardcore poverty has also increased to 1.0%, as compared to 0.4% in 2019, which involves 78.0 thousand households (27.2 thousand households in 2019).

Household incomes have also severely decreased, with 20% of M40 households (earning between RM4,850 and RM10,959) moving into the B40 group and 12.8% of T20 households moved into the M40 group.

On top of that, B40 and M40 households both experienced a decrease in income distribution to 15.9% for B40 (16% in 2019) and 36.9% for M40 (37.2 per cent in 2019), whereas T20 households, which own 47.2% of the income distribution increased by 0.4% in 2020 from 2019.

Despite a portion of T20 households experiencing lifestyle changes as they move into M40 status, we can't help but notice that there still was an increase in income distribution for the existing T20 group when M40 and B40 households are experiencing decreases in income.

The report added that the Covid-19 outbreak has had a significant impact on the structure of household groups in Malaysia but the country may still be able to recover. "The impact may be temporary as the economy is expected to improve and recover as the spread of the pandemic can be contained."

However, they also pointed out how the federal and state government play a key role in cushioning the impact of the pandemic as well as towards reviving the household income and the country's economy.

We genuinely hope this inequality is eradicated as the authorities look into rebuilding and reviving our country's economy.

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