





on the Edge

Mixed methods longitudinal research on the impact of the COVID-19 crisis on women and children in lower income families

Issue 2: Status of the households post-MCO

October 2020

Published by the United Nations Childrens' Fund, Malaysia and the United Nations Population Fund.

© UNICEF Malaysia and UNFPA 2020. All rights reserved.

First published in October 2020

United Nations Childrens' Fund Menara PJH Level 10, No. 2 Jalan Tun Abdul Razak Precinct 2, 62100 Putrajaya, Malaysia

United Nations' Population Fund Menara PJH Level 10, No. 2 Jalan Tun Abdul Razak Precinct 2, 62100 Putrajaya, Malaysia

www.unicef.org/malaysia malaysia.unfpa.org

Any part of this publication may be quoted, copied, or translated by indicating the source. No part of this publication may be stored for commercial purposes without prior written permission.

The views expressed in this publication are those of the authors and do not necessarily represent those of the United Nations, including UNICEF, UNFPA, the UN Member States or the Government of Malaysia.

Cover photo by Mr Redzuan, one of the respondents of the report. He is with his parents, siblings and his children in front of their flat in PPR Seri Kota.

© UNICEF Malaysia/2020/Redzuan

Background and objectives

In May 2020, UNICEF and UNFPA jointly commissioned the Families on the Edge study to explore the impact of the COVID-19 crisis on women and children in low-income urban families in Malaysia. This report is the second in a series of reports under the Families on the Edge project and describes the extent to which 500 families with children in Kuala Lumpur's low-cost flats have recovered from the Movement Control Order (MCO) period, which was from 18 March 2020 to 13 May 2020. The report is meant to offer critical insights for the general public and policymakers as Malaysia aims to 'build-back-better'.

The purpose of this study is to support the Government of Malaysia's efforts to mitigate the direct and indirect impacts of COVID-19 on vulnerable groups through the generation of high-quality evidence and promotion of stakeholder dialogue on short, medium and long-term policy solutions. Families on the Edge has been commencing over a period of at least 9 months beginning May 2020 until early 2021. Four rounds of quantitative and qualitative data collection will be undertaken over this period to allow the study to track short to medium

socio-economic impacts of COVID-19 on women and children from low-income urban families. This includes their interaction with changing policy and social service responses. It is envisaged that the study will respond to emerging evidence, exploring specific issues in more detail over time.

The first report analysed the immediate socio-economic impact of the COVID-19, with a focus on the relevance, adequacy and accessibility of key COVID-19 mitigation policies and other critical social services for these vulnerable groups.

This second report continues on the above by analysing key changes in their lives that continue after the initial MCO, in particular those related to the economic and emotional impacts of COVID-19. Specifically, it focuses on circumstances that affect children, single mothers and person with disabilities.

Executive summary

The low-income urban families are showing signs of recovery, but it has yet to recover to the pre-crisis level. The recovery is partial, uneven, and uncertain.

Although the median household income has increased by 23 per cent between May 2020 and September 2020 to RM2,233, it is still about 10 per cent lower compared to last year.

While the unemployment rate among head of households have improved, the unemployment rate in the community remains troubling, where 1 out of 3 adults are unemployed. 1 out of every 3 heads of households with disabilities are not working, and among their household members, 60 per cent are unemployed. Unemployment rate for female heads of households is also relatively high compared to the national average, with 20 per cent of their household members not working.

A sizeable number of workers remain unprotected. About 45 per cent of those currently working do not have an account with the Employment Provident Fund (EPF) or Social Security Organisation (SOCSO), and the figure is higher among working female heads of households (51 per cent) and household heads with disabilities (73 per cent)

The COVID-19 crisis has pushed more families into poverty. The poverty rate in the community is higher than last year, with 1 in 2 of the families now living in absolute poverty, and it is slightly higher among children. In relative terms, 97 per cent of the children and 100 per cent

of households with disabilities live in relative poverty.

Majority of the households are vulnerable to further economic shocks, with 68 per cent of the households having no savings. It is much worse for female-headed households and heads of households with disabilities, where their average savings are RM342 and RM74 respectively. The families continue to pawn their valuables and have started to default on their rental payments.

Reduced employment opportunities and lack of precautionary savings have made it difficult to cope with the economic impact of COVID-19. Indeed, 7 in 10 of these households reported that COVID-19 had affected their ability to meet their basic living expenses, with 37 per cent reporting that they struggle to purchase enough food for their families while 35 per cent are unable to pay their bills on time. The consistent and persistent hardship is more pronounced among female-headed households and households affected by disability.

Government assistance is still needed, and needs to be inclusive. Families need assistance due to their inability to resume work or economic activities, with many preferring cash and rental assistance, as well as job opportunities. Coverage for assistance can be improved, in particular for the self-employed, given that only 2 per cent of the self-employed applied for the Prihatin Special Grant.

