Vol. 3, No. 2 | April 2023 ISSN 2811-373X

Protect, Promote and Prevent

Spearheading Social Protection Initiatives for All

UNIVERSITI MALAYA
Pusat Penyelidikan Kesejahteraan Sosial
Social Wellbeing Research Centre
(SWRC)

The Perspective
Demistifying "No One Is Left Behind"
-page 1

Featured Publications
What is MARS?
-page 6
Belanjawanku App Helps Us to Spend Wisely
-page 8

The Perspective

Demistifying "No One Is Left Behind"

The importance of social protection appears to correlate with the socioeconomic development status of a country from the perspective of government responsibility. Simultaneously, public expectation of social protection provision by the government seems to increase together with the level of development. People were less protected before, from the viewpoint of the current social protection system, but not much commotion was made about it.

On the verge of becoming a high-income nation, social protection issues are always the focus of public attention in Malaysia. Seemingly, more people are becoming vulnerable. There are alarming cases of senior citizens falling into poverty due to insufficient retirement income. Government expenditures on social assistance are rising over the years, even if it is still well below the average level spent by other upper-middle-income nations.

Essentially, social protection is an individual responsibility. One should always save for a rainy day. Poverty and heavy dependence on family networks are among the reasons that lowered the need for an individual to save for a rainy day. Meanwhile, government provision for social assistance was widely perceived as welfare payments for limited extreme cases. Although the poverty rate was much higher in the past, the reliance on social assistance was lesser. Consequently, the government's spending on social assistance was low.

Today, the spending is proportionately higher, even when the poverty rate is much lower. At the same time, public demand for social assistance is on the rise. Such a paradox could be due to the notion that the country is turning to a welfare state as it gets richer. For some, the concept of a welfare state is less desirable as it is counterproductive. It imposed a heavier tax burden on the wealthier citizens and is believed to discourage a hard-working attitude among the poorer population.

Social protection should be viewed from a broader perspective to reconcile the welfare state perception. The issue of counterproductivity must be dealt with delicately . Social protection system should be treated as an instrument for development rather than a welfare tool.

There are three pillars of social protection. They are social insurance, social assistance, and labour market intervention. Two pillars, social insurance and labour market intervention, are pro-productivity. For instance, labour market programmes such as training, retraining and so forth are skill-enhancing. For social insurance, the more contribution to a pay-as-you-go scheme like EPF, the higher the savings for the economy. Higher savings, lead to higher investments. The combination of skill

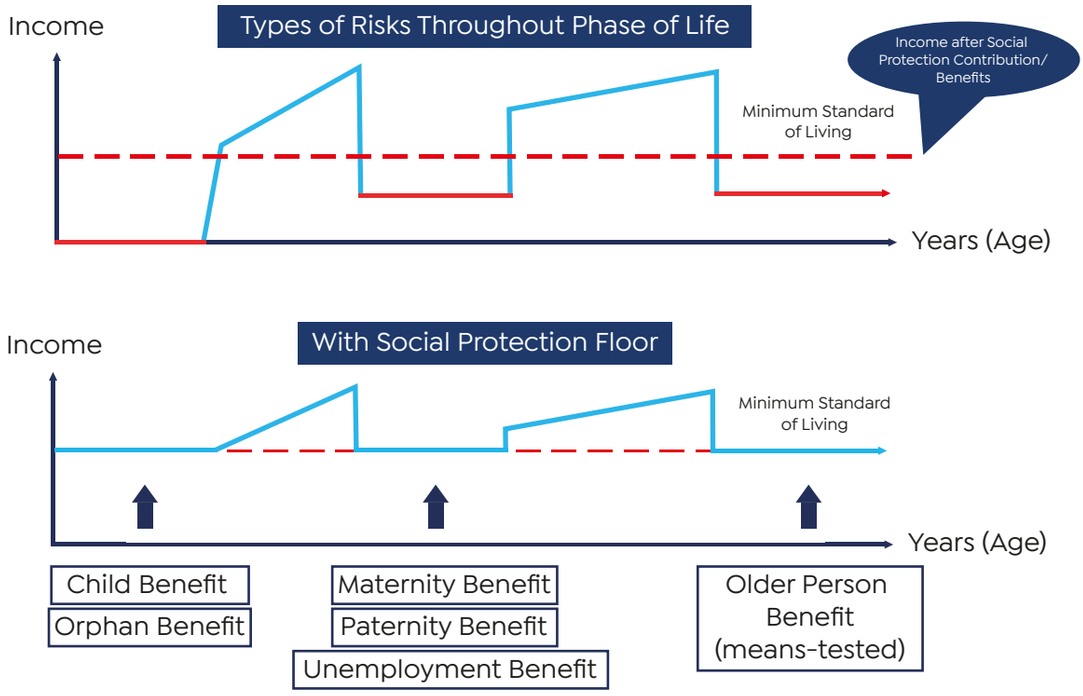
enhancement through labour market programmes and technology-intensive investments spells better economic growth. Consequently, the government will be in a position to deliver better social assistance to vulnerable citizens.

