

## **Ensure recipients deserve new IKRAM scheme**

LETTERS: A recent announcement by the Minister of Local Housing Government to introduce the 'Rumah Kediaman Malaysia (IKRAM)' is indeed timely. Five states involved in the pilot incentive include Selangor, Kuala Lumpur, Kedah, Kelantan and Johor.

This initiative deserves applause as it shows that the government is mindful of the people's struggle, especially with the unprecedented challenges due to the Covid-19 pandemic.

In addition, Kedah and Kelantan had been impacted by the flood disaster, which potentially influenced the employment activities in these States in general.

Although there is a modest recovery of **employment in January 2021** recorded by the Department of Statistic Malaysia, there is a surging rise in the employed but temporarily jobless category. The statistic showed an increase from 142,600 people in December 2020 to 158,900 in January 2021.

They may be technically 'working', but in reality, they are potentially facing a severe reduction in their monthly income, faced with other hardships and challenges in fulfilling their necessities, including monthly housing loan payment.

As such, to ensure the correct recipient is being targeted under this incentive, there are some elements that the government should consider.

For a start, since the monthly rent is as low as RM124, it may encourage some people to claim that they are facing possibility of losing their homes and so deserved help.

Furthermore, as humans tend to act based on their self-interest, adverse selection situations or pre-contractual opportunism may exist during the application, as applicants may withhold certain information to increase their chance of access to the housing.

However, since certain provisions need to be made regarding allotting public housing, more significant attention should be given to its allocation and distribution.

A necessary precaution mechanism is required to ensure the incentive will be given to the correct recipients. The respective body should make further inquiries to ascertain that the person is actually on the verge of losing their home, for a start.

Also, the quality of information validation is required to verify the information supplement by the applicants. Rather than taking information at face value, the mechanism to check and verify should be very well in place.

Stringent mechanisms should be introduced as it is essential to avoid crowding out those who are actually in need. Kudos, however, to KPKT for the effort and initiative!

<https://www.nst.com.my/opinion/letters/2021/09/728364/ensure-recipients-deserve-new-ikram-scheme>