



Poverty In Malaysia

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ABSTRACT

This paper examines the causes of poverty and the causes and programmes to eradicate poverty in Malaysia. This paper focuses on the grounds of poverty that occurs in rural areas. The government introduced various initiatives to help increase the income gap of the rural population. Amanah Ikhtiar Malaysia (AIM), Economic Fund Business Group (TEKUN) and Muda Agricultural Development Authority (MADA) are three important institutions that are active in development programmes and can be entrenched with poverty eradication programmes in Malaysia.

Keyword: Poverty in Malaysia

1.0 INTRODUCTION

The goal of this research is to understand better what poverty is, why it exists, and what programmes are available to combat it. This is carried out at the level of ministries and government agencies to address the issue of poverty in the country. The location of this study is done in Malaysia. Among the importance of this study is to bridge the poverty gap regardless of the race between the lives of the poor and the rich. In this regard, those who live in poverty also do not lag behind in achieving a more comfortable life. For example, the Ministry of Education ensures that no one is marginalised in the inductive education system.

This is because education can change lives for the better and break out of the violent rotation of poverty. In addition, the importance of this study is also to ensure the needs of the residents in the future to be more effective. In this regard, the government introduced many public policies and social interventions, such as the Bantuan Sara Hidup (BSH) programme. However, there are various challenges faced in solving this problem. For example, inefficient and effective implementation, an overlap of objectives of the programs and in turn will contribute to waste of funds and lack of effectiveness. The problem of poverty reduction occurs according to the 'downward effect' system, which is the gradual flow of benefits. The effect is slow and not holistically targeted at the poor. In addition, the distribution of the budgets of the poor is seen as unsuits to the poor, and there are those who are not eligible to receive it. This has led to "leaks" in the distribution mechanism from the suitable and highly vulnerable to the rich and unfit to shout it.

2.0 POORNESS

2.1 FINITY OF POVERTY

There are various notions about poverty. According to the leading pioneers of humanitarian development, mahbub Ul-Haq and Amartya Sen (1990), poverty is not just a lack of income. In fact, poverty is powerless; there is

no right to expression and social exclusion. Poverty is, therefore, a complex and multidimensional world that requires precise analysis in all its dimensions.

To provide context for the complex concept of poverty, which has many dimensions. The lack of material and non-material needs is referred to as poverty in this context. This results from flaws in the development planning and management processes, which are discussed further below. Material requirements are divided into two categories: factors that are related to income and characteristics that are not associated with gain education, health, infrastructure, and other non-income factors are examples of non-income factors. Things like money are considered to be income factors. In contrast, non-material needs refer to psychological, emotional, and spiritual (spiritual) factors influencing one's life. Individuals involved in the success of Development Planning and Management are drawn from the family, which serves as the foundation for forming an individual, and their setters are followed by society, the country, and the world.

According to Amartya Sen (1999), the measurement of justice according to obstructed capacity is not measured solely on what is possessed or the level of happiness gained, but on what a person can do and achieve it. The principle of poverty that looks at measures through income and wealth is one of the poverty indicators. However, this measure needs to be improved as the dimension of poverty also includes far greater causes and consequences

2.2 PENYS TO POVERTY

The issue of poverty in Malaysia is no stranger to listening to our society. Extreme poverty can be seen when a household is hindered in providing necessities; food, clothing, health needs, lessons, famine, etc. Poverty can also be divided into two parts, namely, urban and rural poverty.

2.2.1 POVERTY OCCURRING IN CITIES

It stems from rural residents migrating to the city to improve their living standards in a better direction. In this regard, the people who migrate from the rural areas to the town mostly do not have professional skills and find it difficult to get a good job. They also do not receive detailed information on the provision of assistance or loans from government agencies. This group can be seen to be somewhat lagging in its social system and economic system.

Aside from that, they fail to consider factors like the higher cost of living in cities than rural ones. This is because the cost of living in the town is very burdensome, and they have to deal with the high inflation rate. The instability of spending and income will cause them to fall into urban poverty.

