

**YAYASAN SEJAHTERA'S PROGRAMMES AND THE  
HARDCORE POOR IN KELANTAN**

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KUALA LUMPUR

2018

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HARDCORE POOR IN KELANTAN**

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**DISSERTATION SUBMITTED IN PARTIAL  
FULFILMENT OF THE REQUIREMENTS FOR THE  
DEGREE OF MASTER OF DEVELOPMENT STUDIES**

**FACULTY OF ECONOMICS & ADMINISTRATION  
UNIVERSITY OF MALAYA  
KUALA LUMPUR**

**2018**

**UNIVERSITY OF MALAYA**  
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# **YAYASAN SEJAHTERA'S PROGRAMMES AND THE HARDCORE POOR IN KELANTAN**

## **ABSTRACT**

This research is a study of Yayasan Sejahtera's programmes on the hardcore poor in Bachok and Pasir Puteh, Kelantan. Yayasan Sejahtera, a non-governmental organization (NGO) has conducted a few programmes to support the basic needs of the hardcore poor in Kelantan. By using the Sustainable Livelihood Approach (SLA), this study explored the vulnerability contexts of the hardcore poor in Kelantan, assessed the assistance provided by Yayasan Sejahtera and examined the impacts of the organization's programmes on their beneficiaries after three years. This study employed a qualitative research method through interview sessions with the beneficiaries and the key informant of Yayasan Sejahtera. Besides, the researcher also collected secondary data from Yayasan Sejahtera's Annual Reports. Based on the interviews and findings from the annual reports, the researcher conducted triangulation of data and found that the hardcore poor in Kelantan are most vulnerable to climate change. Aside from that, it was found that materials, equipment and technical training provided to the respondents are beneficial for their economic activity. However, some respondents failed to utilize the networking opportunities provided, making them less able to withstand the vulnerability issues and to form a productive business relationship. In addition, this study found that the majority of respondents failed to continuously practice the financial management skills learned from the programmes. On the other hand, there is a gradual increase on the physical capital and slight increase on the financial capital of the respondents. The findings from this study provided an insight on the livelihood of the hardcore poor in Kelantan which is helpful in identifying their vulnerability contexts and assisting them in achieving sustainable livelihoods.

Keywords: Hardcore Poverty, Kelantan, Non-governmental Organization (NGO),  
Programme Assessment, Sustainable Livelihood Approach (SLA)

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## **PROGRAM YAYASAN SEJAHTERA DAN MISKIN TEGAR DI KELANTAN**

### **ABSTRAK**

Kajian ini merupakan penyelidikan tentang program-program anjuran Yayasan Sejahtera untuk golongan miskin tegar di Bachok dan Pasir Puteh, Kelantan. Yayasan Sejahtera adalah sebuah Organisasi Bukan Kerajaan (NGO) yang telah menjalankan beberapa program untuk menyokong keperluan asas golongan miskin tegar di Kelantan. Dengan mengaplikasikan pendekatan *Sustainable Livelihood Approach* (SLA), kajian ini meneroka kelemahan dihadapi golongan miskin tegar di Kelantan, menilai bantuan diberikan oleh Yayasan Sejahtera dan meneliti impak program-program oleh organisasi tersebut terhadap penerima bantuan selepas tiga tahun. Kajian ini menggunakan kaedah penyelidikan kualitatif melalui sesi wawancara dengan penerima bantuan dan pemberi maklumat utama daripada Yayasan Sejahtera. Selain itu, penyelidik juga mengumpul data sekunder daripada Laporan Tahunan Yayasan Sejahtera. Berdasarkan wawancara dan penemuan dari laporan tahunan tersebut, penyelidik telah melakukan triangulasi data dan mendapati bahawa golongan miskin tegar di Kelantan paling terdedah kepada perubahan iklim. Di samping itu, didapati bahan-bahan, peralatan dan latihan teknikal yang diberikan kepada para penerima bantuan bermanfaat untuk aktiviti ekonomi mereka. Walau bagaimanapun, beberapa penerima bantuan gagal memanfaatkan peluang perhubungan yang diberikan, menyebabkan mereka kurang mampu melawan isu kelemahan di sekeliling mereka dan membentuk hubungan perniagaan yang produktif. Di samping itu, kajian ini mendapati bahawa majoriti responden gagal untuk terus mempraktikkan kemahiran pengurusan kewangan yang dipelajari menerusi program tersebut. Sebaliknya, terdapat peningkatan secara beransur-ansur pada modal fizikal dan peningkatan sedikit pada modal kewangan responden. Hasil kajian ini memberikan gambaran mengenai kehidupan golongan miskin tegar di Kelantan yang

dapat membantu dalam mengenalpasti konteks kelemahan mereka dan membantu mereka dalam mencapai kehidupan yang lestari.

Kata kunci: Kemiskinan Tegar, Kelantan, Pertubuhan Bukan Kerajaan (NGO), Penilaian Program, Sustainable Livelihood Approach (SLA)

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## ACKNOWLEDGEMENTS

With the name Allah,

Alhamdulillah, all praises and thanks to the Almighty Allah for His mercy and compassion that allowed me to complete this dissertation successfully.

Firstly, I would like to express my deepest gratitude to my supervisors, Dr. Sharifah Muhairah Shahabudin and Dr. Muhammad Mehedi Masud for all the guidance, supports and assistance that have been given to me from the beginning till the end process of constructing this dissertation.

This appreciation is also dedicated to Yayasan Sejahtera for their cooperation in providing the necessary data for the purpose of this dissertation. Gratitude and appreciation to the beneficiaries of Yayasan Sejahtera's programmes who are willing to allocate their time for the interview.

In addition, I would like to dedicate my deepest appreciation and gratitude to my family, friends and colleagues for their support and encouragement. Lastly, I thank all people who have involved directly and indirectly in completing this dissertation.

Thank you.



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## LIST OF SYMBOLS AND ABBREVIATIONS

AIM	:	Amanah Ikhtiar Malaysia
BRAC	:	Building Resources Across Communities
CARE	:	Cooperative Assistance and Relief Everywhere
COAC	:	Center for Orang Asli Concerns
DFID	:	Department for International Development
EPF	:	Employees Provident Fund
EPU	:	Economic Planning Unit
FAMA	:	Federal Agricultural Marketing Authority
GDP	:	Gross Domestic Product
GHG	:	Greenhouse Gas
GLC	:	Government-Linked Company
GLIC	:	Government-Linked Investment Company
GPS	:	Global Positioning System
GTP	:	Government Transformation Programme
HDI	:	Human Development Index
HIS	:	Household Income Survey
ICT	:	Information and Communications Technology
ICU	:	Implementation Coordination Unit of Prime Minister's Department
IPO	:	Indigenous Peoples' Organizations
KEMAS	:	Jabatan Kemajuan Masyarakat
KFH	:	Kuwait Finance House
MAS	:	Malaysia Airlines
Maybank	:	Malayan Banking Berhad
MPI	:	Multidimensional Poverty Index



NAHRIM	:	National Hydraulic Research Institute of Malaysia
NGO	:	Non-governmental Organisation
NKRA	:	National Key Results Areas
PDPA	:	Personal Data Protection Act
PEMANDU	:	Performance Management and Delivery Unit
PLI	:	Poverty Line Income
POASM	:	Peninsular Malaysia Orang Asli Association
PPP	:	Program Peningkatan Pendapatan (Income Increment Programme)
PPRT	:	Program Perumahan Rakyat Termiskin (Housing Project for the Poor)
PROSHIKA	:	Proshikkhan Shikkha Karmo
RTC	:	Rural Transformation Centre
SDG	:	Sustainable Development Goal
SLA	:	Sustainable Livelihood Approach
STPM	:	Sijil Tinggi Persekolahan Malaysia (Malaysian Higher School Certificate)
TEKUN	:	Tabung Ekonomi Kumpulan Usaha Niaga
TH	:	Lembaga Tabung Haji
TM	:	Telekom Malaysia Berhad
UMK	:	Universiti Malaysia Kelantan (University of Malaysia Kelantan)
UNDP	:	United Nations Development Programmes
YPVWM	:	Yayasan Pendidikan dan Vokasional Wanita Malaysia (Foundation For Women's Education & Vocational Training Malaysia)

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## CHAPTER 1: INTRODUCTION

This chapter covers the concepts, measurements and trends of poverty, particularly in Malaysia. It also provides an overview of the research study; introduces Yayasan Sejahtera and the organisation's hardcore poverty programmes in Kelantan; and presents the objectives and the importance of the study.

### 1.1 Background of Study

Poverty remains a development challenge for developing nations. The definition of poverty has evolved over the years whereby initially, it was measured by income and consumption. Then, the discussion on poverty incorporated the attainment of basic needs (food, shelter, water, and clothing) of the poor. Today, poverty is also being assessed based on qualitative measures, specifically, the capabilities to achieve a minimal standard of living. This refers to the economic, social, and psychological deprivation faced by the poor to attain rights and access to resources in order to maintain a minimum standard of living (Ullah & Routray, 2007).

In Malaysia, the poverty rate is determined by reference to money-metric measures - Poverty Line Income (PLI). PLI is referred as the minimum level of consumption needed for a household on food, clothing, and other non-food items - rent, fuel, and power (UNDP, 2005). This indicator helps the government and poverty agencies to identify poor households in this country. This approach in specifying poverty line is known as absolute poverty. In contrary, people are relatively poor when their economic status falls below the prevailing standards of living in a given societal context (UNESCO<sup>1</sup>, 2016).

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<sup>1</sup> United Nations Educational, Scientific and Cultural Organisation

Regarding hardcore poverty, the term was first used by the Malaysian government in 1989 to represent a household which income is less than half of the PLI (UNDP, 2005). However, it should be noted that the term does not indicate the duration of time spent living below the poverty line. The latest PLI from 2014 Household Income Survey (HIS) are as follows:

**Table 1.1 Poverty Line Income (PLI) from 2014 Household Income Survey (HIS).** Source: Economic Planning Unit (EPU) (2014)

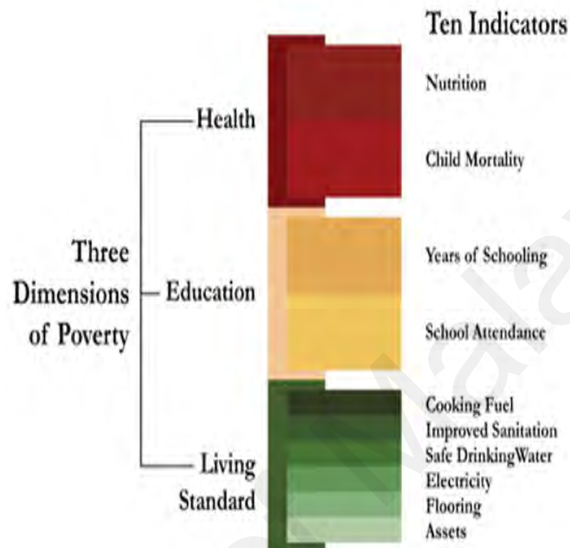
Region	Poverty (RM)		Hardcore Poverty (RM)	
	Household	Per Capita	Household	Per Capita
<b>Peninsular Malaysia</b>	930	230	580	140
Urban	940	240	580	140
Rural	870	200	580	130
<b>Sabah/Labuan</b>	1170	250	710	150
Urban	1160	260	690	150
Rural	1180	250	760	160
<b>Sarawak</b>	990	240	660	160
Urban	1040	250	700	160
Rural	920	240	610	150

Besides PLI, poverty is also measured through Human Development Index (HDI) and recently, the Multidimensional Poverty Index (MPI). MPI assesses poverty at the individual level across the same three dimensions (health, education and living standard) as the HDI. This measurement involves 10 indicators and the individual will be identified as 'MPI poor' when he is deprived in third or more of ten (weighted) indicators (Figure 1.1) (UNDP, 2015a; OPHI, 2010).

Since independence, Malaysia has shown a dramatic decline in poverty rate, whereby the percentage of Malaysian households living below the PLI has decreased by 48.7 per cent in 44 years<sup>2</sup> (EPU, 2016). Besides that, the incidence of hardcore poverty has also reduced from 6.9 per cent in 1984 to 0.2 per cent in 2012 (EPU, cited in Nor Fairani Ahmad, Mariani Mansor, & Laily Paim, 2016). Thus, from 2014 onwards, the Economic Planning Unit (EPU) has not released data on hardcore poverty rate as the

<sup>2</sup> The poverty rate in Malaysia has declined from 49.3 per cent in 1970 to 0.6 per cent in 2014.

number is too small and not significant. Various factors may contribute to the decrease number of hardcore poor and this study looks into the role and effects of a non-governmental organisation's (NGO) programmes in reducing the hardcore poverty rate in Malaysia.



**Figure 1.1 Indicators of MPI.** Source: OPHI (2010)

In most cases, hardcore poverty affects the livelihood of a household (Matin & Hulme, 2003). The British Department for International Development (DFID) (1999) proposed that,

“A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks; maintain or enhance its capabilities and assets; while not undermining the natural resource base” (p. 1).

Corresponding to the above definition, a global initiative known as the Sustainable Development Goals (SDGs) are formulated to address and discuss the economic, social and environmental dimensions of sustainable development, especially for the poor

(Patnaik & Prasad, 2014). A list of 17 goals is underlined in SDGs to eradicate poverty in all forms and dimensions (economic, social, and environmental) by 2050 (UN<sup>3</sup>, 2015).

A Sustainable Livelihood Approach (SLA) can be used to analyse people's current livelihoods, what they have, and what they need in order to maintain and enhance their assets. This approach highlights the complexity of the poor to make a living and emphasizes that the approach for development should be people-oriented (Patnaik & Prasad, 2014).

For development purposes, various poverty alleviation programmes have been conducted by the government, private sectors, and NGOs. According to the World Bank (2002), NGO is a "private organization that pursues activities to relieve the suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake community development" (OED<sup>4</sup>, 2002, p. 1). NGO, as a third sector actor in economic and social development, performs development works to influence key decision makers to develop a policy for a greater nation (OED, 2002).

In Malaysia, few NGOs exist to help the vulnerable communities to escape from the vicious circle of poverty. An example of NGO is Yayasan Sejahtera that is dedicated to address hardcore poverty issues by conducting programmes supporting the two elements of the National Key Results Areas (NKRAs) - (1) raising the living standards of low income households and (2) improving the basic rural infrastructure (Yayasan Sejahtera, 2011).