New challenges are emerging, especially on education and mental health. Children have returned to school, yet 7 per cent of upper secondary-age children (9 per cent for boys) in these families reported not returning to school. Nearly 1 in 5 parents reported that their children have lost interest in school, and the incidence is higher among children from female-headed households (1 in 4). A significant proportion of the families reported difficulties in meeting the cost associated with school attendance, especially among female-headed households. COVID-19 has added additional expense; about 4 in 10 of all heads of households and 1 in 2 of female-headed households reported difficulties in providing face masks to their children.

It is clear that negative psychosocial impacts of COVID-19 remains a major concern, with almost 1 in 5 of heads of households and roughly 1 in 3 of female-headed households reporting feeling depressed. They expressed feeling fear, worry, anxiety, anger and stress about uncertain economic and financial conditions, the wellbeing of their children and their parents.

Nonetheless, these families continued to be resilient in facing the challenges, but it is becoming harder for them to survive. It is not surprising that only 14 per cent of the heads of households expect their financial status to be better in the next 6 months.

Immediate corrective policy responses are urgently required. Key options for urgent consideration include: (i) extending JKM's financial assistance schemes at least to all children, older people and people with disabilities living in, or at high risk of falling into, poverty; (ii) introducing measures to increase income generating opportunities

for low income families, particularly for low-income single mothers (including increasing access to affordable high quality child care and employment support); (iii) providing greater access towards employment protection such as SOCSO and other income relief schemes among the self-employed; (iv) expanding the provision of quality school meals; (v) strengthening measures to prevent school drop-out, including through more active risk-informed collaboration between schools and social welfare services; (vi) strengthening the provision of mental health services and interventions in communities and schools; (vii) strengthening services that prevent and respond to gender-based violence and violence against children, including expanding parenting support programmes in vulnerable communities.



The photographs featured in this document were taken by the children from the surveyed households to document their family life during the Movement Control Order (MCO). Details of this photography activity can be found in page 26.

Overview of the study

This study has three main approaches:

1

Socio-economic survey: How COVID-19 affected household finances

2

Wellbeing interviews: Impact of COVID-19 on the households' wellbeing, and government interventions.

3

Photography/
videography project to
visualize the impact of
COVID-19 as seen by
children

Survey design and data collection

Socio-economic survey

- Restricted Area Sampling: Designed to capture a sample of 61,713 households in low-cost flats.
- Sample size: 500 heads of household in 16 low cost flats in Kuala Lumpur with 4.36% margin of error at 95% confidence level.
- Telephone interviews

(1st September-7th October) with HoH that have at least one child (aged below 18 years old).

• Rounding of estimates: The calculation of certain categories may not always be the same between tables due to independent rounding. The differences however were insignificant. Percentages shown in the charts were computed from actual absolute figures and may not always add up exactly to 100 per cent because of the rounding method used.

Wellbeing interviews

- Purposive Sampling
- Telephone interviews

(1st September–22th September) with 50 selected heads of households' spouses, or single parents.



Photography and videography



Photography and videography project to visualize the impact of COVID-19 as seen by children. Details are in page 26.

Location of surveys



Profile of study participants

Socio-economic survey

Key facts

Household statistics

- 500 households
- 1,155 children
- 2,832 household members (59% adults, 41% children)
- Average size of household: 5.7
- Average number of children per household: 2.3
- Households with three generations: 28%
- Children under grandparents' care: 10.9%
- Household with a grandparent as a head of household: 11.2%
- 1% of households have at least one pregnant woman.

Heads of households statistics

Household member statistics

Persons with disabilities

- Average age of head of households (HoH): 46 years old
- **Gender:** 79% male HoH; 21% female HoH
- Ethnicity: 74% Malay 23% Indian 3% Chinese
- Marital status: 78% of HoH are married
- 22% are single parents; 18% are single mothers

- Average age of child: 10 years old
- 64% of households have one to two children, and only 1% has more than 6 children.
- 60% of households have at least one person with disabilities or chronic illness.
- 16% of total household members have disabilities or chronic disease.
- 82% of household members with disabilities have registered with the Department of Social Welfare (JKM).

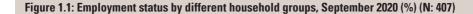
Wellbeing interviews

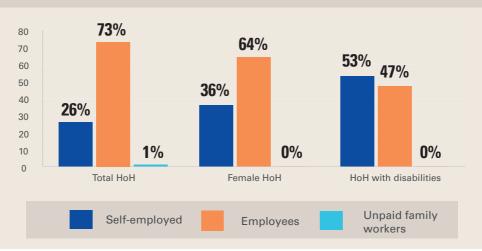
Key facts

Demographics of respondents

- 50 households
- Half of the respondents are in the 40-49 years old age range.
- \bullet Married women (with household members with disabilities or chronic disease, or the elderly): 32%
- Single mothers, self-employed: 18%
- Single mothers, employed: 14%
- Married women, self-employed: 10%
- Married women, employed: 10%
- Pregnant or post-natal women: 6%
- \bullet Single mothers (with household members with disabilities or chronic disease, or the elderly): 6%
- Single mothers, multiple generations: 4%

Majority of the HoH are employees, but self-employment is higher among female HoH and HoH with disabilities.





