

Formulate credible approaches to fight poverty in pandemic age

Poverty is on the rise and the Covid-19 pandemic is pushing hundreds of thousands of people towards an economic cliff.

As for us, a recent Department of Statistics Malaysia (DOSM) report on household income indicated nearly 12.5 per cent of households are earning less than RM2,500.

The same report goes on to show thousands more Malaysians are living below the poverty threshold, where they earn less than RM2,208.

In addition, data has also shown that the T20 and M40 groups fared worse, with 12.8 and 20 per cent of households demoted to M40 and B40 groups, respectively.

The increasing number of poor families is due to rising unemployment and reduction of income, resulting in an increased number of households living below the poverty threshold.

In Malaysia, where the median monthly household gross income fell to negative 11.3 per cent, leaving 639,000 new poor households last year. We are not alone.

In the Philippines, Covid-19 pushed nearly 2.7 million Filipinos below the national poverty line; Indonesia and Thailand have seen 2.76 million and 1.5 million more people, respectively, being pushed into poverty.

Indeed, the quality of life is deteriorating, which has led to other consequences like increasing reported cases of suicide.

In Malaysia, there were 631 suicide cases recorded last year, an increase from the 609 recorded in 2019. And, 468 cases have already been reported in the first five months of this year.

Given the increase in households depending on income support and other types of welfare assistance, there is little doubt that poverty has worsened.

In response, many governments have increased the allocation of relief and broadened eligibility criteria for distribution of aid to affected groups.

Singapore and Indonesia introduced a range of stimulus packages and financial support programmes for individuals, households and businesses.

It should be noted that a monetary approach remains the most commonly used method in mitigating the pandemic's impact.

It's the same here. The government has initiated financial support programmes for businesses, like cash assistance, loan moratorium and food baskets.

Perhaps, questions have to be asked in relation to these initiatives, including whether the range of "generous and comprehensive" welfare policies made suitable progress in reducing hardship and poverty.

Nevertheless, through a multidimensional poverty framework, additional mechanisms can be developed to appropriately reflect the poverty level of households while fighting the pandemic.

A radical departure from conventional poverty measures is essential since the current income-based approach has so far failed to provide sufficient insights into the many poor households.

Thus, it would be wise to make use of multidimensional measurements which incorporate a broad range of basic attributes such as education, health, water, and sanitation which are assumed to reflect the complex state of poverty.

The multidimensionality poverty index, which was introduced in 2015, is the manifestation of a strategic shift by the government to acknowledge the multifaceted dimensions in measuring poverty.

Some measures can be found in the National Key Result Areas, designed to improve the socio-economic growth of the country.

This can serve as a barometer to determine appropriate policy actions as part of the Government Transformation Programme. At present, additional indicators need to be devised to cushion the impact of Covid-19.

It is undeniable that the nature of poverty has changed due to the pandemic; but, through this multidimensional perspective, households with a higher risk of being both monetarily and multidimensionally poor can be adequately cared for.

This would allow the government to formulate better and more credible approaches which can effectively fight poverty in this pandemic age.

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