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<sup>3</sup> United Nations

<sup>4</sup> Operations Evaluation Department

## 1.2 Yayasan Sejahtera

Yayasan Sejahtera was established in 2009 under the auspices of the Putrajaya Committee of Government-Linked Investment Company (GLIC) High Performance and Khazanah Malaysia Berhad (Yayasan Sejahtera, 2011). The objectives of Yayasan Sejahtera are:

- i. To ensure the hardcore poor and poor have access to the basic standards of living and enjoy the minimum quality of life (as defined by the SDGs and HDI).
- ii. To support the creation of sustainable livelihood for vulnerable people in Malaysia.
- iii. To conduct poverty eradication programmes through the efforts of Government-Linked Companies (GLC), GLIC and the corporate sector Malaysia.
- iv. To work together with beneficiaries and the civil society to maximize program benefits.

In line with their objective, this organisation runs a few programmes to support the basic needs (including food, tools, utilities, and house) of the hardcore poor in Kelantan, Sabah, Sarawak and Pahang. Moreover, they also provide skill trainings to stimulate enterprises and financial independence to the poor. The programmes are premised on four elements:

- i. Supporting Basic Food Needs
- ii. Providing Basic Community Services
- iii. Building / Rehabilitating Homes
- iv. Supporting Sustainable Livelihoods

This research is a study of Yayasan Sejahtera's programmes on the hardcore poor in Bachok and Pasir Puteh, Kelantan. Yayasan Sejahtera is the biggest and most notable NGO involved with hardcore poverty programmes in Kelantan. The organisation collaborates and receives fund from established companies such as Bank Islam Malaysia Berhad, Implementation Coordination Unit of Prime Minister's Department (ICU), Kuwait Finance House (KFH), Malayan Banking Berhad (Maybank), Malaysia Airlines (MAS), Performance Management and Delivery Unit (PEMANDU), Lembaga Tabung Haji (TH), Telekom Malaysia Berhad (TM), UEM Group Berhad and few more. In addition, they work closely with United Nations Development Program (UNDP) to identify vulnerable groups in Kelantan and provide assistance to them.

### **1.3 Yayasan Sejahtera's Programmes in Kelantan**

Yayasan Sejahtera began their programmes in Kelantan in 2010, starting with the poorest districts: Bachok and Pasir Puteh. During that time, Bachok has the highest number of hardcore poor households in Kelantan (1704 households), followed by Pasir Puteh, (1444 households) (e-Kasih, 2010). Here, they executed seven sustainable livelihoods programmes. The programmes are (1) Napier and Watermelon, (2) Small Grants 1.0, (3) One Enterprise for One Family, (4) Sejahtera-TM Single Mothers, (5) Small Grants 2.0, (6) Small Grant 3.0, and (7) Flood Relief 2016. At first, their programmes involved providing equipment, materials, and skill development training to the hardcore poor - intended to add value to the beneficiaries' main source of income and to generate more revenue in future (Yayasan Sejahtera, 2014). Then, in 2014, their programmes started to target the poor<sup>5</sup> and the flood victims in Kelantan. However, this research can only consider three programmes, in which the programmes are geared

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<sup>5</sup> In 2012, the incidence of hardcore poverty in Malaysia has reduced to 0.2 per cent (EPU, cited in Nor Fairani Ahmad et al., 2016).



towards betterment of the livelihood of the hardcore poor (the target participants are the hardcore poor) and have been ended three years ago. The programmes are:

### **1.3.1 Small Grants 1.0 (20 families)**

Area: Bachok and Pasir Puteh, Kelantan

Duration: April 2011 – May 2012

The Small Grants 1.0 involved 20 families who owned small businesses in Bachok and Pasir Puteh, Kelantan (Yayasan Sejahtera, 2011). The programme aimed to provide seven hardcore households in Bachok and 13 hardcore households in Pasir Puteh with a sustainable source of income (Yayasan Sejahtera, 2012). Through the programme, Yayasan Sejahtera provided equipment, hardware, and technical training, according to three small sectors: general businesses (7 beneficiaries), home-based businesses (9 beneficiaries), and agriculture (4 beneficiaries). The non-monetary assistance is expected to improve their business productivity and thus their income (Yayasan Sejahtera, 2011).

### **1.3.2 One Enterprise for One Family (60 families)**

Area: Pasir Puteh, Kelantan

Duration: October 2011 – September 2012

This programme is a joint effort with the Foundation for Women's Education and Vocational Training Malaysia (YPVWM) to provide additional and advanced entrepreneurial and technical training in tailoring, pastry and baking, financial literacy, Information Communications Technology (ICT) and management. The curriculum involved a mixed method (classroom and workshop). This is to merge the theoretical and practical aspects so that the beneficiaries can upgrade their skills and confidence level in doing microbusinesses. The beneficiaries received equipment like a baking oven and sewing machine to enhance their business capacity. YPVWM and Yayasan Sejahtera also help the beneficiaries to enlarge their networking by introducing them to

supplier or organisation that can market their products. Sixty families in the district of Pasir Puteh, Kelantan, have successfully completed this programme (Yayasan Sejahtera, 2011).

### **1.3.3 Small Grants 2.0 (55 families)**

Area: Pasir Puteh and Bachok

Duration: November 2012 – September 2014

This programme is a continuation of Small Grant 1.0 completed in 2012. Prior to this, materials, equipment, and technical training were provided to add value to beneficiaries' existing economic activity and to generate more revenue in agriculture-based activities, small food-related businesses, and garment-making productions. The programme involved 55 families who were already earning an income, albeit an insufficient one, in Bachok and Pasir Puteh, Kelantan (Yayasan Sejahtera, 2014). Yayasan Sejahtera received cooperation from the Department of Agriculture to conduct agriculture-related trainings to those in agricultural-based businesses. This is to upgrade their knowledge and technical skills in farming. Besides that, they also collaborated with University of Malaysia Kelantan (UMK) to conduct financial literacy programmes to all beneficiaries. The hardcore poor are trained to plan and maintain bookkeeping so that they could monitor their economic activities. In addition, they are encouraged to keep in touch with one another so that the knowledge and skills can be imparted between them. The assistance was intended to help the beneficiaries increase their income and eventually, move out of the hardcore poverty threshold (Yayasan Sejahtera, 2013).

## **1.4 Problem Statement**

Malaysia has experienced commendable progress in reducing poverty and hardcore poverty in the last three decades (Siti Hadijah Che-Mat, Nor' Aznin Abu Bakar & Ahmad Zafarullah Abdul Jalil, 2011). Nevertheless, the poverty issue remains a major

concern in the country especially in poor states such as Sabah (3.9 per cent), Kelantan and Sarawak (both 0.9 per cent) (Sulochana Nair, 2010). In Peninsular Malaysia, Kelantan has the highest poverty rate, followed by Pahang and Perak (both 0.7 per cent), Terengganu (0.6 per cent), and Negeri Sembilan (0.4 per cent) (EPU, 2014).

Through the three programmes addressed in this study, Yayasan Sejahtera has distributed grants (in terms of equipment and materials) and conducted skill trainings to 135 hardcore households in Kelantan (Yayasan Sejahtera, 2014). However, based on the interview with UNDP by Astro AWANI, the international organisation identified that after the beneficiaries succeeded in improving their livelihood, a few problems have obstructed their livelihood stability, leading them to return to the initial condition (UNDP, 2015b). Nevertheless, there is no further explanation on the problems and in the way the problems affect the livelihood stability of the hardcore poor compared to others. Past studies have claimed that the areas in Kelantan are more vulnerable to natural disasters such as flood (Tuan Pah Rokiah Syed Hussain & Hamidi Ismail, 2016; Muhammad Barzani Gasim, Mohd Ekhwan Toriman, Mohd Khairul Amri Kamarudin, & Azman Azid, 2015; Senadjki Abdelhak, Jamalludin Sulaiman, & Saidatulakmal Mohd, 2012). The biggest flood incident in Malaysia in 2014, involved several states (Kelantan, Terengganu, Perak, Pahang and Johor) and Kelantan recorded the highest number of victims at 142,582 in that year (Ibrahim Komoo, 2015).

The problems and risks faced by the rural poor in Kelantan make them more vulnerable overtime (Jamalludin Sulaiman, Azlinda Azman, & Senadjki Abdelhak, 2014). Thus, in every poverty eradication programme, the implementers should investigate the needs of the recipients (UNDP, 2008). Yayasan Sejahtera claimed that the hardcore poor in Kelantan received limited assistance from the authorities. Hence, their programmes in Kelantan involved distributing materials, equipment and skill trainings - to channel assistance to the neediest (Yayasan Sejahtera, 2012). However, as

mentioned above, after approximately three years, some of the beneficiaries are unable to cope with the surrounding problems and maintain a sustainable livelihood. An assessment on assistance provided by Yayasan Sejahtera should be made in order to analyse these circumstances.

Poverty eradication programmes require comprehensive effort between the government and NGOs (Naila Aajjaz, Mohamed Dahlan Ibrahim, Noraani Mustapha, & Yah Awg Nik, 2011; Ahmed & Rafi, 1999). However, due to the limitation in terms of fund, many NGO programmes focus on short-term and stand-alone projects. This hinder the efforts to promote and improve the adaptive capacity of the recipients to withstand the vulnerabilities (Frankenberger, Conostas, Nelson, & Starr, 2014; Lu, 2003). According to Tan Sri Faizah Mohd Tahir, the chairperson of Yayasan Sejahtera, their organisation also faced the same problem (limitation of fund) in implementing their programmes (Yayasan Sejahtera, 2015). Thus, impact assessment studies on the programmes implemented by an organisation have to be conducted in ‘proving’ the impacts and ‘improving’ the interventions by agencies (Hulme, 2000).

## **1.5 Research Questions**

- i. What are the vulnerability contexts of the hardcore poor<sup>6</sup> in Kelantan that can hinder them from achieving sustainable livelihoods?
- ii. How does assistance (networking opportunities, materials, equipment, and skill development training) provided by Yayasan Sejahtera helps the beneficiaries to withstand the vulnerability issues surrounding them?
- iii. How does Yayasan Sejahtera’s programmes impact the livelihood of the beneficiaries after three years?

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<sup>6</sup> The beneficiaries were in the state of hardcore poor when they participated in Yayasan Sejahtera’s programme.

## **1.6 Research Objectives**

- i. To explore the vulnerability contexts of the hardcore poor in Kelantan and make recommendations to assist them in achieving sustainable livelihoods.
- ii. To assess whether assistance (networking opportunities, materials, equipment, and skill development training) provided by Yayasan Sejahtera were able to help the beneficiaries withstand the vulnerability issues surrounding them.
- iii. To examine the impacts of Yayasan Sejahtera's programmes on the beneficiaries after being completed three years ago.

## **1.7 Significance of Study**

This study explores vulnerable issues surrounding the hardcore poor and poor in remote areas and the findings will be used to build strategies and strengthen the policy foundation for vulnerable citizens. The researcher attempts to contribute solutions to mitigate the problems by analysing the experiences and perceptions of the poor towards the problems. Since Kelantan has the highest poverty rate in Peninsular Malaysia (0.9 per cent), the government, private sectors, and NGOs can use the findings to plan and implement the right intervention for the poor in this state. This is because the hardcore poor are more vulnerable to external shock and stress, so they need collaborative assistance from all parties. Hence, the assessment of post-condition of beneficiaries is a crucial prerequisite in targeting interventions by agencies and policy makers. It is important to solve these issues to support the government's poverty eradication programmes and to pursue sustainable development as mentioned in SDGs.

Besides that, this study can become references for future literature in distinct perspectives and areas. Since there is a small incidence of hardcore poverty in Malaysia, this study will help future researchers to examine what factors contribute to the

decreased number of hardcore poor in this country. It should be noted that there is a limited number of study on programme assessments towards the hardcore poor by NGOs, especially in Malaysia. NGO is the third party in economic and social development. Thus, their role remains important in mitigating poverty and the effects of their programmes should be reported – to provide data to the future researchers.

Moreover, this study is a research report by an external party, thus providing external feedbacks on Yayasan Sejahtera's programmes to the organisation without bias. This is to help Yayasan Sejahtera to review their past programmes and to make enhancement to the future programmes. Yayasan Sejahtera reports their activities and programmes through their annual report every year. The surveys in the annual report are usually performed by their internal committees and its partner - UNDP. Other than the Yayasan Sejahtera Annual Report, funders and potential funders can refer to this research to examine how this organisation conducted their programmes and the current livelihood of the beneficiaries.

## **1.8 Overview and Organization of Chapters**

This research study is presented in six (6) chapters. Chapter 1 presents the background of the study and introduces Yayasan Sejahtera and its programmes to readers. This chapter also describes on the problem statement, research questions, research objectives, and the contributions being made from this study.

Chapter 2 reviews the past literature in relation to SLA, hardcore poverty, vulnerability contexts, livelihood assets, transforming structures and processes, livelihood strategies, and livelihood outcomes. The gaps in the previous studies and current knowledge in poverty study are highlighted in this chapter. Then, this chapter presents a conceptual framework, derived from the literature review and describes how the elements in the framework connected to each other.

Chapter 3 discusses on the research methodology. The researcher describes how the research study was conducted, the study area, unit of analysis, sample size and sampling method. The instruments to collect and analyse the data are described clearly in this chapter. The researcher also includes the challenges during the data collection and ethical issues concerning the research study.

Chapter 4 describes the profile of the respondents and presents the findings derived from the interview session with the respondents – their comments, interpretation and explanations. The researcher also presents the results from the interview session with the key informant from Yayasan Sejahtera and the data from Yayasan Sejahtera's Annual Report from 2011 to 2015. The qualitative data are presented in a verbatim form.

Chapter 5 presents the triangulation analysis, using the findings from (1) the interview session with the beneficiaries of Yayasan Sejahtera and (2) Yayasan Sejahtera (the key informant and Yayasan Sejahtera's Annual Report from 2011 to 2015). Then, the researcher critically discusses the results deduced from the analysis.

Chapter 6 discusses on the implications and limitations of the study. This chapter also provides some recommendations based on the foregoing analysis and a few suggestions for future research. Lastly, the researcher provides the conclusion for the entire study.

## CHAPTER 2: LITERATURE REVIEWS

This chapter reviews the previous literature related to poverty and livelihood study. The researcher discusses the concept and framework of sustainable livelihood within the hardcore poverty contexts. The literature review included critical evaluation of existing literatures, knowledge gaps, and supportive evidences to increase the significant of the research topic. In the last section of this chapter, the researcher introduces the conceptual framework for this study.