Social protection should adopt the life-cycle approach to ensure better coverage throughout different stages of life, targeting underlying vulnerabilities (Figure 1). A comprehensive social protection floor is crucial for maintaining a minimum standard of living among citizens. People may be exposed to vulnerabilities during certain period of their lives. Therefore, it makes more sense for the state to approach social protection initiatives from a development perspective. Hence, the importance of social assistance in maintaining the social protection floor is crucial.

Despite the rise in government's spending on social assistance in Malaysia, there is still a gap on the social protection floor. Many intended beneficiaries did not receive the benefit. For instance, in 2015, the Asian Development Bank (ADB)[1] reported that only three per cent of intended beneficiaries in Malaysia received social assistance, below the Asia average of 18.4 per cent (refer SWRC Social Protection Bulletin: Protect, Promote and Prevent: Vol. 3, No. 1, January 2023).

Nevertheless, government expenditures on social assistance are rising over time, particularly for cash transfers. In a recent development, the government is expected to allocate RM7.8 billion this year for cash handovers to some 8.7 million recipients under Sumbangan Tunai Rahmah (STR).

Figure 1: Life-cycle Approach Social Protection



Source: Rabi, A., Mansor, N., Awang, H., & Kamarulzaman, N. D. (2019). Longevity Risk and Social Old-Age Protection In Malaysia: Situation Analysis and Options for Reform. Social Wellbeing Research Centre.

[1] The Social Protection Indicator for Asia assessing progress, July 2019, Asian Development Bank (ADB).

Our survey, the Malaysia Ageing and Retirement Survey (MARS), revealed the circumstances of social assistance in the country (refer to page 6 for details about MARS). The MARS Wave-2 shows that slightly more than half (51%) of the households received at least one social assistance, in the form of either monetary or in-kind (Figure 2).

Among the households that had received social assistance, about 61 per cent reported they had received only one type of assistance. The remaining 37 per cent received two to four types of assistance, and two per cent received more than five types (Figure 3). Members of households who received multiple assistance are from varying ages and categories, including children, older adults and persons with disabilities.

The federal government provided almost 85 per cent of the assistance. The remaining 15 per cent came from state governments, civil societies (NGOs), religious organisations, and private/individual contributions (Figure 4).

Figure 2: Households Receiving Social Assistance (%)

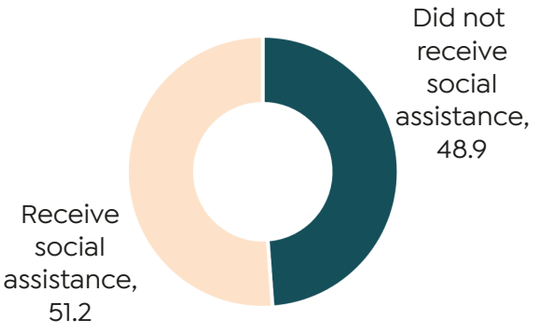


Figure 3: Number of Assistance Received by Households (%)