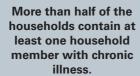
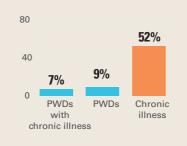
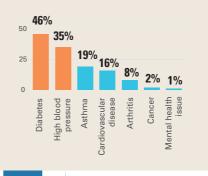


Figure 1.2: Distribution of persons with disabilities or those with chronic illness by household (%) (N:500)



4 in 5 household members with chronic illnesses are diabetic or have high blood pressure.

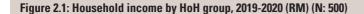
Figure 1.3: Household members with chronic illness by type of chronic illness (%) (N: 412)

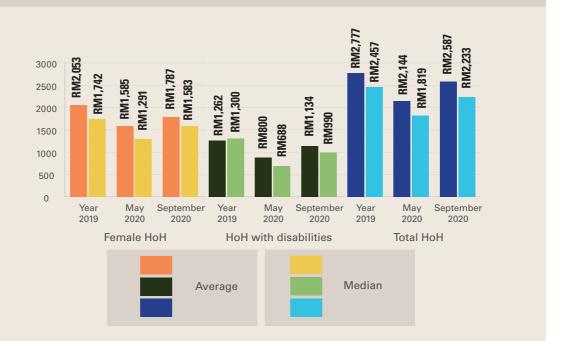




Economic impact

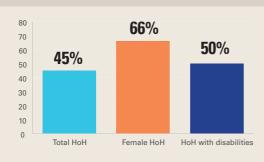
Median household income has increased compared to MCO levels, by 23% between May and September to RM2,233, which is still 9% lower compared to last year for both male- and female-headed households. However, the recovery for HoH with disabilities remains weak their income is 24% lower than last year.





Roughly half of all respondents had **reduced income** during May to September. Recovery is slowest among female HoH where 2 in 3 experienced income reduction.

Figure 2.2: Heads of households with income reduction, September 2020 (%) (N: 500)



Retrenchment, pay cuts, reduced working hours and difficulties to restart their own business are among the key factors that contributed to income reduction

Figure 2.3: Main reasons for income reduction, September 2020 (%) (N: 225)

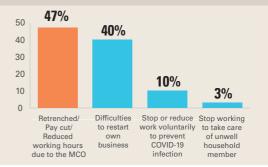




Figure 2.4: Households by income class, 2019-2020 (%)

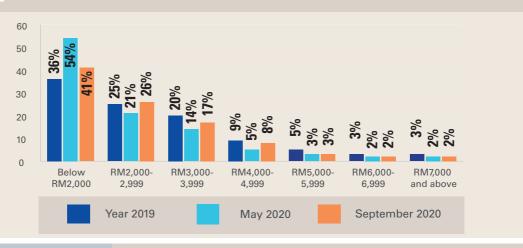
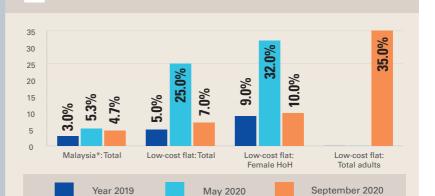


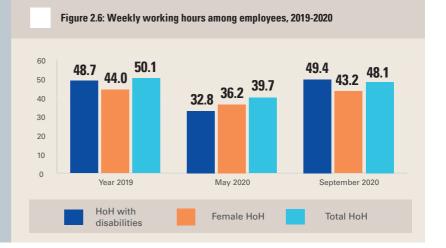
Figure 2.5: Unemployment rate for heads of households (%)

More heads of households are returning to the labour market and the number of hours worked have normalized. While the unemployment rate among heads of households has improved to 7%, it remains higher than last year. However, unemployment in the community remains serious, where the overall unemployment rate among adults is 35%.

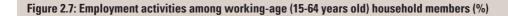


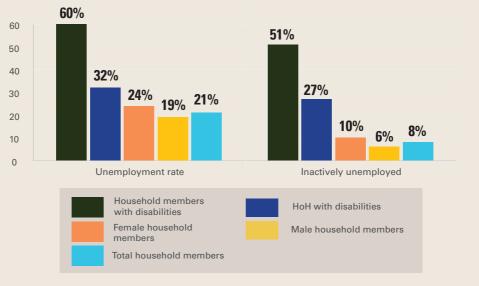
*Latest unemployment figures for Malaysia is for August 2020.

The number of working hours has normalized across all groups, compared to during MCO. During the MCO, HoH with disabilities who were employees faced the highest reduction in weekly working hours, by 33% relative to other groups.



Unemployment rate is relatively high among certain groups. 1 in 3 HoH with disabilities is unemployed, and the figure is higher among their household members where 60% are not working. Unemployment rate for female HoH is relatively high at 10%, and 20% of their household members are not working.





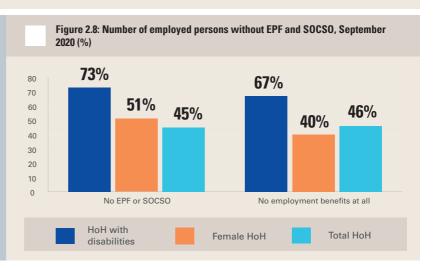
Note:

1. Actively unemployed includes all persons who were available for work and were actively looking for work during the reference week.