### 2.1 Sustainable Livelihood

A livelihood study was first introduced in 1987 by Brundtland Commission as a mechanism to achieve sustainable livelihood for the poor. Chambers and Conway (1991) proposed that,

“A livelihood comprises the capabilities, assets (stores, resources, claims, access) and activities required for a means of living: a livelihood is sustainable when it can cope with and recover from stresses and shocks, maintain or enhance its capabilities and assets, and provide sustainable livelihood opportunities for the next generation; which contributes net profits to other livelihoods at the local and global levels and in short and long run” (p.6)

In short, livelihood refers to the capability of an individual or household to earn a living and to secure their assets.

The study of livelihood of the hardcore poor is important because the poor are more vulnerable to external shocks and stresses, which makes it difficult for them to secure their assets (Sabates-Wheeler et al., 2008; Philip & Rayhan, 2004; Freire & Stren, 2001). For development practice, Sustainable Livelihood Approach (SLA) can be a tool to identify the constraints and opportunities to develop strategies and policy for the



poor. This process involves the identification and improvement of assets, which includes tangible assets (physical, natural, human, financial, and social capital) and intangible assets (claims and access) for the poor to construct a living in the face of shocks and stresses over time (Morse & McNamara, 2013; Krantz, 2011; Morse, McNamara & Acholo, 2009).

Chowdhury (2015) claimed that, SLA (through cause and effect analysis principles) provides an inclusive understanding of how people can transform to a better state of life. This approach is somewhat similar to Capability Approach introduced by Amartya Sen in 1985, whereby Sen argued that people need assets to improve their livelihood and the assets must work together - to deliver better livelihood outcome. Moreover, SLA has been typically applied by development practitioners in poor countries to enhance the effectiveness of their programmes and as a guideline for more in-depth research (Allison & Horemans, 2006).

This approach has been adopted by many scholars to study the rural livelihood and diversity in developing countries (Ellis, 2000); livelihood of micro-credit beneficiaries (Morse & McNamara, 2012); livelihood diversification (Niehof, 2004; Barrett, Reardon & Webb, 2001); perceptions, vulnerability and adaptation to climate change (Hameso, 2015); livelihood sustainability and environmental issues (Masud, Kari, Yahaya & Al-Amin, 2016); and natural resource management (Solesbury, 2003). In Malaysia, most impact assessment studies focus on the impact of microcredit scheme towards the hardcore poor (see Al Mamun, Malarvizhi, Hossain, & Tan, 2012; Norma Md Saad & Jarita Duasa, 2011; Al Mamun, Sazali Abdul Wahab, Hossain, & Malarvizhi, 2010; Norma Md Saad, 2010). It should be noted that there is limited number of studies which assess the hardcore poverty eradication programmes by other NGOs, apart from microcredit scheme by the microcredit provider.

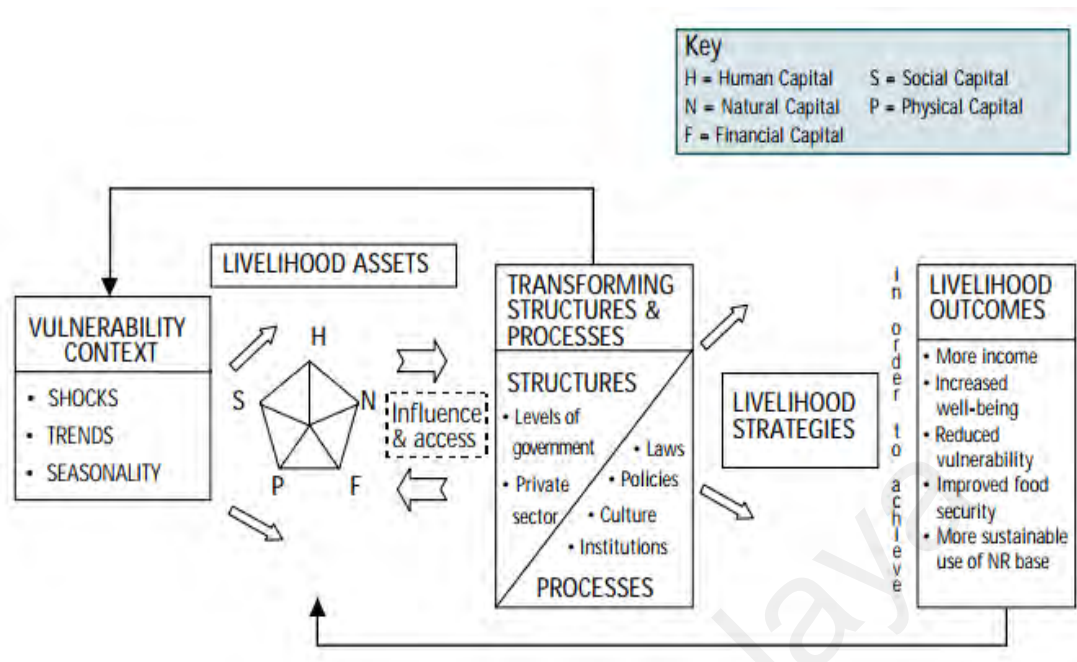
Impact assessment studies have become increasingly popular in ‘proving’ impacts and ‘improving’ interventions by agencies. Study on the impact of a programme helps the implementer to learn what has been achieved, what made the programme successful or unsuccessful, and how to improve the programme (Hulme, 2000). It is important to assess the livelihood of participants of a certain poverty alleviation programme to know what is missing in the previous programme and what can be done to improve the programme.

Besides, various frameworks on SLA have been introduced by scholars and organisations such as Ellis and Allison (2001), Ellis (2000), British Department for International Development (DFID) (1999), Scoones (1998), and an NGO - Cooperative for Assistance and Relief Everywhere (CARE) (1994). Basically, these frameworks contain the same components of livelihood (assets, activities, and access as mentioned in the definitions) and have been used as a strategy to reduce poverty. The differences are, some frameworks are built with regard to the scholars/agent’s objectives and programmes<sup>7</sup>, and some are specifically focused on a certain sector like the fishery sector (see Allison & Ellis, 2001).

Among these frameworks, the one introduced by DFID is one of the most widely used frameworks by development researchers (such as Masud et al., 2016; Hameso, 2015; and Small, 2005). This is a people-centered framework which focuses on the local context and looks into people’s assets to formulate strategies (Krantz, 2011; Bebbington, 1999; Leach, Mearns & Scoones, 1999). Figure 2.1 shows the DFID’s Sustainable Livelihood Framework.

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<sup>7</sup> CARE’s Livelihood Model has been used to facilitate the planning of projects and programmes; and to support household livelihood security, primarily at the community level (Krantz, 2011). On the other hand, DFID Sustainable Livelihood Framework is more of a basic framework for analysis than a procedure for programming. DFID worked at the community level to reduce poverty - enabling policy environments, macroeconomic reforms, and legislation (Krantz, 2011).



**Figure 2.1 The DFID Sustainable Livelihood Framework.** Source: DFID Sustainable Livelihoods Guidance Sheets (1999)

## 2.2 Hardcore Poverty

In Malaysia, the incidence of hardcore poverty has shown a significant reduction - 6.9 per cent in 1984, 1.2 per cent in 2004, 0.7 per cent in 2009, and 0.2 per cent in 2012 (EPU 2012, cited in Nor Fairani Ahmad et al., 2016; DOSM 2011, cited in Zulkarnain A. Hatta & Ali, 2013). After conducting the 2014 Household Income Survey (HIS), Economic Planning Unit (EPU) has stop releasing data on hardcore poverty rate as the number is too small and not significant. According to Chamhuri Siwar, Md. Mahmudul Alam, Md. Wahid Murad and Abul Quasem Al-Amin (2009) the continuous decrease in the hardcore poverty rate in Malaysia is the result of successful implementation of poverty eradication programmes and constructive economic growth. However, some researchers claimed that most positive reports on poverty eradication programmes are referred to as government programmes (such as Income Increment Programme (PPP), Government Transformation Programme (GTP), Training and Career Programme, Housing Project for the Poor (PPRT), Local Community Development Programme, Education Excellence Programme and Child-Care Center Programme), which involve

long-term programmes (see Sharifah Rohayah Sheikh Dawood & Khoo, 2016; Mohd Zin Mohamed & Xavier, 2015; Chamhuri Siwar et al., 2009). For most NGOs, their initiatives usually involve micro and short-term programmes to tackle poverty issues (Parthiban S. Gopal & Nor Malina Malek, 2015). The duration of programmes conducted by Yayasan Sejahtera in Kelantan ranged from one to two years (Yayasan Sejahtera, 2013). The above claims have motivated this research study to examine the impacts of Yayasan Sejahtera's programmes on the beneficiaries after being completed three years ago.

There are various poverty eradication programmes being implemented by the Malaysian government in the form of financial support, education programmes, housing programmes and a few more. Sharifah Rohayah Sheikh Dawood & Khoo (2016) claimed that most of the programmes managed to bring out some recipients in Kedah, Penang and Perak from the poverty trap. Nonetheless, there is a group of people who do not receive enough assistance as they are unaware or lack of access and channel to apply for the assistance. Thus, in few of the government programmes, they collaborate with external agencies and NGOs to ensure that they are able reach the poor (Naila Aaijaz et al, 2011). For instance, in Kelantan, 1 AZAM Program<sup>8</sup> (for AZAM Tani) was held by the Kelantan Farmers' Organization Authority. In 2010, the programme had targeted 600 projects by involving 600 participants and RM 6,000,000 was allocated for the programme (LPP<sup>9</sup>, 2010). For the 1 AZAM Program in Sabah, the government seeks assistance from Yayasan Sabah to conduct technical training to the participants. There is a little increment in the participants' income after joining the programme.

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<sup>8</sup> 1 AZAM Program is a government initiative to open more job opportunities for the poor. The participants are categorized under four working sectors that are appropriated to their skills - AZAM Tani (Aim Agricultural), AZAM Kerja (Aim Works), AZAM Niaga (Aim Business) and AZAM Khidmat (Aims Services) (Radieah Mohd Nor & Sharifah Nurlaili Farhana Syed Azhar, 2016).

<sup>9</sup> Lembaga Pertubuhan Peladang (Farmers' Organization Authority)

However, the researcher also found that only 14.7 per cent participants able to surpass the targeted PLI (RM1, 050.00). This is due to some participants who are not working or choose to be a housewife after joining the programme (Jipun, 2017).

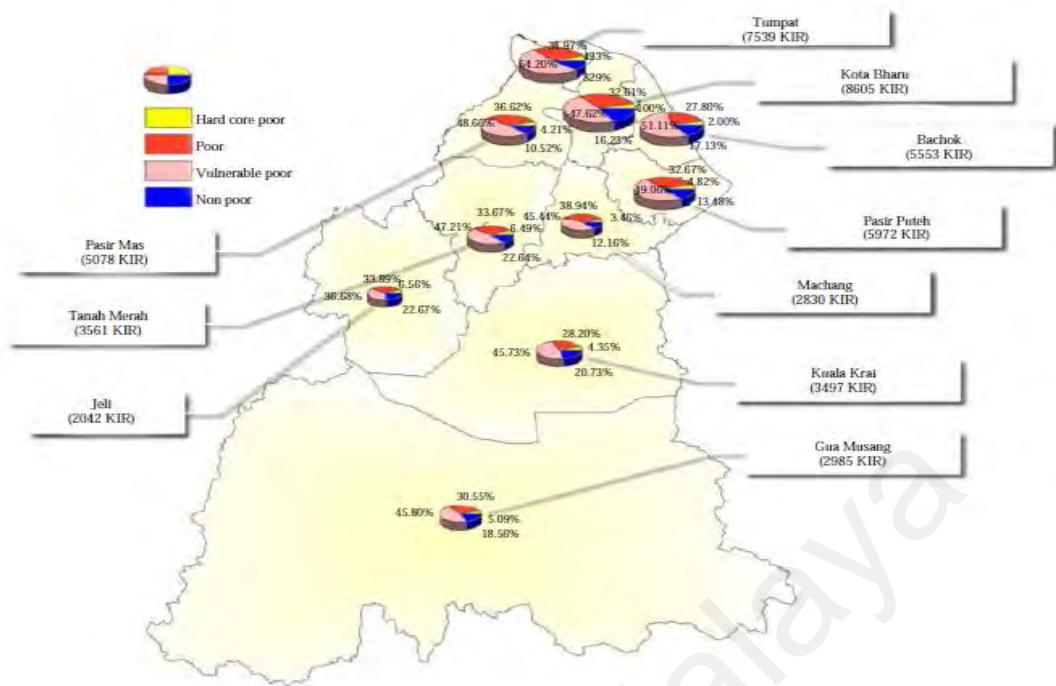
Poverty alleviation programmes should address those experiencing the greatest deprivations in life. These people have been variously described as the destitute, the poorest, the extreme poor, the ultra-poor, the chronic poor, the highly dependent poor and, in this study, the hardcore poor. Practically, these terms seem to refer to the same group of people but theoretically, many different criteria are used to differentiate them (Matin & Hulme, 2003). For instance, there is a little distinction between the hardcore poor and chronic poor. In a few developing countries, the researchers use the term 'chronic poverty' to refer to the poor who experience severe deprivations (pertaining to health, education, isolation, and security) for an extended period of their life (Bird, Hulme, Moore & Shepherd, 2002). The concept is similar to 'hardcore poverty' (deprivation of the poor) but the state of being chronically poor involves long and constant deprivation in life – five years or more (Hulme & Shepherd, 2003). Commonly the chronic poor involved with intergenerational poverty or encountered catastrophic and non-recoverable collapse in livelihood (such as prolonged illness or sudden death of the head of household) (Bird et al., 2002). In Malaysia, these deprivations are commonly referred as 'hardcore poverty'. The term was first used by the Malaysian government in 1989 to represent households with an income less than half of the PLI. However, it should be noted that the term does not indicate the duration of time spent living below the PLI (UNDP, 2005).

