

Impact of the Hardcore Poverty Eradication Program (BMT) among the Beneficiaries in Perlis

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Abstract

The hardcore poor in Malaysia, including the homeless, street beggars and those living in severe hardship, earn below the Poverty Line Income (PLI) of RM1,169 per month, making them highly vulnerable to risks in health, safety, and poverty. Since the introduction of the New Economic Policy (NEP) in 1971, Malaysia has made significant strides in reducing poverty. By 1990, the poverty rate had dropped to 15.1%, exceeding NEP's target, and efforts continued with subsequent policies, including the National Development Policy (NDP) and Malaysia's five-year development plans. To address ongoing poverty issues, the Malaysian government has introduced various programs which provide financial aid and tangible assets to those in need. These programs aim to increase household incomes, reduce poverty, and improve living standards. The Hardcore Poverty Eradication Program (BMT), part of the 12th Malaysia Plan (RMK-12), aims to eliminate hardcore poverty by 2025. Launched in 2022, this nationwide initiative targets over 130,000 heads of households and is being implemented in four phases. Universiti Utara Malaysia (UUM) plays a key role in profiling and monitoring participants in Perlis, Kedah, and Penang. This article will explain the monitoring activities that are taking place exclusively in the Hardcore Poverty Eradication Program (BMT) for the state of Perlis. In Perlis, three localities were selected for Phase 1 of the BMT program: Kampung Batu Bertangkup, Kampung Sungai Berembang, and Kampung Syed Omar. As of August 2024, nearly all participants had received aid in the form of equipment to support their income-generating activities. Overall, the BMT program reflects a comprehensive effort by the government to uplift the hardcore poor, providing both financial and practical support to enable sustainable income generation and improve quality of life.

Keywords: Poverty, Hard core poor, Poverty line income, Poverty Eradication Program (BMT) & Universiti Utara Malaysia.

1.0 Introduction

The hardcore poor are part of the vulnerable groups in Malaysia. These vulnerable groups are highly exposed to risks in the country, whether in terms of safety, health or poverty. The homeless, street beggars, and individuals living in hardship are among those classified as hardcore poor, living in poverty and earning below the Poverty Line Income (PLI) of RM1,169

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per month (PLI 2019). These groups are not neglected, they are part of the national agenda, particularly in efforts to address their low income, which is below the poverty threshold.

The New Economic Policy (NEP), introduced in 1971, was one of the policies aimed at eradicating poverty and has demonstrated remarkable achievements. By the end of the 20-year plan, the poverty rate had decreased to 15.1%, below the 16.7% target set by the NEP, and the Gini coefficient had narrowed from 0.513 in 1970 to 0.446 in 1990. The National Development Policy (NDP) 1991-2000 was developed to continue efforts to achieve balanced development based on the NEP's core principles. Under the NDP, policies were formulated to eliminate hardcore poverty and reduce relative poverty between ethnic groups. The agenda of eradicating poverty, addressing hardcore poverty, and narrowing the inequality gap between ethnicities is still being pursued today through short-term plans such as the Malaysia Plan, which is implemented every five years.

2.0 Literature Review

Poverty in Malaysia, especially among the hardcore poor, has been a central issue addressed through various national policies and strategies. The New Economic Policy (NEP), introduced in 1971, marked the first significant step toward poverty eradication in Malaysia. It aimed at reducing poverty by promoting economic development, particularly among the bumiputera community, which was economically disadvantaged. By the end of its 20-year tenure, the poverty rate had decreased from around 49.3% in 1970 to 15.1% in 1990 (Economic Planning Unit, 2021). This policy also helped reduce income inequality, as measured by the Gini coefficient, which dropped from 0.513 in 1970 to 0.446 in 1990 (Yusof & Kassim, 2020).

After the NEP, the National Development Policy (NDP) continued these efforts, with a more targeted approach toward eliminating hardcore poverty and addressing income disparities between ethnic groups. This policy shifted the focus toward more equitable income distribution, aiming for sustainable development that would benefit all Malaysians regardless of ethnicity (Ahmad, 2018). However, despite the success in reducing poverty, income inequality remained an issue that still needed attention in the 21st century.