2. Inactively unemployed persons include those in the following categories: a. did not look for work because they believed no work was available or that they were not qualified; b. would have looked for work if they had not been temporarily ill or had it not been for weather conditions; and c. had looked for work prior to the reference week and were waiting for the results of job applications.

While the labour market has recovered slightly, many workers remain unprotected.

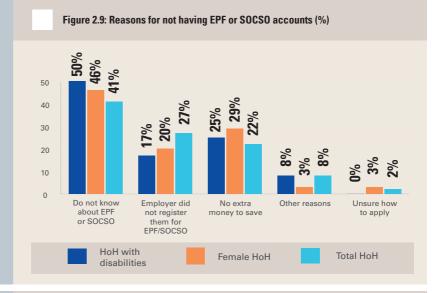
About 4 in 10 of those currently working do not have EPF or SOCSO, and the figure is higher among working female HoH (1 in 2). It is much worse for heads of households with disabilities, with 73% not protected.



This company has no EPF contribution. I didn't know, I was surprised because there are many (employees)... But no one lodged a complaint.

Ms Y., single mother, employee.

Lack of awareness is the major obstacle in ensuring they register for social protection. 4 in 10 of HoH who are not registered with EPF or SOCSO do not know about those entities. 1 in 2 heads of households with disabilities are unaware of EPF and SOCSO.



Poverty rate in the community remains high, where 1 in 2 are living below the absolute poverty line. It is higher than last year, but slighty lower than during MCO. 1 in 2 children live in absolute poverty.

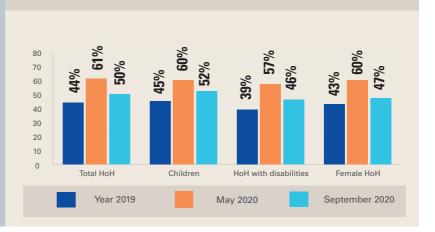
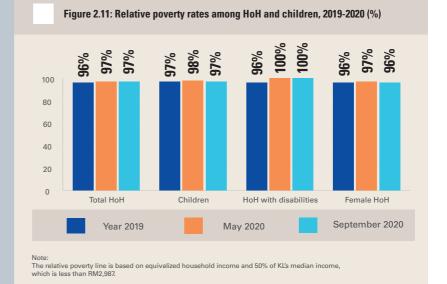
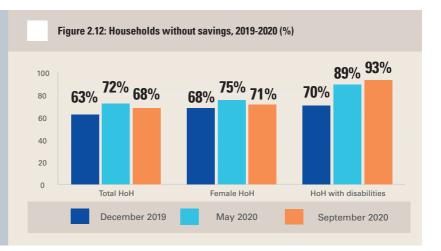


Figure 2.10: Absolute poverty rates among HoH and children, 2019-2020 (%)

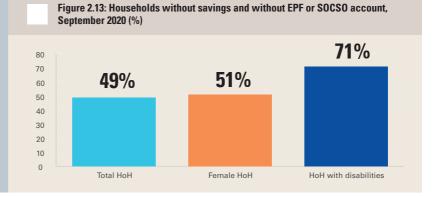
100% of households headed by persons with disabilities and 97% of the children live in relative poverty.



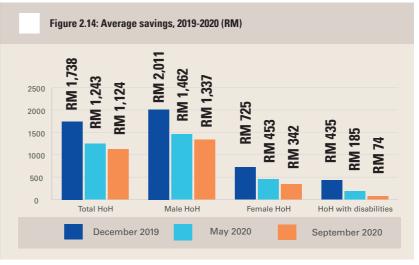
A majority of heads of households are vulnerable. **68% have no savings, which is worse than last year.** Among heads of households with disabilities, 97% have no savings, highest since last year.



Among those who have no savings, about 1 in 2 are not covered by EPF/
SOCSO. The incidence is the highest among heads of households with disabilities.

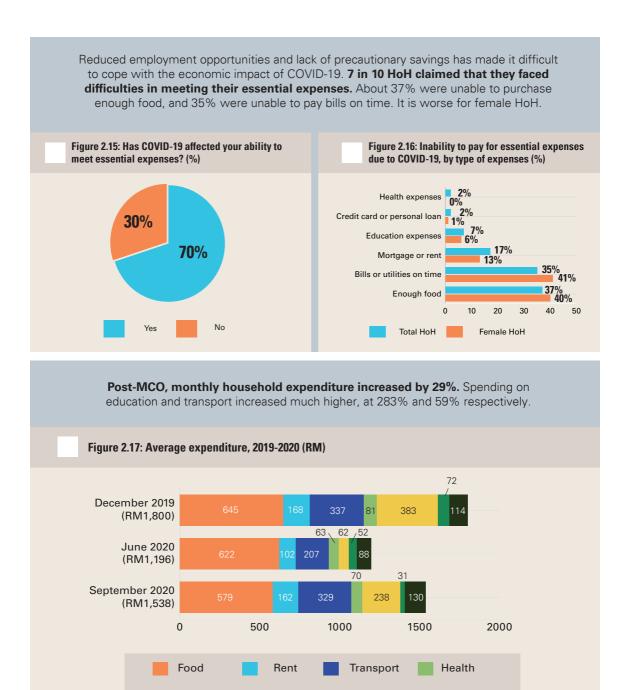


Among those that still have savings, their average savings decreased by 35% to RM1,124. Average savings for female HoH is RM342, while heads of households with disabilities have the least amount of savings, with an average savings of RM74.