Within the Malaysian context, Kelantan, Sabah, and Sarawak were among the top three states with a high number of hardcore and poor households in 2010. In Kelantan, specifically, Bachok has the highest hardcore poor families in 2010, followed by Pasir

Puteh. At that time, the number of hardcore poor households in Bachok and Pasir Puteh were at 1704 and 1444 respectively (e-Kasih, 2010). With respect to this information, Yayasan Sejahtera started their programmes in Kelantan in 2010, focusing on the poorest districts: Bachok and Pasir Puteh (Yayasan Sejahtera, 2013). Nonetheless, in 2016, the highest incidence of hardcore poverty was observed in the district of Jeli (6.56%), Kelantan (Figure 2.2) (Chamhuri Siwar, Ferdoushi Ahmed, Siti Zalikha Zahari, Nor Diana Mohd. Idris, Md. Shahin Mia & Ahmad Bashawir, 2016). Table 2.1 shows the real Gross Domestic Product (GDP) per capita for the states in Malaysia from 2012 to 2015. The table indicates that, during the period, Kelantan recorded the lowest GDP per capita every year.

**Table 2.1 Real GDP Per Capita by States 2012-2015.** Source: Department of Statistics Malaysia (2016)

<b>States</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
W.P. Kuala Lumpur	74,579	79,752	90,464	94,722
Sarawak	40,396	41,115	44,596	44,012
Penang	36,787	38,356	42,130	44,847
Selangor	35,916	37,851	40,536	42,611
Malacca	33,623	34,109	38,656	39,853
Negeri Sembilan	32,545	33,033	35,865	36,699
Pahang	26,274	26,759	29,341	30,343
Johor	24,569	25,302	28,089	29,539
Terengganu	22,717	23,285	26,397	26,259
Perak	20,510	21,150	24,132	25,418
Sabah	18,713	18,603	19,723	19,734
Perlis	17,990	18,519	20,999	21,394
Kedah	15,777	16,316	17,329	18,249
<b>Kelantan</b>	<b>10,568</b>	<b>10,677</b>	<b>11,748</b>	<b>12,075</b>



**Figure 2.2 The Incidence of Poverty by Districts in the States of Kelantan, Malaysia in 2016.** Source: Chamhuri Siwar et al. (2016)

With regards to the Yayasan Sejahtera’s programmes in Kelantan, the target beneficiaries for their programmes (Small Grant 1.0, One Enterprise for One Family, and Small Grant 2.0) were the hardcore households. This organisation believes that poverty eradication in the Malaysian context should resolve the issues of the continuous cycles of unfulfilled basic food needs; lack of access to basic services such as electricity, water, medical care, and education; poor housing; and the inability, or perceived inability to rise beyond poverty (Yayasan Sejahtera, 2014). Thus, poverty should not be confined to low income but the capability to enjoy basic amenities and necessities so that the poor (especially the hardcore poor) can continuously increase their living standard.

For Yayasan Sejahtera’s programmes, the hardcore poor are identified using the database from e-Kasih and UNDP. This organisation acknowledged that it is difficult to identify the hardcore poor using qualitative measures compared to money-metric

measurement. Unlike in India, it is easier to recognize the hardcore poor compared to Malaysia. This is because the hardcore poor in India would show many recognisable footprints such as landless; having a 'kutcha' (makeshift) house; presence of child labour; and belonging to scheduled castes and tribes (Rao, 2007). Due to this limitation, Yayasan Sejahtera collaborates with UNDP in most of their programmes to identify the target group (Yayasan Sejahtera, 2005b). UNDP has appointed a few community mobilisers to examine the livelihood of potential beneficiaries at the initial phase of the programmes in Kelantan. Besides that, to ensure that the aids would be channelled to the right group, the committee members conducted a profound study on the beneficiaries' background (Abd Halim Hadi, 2015).

### **2.3 Vulnerability Contexts**

This research study aims to explore the vulnerability contexts of the hardcore poor in Pasir Puteh and Bachok, Kelantan. It has been mentioned in Section 2.1 that the poor (especially the hardcore poor) are more vulnerable to external shocks and stresses that make it difficult for them to secure their assets – as even a little problem can hugely affect their livelihood. Their perceptions on the vulnerable issues surrounding them are critical for policy formulation and future intervention (Koczan, 2016). Perception is one of the approaches to understand a phenomenon and to create awareness in a society (Hameso, 2015). Vulnerabilities can be in terms of trends, shocks, and seasonality.

Trends refer to changes over time influencing a community livelihood such as price hike for goods, social problems and change of occupation within communities (Masud et al., 2016). According to Hellin, Chandna and Dixon (2010), trends have been usually perceived as negative circumstances such as moral decline; environmental degradation; deterioration of the education system and healthcare standard; and population increase. However, according to Shen, Hughey, and Simmons (2008), not all trends are negative.



Some trends are likely encouraging such as trends in favour of ecotourism and technology enhancement.

A study on the livelihood assets and vulnerability context of Marine Park Community Development in Malaysia by Masud et al. (2016) found that the community in Pulau Redang, Pulau Tioman and Pulau Tinggi (96.4 per cent) perceived that the price hike for essential goods frequently occurs at their place. Besides, the focus group discussion from the same study claimed that the teenagers in these islands are often involved with social problems like addiction to alcohol and unethical activities with the tourists. The paper suggested that the uncertainty of price in the study area needs to be controlled by the government – assisted through the execution of laws, policies and institutions.

Examining the trends provides better understanding on the general changes experienced by people every year and whether the changes affect their assets and livelihood sustainability (DFID, 1999). In a discussion paper published by Kobe University, in 2012, it has been identified that many households in Philippines are negatively affected by the fuel price fluctuation. The study stated that the increases in fuel price could contribute to higher transportation cost to entrepreneurs in transporting their products to the city. This could lead to increases of price of the products and eventually, affecting households' income. Again, policies play an important role to mitigate this issue. The study suggested that policies and programmes focusing on the development of human capital are very important for developing countries. For instance, more educated individuals are likely better to adapt with varying circumstances and have higher coping capability. In addition, policies to enhance the transportation infrastructure are also crucial in reducing vulnerabilities in the Philippines (Mina & Imai, 2016). This shows that a study on the vulnerable issues faced

by people is important to provide direct data to the government for better policy formulation and implementation.

Shocks refer to unexpected occurrences happening in people's lives like human health shocks, livestock or crop health shocks, social crises, food shortage, inflation, and natural disasters, which may affect their livelihood (Masud et al., 2016; Hameso, 2015; DFID, 1999). Human health shocks such as prolonged illness or sudden death of the head of household can induce shock to a household (Bird et al., 2002). Hameso (2015) claimed that shocks are derived from social, environmental and economic factors. For instance, a natural disaster like the flood can have severe negative impacts on agricultural productions.

Shocks are likely to denote more unexpected pressure to people and can directly destroy livelihood assets (Morse et. al, 2009). These unexpected occurrences can force people to dispose their assets prematurely in order to cope with the situation (DFID, 1999). It should be noted that the vulnerability of shocks can vary. For instance, drought and flood can impact the natural capital (reduce the quality and quantity of crop yields), but may have little impact to other capitals (such as public infrastructure and housing). Nevertheless, in a longer term case, severe drought and flood could affect more assets and people (Morse et. al, 2009)

It should be noted that remote rural areas are more vulnerable to natural disasters due to the marginality of land and lack of government interest in providing rescue and rehabilitation. Besides, major conurbations were normally focused on strategic geographical and ecological areas, which neglected the remote rural areas and eventually exposed them to climatic and other risks (Sinha & Lipton, 1999). Thus, it is important to examine the problems faced by the rural poor so that the report can be channelled to the government for better policy formulation.

Seasonality refers to seasonal changes that restrain choices for sustainable livelihood (Masud et al., 2016). According to the original DFID framework, seasonality includes the seasonal shifts in prices, employment pattern, and food availability that may affect the livelihood of people (DFID, 1999). A few researchers have incorporated climate change<sup>10</sup> under this heading (see Masud et al., 2016; Hameso, 2015; Hassan, 2010). They believed that the persistent change in the statistical distribution of weather patterns could give a great impact and complicate the livelihood of the poor. For instance, global warming (one of the types of climate change) can lead to an increase of average temperature on earth and interrupt the rainfall patterns (McCaffrey, 2012).

Small farmers were more vulnerable to climate change because their income and livelihood were determined by the amount and timing of rainfall. Basically, there are two solutions to this problem – mitigation and adaptation. Policy plays a crucial role in mitigating the effects of climate change through development planning. On the other hand, diversification of livelihoods can help the small farmers to adapt with the abovementioned problem (Hameso, 2015). A study by Masud et al. (2016) found that 60.3 per cent of the respondents stated that climate change (like drought), heat and haze affect their livelihoods. 39.7 per cent of the respondents agreed that climate change caused job uncertainty for them. The researchers also conducted a focus group discussion to complement the quantitative data and the results confirmed that rough weather (climate change) contributed to uncertainty in occupation. Hameso (2015) also reported in his thesis that seasonality reduced agriculture production, affected the price of goods and decreased employment opportunities. The employment condition of the

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<sup>10</sup> Climate is the average weather pattern over many years expressed through variables such as temperature, rainfall, wind and humidity (Hameso, 2015).

poor should be examined and discussed because employment delivers income that determines people's access to the basic living needs (Ullah & Routray, 2007).

Table 2.2 shows the future climate change projections by National Hydraulic Research Institute of Malaysia (NAHRIM). Based on the table, it is predicted that the North Eastern Region (consists of Terengganu and Kelantan) will experience a substantial increase in temperature and rainfall compared to other regions by 2050. As majority of the beneficiaries in Small Grant 2.0 were involved in agriculture activities, continuous increase in temperature and rainfall will considerably increase their burden and affect their livelihood.

**Table 2.2 Future Climate Change Projections in Peninsular Malaysia by 2050.**  
Source: NAHRIM (2006), Chamhuri Siwar et al. (2009)

Regions – States	Projected Change <sup>11</sup> in Maximum Monthly Value	
	Temperature (°C)	Rainfall (%)
North East Region - Terengganu, Kelantan	+1.88	+32.8
North West Region – Perak, Kedah	+1.80	+6.2
Central Region – Klang, Selangor, Pahang	+1.38	+8.0
Southern Region – Johor	+1.74	+2.9

Climate change arises from the (1) natural processes internal to the Earth and (2) human-induced factors – such as the emission of Greenhouse Gas (GHG) that causes global warming (IPCC<sup>12</sup>, 2007). It should be noted that climate change could cause long-term water shortages for irrigation. This could also contribute to deterioration of soil condition as well as diseases and pest outbreaks on crops. Consequently, there would be losses in agriculture productivity in vulnerable remote areas (Chamhuri Siwar et al., 2009).

<sup>11</sup> Difference = Average 2025-2034 & 2041-2050 minus Average 1984-1993

<sup>12</sup> Intergovernmental Panel on Climate Change

Trends, shocks and seasonality can affect the income of a household. A paper by Al Mamun et al. (2012) which examined the effects of microcredit programme on hardcore poor in Malaysia found that health issues, poor sales and poor agricultural season had decreased the income of the respondents. On the other hand, growth in current economic activities, sales in new markets and innovation of new products had contributed to increment in their monthly income.

#### **2.4 Standard of Living Indicators (Livelihood Assets)**

An asset portfolio consists of social, physical, human, financial and natural assets. Matin and Begum (2003) argued that assets are correlated with income and they are a store of value – ownership or right of access can be shifted to others. Assets holding can influence the socio-economic status of the poor. More asset base could contribute to a greater capacity for the poor to adapt the seasonal changes (Cooper, Dimes, Rao, Shapiro, Shiferaw & Twomlow, 2008). Besides that, few indicators such as low capital and skills could contribute to low productivity in production. If this situation persists, it would be difficult for the hardcore poor to lift themselves out from severe deprivations (Al Mamun et al., 2012; Matin & Begum, 2003).

A study on Impact Assessment of Microcredit Program in Malaysia: The Case of Amanah Ikhtiar Malaysia (one of largest microcredit providers in Malaysia) found that those who owned assets (such as land and vehicle) before they joined AIM continued to own and accumulate more asset. The study claimed that assets deliver knowledge and capability to run businesses and eventually contribute to an increase in the household incomes (Norma Md Saad & Jarita Duasa, 2011). A study by Ullah and Routray (2007) mentioned that the accumulation of landholding symbolized the status of a household in Bangladesh and this asset is the most important element of the NGOs' asset building endeavours for the poor in that country. For this research study, the researcher focuses

only on social, human and physical assets owned by beneficiaries of Yayasan Sejahtera's programmes as these are among the assets provided by the organisation to the beneficiaries.

Social assets involve social network; the relationship of trust; group membership; mutual understanding and support; and collective representation or associations (Chowdhury, 2015). It is also a capability that arises from confidence (trust) in a community (Fukuyama, 1995). According to Mondal (2000), the existence of trust and norms of reciprocity can strengthen other capitals, especially financial and human capital. Thus, the paper recommended that the government and NGOs should use social capital as a tool to formulate and implement policy for the poor.

Besides, Bebbington (1999) indicated that social capital helped people to gain better access to resources and connection with others. Through trust relationships, people share and spread information, knowledge and risks during a crisis to solve one's problem (Hameso, 2015). Masud et al. (2016) believed that social network encourages people to interact and work together to solve financial, emotional, political, or mental depression problems. It is important to note that cooperation and relationship of trust are easier to be created in communities with a substantial standard of social capital (Mondal, 2000).

In some countries, NGOs play a major role for development purposes. For instance, in Bangladesh, Mondal (2000) claimed that NGOs were better than government in organizing a group of villagers to work together for common good. Building Resources across Communities (BRAC) and Proshikkhan Shikkha Karmo (PROSHIKA) are among the largest NGOs, involving rural development programmes in that country. Mondal added that these organizations have contributed to the process of social capital formation – they promote awareness, the spirit of cooperation and mobilization

strategies to the vulnerable group of people (especially women) to form alliances and solve their problems together. The strength of voluntary organisation differs between countries. In the Malaysian context, government spearheaded the policy formulation (to eradicate poverty) and NGOs serve to strengthen the policy foundation – by providing data and results of their programmes (UN, 2015; Mondal, 2005). Naila Aaijaz et al, (2011) indicated that NGOs have many advantages over government agencies. They are not restricted with bureaucratic rules and regulations and retain flexibility in conducting their programmes. Moreover, most of their poverty programmes cover the remote rural areas which normally have a large number of the poor group.