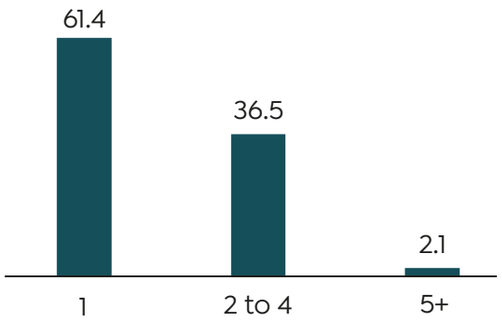
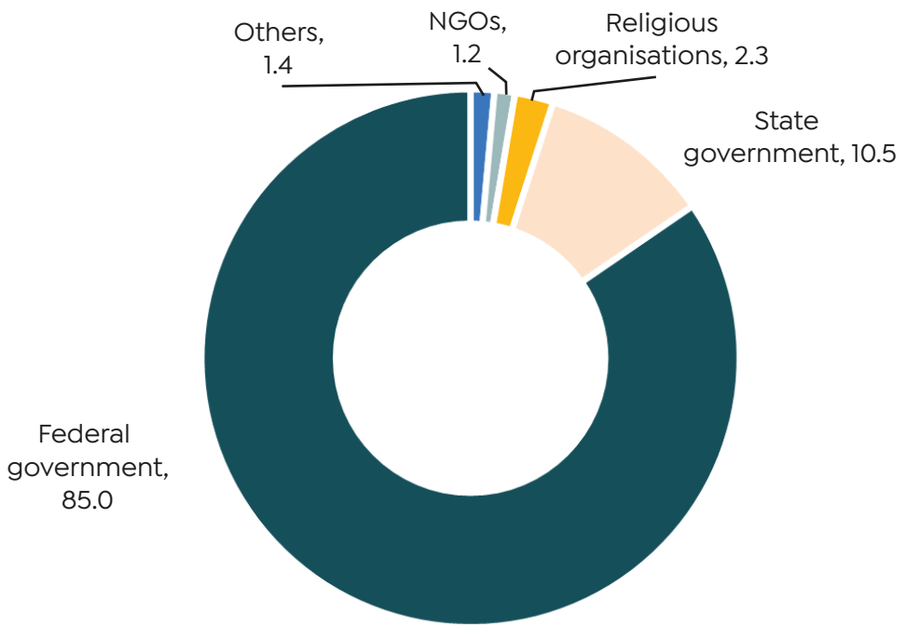


Figure 4: Social Assistance Providers (%)



Apparently, a large proportion of the population do receive social assistance benefits (Figure 2), which hints at a good social protection floor. On the other hand, based on ADB report, many intended beneficiaries do not receive the benefits. This contradiction is due to the possibility of inclusion and exclusion errors. The inclusion error refers to the case that the receivers of the benefits are not the intended beneficiaries. Conversely, the exclusion error refers to the possibility that the intended beneficiaries do not receive the benefits.

The MARS data tends to support both inclusion and exclusion errors. Figure 5 shows that about 45 per cent admitted they require assistance but did not receive any (exclusion error). On the other hand, among those who received assistance, about 43 per cent said they did not require assistance (inclusion error). Be mindful that the respondents for MARS are people 40 years old and above, although members of the households are of various ages. It means both errors could be worse in a wider population coverage.

The exclusion error is a type one error that is a rejection of the worthy. It inflicts a more severe effect on the intended beneficiaries compared to the inclusion error (type two error). MARS data reveals that one-third of the respondents never applied or did not know how to apply for assistance (Figure 6). If the intended beneficiaries are in this group of respondents, they are the subject of the exclusion error.