To address this, the Hardcore Poverty Eradication Program or *Basmi Miskin Tegar* (BMT) were launched as part of more recent efforts under the 12th Malaysia Plan (RMK-12). The goal of these programs is to eliminate hardcore poverty by 2025. This program identifies the most vulnerable households, using a poverty line income of RM1,169 per month as a benchmark, and provides them with targeted assistance to improve their economic status (Bank Negara Malaysia, 2019).

3.0 Hardcore Poverty Eradication Program (BMT)

The government has implemented numerous programs to assist those in need, providing aid not only in the form of cash but also tangible assets. Some of these programs include the Micro Entrepreneur Fund, the Basic Food Assistance Program (Food Stamp) and Fishermen/Aquaculture Assistance. *Basmi Miskin Tegar* (BMT) or Hardcore Poverty Eradication Program is one of the program to decrease the number of hardcore poor in Malaysia.

Household income status in Malaysia is measured based on income levels and is divided into three categories: the Bottom 40 Percent Income Group (B40), the Middle 40 Percent Income Group (M40), and the Top 20 Percent Income Group (T20). The B40 and M40 categories are further divided into four sub-levels, while the T20 group is divided into two sub-levels.

The government previously revised the national poverty line from RM980 (in 2016) to RM2,208 (in 2019). As a result, the number of households below the poverty line (absolute poverty) was 5.6 percent, with 0.4 percent falling under hardcore poverty in 2019. However, due to the COVID-19 pandemic, the rates of absolute poverty and hardcore poverty increased to 8.4 percent and 1.0 percent, respectively, in 2020.

The BMT (*Basmi Miskin Tegar*) (before we call it as BMTKM, *Basmi Miskin Tegar Keluarga Malaysia*) is a new initiative was recently launched. This program aims to eradicate hardcore poverty among heads of households (KIR) and household members (AIR) living in hardcore poverty nationwide by the end of 2025. The implementation of the BMTKM (Hardcore Poverty Eradication Program for Malaysian Families) spans 3 years and 6 months (2022-2025) and began with Phase 1, a pilot project involving 80 localities and approximately 3,000 hardcore poor households. This initiative is part of the government's effort to eradicate hardcore poverty among Malaysian families under the 12th Malaysia Plan (RMK-12). According to national poverty database statistics, as of September 15, 2022, a total of 130,709 heads of hardcore poor households were recorded across the country. The government has allocated RM36 billion to achieve its goal of eradicating hardcore poverty, with the program being implemented in four phases.

The BMTKM, launched by the government, is more comprehensive, with a singular goal of reducing and ultimately eliminating hardcore poverty across the country. This initiative involves collaboration with multiple agencies, including public universities. Universiti Utara Malaysia (UUM) has been appointed as one of the public universities responsible for profiling and monitoring in three states: Perlis, Kedah and Penang.

This article will provide a detailed explanation of UUM's role as a public university conducting profiling and monitoring for Phase 1, specifically focusing on the state of Perlis.

4.0 BMT in Perlis

A total of 68 heads of households (KIR) were involved as respondents in Phase 1. Three localities were selected for Phase 1 of the Hardcore Poverty Eradication Program (BMT) in Perlis:

- i) Kampung Batu Bertangkup (DUN Chuping)
- ii) Kampung Sungai Berembang (DUN Simpang Empat)
- iii) Kampung Syed Omar (DUN Bintong)

As of August 2024, almost all participants (95.45%) in Phase 1 have received the necessary aid and equipment. The first group of heads of households (KIR) and household members (AIR) to receive aid was from Kampung Syed Omar in March 2023, followed by Kampung Sungai Berembang in August 2023 and Kampung Batu Bertangkup in September 2023.

Some participants have successfully used the aid provided and managed to increase their household income. Those who actively utilized the equipment were able to earn an additional income of RM300 to RM500 per month on average. A few respondents even managed to generate an income of RM2,000 to RM3,000. However, there are still respondents who have not yet used the equipment they received and some have expressed their intention to return the equipment. Their reasons vary, including health issues, unsuitable equipment, obtaining permanent employment or a lack of working capital.