Human capital is the accumulation of knowledge and skills through formal instructions, training, and experiences that facilitate the creation of personal, social, and economic well-being (Becker, 1993, cited in Al Mamun et al., 2012; DFID, 1999). Among the examples of human assets are education, health, nutrition, people competencies, the capacity to work, knowledge, and employment (Masud et al., 2016; Chowdhury, 2015). An assessment on a hardcore poverty program in Bangladesh found that food aid and skill training (as offered in the program) have worked for some households but some also need materials and/or monetary assistance to climb out of hardcore poverty. Thus, it is suggested that in order to deepen the reach of a program, agency has to offer range of assistance to their beneficiaries (Matin & Hulme, 2003).

In addition, human capital like education and skills will allow a person to adapt with development challenges and to create new strategies to improve his standard of living (Hameso, 2015). The reasons why the hardcore poor continue to face prolonged deprivations are because they suffer from a combination of poor health, poor education, skewed resource distributions, broken families, deficient infrastructures and fewer employment opportunities (Al Mamun et al., 2012; Matin & Begum, 2003).

Acknowledging this fact, Matin and Begum (2003) conducted a flood rehabilitation programme for the hardcore poor households in Bangladesh by providing them with a range of direct assets (such as poultry, cow and goats). The researchers found that the beneficiaries in the programme had experienced issues such as difficulty to ensure a healthy yield production and to reduce the mortality of their livestock, although the right assets were channelled to them. Therefore, other than material aids, knowledge and skills through training courses are important to guide beneficiaries in securing their assets.

Furthermore, based on a study on microcredit schemes in Malaysia, the researcher found that educated participants were more knowledgeable in handling loans and expenses than others (Norma Md Saad & Jarita Duasa, 2011). Wang et al. (2016) suggested that primary and secondary education is essential for an individual to withstand vulnerabilities (especially when caused by natural disaster) and to promote long-term livelihood sustainability. Other than education, the health condition of the head of the household could also influence the household's livelihood. A research study on the effects of microcredit programmes on poverty in Malaysia by Al Mamun et al. (2012) has found that bad health condition of the head of household and/or household members decreased the average monthly income of the respective household.

Physical capital is the infrastructures (house, water supply, and sanitation), land, tools, and technologies (equipment for production, seed, fertilizer, pesticides) are required by households and communities (Masud et al., 2016; Chowdhury, 2015; Hameso, 2015; Ullah & Routray, 2007). Based on the DFID framework, physical assets include basic infrastructures and amenities; and producer goods to support livelihoods (DFID, 1999).



Lack of physical assets (such as water supply and electricity) may affect the productivity and quantity of production of home-based enterprise, which make it difficult for them to increase their capacity and income in future (Olajide, 2015). For intervention purpose, adequate provisions of such assets are important for exploiting the potential benefits of small enterprises and to secure their existing assets (Devas, 2004). Therefore, Yayasan Sejahtera provided physical assets such as seedlings, fertilizers, power sprayer pump, oven, sewing machine and few more, according to the economic activities of the beneficiaries (Yayasan Sejahtera, 2014). However, there is a question whether the assistance was adequate and able to help the beneficiaries to withstand the vulnerability issues surrounding them.

Ullah and Routray (2007) claimed that the amount of landholding is an important benchmark that indicates the status of a household. Besides, most NGOs in Bangladesh would look into the amount of landholding in a household before they start their intervention programmes. This is because they believed that those with larger landholding are better in utilizing resources. For Yayasan Sejahtera's programmes, the implemented programmes did not solely concentrate on the land-based economic production as they understand that not every beneficiary has a land for agriculture activities. Instead, materials and equipment were provided to add value to beneficiaries' existing economic activities and to generate more revenue in agriculture-based activities, baking, small food-related businesses, and garment-making productions (Yayasan Sejahtera, 2013).

Moreover, this organisation also aimed to empower those who did not have a job by providing them the access to employment and networking opportunities. Yayasan Sejahtera received cooperation from Department of Agriculture to conduct agriculture-related training for the beneficiaries. Besides that, they also collaborated with

University of Malaysia Kelantan (UMK) to conduct financial literacy programmes to the beneficiaries (Yayasan Sejahtera, 2013). This effort could be a platform for knowledge exchange and is expected to facilitate the beneficiaries to sustain their income and expenditure record for business management purposes. The networking channel can be a crucial support system in advancing people's skills and to grab more opportunity in future (UNDP, 2008).

Apart from equipment and material assistance, Yayasan Sejahtera also conducted training courses for their beneficiaries. The training courses comprised of technical and financial management training - expected to improve the technical skills, financial management, and expenditure records of the beneficiaries (Yayasan Sejahtera, 2014). In a training programme conducted by UNDP to women entrepreneurs in Kelantan and Terengganu, the organisation reportedly has managed to develop a course content that fits the needs of the beneficiaries but at the same time, they overlooked that most of small entrepreneurs in the programme have insufficient access to funds – to expand their business and practice the training. Besides, there is a concern that the benefits may not be sustained after the programme. Thus, the report recommended that training sessions to the beneficiaries should be continuous although at a much less intensive pace. This effort can also help maintain and enhance the networking between the beneficiaries (UNDP, 2008). Moreover, in an impact assessment study by Chowdhury, Ghosh and Wright (2005), it is found that most microcredit schemes by NGOs in Bangladesh are particularly strong for about six years only. Then they found that the impact of the scheme levels off after six years, after the microcredit provider discontinue their training programme.

In a survey conducted by Al Mamun et al. (2012) and Norma Md Saad (2010) to the microfinance beneficiaries in few states in Malaysia (such as Kelantan, Perak, Kedah and Terengganu), it is revealed that the financial management training offered by Amanah Ikhtiar Malaysia (AIM) has shaped the financial behaviour of the participants – they became more disciplined in handling their income and assets. UNDP (2008) also found that a training programme which focused on single industry is more effective than a generic training session to diverse participants. The former method can cover in depth issues pertaining to a specific industry.

Naila Aaijaz et al. (2011) also has made an assessment on AIM and other NGOs programmes towards Orang Asli communities in Peninsular Malaysia. NGOs such as Center for Orang Asli Concerns (COAC), the Peninsular Malaysia Orang Asli Association (POASM), Indigenous Peoples' Organizations (IPO), The United Nations Children's Fund (UNICEF) and Jabatan Kemajuan Masyarakat (KEMAS) have worked for Orang Asli welfare and rights. Most of the programmes towards them focus on trainings to build human capital – such as training 130 preschool teachers and conducting workshop which stresses on the importance of early education. However, such realization is still infancy and more programmes should target the heads of households. The study recommended that government, private sectors and NGOs need to continuously involve in providing various assistance to the poor - such as education facilities, ways to start or expanding small business, skill training and means to improve their quality of life (housing, physical infrastructure and facilities).

## **2.5 Transforming Structures and Processes**

It has been observed by Carloni and Crowley (2005) that previously, the failure to understand institution and how it can affect the livelihood of the poor had contributed to the unsustainable poverty reduction programme. They added that institutions and

policies are man-made factors that provide livelihood options and opportunities to households. This supportive options and opportunities would make it easier for the poor to gain access to assets. Ullah and Routray (2007) also have mentioned in their paper that an effective and long-term impact programme needs intervention from both, government and NGOs – as the institutions.

According to Cherni and Hill (2009), people in rural areas may be either self-employed in agriculture sector or involved in multiple livelihood activities - without having a stable job and income. These people are too weak to make substantive initiatives; thus, they need external support (from the government and NGOs) to climb out of poverty (Rao, 2007). Furthermore, millions of old, disabled, ethnic group, and rural poor will never be able to escape from poverty without aid instruments from external parties (Hulme & Shepherd, 2003). Aids and funding are expected to increase the income of the poor thus enabling them to plan their finance, expand business and purchase more assets (such as a house). This would further facilitate them to pursue better education and economic opportunities (Dawood & Leng, 2016).

## **2.6 Livelihood Strategies and Outcomes**

Livelihood strategies are the goals, values, and guiding action, derived from negotiation process between individuals (Small, 2005). According to the sustainable livelihood approach, when assets combine with comprehensive livelihood strategies, it is expected to produce sustainable livelihood outcomes for the poor (DFID, 1999).

Assets can influence the range and choice of livelihood strategies of a household. For instance, household with better assets (financial, physical, human, social and natural) usually has a wider range of options than those with fewer assets (Carloni & Crowley, 2005; Scoones, 1998). Cooper et al. (2008) also claimed that the variety of assets owned by individuals would facilitate them to enhance their adaptive capacity upon

vulnerabilities and then produce favourable outcomes. Based on a research study in Ghana, the researchers found that 30 per cent of the sample households did not have any other choice rather than agriculture activities during the dry season as they lacked capital (Hesselberg & Yaro, 2006).

Livelihood outcomes are the results of livelihood strategies, also taking into account the number of assets and the vulnerable contexts surrounding people (Hameso, 2015). The livelihood outcomes of every participant in a programme would be different, depending on the challenges they faced and their capability to establish sustainable livelihood strategies. The outcomes also depend on the particular programme's objectives and approaches. A study on the sustainable livelihood of Coastal City Community in Medan found that the efforts to reduce poverty rates among the fisherman were less able to improve socio-economic conditions of the respondents. This is because the programme's initiatives tended to be partial and had no clear motives – but more populist (Maas, Sirojuzilam, Erlina, & Badaruddin, 2015). In addition, Shylendra and Bhirdikar (2005) stated that the government poverty alleviation programme in India (named as Swarnjayanti Gram Swarozgar Yojana) was implemented in a top-down manner, disregarding the participatory approach stated in the planning plan. This shows that even though a programme has good strategies, it will not deliver favourable outcomes if the implementers failed to understand and follow the objectives of the programme.

The livelihood outcomes derived from combination of assets and strategies should not be measured through income only. Other factors such as well-being, deprivation, food security and a few more should be taken into consideration, (FAO, 2002; DFID, 1999) even though income has become a general indicator to measure poverty status, household welfare and overall economic activity (Al Mamun et al., 2012).

Since independence, Malaysia has managed to transform its status from a poor country to a developing nation. It can also be claimed that this country has succeeded in reducing hardcore poverty – 0.2 per cent in 2012. Nonetheless, according to Tan Sri Faizah Mohd Tahir, the chairperson of Yayasan Sejahtera, there is a few more remote areas where hardcore poverty persists so Yayasan Sejahtera needs sufficient funds to organize programmes for these vulnerable people (Yayasan Sejahtera, 2015). Even though the number of hardcore poor is very small, consistent monitoring and assessing on the livelihoods of the poor (who manage to escape from hardcore poor condition) need to be conducted to ensure that these vulnerable people have a sustaining livelihood – economically and socially. The findings from the assessment will be a good input for future interventions (Domelen, 2007; UNDP, 2004). Therefore, this research study is conducted in order to examine the livelihood of Yayasan Sejahtera’s beneficiaries so that adjustments and recommendations can be made for future interventions.

In most developing countries, including Malaysia, microcredit has been a well-known strategy to eradicate poverty – serving as assistance to the hardcore poor. This scheme provides an opportunity for the hardcore poor to borrow money to solve their current problems and later, pay back the money to the microcredit provider (Al Mamun et al., 2010). Besides, microcredit stresses on the joint liability among members and encourages them to explore various of income-generation activities (Mohamed Zaini Omar, Che Supian Mohamad Nor & Norziani Dahalan, 2012). In regards to Yayasan Sejahtera’s programmes, the grants provided to the beneficiaries comprised of materials and equipment to enhance their current economic activity. There was no financial support (like the microcredit scheme) given to the head of hardcore households and the beneficiaries did not have to pay back to the organization. They have to fully utilize the materials and equipment; and practice the skill training provided by the organisation (Yayasan Sejahtera, 2012). Thus, the impacts of programmes conducted by Yayasan

Sejahtera and microcredit provider will be different even though the aim is similar – to support the livelihood of the hardcore poor.

Previously, Salma Mahmud (2006) had made a comparison between AIM's Microcredit Program and Housing Project for the Poor (PPRT) in Penang, Malaysia. PPRT is a government initiated programme to combat hardcore poverty in Malaysia by offering non-monetary services (such as new or re-built house and training) to the beneficiaries. The research study found that both programmes managed to improve the beneficiaries' income, expenditure, savings and assets. However, AIM's participants showed higher increases compared to PPRT's participants – more than 4/5 of AIM's participants have surpassed the PLI compared to only less than 1/3 among PPRT. In regards to the PPRT programme in Malaysia, initially, the programme was criticized for being less effective as the government only offers a one-off aid and did not conduct proper skill training to the beneficiaries. However, after a few assessments to the programme, the strategy for this programme has been changed – delivering better technical and vocational training to the beneficiaries in order to cope with the changes in lifestyle and surroundings (Nazli Aziz, 2015).