Figure 5: Exclusion and Inclusion Errors

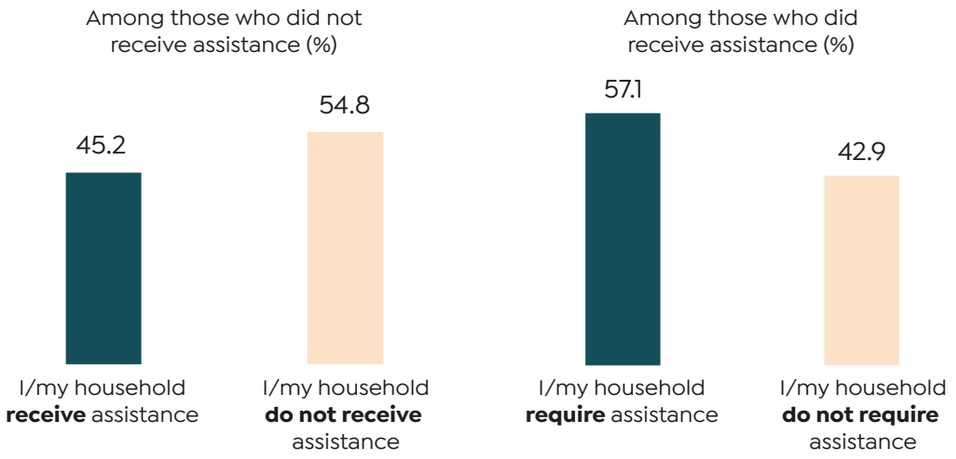
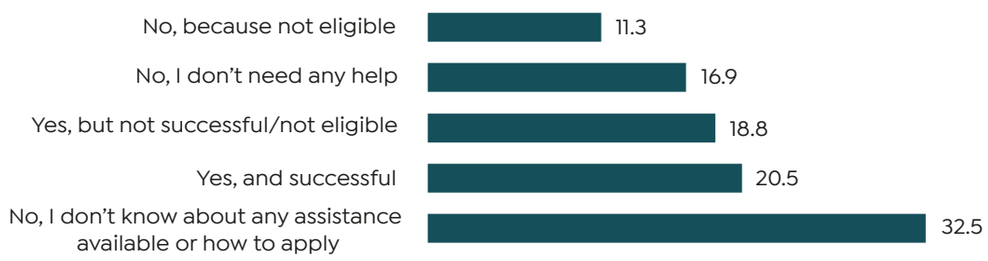


Figure 6: Experience of applying for social assistance programme (%)



High incidence of exclusion and inclusion errors undermine government efforts to enhance the social protection floor. It jeopardised vulnerable citizens despite large public outlays. Hundreds of social assistance programmes were implemented by the government each year. Currrently, there are 167 social assistance programmes implemented by 17 different agencies and ministries (ICU JPM, 2023). The selection criteria for most programmes are based on means tests.

There is an urgent need for improvement in the delivery system of social assistance. An inefficient delivery system hampers government efforts to ensure a minimum standard of living among vulnerable citizens despite the sizeable public outlays. Two areas of improvement that should be prioritised are the target selection criteria and the coordination among providing agencies. The means-tested target selection criteria is prone to a high probability of inclusion and exclusion errors and involves high administrative costs. Therefore, different testing criteria for selection should be explored.

Many social assistance programmes are laudable because they will increase the likelihood of widening social protection floor coverage. However, their delivery effectiveness could be improved through better coordination. The logical solution seems to be appointing a coordinating agency to coordinate all the programmes in order to enhance delivery. Alternatively, digitalisation could be a better solution that can address both priority areas for improvement, target selection and coordination, through information sharing.

What is MARS?

Malaysia Ageing and Retirement Survey (MARS) is a major research undertaking by the Social Wellbeing Research Centre (SWRC) to produce nationwide longitudinal micro-level data relating to ageing and retirement involving personal interviews of individuals aged 40 years and older in Malaysia.

MARS is carried out every 2 years and is part of the harmonised database parallel with leading international family studies, namely, Health and Retirement Survey, USA; Survey of Health, Ageing, and Retirement Europe (SHARE); and Japanese Study of Ageing and Retirement.

MARS collects information on vital issues impacting their lives which include personal (background characteristics, etc.), family (relationship with spouse, parents, children, siblings, transfers, etc.), health (health status, diagnosed illness, healthcare utilisation, physical measurement, etc.), economic (work, employment, retirement, income, etc.) and other social factors (friends, social participation, etc.).

The main objective of MARS is to produce comprehensive micro-level data on various aspects of ageing and retirement impacting the lives of middle aged and older persons. This will provide useful input for policy making and the formulation of a national framework for active and healthy ageing towards strengthening social protection for the country.