How do I save? My income is not enough... There is no surplus; (it is) just enough for the needs of my family.

Ms Z., married, self-employed.



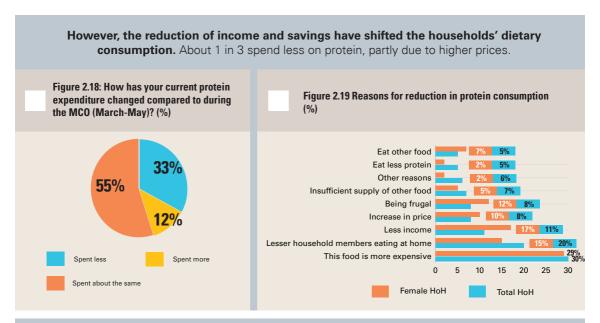
My salary is being reduced... Even though I work twelve hours, from morning until night.

Daycare

Others

Mrs Y., single mother.

Education

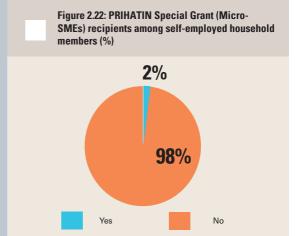




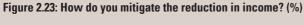


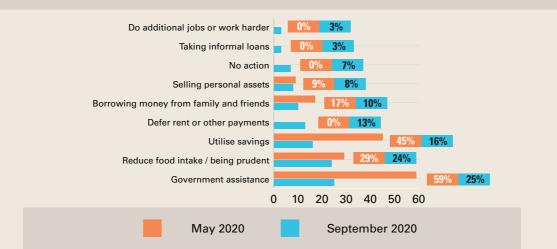






Although cash assistance is still preferred, **the families are less dependent on the government at the moment**, with many still reducing their food intake, defaulting their rental payment and pawning their valuables to cope with a reduced income.





The government does not give anything at the moment... I do not get any help other than BSH.

Mrs A., cleaner.

Figure 2.24: How do you expect your financial situation to change in the next 6 months? (Total HoH) (%)



The majority remains pessimistic, although it has improved compared to during the MCO.

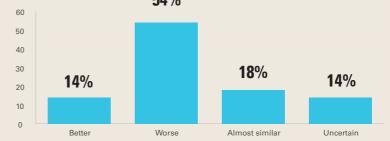
Only 14% of HoH and 17% female HoH expect their financial status to be better in the next 6 months.

About 37% of HoH expect it to be worse, compared to 40% during the MCO.

Heads of households with disabilities are the most pessimistic; 1 in 2 expect their financial situation to get worse over the next 6 months.

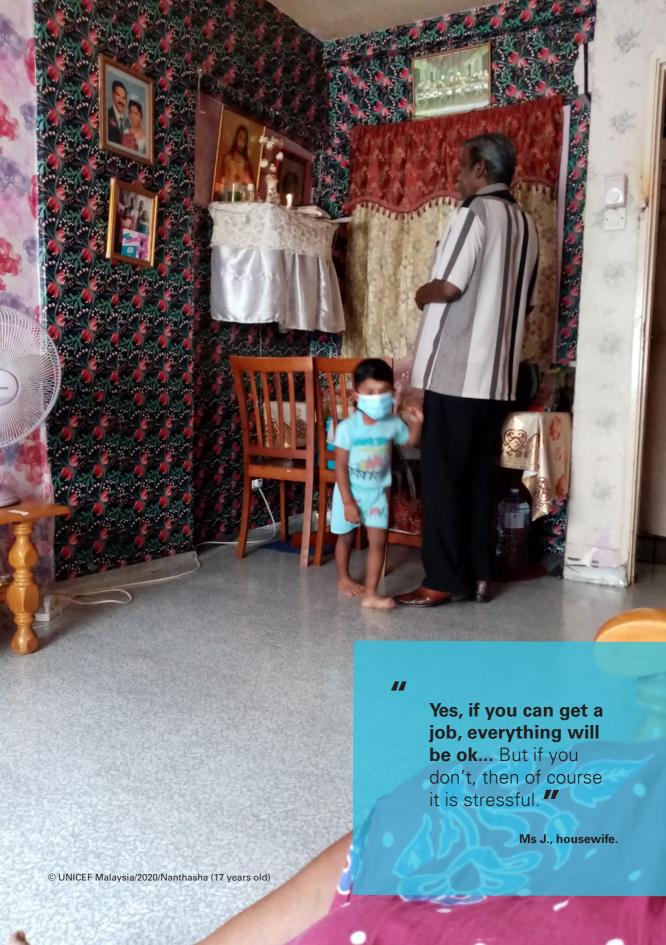






I am worried about my financial situation, worried about my children's education, having no income...