In conducting impact assessment of poverty eradication programme, some researchers used mixed methods – both qualitative and quantitative research methods (see Hameso, 2015; Norma Md Saad & Jarita Duasa, 2011; Norma Md Saad, 2010; Ullah & Routray, 2007; Dunn, 2005; Matin & Begum, 2003; Matin & Hulme, 2003; Mondal, 2000). Qualitative method is used to substantiate the quantitative data (Masud et al., 2016; Ullah & Routray, 2007). Naila Kabeer (2001) stated that while some researchers rely largely on statistical data, some also choose to use qualitative and mixed methods to collect findings – depending on the objectives and limitations of the research study. For example, a study by Mummidi (2009) on the impact of microfinance

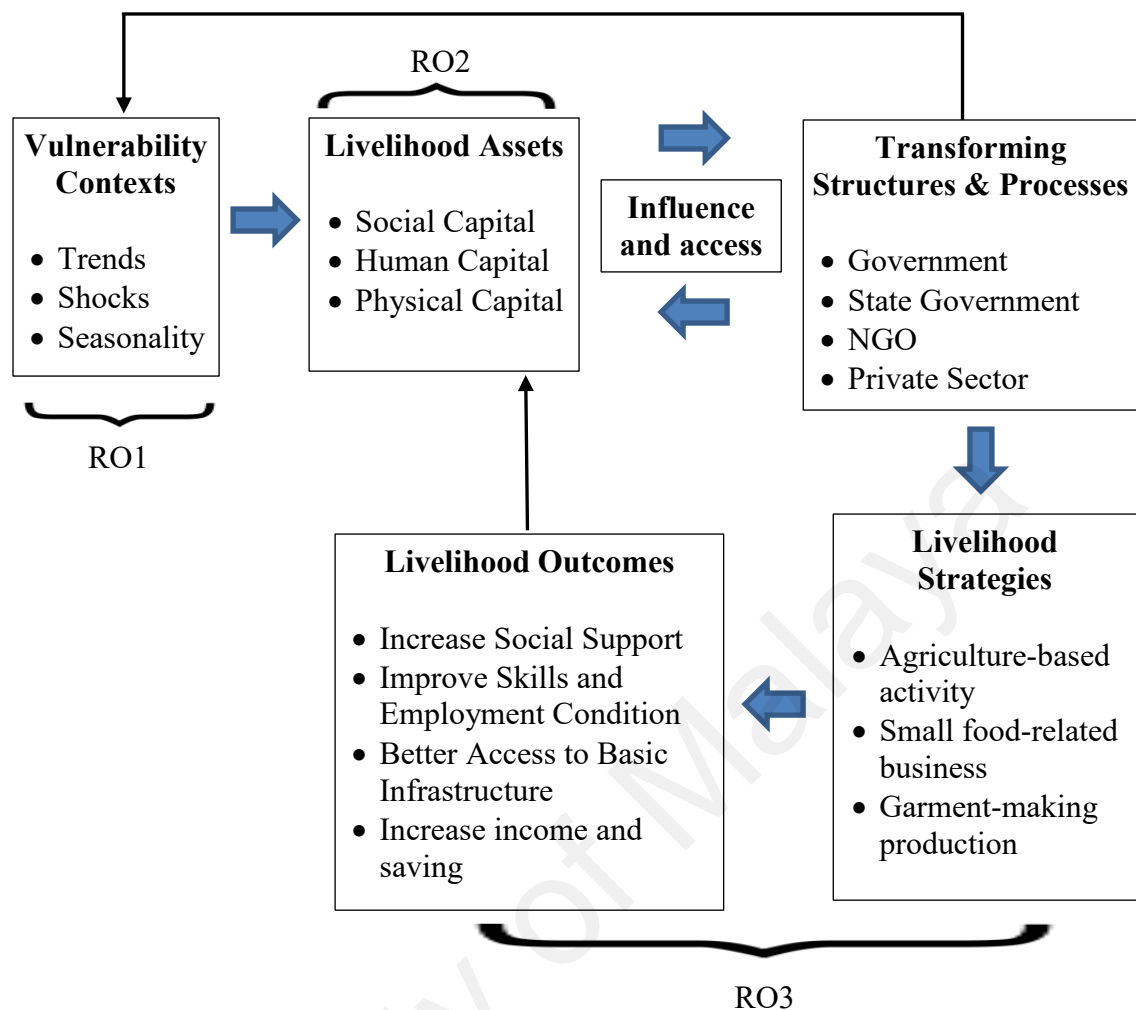
programmes in India used the in-depth interview method in order to have a close look into respondents' lives and to understand their decisions and behaviours.

Besides, most qualitative and mixed mode research incorporated key informant interviews (including experts, local government and policy makers) in the study in order to understand the context obtained (Hameso, 2015; Olajide, 2015; Dunn, 2005; Bird & Shepherd, 2003; Matin & Hulme, 2003). Key informant is used in the impact assessment studies to validate the respondents' responses, rather than relying on the respondents itself (Small, 2005). This triangulation method can improve confidence and validity of poverty study (Adato & Meinzen-Dick, 2002). In addition, the key informant interview and perception survey would contribute to better understanding of the problems of the poor and what they need for better livelihood - by engaging different stakeholders in the data collection exercises (Sulochana Nair, 2010).

## **2.7 Conceptual Framework**

For this study, the researcher adopted the British Department for International Development's (DFID) Sustainable Livelihood Framework and modified it based on the programmes conducted by Yayasan Sejahtera. This is to examine the livelihood of the beneficiaries after approximately three years participating in the organisation's programmes.





**Figure 2.3 Conceptual Framework adapted from DFID Sustainable Livelihood Framework (1999)**

This framework starts with examining the vulnerability issues surrounding the beneficiaries. The vulnerable issues can have a direct impact on the hardcore poor's assets. This is because trends, shocks and seasonality may destroy or/and create assets. The livelihood assets examined in this study only focus on social, human and physical assets as these are among the assets given to the beneficiaries. The framework then illustrates that as the beneficiaries attain more assets, they will have greater ability to influence the transforming structures and processes affecting them (Carney, Drinkwater, Rusinow, Neefjes, Wanmali, & Singh, 1999). Transforming structures and processes represent the institutions and organizations that influence people to use their assets to pursue livelihood strategies (Masud et al., 2016). They are the central position in the

framework as they also directly react with vulnerability contexts – by influencing economical trends (through political structures), reducing shocks and work to keep seasonality under control (Kollmair & Gamper, 2002).

Livelihood strategies involve the beneficiaries' choices in pursuing livelihood goals. The greater the diversity of livelihood strategies, the greater the hardcore poor's adaptive capacity to withstand the vulnerabilities issues (DFID, 1999). The livelihood strategies will help the hardcore poor to overcome vulnerabilities in their life and eventually contribute to livelihood outcomes. The livelihood outcomes will then directly influence the assets, demonstrating a new starting point for other strategies and outcomes (Kollmair & Gamper, 2002).

With regards to this study, the researcher examines the trends (price hike for goods and social problems), shocks (human health shock, crop health shock, natural disaster and catastrophic incidence), and seasonality (climate change and seasonal shift in price) of the respondents. Besides, the researcher also looks into three types of assets (social, human and physical) possessed by the respondents. The assets provided by Yayasan Sejahtera (networking opportunities, materials, equipment and training) and the respondents' current livelihood strategies are expected to help the respondents to overcome the vulnerability issues surrounding them. Then, they can enjoy better livelihood outcomes (increase social support; improve skills and employment condition; better access to basic infrastructure; and increase income and saving).

## CHAPTER 3: RESEARCH METHODOLOGY

This chapter presents the procedures (before, during and after) in gathering the necessary data for the analysis. The discussion includes particulars on the research method, study area, unit of analysis, sample size, sampling technique, the method in data collection, the description on data analysis, as well as ethical and practical challenges in conducting the fieldwork. The table below is the timeline of the methodology phase for this research study.

**Table 3.1 Timeline during the Methodology Phase**

<b>Month</b>	<b>Activities</b>
10 - 15 February 2017	Preparation for fieldwork in Kelantan (language study, examined local sensitivities of the residents in Kelantan)
20 February 2017	Interviewed the informant from Yayasan Sejahtera
21 March 2017	Gathered the complete data of beneficiaries in Kelantan from Yayasan Sejahtera Confirmed the research site area Constructed semi-structured questions for the interview
25 - 30 March 2017	Modified and finalized questions for the interview
3 - 9 April 2017	Fieldwork in Bachok and Pasir Puteh, Kelantan
15 April - 10 May 2017	Transcribed the interviews
11 - 17 May 2017	Coded the interview transcripts

### 3.1 Research Method and Approach

In this study, the researcher used qualitative research method. This method is suitable for an in-depth learning of people's beliefs and perspectives as well as to record the impacts of specific policies or events to an individual's life (Raworth et al., 2012). Besides that, in poverty study, the qualitative method helps researchers to capture some aspects of poverty that may not derived from the standardised household surveys (Baker & Schuler, 2004). As such, it is possible to explore the vulnerability contexts of the hardcore poor, their perceptions on the assistance provided by Yayasan Sejahtera and the impacts of the programmes to their livelihood using the qualitative research method.

The researcher collected primary data through a face-to-face interview with the key informant from Yayasan Sejahtera and the beneficiaries of the programmes. Face-to-face interviews allowed the researcher to instantly reply and clarify any queries from respondents. Besides that, this research deployed a semi-structured interview instrument using open-ended questions in order to elicit respondents' opinions, perceptions, and experiences.

This study is different from the face-to-face quantitative method as respondents are given an opportunity to reply in their own words, without having to choose from fixed answers (Mack, Woodsong, Macqueen, Guest & Namey, 2005). This was evident when the questions were able to evoke varieties of responses from the respondents, which sometimes were not expected by the researcher. In addition to the primary data, the researcher also collected secondary data from Yayasan Sejahtera's Annual Reports. Then a triangulation of data was conducted to validate the data. Data triangulation (using different sources of information or data) can be used to address the issue of reliability and validity of data, through multiple evidence sources (Yin, 1994). Therefore, this study employed data triangulation method by incorporating data from the key informant, beneficiaries of Yayasan Sejahtera's programmes and Yayasan Sejahtera's Annual Reports in order to ensure the reliability and validity of the research.

### **3.2 Study Area**

The target population was the beneficiaries of Yayasan Sejahtera's programmes in Bachok and Pasir Puteh, Kelantan. Kelantan is located in the North Eastern region of Malaysia and bounded by Thailand in the North, Pahang in the South, Terengganu in the East and Perak in the West (DOSM, 2017)<sup>13</sup>. In 2011, the population in Kelantan

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<sup>13</sup> Department of Statistic Malaysia (2017)

was 1.6 million, with an average annual population growth rate of 1.6 per cent (DOSM, 2011). The population has increased to 1.76 million in 2015 (DOSM, 2017). Compared to other countries in the West Coast of Malaysia, the economic and industrialization activities appear to be less developed in Kelantan. The major economic activity in Kelantan is agriculture; dominated by rice, rubber and tobacco. Besides, tourism, fishing, handcraft, woodcarving and weaving industry are also among the important economic activities in that state (Chamhuri Siwar et al., 2016). In 2014, the services sector in Kelantan contributed to 65.4 per cent to the state's Gross Domestic Product (GDP) followed by the agricultural sector (26.1 %), the manufacturing sector (5.6 %), construction (1.6 %) and mining (1.1 %) (Bernama, 2016).

In Kelantan, Bachok has the highest number of hardcore poor households, followed by Pasir Puteh in 2010 (e-Kasih, 2010). Since this study is a systematic investigation of Yayasan Sejahtera's programmes on hardcore poor in Kelantan, it is appropriate to conduct the fieldwork at these two districts. Figure 3.1 shows the location of Bachok and Pasir Puteh in Kelantan.

### **3.3 Unit of Analysis**

In this research, the unit of analysis was individuals. The individuals in this study were the heads of households. The head of household is usually the main income earner in the family, the decision maker for the family and the one who received assistance from Yayasan Sejahtera. The households were under hardcore poverty threshold when they joined the programme in 2011 and 2012<sup>14</sup>. However, in the case whereby the beneficiaries were incapable (unable to work and speak properly due to health factors), the researcher had to conduct the interview with their wives instead.

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<sup>14</sup> Small Grant 1.0 and One Enterprise for One Family started in 2011 while Small Grant 2.0 started in 2012.



**Figure 3.1 Map of Study Area.** Source: Google

### 3.4 Sample Size

The sample size for the qualitative research is generally smaller compared to the quantitative research. According to Ritchie and Lewis (2003), as the sample size of qualitative research increases, there will be a point of diminishing return – more sample size does not contribute to more information. This is supported by Mason (2010) who stated that qualitative research must cover most or every important response, but a large sample size may also produce repetitive data. Besides, qualitative method is labour-intensive and time-consuming, especially when the sample is too large. That is why some researchers use the concept of saturation (see Glaser & Strauss, 1967) – the collection of new data or respondents does not provide any extra information.

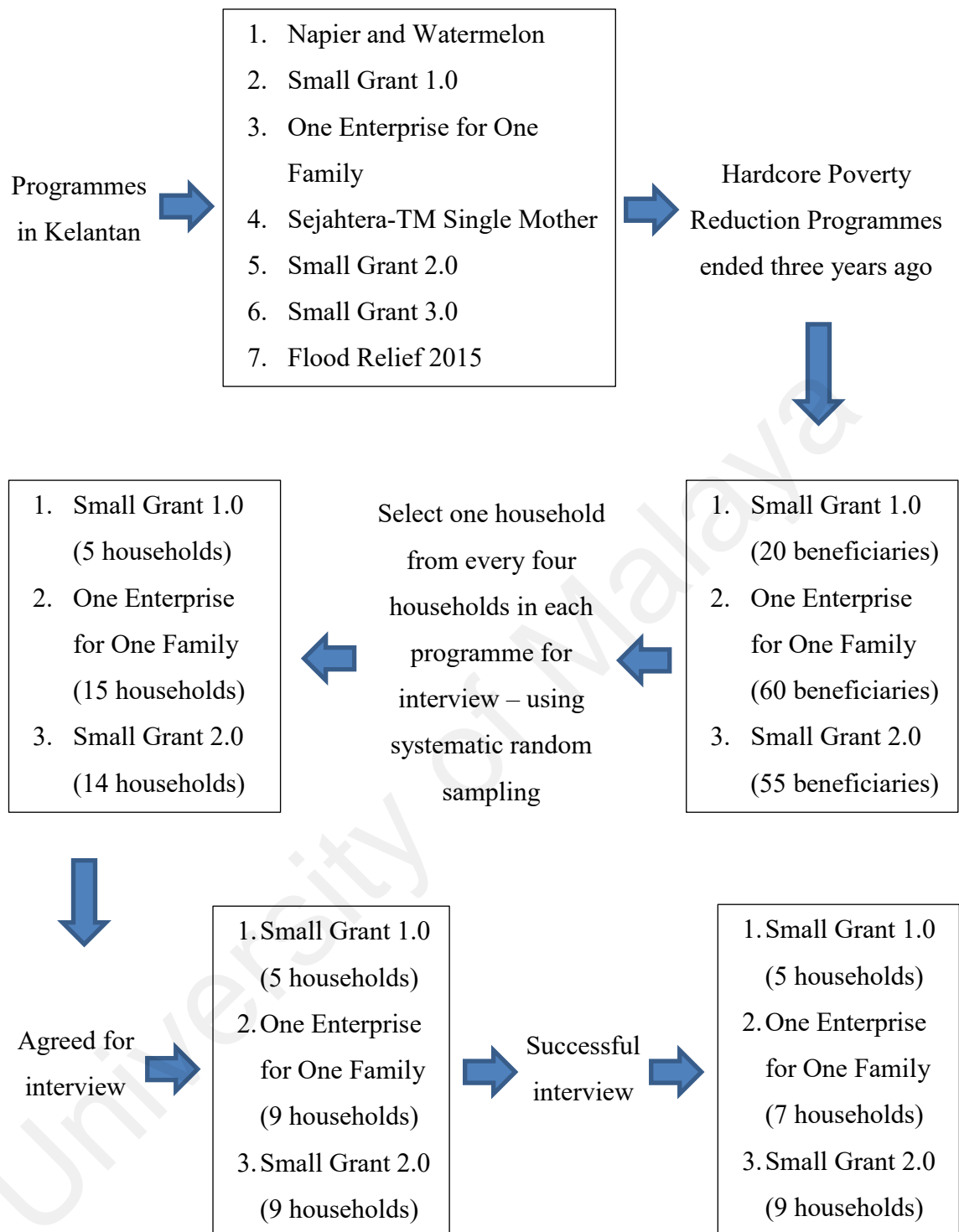
As some experts agree on the saturation level in qualitative research, some also give a numerical guideline to select a sample size. In this study, the researcher used a numerical guideline from Adler and Adler (1987). This is because when there is no exact number of sample, the researcher found that it would be hard to plan the itinerary

in Kelantan, to specify how data would be collected and to decide on the adequate number of interviews. Achieving saturation is a challenging process because it “forces the researcher to combine sampling, data collection, and data analysis, rather than treating them as separate stages in a linear process” (Bryman, 2012). Besides that, the researcher knew at the outset the exact number of population – the number of beneficiaries in Small Grant 1.0, Small Grant 2.0, and One Enterprise for One Family programmes. Thus, by having a numerical sample size, the researcher can decide the number of respondents to approach from each programme.