Specific objectives of MARS:

1. To produce comprehensive data on an individual, family, social, economic and health of middle aged and older persons;
2. To collect longitudinal data on life histories and experiences of middle aged and older persons over time so as to gain a deeper understanding of the issues and challenges related to retirement and ageing;
3. To offer evidence-based recommendations on opportunities and policies to address the trends that emerge in the midst of population ageing in Malaysia;
4. To be part of the global platform on retirement and ageing research comparable to similar longitudinal studies that can provide the basis for policymaking and academic studies.

Interested in MARS dataset?

For data dissemination, Wave 1 harmonised dataset is currently available upon request through SWRC website (swrc.um.edu.my/mars) and through the Gateway to Global Aging Data (https:/g2aging.org/).

MARS Wave 2 data would soon be available, subject to the completion of data clean-up, data transformation and data harmonisation.

FEATURED PUBLICATIONS

Belanjawanku App Helps Us to Spend Wisely

as featured in NST on 30 January 2023

Malaysia is not the only country facing increased food and energy costs. In fact, our inflation rate at 3.4 per cent is lower compared to Thailand (7.7 per cent) and Indonesia (4.4 per cent).

Having less makes it much harder. At least 8.4 per cent (it was 5.6 per cent in 2019) of Malaysian households, a family of four that earned RM2,208 a month in 2020, are facing hardship.

Although government aid went to the affected people, lockdowns challenged many families' financial buffers. The economic fallout highlighted the need to improve our personal financial management skills.

A recent study shows that only four out of 10 Malaysians understand good personal finance practice. Others lack the awareness and confidence to pursue a disciplined, personal budget.

Furthermore, personal financial planning requires one key discipline: to be able to discern between one's needs and wants, which is about living within your means.

To help Malaysians tackle financial anxiety, the Employees Provident Fund and the Social Wellbeing Research Centre (SWRC) launched the Belanjawanku app for 2021/2022.

It provides price references and integrates real-life spending habits, helping users minimise budgeting errors and keep afloat even in recessions.

The app was created to promote prudent spending and allow people to enjoy a dignified way of living.

It helps individuals and households to assess their financial capabilities before making big purchases that would lead to long-term financial commitments.

Considering the importance of financial buffers in times of emergencies, Belanjawanku includes ad-hoc expenses and recommended savings as part of the 11-item baskets.

The app consists of budgets for nine different types of household, ranging from single individual to married couple. It serves as a reference for individuals and households as they move through different cycles in life.

Using Belanjawanku, they can gauge the difference in expenses due to changes in their lives that include, for example, buying a car, getting married, having children or moving to another place.

The app details 11 items that households typically spend on.

These include food, housing, transportation, utilities, personal care, healthcare, childcare, discretionary expenses, social participation, ad hoc or one-off expenses as well as savings for future needs.

The app also allows users to compare expenses against the recommended budget.

It comes with tips for better personal financial management. Essentially, it guides users in making financial decisions.

The app is available in Bahasa Malaysia and English and can be downloaded for free from Apple App Store and Google Play Store.

Malaysians must start taking steps to improve financial literacy.

The pandemic should be a wake-up call for us to reorganise our financial behaviour.

It is hard to anticipate when the next financial crisis will hit.

Poor money management and erratic spending habits, especially by young families and professionals, will aggravate an already critical situation.

So, it is imperative that we arm ourselves with financial management and capabilities.

For iOS

For Android

Download yours now!

KWSP EPF | FEN

Belanjawanku

Belanjawan kini lebih mudah

Activities and Gallery

SWRC – ADB Joint Panel Session

Building an Inclusive Pension System for the Ageing Population

15 February 2023 @ M Resort & Hotel KL

On 15th February 2023, SWRC collaborated with the Asian Development Bank (ADB) to organise a joint panel session "Building an Inclusive Pension System for the Ageing Population". The panel session was conducted in conjunction with Certified International Pension and Retirement Professional (CIPRP) programme.

Participation from various ministries and agencies were seen, including ADB, World Bank, EPF and SOCSO.