Table 1: Three Localities in Perlis for Phase 1

Locality	Number of KIR	State Assembly (DUN)	Status (as of July 2024)	Notes
Kampung Syed Omar	22	Bintong	i) Activities ongoing: 19 ii) Not started: 2 (One due to incomplete equipment, another found permanent work (burger stall and sewing machine)) iii) Returning equipment/partially: iv) Equipment not received:	<i>One respondent could not continue their grocery business as the capital received was exhausted (1). Most are involved in food businesses, tailoring, and grass cutting services.</i>
Kampung Sungai Berembang	26	Simpang Empat	i) Activities ongoing: 21 ii) Not started/Unproductive: 3 (due to lack of skills and time for sewing/cooking/business) iii) Returning equipment/partially: iv) Equipment not received: 2 (boat/engine/rabbit farming)	Most are involved in food processing activities such as making <i>pekasam</i> (fermented fish), shrimp paste, and traditional cakes like <i>bahulu</i> .
Kampung Batu Bertangkup	18	Chuping	i) Activities ongoing: 12 ii) Not started (already received equipment): 4 (due to health issues, lack of skills, or securing permanent jobs) iii) Returning equipment/partially (AIR equipment returned): 1 iv) Equipment not received: 1 (chicken coop) <i>Some AIR sold the equipment they received (freezer, oven, mixer).</i>	Most are involved in food businesses, making <i>kerisik</i> (toasted coconut paste), <i>apam balik</i> (pancakes), and beverages.

5.0 Activities of KIR and AIR with the Assistance Received

A participant from Kampung Sungai Berembang (AIR) has successfully increased his family income by approximately RM1,000 per month and some time more than that by selling soy milk in front of a school. She received a soy milk container, a 10x10-foot umbrella, tables, chairs and a cash assistance of RM1,000. She used the money to purchase high-quality soybeans, which resulted in a delicious soy milk that became popular with the public.





Another respondent from the village, who received car repair workshop equipment, expressed deep gratitude for the assistance. With the tools he received, he was able to perform car repair work more efficiently, which helped him increase his monthly income.



A respondent from Kampung Batu Bertangkup, who received equipment for producing toasted coconut paste (*kerisik*), also managed to improve his family's income. Previously, she produced *kerisik* manually, but with the new equipment, she was able to earn between RM3,000 and RM4,000 per month.



There are also respondents who received equipment for additional income activities, such as making a traditional Malaysian snack (*kuih siput*) but not use the provided tools. This respondent received an industrial machine for making the *kuih siput*, a stove and a sealer. However, due to the high voltage requirements of the industrial machine and the inadequate electricity supply at home, the respondent has been unable to use the machine. Additionally, the respondent did not expect to receive an industrial machine and had only anticipated a smaller one.



Similarly, a respondent from Kampung Batu Bertangkup has not used the equipment provided, including a beverage container, chainsaw, Mitsubishi grass cutter, turbo poison pump, canopy/tent, and a steel table. However, he mentioned that he rents out the beverage container to another vendor for five ringgit per day.



A respondent from Kampung Sungai Berembang also has not used the equipment provided, such as an induction cooker for frying chicken and potatoes, because it was too small and unsuitable for use. The freezer has also not been utilized.



6.0 Conclusion

The Hardcore Poverty Eradication Program (BMT) in Perlis, as part of the 12th Malaysia Plan, demonstrates a dedicated government effort to uplift the hardcore poor by providing necessary equipment and resources to boost income-generating activities. The program's success is evident in the positive outcomes for many participants, with some households reporting substantial increases in income, even up to RM4,000 per month. These achievements reflect the effectiveness of targeted assistance in improving the livelihoods of vulnerable communities.

However, challenges persist for some beneficiaries, particularly in the utilization of provided equipment. Health issues, unsuitability of tools, lack of skills and securing permanent employment have hindered the progress of a few participants. In some cases, equipment was not used or returned, indicating the need for more tailored support and adequate follow-up measures to ensure long-term success.

Overall, while the BMT program has shown significant promise in reducing hardcore poverty, further refinements in program execution, monitoring, and personalized assistance could enhance its impact, ensuring that all recipients fully benefit from the initiative and contribute to the national goal of eradicating hardcore poverty by 2025.

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