Adler and Adler (1987) suggested a sample size between 12 and 60, with 30 as the mean number. In regards to this study, there were 20 families involved in Small Grant 1.0, 55 families in Small Grant 2.0 and 60 families in One Enterprise for One Family programmes in Bachok and Pasir Puteh, Kelantan. The total number of households involved in these three programmes was 135 households. This means that to get approximately 30 respondents, the researcher selected one household from every four households (4:1) (refer to Figure 3.2). Thus, the sample size is 34. This medium sample size helped reduce the distress of transcribing thousands of hours of interview, especially when the researcher has limited time and financial resources (Adler & Adler, 1987).

### **3.5 Sampling Method**

Yayasan Sejahtera has executed seven sustainable livelihood programmes in Kelantan until 2016. However, in regards to this study, the researcher looked into programmes that emphasized on hardcore poverty reduction, which completed three years ago. Figure 3.2 shows the brief process of selecting the programmes and the respondents.



**Figure 3.2 The Process and Criteria for Selecting Programmes and Respondents**

The selection of respondents was through the systematic random sampling technique. Firstly, the researcher made a list of beneficiaries for each programme. The data of beneficiaries were obtained from Yayasan Sejahtera. Then, the researcher assigned a sequential number to each beneficiary and assembled him or her into sampling frame.



The sample size was 34 (one household from every four households). Thus, there were five households randomly selected from Small Grant 1.0, 15 households from One Enterprise for One Family, and 14 households from Small Grant 2.0. From these households, all five households from Small Grant 1.0 agreed to be interviewed. However, for One Enterprise for One Family and Small Grant 2.0, only nine households agreed to be interviewed from each programme. Besides that, for One Enterprise for One Family, one of the respondents has cancelled the interview at the last minute and one of audio recording was void due to researcher's negligence<sup>15</sup>. Thus, in total, there were 21 successful interviews during the fieldwork – 5 interviews with Small Grant 1.0's beneficiaries, 7 interviews with One Enterprise for One Family's beneficiaries, and 9 interviews with Small Grant 2.0's beneficiaries. It should be noted also that the researcher found that she had received consensual answers after the 19th interview but continued to conduct the fieldwork until the 21st interview to confirm the results. Besides that, the researcher has ensured that there was no overlap of respondents from each programme, based on the beneficiaries' data given by Yayasan Sejahtera.

### **3.6 Data Collection**

Data collection started in February 2017. First, the researcher conducted an interview session with the informant from Yayasan Sejahtera to have an in-depth understanding on their programmes in Kelantan and the livelihood of the beneficiaries of their programmes. Key informant interviews can help the researcher to understand the local contexts to be obtained (DFID, 1999). According to Crabtree and Miller (1992), key informants are the people who have special knowledge and information on the subject being investigated and are willing to share them with researchers.

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<sup>15</sup> The audio was overlapped with the next audio recording. Therefore, the latter audio replaced the former.

In this research study, the informant is the Senior Officer at the Corporate Planning Department, Yayasan Sejahtera and had involved directly with the organisation's programmes in Kelantan. At the beginning of the interview, the researcher introduced herself and described the purpose of the session. Then, the researcher asked for the informant's consent to record the interview and to use the information gathered for the research purpose only. The interview was conducted at Yayasan Sejahtera's office in an informal atmosphere – to allow flexibility and to gain confidence of the respondents. In regards to the interview questions, the questions were constructed to elicit detailed information and responses, rather than 'Yes' or 'No' answers (Appendix A). For instance, the researcher asked questions such as "What are among the major problems faced by beneficiaries before and during the programmes?", "How materials and equipment are distributed?" and "How was the training delivered or conducted?" The sharing session has helped the researcher to understand the poverty situation in Kelantan (especially the livelihood of target respondents), the specific objectives for the programmes in Kelantan, and the organisation's strategies to achieve their objectives.

The researcher began to construct the interview questions for respondents in Kelantan in March 2017 – after having an in-depth understanding of the three programmes. The questions were developed based on past studies by Masud (2016) and Willems (2010). Besides, the literature review and the sustainable livelihood framework have provided a guideline for the researcher to build the questions and to decide on the methodology to conduct the fieldwork. The interview consisted of three primary research questions (and 16 sub-questions), which were carefully designed based on the three objectives. All the questions were intended to generate qualitative data. The table below summarizes the research objectives, research questions and the data needed for this study.

**Table 3.2 Research Objectives, Research Questions, and Corresponding Data Needs**

<b>Research Objectives</b>	<b>Research Questions</b>	<b>Factors considered for this study</b>
To explore the vulnerability contexts of the hardcore poor in Kelantan and make recommendations to assist them in achieving sustainable livelihoods.	What are the vulnerability contexts of the hardcore poor in Kelantan that can hinder them from achieving sustainable livelihoods?	<ul style="list-style-type: none"> <li>• Trends (price hike for goods, social problems)</li> <li>• Shocks (health shock, crop health shock, natural disaster)</li> <li>• Seasonality (climate change, seasonal shifts in price)</li> </ul>
To assess whether assistance (networking opportunities, materials, equipment, and skill development training) provided by Yayasan Sejahtera were able to help the beneficiaries withstand the vulnerability issues surrounding them.	How does assistance (networking opportunities, materials, equipment, and skill development training) provided by Yayasan Sejahtera helps the beneficiaries to withstand the vulnerability issues surrounding them?	<ul style="list-style-type: none"> <li>• Networking</li> <li>• Materials and Equipment (condition, adequacy, suitability, durability)</li> <li>• Training (respondents' view on technical and financial management training)</li> </ul>
To examine the impacts of Yayasan Sejahtera's programmes on the beneficiaries after being completed three years ago.	How does Yayasan Sejahtera's programmes impact the livelihood of the beneficiaries after three years?	<ul style="list-style-type: none"> <li>• Social Capital (social support, networks)</li> <li>• Human Capital (skills and employment condition)</li> <li>• Physical Capital (basic infrastructures, basic equipment to carry out economic activity)</li> <li>• Financial capital (income and saving)</li> </ul>

The questions were designed in Malay language and in the case where the respondents found it difficult to understand some terms, it was the priority of the researcher to explain in detail. From the researcher's observation, most of the residents in Kelantan use Malay language (mixed with Kelantan-Pattani dialect) as their mode of conversation. This study relied heavily on the respondents' responses during the interview session. Thus, by using Malay language, the researcher was able to build a close relationship with the respondents. Little knowledge of the language, dialect, and local customs of the respondents had facilitated the communication process in

recognizing the sensitive issues within the community. Furthermore, it helped build the relationship of trust between the researcher and respondents. The interview questions were printed on an A4 white paper.

The questions for the interviews were divided into two sections, section A and section B (Appendix B). In section A, the questions highlighted the demographic characteristics of the respondents such as gender, age, race, marital status, occupation, education level, households size, monthly net income, programmes they were involved in and other forms of assistance they received.

Whereas for Section B, the researcher arranged the questions based on the research objectives. This section has three main themes covered in a conversational style. The first theme was designed to discover the vulnerability contexts of the beneficiaries that can hinder them from achieving sustainable livelihoods. The second theme studied the respondents' perception on the networking opportunities, materials, equipment, and skill development training provided by Yayasan Sejahtera. The last theme covered the impacts of Yayasan Sejahtera's programmes on the livelihood of the beneficiaries after three years.

The interviews started on 3 April 2017 and ended on 9 April 2017. Each interview ranged from 20 to 30 minutes. The researcher personally approached the respondents and data were collected on a voluntary basis. All respondents gave their informed consent and the interviews were tape-recorded. Every interview was taped by a smartphone recorder. The smartphone GPS (Global Positioning System) was also used to locate the interviews' location.

To ensure a smooth process of data collection, the researcher called the target respondents beforehand (two days before) to schedule an appointment. At first, the researcher introduced herself, stated the reason for the appointment, and asked for permission to interview the respondents. In most cases, approval was promptly granted. Participation in this research was strictly voluntary. Some potential respondents refused to meet for an interview. Thus, appointments were arranged with those who agreed to participate, depending on their availability and at their convenient place. During the interview session, the researcher has stated the reason for the interview, the objective of the research and estimated time for one interview. Besides, the researcher also asked the consent from every respondent to record the conversation, and in all cases, the respondents agreed to it.

Since the researcher had to follow the respondents' schedule, who live in different areas, the researcher was only able to conduct a minimum of two (2) up to four (4) interviews in a day. Apart from that, the researcher tried to set the appointment at respondent's house or working place. However, when their house or working place was difficult to be reached (researcher could not identify the location), interview sessions were arranged in a mosque or small stall known by both parties.

The researcher conducted all the interviews independently. The flow in the interview session became more standardised and systematic over time. In most cases, the researcher used prompt questions to clarify issues raised by the respondents. The printed questions were used to guide the flow of the conversation and the question phrasing was standard (although the order was not).

### **3.7 Data Analysis**

The qualitative interviews were analysed via computerized data analysis tools. The data analysis process started on 15 April 2017. This phase began by transcribing 21

semi-structured interviews, with a total of eight (8) hours of audio recording. The audio records were transcribed into wording using Microsoft Word 2013 Software in Malay to avoid bias when transcribing the Malay words spoken by the respondents.

The transcripts were then printed for the typing errors to be checked and to have an in-depth understanding of each interview response. Then, the Malay transcripts were loaded onto NVivo Software version 10 to create codes and build themes. This software indeed helped the coding process – making it easier and more systematic. However, it should be noted that the role of the researcher in analysing data remained important. This is because not all data (such as gestures and observation) can be analysed using computer applications. Besides, the demographic data of respondents were also loaded onto the qualitative software so that researcher could relate the respondents' personal data (such as occupation and education level) with their responses when coding the transcripts.

The interviews were translated into English only when the researcher began reporting the findings in Chapter 4. Some of the narratives provided by the respondents were quoted verbatim in the Chapter 4 (Findings) as the evidence and explanation to the findings. When loading the transcripts onto the qualitative software, the researcher maintained the research ethics – the researcher removed the names of respondents to preserve respondents' privacy.

### **3.8 Challenges during Data Collection and Data Analysis**

Throughout the data collection and data analysis period, the researcher detected a few challenges to be discussed in this section. Firstly, most of the respondents live in remote rural so it was difficult to locate their house or workplace. The researcher was not familiar with the study area and was not accompanied by any representative from Yayasan Sejahtera. This is because all the organisation's programmes in Kelantan were

already completed in 2016 so they do not have official representatives there to assist the researcher. Thus, the researcher had to depend on the smartphone GPS. Besides, to smoothen the process of collecting data, the researcher arranged an appointment in a mosque or small stall known by both parties. This is easier for the respondents rather than spending a lot of time to locate the house or workplace of the respondents.

Secondly, all respondents in the sample size live in the different area. Even though Bachok and Pasir Puteh are next to each other, the researcher consumed a lot of time traveling from one area to another in one day (plus with the difficulty to locate research site). In addition, the researcher had to follow the respondents' schedule - their free time and preferred place to meet. Hence, it was hard to set an appointment with four respondents who live near to each other in one day. As a result, the researcher had to travel back and forth from Bachok and Pasir Puteh in a day, thus, and was only able to conduct a minimum of two up to four interviews in a day (20 to 30 minutes on each interview).

Thirdly, the limited financial support became a little constraint to the researcher. The researcher had to utilize the fieldwork period (one week) wisely in order to be aligned with the research budget. Besides, all the interviews were conducted independently, without recruiting any research assistance.

Next, since some interviews were conducted in a mosque or small stall (instead of at the respondents' house or working place), the researcher was unable to make own observation on the condition of their house and working place. The researcher observation is one of the tools in qualitative research. For instance, few farmers claimed that their farming areas are flooded due to heavy rain at that time so it would be great if the researcher can visit the flooded farming area and take a picture of it.

In addition, technology tools could also cause a mishap. Researcher lost the audio recording of the first interview. The researcher accidentally recorded the second interview using the first interview audio file (instead of pressing 'record new', researcher accidentally pressed 'edit'). Thus, the audio overlapped and the latter audio replaced the former. Moreover, when interviews were recorded in public places (such as beside the road and at stall), the surrounding noise affected the quality of the audio. This disrupted the transcribing process, as some parts of the audio were unclear.

Lastly, the process of transcribing posed a challenge to researcher. This stage proved that the process of transcribing the responses from Kelantanese residents who use Kelantan-Pattani dialect was time-consuming for the researcher. The researcher was unfamiliar with the dialect so it required some time and effort to transcribe the conversation. However, the answers from respondents were still understandable and repeated listening on the recording was helpful to clarify meaning and to have a better understanding of their answers.

### **3.9 Ethics in Social Research**

The process of collecting data and fieldwork followed the ethic clearance as indicated by Babbie (2013). Firstly, the researcher ensured that all respondents voluntarily participated in the interview. From the beginning, the researcher asked for informed consent from respondents and only scheduled an interview with those who were willing to participate in the research. Then, at the start of the interview session, the researcher asked again for their consent to be interviewed.

Secondly, the respondents were informed about the purpose of the interview. At the beginning of the interview, the researcher introduced herself, explained the objectives of the research and the procedures in collecting data (tape-recorded) to the respondents. The fact that their responses would be presented to the examiner during candidature



defence was also mentioned. In addition, respondents' inquiries in relation to the research project were answered honestly and in an ethical manner.