ADB Presentation Workshop

Regional Comparative Research on Population Aging in Asia

16–17 February 2023 @ M Resort & Hotel KL

On 16-17th February 2023, SWRC hosted the Asian Development Bank (ADB) Presentation Workshop on the "Regional Comparative Research on Population Aging in Asia".

Mr. Albert Park, ADB Chief Economist delivered his opening remarks to kick-start the presentation workshop. The closing remarks was delivered by SWRC Director Emeritus Professor Datuk Norma Mansor.

The workshop provides a platform for the participating Asian countries to share their findings on the "Health Capacity to Work among Older Persons in Developing Asia".

The presentation workshop saw the participation of seven Asian countries: Malaysia, Japan, Thailand, Indonesia, Vietnam, People's Republic of China and Republic of Korea.

On the last day of the presentation workshop, participants were given the opportunity to visit Dementia Care Centre, Kuala Lumpur, a day care center operating on a charitable basis to provide patient-care services and training to caregivers, family members and professionals involved in dementia care.

Pension and Retirement Professional Programme **(PRPP)**

Certified International Pension and Retirement Professional **(CIPRP)**

14–16 February 2023 @ M Resort & Hotel KL

CIPRP is the third level of the three levels Pension and Retirement Professional Programme (PRPP).

This year, CIPRP took place on 14-16 February 2023 at M Resort & Hotel Kuala Lumpur, involving 23 participants from EIS Office, SOCSO Kuala Lumpur and SOCSO Putrajaya.

This advanced course is designed to prepare practitioners as professionals in the pension and retirement industry.

CIPRP Experts

- Dr. Halimah Awang - SWRC
- Ms. Linnet Lee - FPAM
- Dr. Amjad Rabi - ILO
- Mr. Husaini Hussin - PPA
- Mr. William Price - D3P Global

CIPRP Modules

- Understanding Retirement and Ageing in Malaysia: Data
- Retirement Component Private Pension Industry
- Retirement Component Constructing Retirement Plan
- Comparative Pension and Retirement Analysis
- Pension Reforms: Guided Class - Calculations, Group Case Study & Case Study Presentation and Review

SWRC-PERKESO

Professional Certificates Graduation Ceremony

3 February 2023 @ Menara PERKESO Putrajaya

On 17th November 2022, Social Security Organisation (SOCSO) organised the Professional Certificates Graduation Ceremony at Menara PERKESO Putrajaya

Minister of Human Resource, Yang Berhormat V. Sivakumar attended the graduation ceremony where a total of 119 participants received their professional training certificates from SOCSO.

The graduates, including six international students, were awarded the Certified Disability Management Professional (CDMP), Certified Return to Work Coordinator (CRTWC), Certified International Pension and Retirement Professional (CIPRP), and Professional Career Management Course (PCMC).

SWRC Director Emeritus Professor Datuk Norma Mansor was invited to deliver her speech at the graduation ceremony.

Short-term Training Programme:

Informatics for Labour Market Analysis (ILMA)

28 February - 2 March 2023 @ AcareDEMY, SOCSO Rehabilitation Centre

ILMA was organised by SWRC between 28 February - 3 March 2023 at AcareDEMY, SOCSO Rehabilitation Centre, Melaka, involving 48 participants from various SOCSO offices.

ILMA guides the learners to harness the power of digital technology in transforming data and information into knowledge in labour market analysis.

Participants were introduced to the knowledge of labour market information system (LMIS) by understanding the purpose, functions, components, data sources, indicators, and caveats of LMIS in labour market analysis.

ILMA Expert:
Assoc. Prof. Dr. Yong Chen Chen
Deputy Dean (Postgraduate), Faculty of Business and Economics, UM

Signing of MoU
between SWRC and AKPK
18th December 2022 @ Asian Institute of Chartered Bankers (AICB)

On 18th December 2022, a Memorandum of Understanding (MoU) was signed between SWRC and Agensi Kaunseling dan Pengurusan Kredit (AKPK) at the Asian Institute of Chartered Bankers (AICB) Building.

The MoU aims to build a strategic partnership between SWRC and AKPK focusing on research projects and activities related to financial literacy.