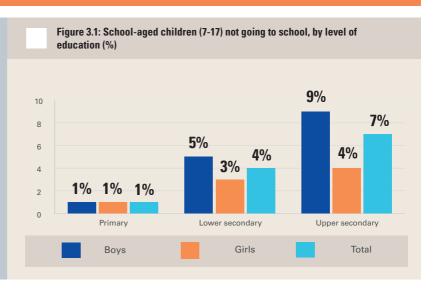
Ms H., unemployed, married, living with household members with disabilities.



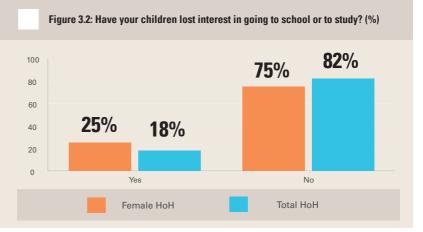
New challenges

Challenges in education

Children are back in school. However, the percentage of students in upper secondary who are missing school is a cause for concern.



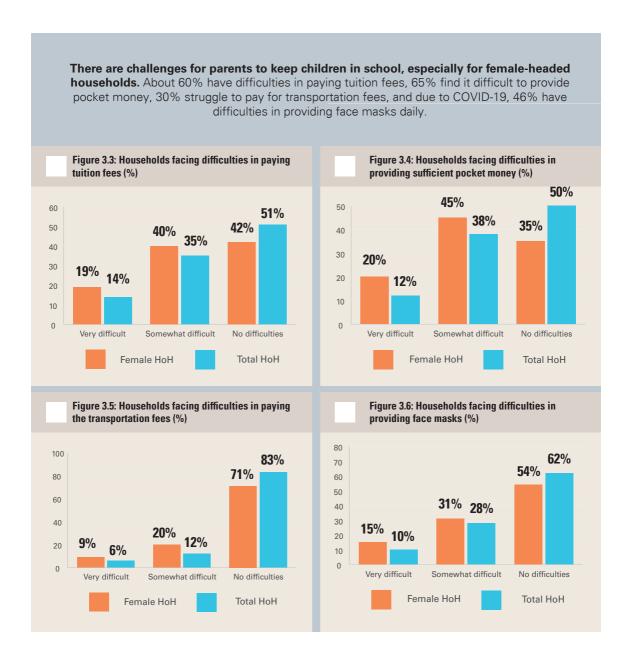
Although they are back in school, a sizeable number are demotivated and have lost interest following the MCO. Nearly 1 in 5 of the parents reported that their child has lost interest in school and it is worse for children of female heads of households, where 1 in 4 is not keen to study.



During the MCO, it was online, but the internet connection was bad here. It was slower when everyone was online at the same time. After the MCO and my son went to school, the teacher wanted to finish the syllabus quickly, so he was depressed because of this.

Ms R., single mother, self-employed.

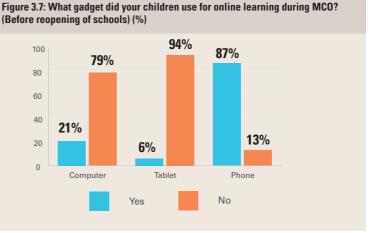




The older brothers and sisters, they help them with homework, and monitor their progress.

Ms Z., single mother, self-employed, looking after household members with disabilities.

Online learning remains a major challenge if schools close again, due to lack of suitable equipment. During the MCO, nearly 9 in 10 only used mobile phones as learning devices, and 8 in 10 had no access to computers.



A majority of the parents do not want their children to learn online.

(%)

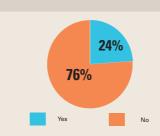
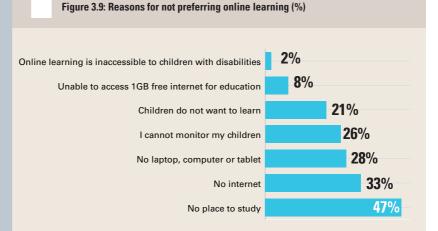
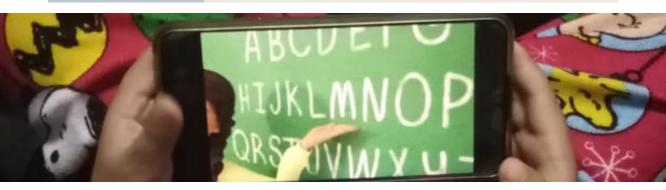


