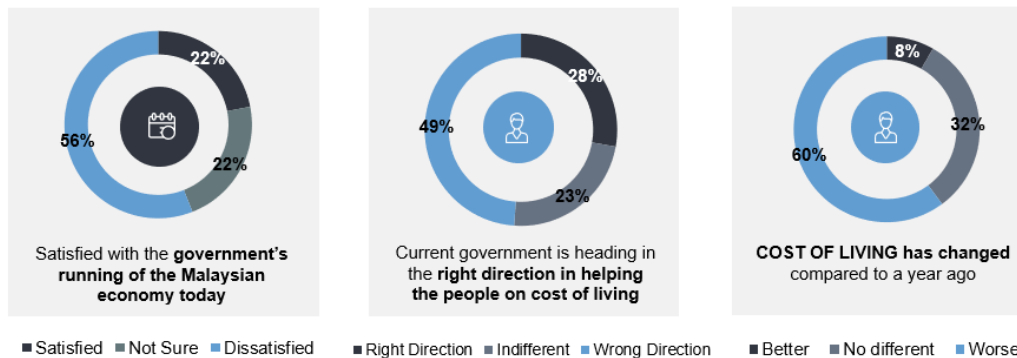


## Covid-19: No One left Unscathed

*Improving Healthcare is key to tackling cost of living issue, INSAP survey shows*

Noorlailey Muhd Fadzillah

### PERCEPTION TOWARDS GOVERNMENT AND COST OF LIVING



The Malaysian Government should look at holistic management of the Covid-19 pandemic so that policies rolled out can benefit all strata of Malaysian society. An INSAP online survey, conducted over a week in January 2021, showed that the government needs to enhance its communications for Covid-19 efforts so that every segment of society is engaged and aided, even the T20 income group, as survey findings indicated that 6% of T20 respondents had slipped unnoticeably into the B40 category.

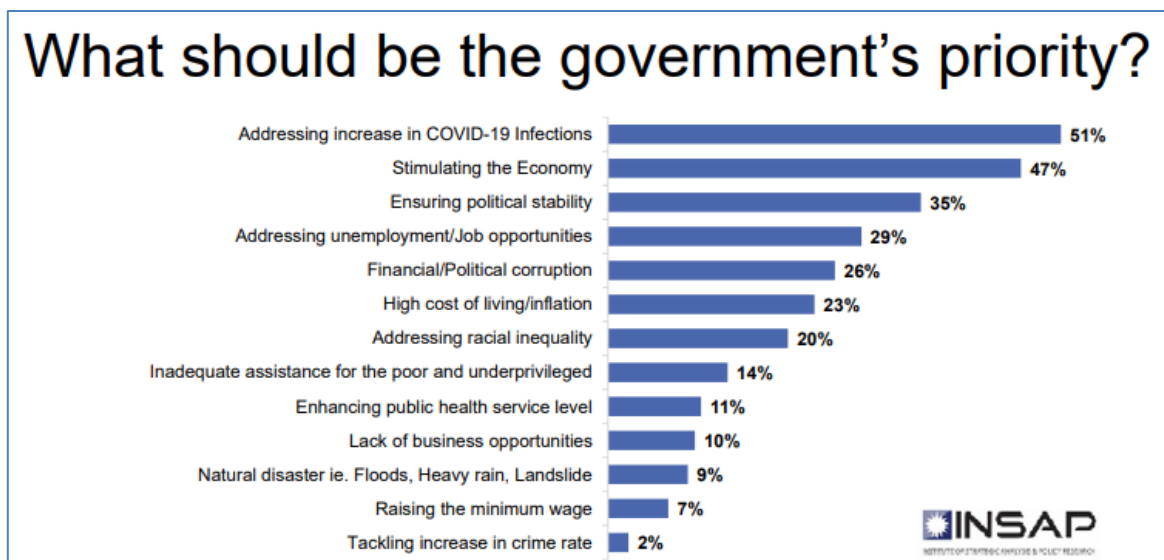
This category of T20 who fell off the income cliff represents professionals such as airline pilots, engineers and air crew, entertainment industry professionals, sports professionals, even as entrepreneurs in tourism, food and beverage, retail, particularly the small and medium scale industries (SMEs) received some, mostly insufficient, aid. The impact of layoffs had raised Malaysian unemployment to 4.8% in November 2020, according to the Statistics Department's latest reporting on 11 January 2021. This is the second highest since 1990.

Unemployment hit a peak of 5.3% in May 2020 mostly because the Pakatan Harapan government failed to manage the pandemic. Back then, the then, interim Prime Minister Tun Dr Mahathir Mohamad announced a paltry Economic Stimulus Package 2020 worth just RM20 billion on 27 February 2020. The immediate past Finance Minister at that time was Lim Guan Eng. Given that fiscal stimulus had a lagging economic effect, the number of unemployed jumped to a record high of 826,100 in May 2020, compared to just 519,500 a year before. In percentage terms, it rose from 3.3% in February 2020 to 3.9% in March, 5% in April before hitting the May 2020 high (5.3%), due to a National Covid-19 lockdown.

When the Perikatan Government was formed following the sudden resignation of Dr Mahathir on 24 Feb 2020, new Prime Minister Tan Sri Muhyiddin Yassin immediately unveiled a RM250 billion Prihatin Rakyat Economic Stimulus Package on 27 March 2020, with an additional RM10 billion on 6 April 2020 targeted support for SMEs – a lifeline to many ailing businesses. With this, unemployment rate fell gradually from 5.3% in 2020 to 4.7% in July 2020, 4.6% in Sept 2020 before an uptick to 4.8% in Nov 2020. Under the RM322.5 billion Budget 2021 unveiled by Finance Minister Tengku Zafrul Tengku Abdul Aziz on 6 November 2020, RM20 billion was added to create a RM65 billion Covid-19 pandemic fund, yet the T20 benefitted little. Hence, INSAP suggests that the current government reviews its management of the Covid-19 pandemic so that no Malaysian is left behind.