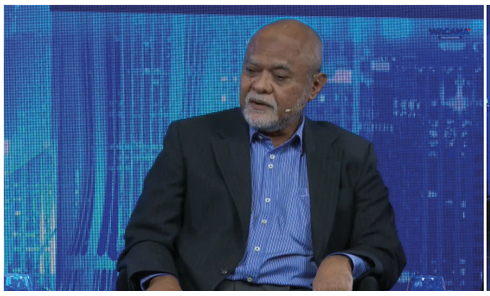
A forum “Ageing Nation: Is Malaysia Ready?” was also organised during the MoU signing event. SWRC Director, Emeritus Professor Datuk Norma Mansor was invited as one of the panellists.

Maktab Ketahanan Nasional (MKN)'s
National Resilience Course 2023

On 2nd February 2023, SWRC Director, Professor Emeritus Datuk Norma Mansor, was invited to deliver a lecture on "Malaysian Economy - Prospect, Challenges and Way Forward" at Maktab Ketahanan Nasional (MKN)'s National Resilience Course 2023.

The main objective of the course is to produce high-quality strategic thinkers that can capitalise elements of national power towards securing national and regional safety, as well as stability. The course was attended by 21 senior officers from Angkatan Tentera Malaysia (ATM) and two officers from Brunei and Egypt.

Date: 2nd February 2023
Venue: Maktab Ketahanan Nasional, Putrajaya



Sinar Daily WACANA
Rationalising MADANI Budget 2023

SWRC Senior Fellow, Dr. Zulkiply Omar, was invited as a panellist for the post-Budget 2023 discussion "Rationalising MADANI Budget 2023" organised by Sinar Daily WACANA (English edition). The other panellists of the forum were Sri Muniarti Yusuf (IDEAS) and Datuk Abdul Malik Abdullah (FMBA).

Date: 27th February 2023
Venue: Live on Sinar Daily Facebook page (virtual)

Reaksi Belanjawan 2023: Gig Ekonomi

SWRC Senior Fellow, Dr. Zulkiply Omar, was invited as a panellist for the post-Budget 2023 discussion "Reaksi Belanjawan 2023: Gig Ekonomi" organised by Nasionalfm. The session discussed the initiatives that were announced for the gig sector in the Budget 2023 and how it will affect the gig workers.

Date: 3rd March 2023
Venue: Live on Nasionalfm radio and Facebook page (virtual)

Meeting: Fiscal and Economics Division, MOF x SWRC

On 3rd March 2023, SWRC held a meeting with Fiscal and Economics Division, Ministry of Finance.

SWRC was represented by Emeritus Professor Datuk Norma Mansor (Director), Dr Halimah Awang (Principal Research Fellow) and Dr Yamunah Devi Apalasamy (Research Fellow).

Fiscal and Economics Division, MOF was represented by Dr Nirwan Noh (Deputy Chief Economist)

Date: 3rd March 2023
Venue: Ministry of Finance, Putrajaya

Join us @ Pension and Retirement Professional Programme 2023

The Pension and Retirement Professional Programme (PRPP) is a three level course aimed to train social protection practitioners to become specialists in the retirement and pension industry.

Programme Objectives

The Social Wellbeing Research Centre aims to produce successful and certified professionals in the pension and retirement industry that are able to meet these criteria:

Capable of contributing towards the improvement of institutional development

Become the reference point for pensions management and retirement science in the region