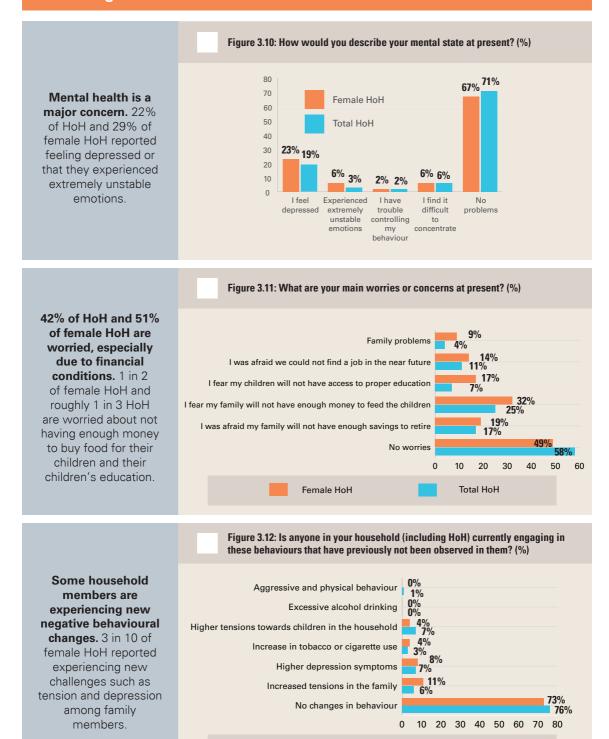
Figure 3.8: Do you want your children to learn online rather than go to school?

Among those who do not prefer online learning for their children, almost half stated due to a limited space to study. 3 in 5 said it is because of either lack of internet access or no computer / laptop / tablet.





Challenges in mental health



Female HoH

Total HoH

Support mechanisms

Families continued to remain resilient despite the challenges



Economic impact

Responses to the economic impact of COVID-19:

- Households have had to continue pawning their possessions, obtain loans from friends and relatives, and use up their savings in order to cope with the economic impact of COVID-19
- They also had to reduce their spending, particularly on food.
- They have continued to find work or restart businesses.
- They apply for government or NGO aids where possible, and continue to seek information about possible aid and assistance post-MCO, in the form of cash or food.



Food insecurity

Responses to food insecurity:

- Their financials have affected their food security with respondents having to modify their spending on food.
- They have reduced intake of rice and fresh meat protein, changing from fish and meat to canned sardines, eggs and vegetables.
- Households have rationed food amongst themselves.
- They have also reduced the number of heavy meals and substitute with snacks and instant noodles. They cook food at home rather than eat out.



Education

Responses to education challenges:

- Although parents are happy with children resuming school, they worry about their children's wellbeing while they are in school.
- Parents and children had to make extra effort to catch up after MCO, with parents sending their children to extra tuition classes and teachers having to provide additional review at school.



Mental health

Behavioural responses:

- Household members are not very cautious about going out in public but they are more cautious about letting children out to play.
- They constantly remind family members about hygiene and cleanliness.
- General prudent behaviour.



Key takeaways and discussion

The second round of data collection from the Families on the Edge research project suggests that, low-income urban households are showing signs of recovery. However, this recovery appears partial, uneven, uncertain and slower than for other socio-economic groups. Unemployment remains higher with 1 in 3 of all adults not working, in particular among female heads of households and those with disabilities. While median income has increased slightly in the past four months, it is still about 10 per cent lower than pre-COVID-19. Despite the recovery, these households remain vulnerable to economic shocks. Many workers are still not protected, living in poverty, and lack savings. About 45 per cent of those who are currently working do not have an EPF or SOCSO account, and the incidence is higher among working female heads of households (51 per cent), and among heads of household swith disabilities (73 per cent). Poverty rate in the community remains high where 1 in 2 lived in absolute poverty, and it is higher among children. In relative terms, 97 per cent of the households live in relative poverty. Majority of families are more vulnerable to future shocks, as 68 per cent of the head of households have no savings, which is higher than last year (63 per cent). The worst is among head of household with disabilities (93 per cent), followed by female headed household (71 per cent).

Given that incomes were already low pre-COVID-19, this suggests that many low-income urban families are likely to be experiencing considerable and persistent hardship Indeed 70% of these households reported that COVID-19 had affected their ability to meet their basic living expenses, with 37% reporting that they struggle to purchase enough food for their families. This second survey has also confirmed the trend identified in the first survey, that female-headed households and households affected by disability are finding it particularly difficult to recover from the socio-economic impacts of COVID-19. The high burden of care in these households manifests itself in terms of higher rates of unemployment as well as higher rates of dependence on insecure self-employment. It is not surprising that many of the respondents are pessimistic for the future: only 14 per cent of the heads of household, 17 per cent of female heads of household, and 14 per cent of heads of household with disabilities expect their financial status to be better in the next 6 months

Government assistance is still required, and coverage needs to be improved. A large majority of self-employed heads of households are still in the dark about government assistance; only 2 per cent applied for the Prihatin Special Grant. Families feel that they will continue needing COVID-19-related aid and assistances, particularly due to their inability to resume work or economic activities. Assistances in the form of both cash and food would be appreciated by the respondents, as well as job opportunities.