In turn, limited employment opportunities in the city are one of the causes of urban poverty. Competition in employment opportunities in this day and age is very high. A total of 3.2 per cent of the unemployment rate in the country, or 510,000 people, was recorded as of December 31. The tariff in the fourth quarter of 2019 was derived from a total of 19 million people who were in the labour force between the ages of fifteen and sixty-four years at the time of the survey (Datuk Seri Dr Mohd Uzir Mahidin, 2020).

2.2.2 POVERTY OCCURRING IN RURAL AREAS

Poverty in rural areas can be seen at the limit of employment where only primary sectors such as agriculture and animal husbandry are done in rural areas. The unseen and unnoticeable development in the rural areas, especially the agricultural industry, has resulted in unprofitable production of products to the farmers themselves. Rural communities are also often marginalised in receiving information in assistance and loans provided to them. At the

same time, there are various subsidies and capital loans provided to these groups to increase the yield of agriculture and animal husbandry.

The same applies to deficient levels of education. This is where people with low educational standards cannot get out of poverty to find better jobs. Jobs need to be on par with the level of education they have. If it is high, then there is a brightening of their chances of getting a better job.

2.3 Poverty Eradication Programme

Since independence, poverty eradication has been a fundamental objective for the development of Malaysia. Amanah Ikhtiar Malaysia (AIM), Kumpulan Usaha Niaga Economic Fund (TEKUN) and Muda Agricultural Development Authority (MADA) are three important institutions that are active in development programmes and can be entrenched with poverty eradication programmes in Malaysia. These three institutions are essential and actively create programmes to increase the income of the poor and the rural population. MADA is involved in developing paddy production through contributions in terms of advisory services and programs to improve infrastructure and increase paddy yield. AIM is engaged in microcredit programmes for poor women. At the same time, TEKUN is involved in microcredit programmes involving existing entrepreneurs. Both institutions provide loan facilities and entrepreneurial training to the people, especially middle and low-income groups.

In addition, to ensure that the needs of the residents' living situation in the future are more effective, Public Policy and Social Interventions have been introduced. For example, the Cost of Living Assistance (BSH) program. The eligibility criteria and the number of benefits received by the residents are such as taking into account the size and composition of the household, and the cost of living varies by state. Furthermore, it also takes into account the factors of existence either in urban or rural areas. This is to ensure the impact and effectiveness of the programme to overcome the previous programmes. Malaysia's transition into a high-income country has been talked about a lot. However, suppose the people of this country equally enjoy the monetary and non-monetary benefits of the country's prosperity. In that case, the true meaning of this transition will be reflected in its effectiveness.

3.0 Conclusion

In conclusion, poverty measurement should be looked at carefully and in-depth by understanding the causes of poverty, as poverty is complex and multidimensional. It focuses not only on income and consumerism but also on the definition of poverty from various dimensions such as famine, unemployment, social injustice, etc. To eradicate poverty, whether it is relative or absolute poverty, all parties, including individuals, governments, private institutions, and non-governmental organisations (NGOs), must join forces in their efforts to do so.

Researchers also argue and propose that the government change the measure of Poverty Line Income (PLI) based solely on income. This is because the PLI set for a household nowadays is around RM980, which is very low compared to the high cost of living. Instead, the government needs to set the PGK looking at geographical factors or areas that differ in spending

In addition, researchers think that the government should adopt the Multi-Dimensional Poverty Index (MPI) to measure and monitor the poverty rate in the country. This is because poverty should not only be calculated on material factors such as income alone but poverty must also be seen and eradicated on non-material factors such as developing human capital. Poverty needs to be stopped at the institutional level of individuals or households. A culture dependent on aid or inheriting poverty needs to be eliminated to break the chain of Violent Poverty Spin.

In conclusion, material and non-material factors are intertwined in the issue of poverty. Neither parties nor individuals are marginalised in implementing development planning and management to eradicate poverty and thus achieve the Goal of SDG 1: No Poverty. Therefore, the government needs to balance the eradication methods channelled to enable the target groups to benefit.

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