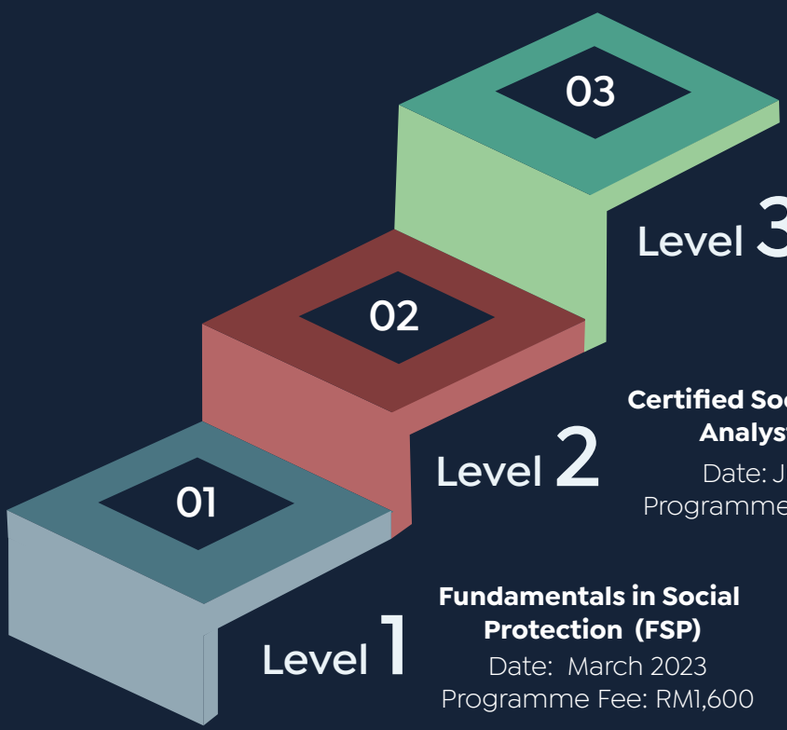
Competent in the practices of pension analysis and retirement

Programme Structure

The Pension and Retirement Professional Programme will be taught by a combination of lectures, hands-on, practical sessions, guided studies, and exercises. The course will be facilitated by academics and social protection industry experts from all around the world. All educational reading materials will be provided by SWRC prior to the start of each course.

Courses

To ensure a dynamic learning experience, SWRC has developed three progressive levels of certification, which are:



Certified International Pension and Retirement Professional (CIPRP)
Date: June 2023
Programme Fee: RM2,000
Examination Fee: RM300

Certified Social Protection Analyst (CSPA)
Date: June 2023
Programme Fee: RM1,800

Fundamentals in Social Protection (FSP)
Date: March 2023
Programme Fee: RM1,600

Prospective Applicants

SWRC's certifications on social protection are designed for practitioners and professionals in the finance and insurance industry, retirement planning, advisory services and other sectors who wish to sharpen their knowledge and skills in social protection, pension system and long-term care.

Contact Information

For queries, please contact our coordinator:
Muhammed Haris Ridwan Hasbullah
Tel: +603-7967 2911 Email: haris_ridwan@um.edu.my

About SWRC

The Social Wellbeing Research Centre (SWRC) is an academic multi-disciplinary research entity, focusing on conceiving and implementing research in social security and old age financial protection. SWRC has been providing evidence-based expertise and consulting in the aforesaid domains to elevate economic development on social cohesion in Malaysia.

The Centre supports research in social protection in general and old-age financial protection, in particular. The Employees Provident Fund (EPF) of Malaysia has graciously provided an endowment fund to create the nation's first endowed Chair in Old Age Financial Protection (OAFPC), now known as Social Wellbeing Chair (SWC) at Universiti Malaya.

Editorial Team

Chief Editor
Dr. Zulkiply Omar

Advisor
Professor Emeritus
Datuk Norma Mansor

Editors
Prof. Dr. Norbani Che Ha
Dr. Halimah Awang

Editorial Assistant & Graphic
Muhammad Amirul Ashraf Abd Ghani

Please scan the QR code to visit SWRC's website

FLAGSHIP PROJECTS

MARS
MALAYSIA AGEING AND RETIREMENT SURVEY

Malaysia Ageing and Retirement Survey (MARS)

Reference Budget for Malaysian (Belanjawanku)

STRATEGIC PARTNERS

KWSP
EPF

PERKESO

ADB ASIAN DEVELOPMENT BANK

UNIVERSITY OF MICHIGAN

World Health Organization

CONTACT US

Social Wellbeing Research Centre (SWRC)
Ground Floor,
Annex Building H09,
Faculty of Business and Economics,
Universiti Malaya,
50603 Kuala Lumpur

+603 7967 3615
swrc@um.edu.my
https://swrc.um.edu.my

SWRCUM
umswrc
SWRC_UM