Children have returned to school, but new challenges are emerging. In contrast with the first survey, this second survey covered a period when children are expected to be returning to school. Yet 7 per cent of upper-secondary-age children (9 per cent for boys) in these families reported not returning to school and nearly 1 in 5 parents reported that their children have lost interest in school. The incidence among female headed household is higher at 25 per cent (1 in 4). Furthermore, a significant proportion of participating households reported difficulties in meeting the costs associated with school attendance (lunch and transport costs) with rates of difficulty again higher among female-headed

households. COVID-19 has added additional household expenses; about 4 in 10 of all heads of households and 1 in 2 of female headed households reported difficulties in providing face masks to their children. Indeed, given that the return to school is now coupled with persistent unemployment and lower incomes, many low-income households may be under greater financial pressure now than was the case during the MCO itself. This suggests that the financial and psychosocial impacts of COVID-19 may be combining to create a risk that large numbers of children from low-income households could drop out of full-time education.

Finally, this survey suggests that the negative psychosocial impacts of the crisis have outlived the MCO, with almost 1 in 5 reporting that they feel depressed (higher among female headed households). Although the number of respondents reporting more severe forms of psychosocial distress (emotional instability, uncontrollable behaviour and inability to concentrate) was lower, the wellbeing risks to parents, and subsequently children, is very significant. Continued financial insecurity was reported as a key driver of this situation, with evidence emerging of increased tensions between spouses and between carers of children in some households. International evidence suggests that such a situation raises the prospect of increased physical and psychosocial violence against women and children in the home.

The above discussion clearly adds further weight to calls for continued, and even greater, attention to the development of a more comprehensive and effective social policy framework in Malaysia. Key options for urgent consideration include: (i) extending JKM's financial assistance schemes at least to all children, older people and people with disabilities living, or at high risk of falling into, poverty; (ii) introducing measures to increase income generating opportunities for low income families, particularly for low-income single mothers (including increasing access to affordable high quality child care and employment support); (iii) providing greater access towards employment protection such as SOCSO and other income relief scheme among the self-employed; (iv) expanding the provision of quality school meals; (v) strengthening measures to prevent school drop-out, including through more active risk-informed collaboration between schools and social welfare services; (vi) strengthening the provision of mental health services and interventions in communities and schools; (vii) strengthening services that prevent and respond to gender-based violence and violence against children, including expanding parenting support programmes in vulnerable communities.

The upcoming 12th Malaysia Plan and 2021 budget are therefore critical opportunities for reimagining a more effective social policy framework for Malaysia, continuing the spirit of bold and creative policy-making that characterized Malaysia's response to COVID-19. Such a reimagining of social policy in Malaysia will be critical to achieve the Shared Prosperity Vision 2030, the Sustainable Development Goals and the less lofty, but no less important, aim that all parents have: to provide their children with a good start in life. Although it is recognized that public resources are likely to be constrained for some time, current levels of investment in social protection and social welfare services suggest considerable room for increased prioritisation within the available resource envelope.

Photography activity





Ten children from the areas surveyed were selected to participate in the photography and videography programme.

The objective of this voluntary exercise is to complement the qualitative and quantitative surveys, by documenting the life of a child in these communities during the COVID-19 crisis, as seen by the children themselves.

Each of the children received a smartphone, and they were given weekly themes, such as education, leisure time, food, and other topics to document. All the photos in this report were taken by these children.

The photographers are:

- 1. Acip (13 years old)
- 2. Rishivarthini (14 years old)
- 3. Hanson (13 years old)
- 4. Nethra (13 years old)
- 5. Sara (13 years old)
- 6. Ashariah (13 years old)
- 7. Batrisyah (13 years old)
- 8. Khadijah (13 years old)
- 9. Nanthasha (17 years old)
- 10. Taufiq (13 years old)

More photos can be found in the UNICEF and UNFPA Malaysia website.

Acknowledgements

We would like to thank the ten amazing children who participated in the project's photography programme and provided all of the photographs featured in this report: Acip (13 years old), Rishivarthini (14), Hanson (13), Nethra (13), Sara (13), Ashariah (13), Batrisyah (13), Khadijah (13), Nantasha (17), and Taufiq (13).

This study benefited tremendously from the expertise and insights of Prof. Dr. Noraida Endut, Professor and Director of the Centre for Research on Women and Gender (KANITA) of Universiti Sains Malaysia. We would like to extend our appreciation for her valuable contributions.

Our greatest gratitude goes to all respondents who graciously shared with us their stories, and responded well to all our inquiries throughout this research project.

This report was written by Dr Muhammed Abdul Khalid, Zouhair Mohd Rosli, Siti Nur Fatimahtul Maryam Abdul Halim, Endie

Shazlie Akbar and Ilya Amira Harith of DM Analytics Malaysia, with guidance from UNICEF Malaysia and UNFPA, particularly Stephen Barrett and Davide De Beni. This study is funded by UNICEF and UNFPA, with the support from the Government of Denmark. We would also like to thank our intern Syed Qoyyim Siddiqi Al Khered who provided operational support for this study. All remaining errors and weaknesses in this report are our responsibility.