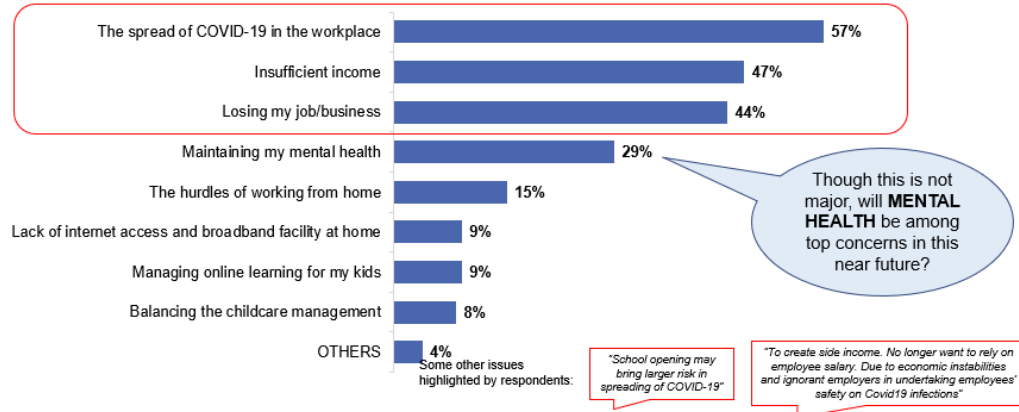
Currently, the government's focus has rightly been on the B40 and M40. But the T20 group has been largely left in the cold if you are a professional and not an industrialist. We read reports of airline pilots having to take up jobs as food delivery riders and even selling burger to make ends meet. This shows that there are gaps in the various stimulus packages which needs to be looked into.

Rising unemployment today reflects the impact of a global pandemic lockdown. Even so, we need to prepare for a whirlwind of global economic change and the transition fast tracked by AI (artificial intelligence). In the financial industry, banks as we know them today, may disappear as blockchain technology brings new finance online, while the Work-From-Home trend means drastic changes for multinational conglomerates which might eventually move out of corporate offices possibly resulting in low tenancy for many of our office towers.



## PERSONAL CONCERNS


For 2021, the increase in COVID-19 cases at workplaces became the top personal concern (57%) among respondents.

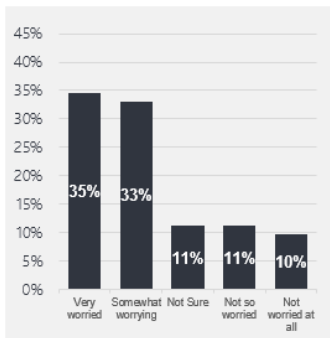


Q6(Main): What are your personal concerns this year?

## CURRENT SENTIMENTS

Survey also collected sentiments towards sustainability of their source of income in facing these challenging times. Majority were **worried**.


 Worried about their income status. **68%**

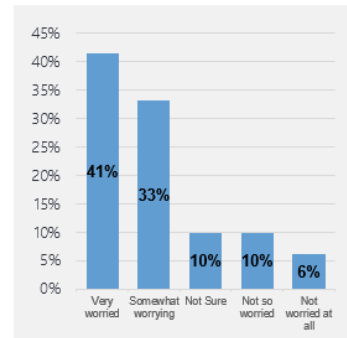


My income is unable to sustain my current expenses

Over two-thirds (68%) were worried as to whether their income will be able to sustain their needs and expenses. Those highly worried (35%) were nearly on par with those who were somewhat worried (33%).

In terms of the effect of MCO towards the cost of living in near future, more (41%) were highly worried with a third (33%) somewhat worried. **Around 7 out of 10 Malaysians were worried over the cost of living due to the long implementation of the MCO**

 Worried that MCO affect cost of living. **74%**



The longer the MCO is implemented, the more it will impact my cost of living in near future

In the INSAP Cost of Living Survey, the B40 group is appreciative of the government's Covid-19 aid even though 39% of this group are now working more than one job, while 54% of respondents claimed they are working more than 40 hours per week. Those who are taking up second jobs include professionals 22% (vs 21% of respondents who are holding single jobs), managers 16% (vs 24% on single jobs), 16% executives (vs 20% on single jobs), production operators 12% (vs 9% on single jobs) and self-employed/freelancers 25% (vs 14% on single jobs). Even 4% of retirees are working two jobs versus 3% on single jobs.

Given the avalanche of assistance for the B40 from the current government, it is unsurprising that the B40 group perceive that the government is in the right direction battling with the cost of living in Malaysia today.

One way to aid Malaysians across all strata of society is reskilling and adapting citizens to become more financially resilient to face the current economic downturn and to help them ride on an expected upturn in the years ahead. These include speeding up retraining of the workforce for Industry4.0 and AI in the economy.

Another key takeaway from the survey is that the respondents' fear of rising cost of living is allayed by the government's efforts to increase the capacity and resources of healthcare in the country amid Covid-19. This suggests that Malaysians are assured by the government's efforts to expand and enhance facilities at hospitals and clinics, including increasing intake of healthcare workers to battle the pandemic. Malaysians are also comforted that Covid-19 vaccines are in Malaysia with the first batch having arrived on 21 February and the first immunisations are to begin on 26 February nationwide.

*The writer is a Senior Researcher at the Institute of Strategic Analysis and Policy Research (INSAP)*

//End