Thirdly, confidentiality and anonymity were observed throughout the research. Confidentiality of beneficiaries' data and respondents' responses required serious consideration. In order to obtain the personal data of beneficiaries (such as their occupation, address, and mobile number), researcher had to sign a letter of undertaking and data release from Yayasan Sejahtera (Appendix C). This is in line with the organisation's adherence to Personal Data Protection Act 2010 (PDPA), in which outlines that the researcher had to preserve the confidentiality of the data and to use the data for research purposes only. Besides, the researcher guaranteed that the respondents' name and responses would be kept confidential and not be disclosed to any party. The researcher also repeatedly informed the respondents that all responses and information during the interview would be used for academic purposes only. Furthermore, respondents' real names were rendered anonymous before the researcher loaded the transcripts onto the NVivo Software.

Lastly, the researcher explained to the respondents that this research might not promptly benefit them. This is because respondents might expect that their contribution would produce an immediate result such as receiving aid from Yayasan Sejahtera again. In order to avoid a one-sided benefit, the researcher finished the interviews with the question "Is there anything you want to ask me?" Then, the respondents were informed that the findings might attract other parties' attention and policy redress.

## CHAPTER 4: FINDINGS

The following are the findings from the qualitative interviews with the beneficiaries of Yayasan Sejahtera in Kelantan. Aside from that, the researcher also presents the results from the interview session with the key informant from Yayasan Sejahtera and the data from Yayasan Sejahtera's Annual Report from 2011 to 2015. In presenting the findings, the researcher follows the narrative and verbatim style suggested by Lee-Ann Small (2005) (see *Agriculture-Based Livelihood Strategies in Bulgaria and Southern Russia: Implications for Agrarian Change*) and Amir B. Marvasti (2004) (see *Qualitative Research in Sociology*). Instead of numerical information, this qualitative study focuses mostly on descriptive data. However, the researcher also includes the numerical data from the Nvivo data analysis in Appendix D. Moreover, for the ease of presentation, the researcher summarizes the key findings at the end of each section. The triangulation analysis of the findings will be then discussed in the next chapter.

### 4.1 Demographic Characteristics of the Head of Household

The average age of the respondents in this study is 51 years old. Their age ranges from 29 to 67. In this study, 19.05 per cent of the respondents are senior citizens<sup>16</sup> and 38.1 per cent are above 50 years. This shows that more than half of the respondents are in older age category.

The respondents are the heads of households, irrespective of gender. From 21 respondents, 61.9 per cent of them are males and 38.1 per cent are females. The number of males outnumbers females, reflecting the responsibility of men as the heads of households - to keep their wives and children, to support the family, and to make decisions for the household. Aside from that, out of eight females (38.1 per cent), six of

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<sup>16</sup> In Malaysia context, senior citizens are those above the age of 60 years (JPA, 2005).

them (75 per cent) are single mothers. For the other two females (25 per cent), their husbands are not in good health and incapable of working. Thus, they hold the responsibility to support their family. For instance, the husband of R13<sup>17</sup> was diagnosed with stroke for two years and the husband of R18 involved with an accident in 2014, which led to head and leg injuries.

The median household size in this study is seven persons. The minimum size is three and the maximum is 11. Based on a study by Hameso (2015), the researcher claimed that a small family size consists of 1 to 5 members in the family, the medium is 6 to 8 members, and the large is 9 to 11 members. Thus, in this study, 33.33 per cent households are categorized under small family size, 42.86 per cent are medium, and 23.81 per cent are large.

The findings show that the number of respondents who are working as food traders and farmers are equally the same, which are seven respondents (33.33 per cent). Aside from that, three of the respondents (14.29 per cent) are tailors, two respondents (9.52 per cent) are not working, one respondent (4.76 per cent) is a technician, and one respondent (4.76 per cent) is a cleaner at a primary school in Pasir Puteh, Kelantan. Out of 21 respondents, only two respondents (R13 and R19) are salaried workers.

In terms of education level, R8 and R10 (9.52 per cent) possess the highest education among all the respondents – the Malaysian Higher School Certificate (STPM). Furthermore, 42.86 per cent of the respondents had completed higher secondary school, 23.81 per cent completed lower secondary school, 14.29 per cent completed primary school, and the other 9.53 per cent reported to have no formal education. The education

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<sup>17</sup> Respondent 13. All respondents in this study are referred as “Rn”

level of respondents is vital to be examined as it affects their adaptation to the training, perception, and identification of vulnerability issues surrounding them.

All respondents in this study have received direct cash transfer (Bantuan Rakyat 1Malaysia) from the government. Besides, 71.43 per cent of respondents have obtained financial support from Kelantan’s Islamic Religious Council and Kelantan’s Social Welfare Department. Besides, two respondents (9.52 per cent) are borrowing money from microcredit provider – Amanah Ikhtiar Malaysia (AIM) and Tabung Ekonomi Kumpulan Usaha Niaga (TEKUN). Table 4.1 provides the profile for the respondents.

**Table 4.1 Demographic Profile of Respondents**

<b>Profile</b>	<b>Frequency</b>	<b>%</b>
<b>Age</b>		
≤ 30	1	4.76
31-35	0	0.00
36-40	2	9.52
41-45	3	14.29
46-50	3	14.29
51-55	6	28.57
56-60	2	9.52
≥ 61	4	19.05
<b>Gender</b>		
Male	13	61.90
Female	8	38.10
<b>Marital Status</b>		
Married	15	71.43
Widowed	6	28.57
<b>Household Size</b>		
3-5	7	33.33
6-8	9	42.86
9-11	5	23.81
<b>Occupation</b>		
Food Trader	7	33.33
Farmer	7	33.33
Tailor	3	14.29
Technician	1	4.76
Cleaner	1	4.76
Not Working	2	9.52
<b>Education Level</b>		
No Formal Education	2	9.52
Primary School	3	14.29
Lower Secondary School	5	23.81
Higher Secondary School	9	42.86
STPM Certificate	2	9.52
<b>Programme Involved under Yayasan Sejahtera</b>		
Small Grant 1.0	5	23.81
One Enterprise for One Family	7	33.33
Small Grant 2.0	9	42.86
<b>Other Assistance(s) Received</b>		
Government	21	100.00
State Council	15	71.43
Microcredit Institution	2	9.52

## 4.2 Vulnerability Contexts of the Hardcore Poor in Bachok and Pasir Puteh, Kelantan

In this section, the researcher examines the circumstances that can increase the vulnerability of the respondents and hinder them from achieving sustainable livelihoods. The questions to the respondents are addressed according to three themes – trends, shocks, and seasonality.

### 4.2.1 Price of Goods

During the interview, all respondents have raised the issue of prices hike for essential goods when they were asked, “What are your perceptions on the current prices of goods?” Eleven of them observed that the prices of essential goods are increasing slowly, showing an upward trend. The respondents claimed that:

*“The prices of essential goods have increased. Cooking oil, sugar, flour, all have increased. When the price of petrol oil increased, all goods have also increased.”*

R4, Farmer

*“The price of cooking oil has increased. It increased slowly. Now, a bottle of cooking oil has increased by more than RM1. The price of sugar has also increased, increased by RM0.10, RM0.20 (per packet).”*

R6, Small Food Trader

*“Everything increases nowadays. Petrol oil, cooking oil, these are all essential goods. For example, the price of sugar (per packet) has increased. (...) For the cooking oil, the price would not decrease back after it has increased. The price of sugar also has increased and increased (again). It has increased about*

*RM0.20. However, the prices are not the same, the prices of goods in supermarket and grocery store in the village. The supermarket is cheaper.”*

R16, Not Working

From the interviews, the essential goods such as sugar, cooking oil and petrol were often mentioned as goods that have increased from time to time. R4 and R11 associated the prices hike with the increased price of petrol. In addition, R8 and R16 mentioned that after the prices of the goods increased, it would not decrease again.

Besides, the majority of respondents (17 respondents) perceived that the prices of materials to use to conduct their economic activity have also increased. Ten of the respondents said that the prices are increasing slowly, and five respondents observed that the prices have increased a lot compared to before. For small food traders, most of them mentioned the prices of cooking oil and sugar have increased and as for farmers, they observed that the prices of fertilizers have increased.

*“The prices of goods have increased nowadays. (...) The goods like flour, sugar, cooking oil to make kuih<sup>18</sup>.”*

R8, Small Food Trader

*“The prices of goods . . . if we work nowadays . . . a bit difficult to survive. The prices of fertilizers, pesticides, are always increasing. (...) Before this, the price of fertilizer was RM100 (per packet). Now, RM130 to RM140. There is a large difference (in price).”*

R15, Farmer

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<sup>18</sup> Any cake of Malay, Chinese, or Indian origin (Collins, 2017)

However, even the prices of goods to conduct their economic activity have increased, some of the respondents said that they could not increase their selling prices, as that will give a bad impact to their business – customers will not buy their products and switch to another seller who can offer better and competitive prices. Thus, they must bear the burden of the price hikes.

*“The price of sponge (to make baju kurung<sup>19</sup>) has increased again. Just yesterday, I went to buy sewing items. Then, I saw the price of sponge has increased. (...) The price increased by RM 1 per packet. (...) I charged only RM 27 for a pair of baju kurung. (...) Customers will not come (use her service) if I charged more than that.”*

R3, Tailor

*“I observed from year to year, the prices of goods have increased. Thus, our cost of living also has increased slowly. (...) Before this, the price of cooking oil (used for business) was around RM 2 to RM 2.50 (per packet). As for cooking gas, before this, the price was RM 20. Now, it has increased to RM 28. (...) I find it difficult to conduct my business when the prices of sugar, cooking gas, all has increased. I cannot increase the price of my food, (and) drink. Otherwise, the villagers will not come to my stall. Hahaha.”*

R18, Small Food Trader

Nevertheless, R20 stated that she has increased her selling price. She claimed that she must increase the selling price for a pair of baju kurung from RM25 to RM28 in order to cover the prices of sewing items that have been increased. She claimed, “I need

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<sup>19</sup> Malay traditional cloth

my *upah* (pay) and even though the customers complained about the increased price, they still trust me to sew their clothes”.

Overall, most of the respondents observed the increased prices of essential goods and materials that affect their economic activity. This trend increases their daily expenses and the cost to execute their economic activity.

**Table 4.2 Key Findings in regard to Prices of Goods**

No of respondents	Key Findings
21	Raised the issue of price hike for essential goods.
17	Perceived that the prices of materials that are used to conduct their economic activity have increased.

#### 4.2.2 Social Problems

Eighteen respondents, which amount to the majority, have verified that they and their family had never been involved with or been the victim of thief, drug addicts, gangsterism, or gambling. However, they noticed that the social problems (especially thief and drug addicts) often occur within their areas; and they have to take precaution steps to protect their belongings.

*“They (drug addicts) sometimes wandering around the area where we (my wife and I) plant vegetables and disturb few farmers. However, I have never been disturbed. (...) They have never disturbed my land or vegetables. I always guard my land, so when they see me (in my land), they are afraid to steal. We need to be alert, especially when we just bought new materials (agricultural inputs). If the materials are stolen, I will bear losses.”*

R14, Farmer



Aside from that, R14 and a few more respondents associated drug addiction with theft issue. They claimed that drug addicts are the same people involved with the theft issue.

*“The social problem here . . . likes . . . drug addiction. However, my children do not involve with that problem. Thanks to God, they had never been involved. . . When the drug addicts do not have money, they will break into villagers’ house.”*

R8, Small Food Trader

*“Theft. (...) We cannot put the fertilizers at the orchard. The pesticides also cannot be placed at the open area. I have to keep them at home. Only when I need to use them, I will bring them to the orchard. (...) The drug addicts, they steal also. The gangster in the village also sometimes stole people’s belongings. (. . .) These things happen many times in this village, so I have to be alert on that.”*

R17, Farmer

From the interviews, three of respondents mentioned that they have been the victim of theft in last three years. Fortunately, they did not suffer significant losses.

*“This shop has been broken into four times already. Probably by the drug addicts. However, they did not take these large items (table, chair, etc.). They took the Milo, tea, (and) stuff to cook at the kitchen. The drug addicts usually wander around this area at night. (...) But, I just incurred minor loss. I keep my money in the safe place, not at this shop.”*

R1, Small Food Trader

*“My house was broken into last January. That time . . . we (my wife and I) went to RTC (Rural Transformation Centre) to get our food supply for business. Around 4am. (...) When we were back, our house has been broken into. My personal stuffs and my children’s wallet, mobile phones, were stolen. Then, I made a police report. So, when we made the new IC (identification card), we did not have to pay. (...) I think it was done by the drug addicts. They do not have work, money, so they wait for a chance to break into people’s house.”*

R6, Small Food Trader

The results from the interviews noted that there are social problems surrounding the respondents’ house and working place. Even though the majority of respondents had never been involved or been the victims, they are exposed to social problems like theft and drug addiction. Thus, they need to be cautious to prevent losses in the future.

**Table 4.3 Key Findings in regard to Social Problems**

<b>No of respondents</b>	<b>Key Findings</b>
3	They have been the victim of theft in the last three years.
18	Verified that they and their family had never been involved with or be the victim of social problems (thief and drug addict) but noticed that the issues often occur within their house and business areas.

#### **4.2.3 Health Shock**

The conversations from the interviews revealed that four households have experienced health shock since the last three/five<sup>20</sup> years. The health problem made the heads of households unable to work and support their family. For instance, R7 was diagnosed with stroke in 2016 and R16 was involved in three accidents in the last three years. In addition, R7’s wife is not working; thus, the family is solely depending on

<sup>20</sup> Since last three years for Small Grant 2.0 beneficiaries

Since last five years for Small Grant 1.0 and One Enterprise for One Family beneficiaries

Kelantan's Social Welfare Department (RM300 a month) and sometimes, the aid from their siblings.

*“Stroke, I was diagnosed with a stroke. It started last year, in July. (...) I do not know how it happens. Suddenly, I cannot walk, eat, and drink using my hand. (...) Now, I am getting better but I still feel numb, numbness at the left side of my body. My mouth is also still watery. Before this, I cannot even walk and talk to people. (...) I am now depending on Kelantan's Social Welfare Department. (...) Fortunately, I was exempted from paying the medical bill.”*

R7, Not Working

*“I have high blood pressure, diabetes. Before this, my health condition was not this bad. However, after I was involved with the accident (last year), my health condition getting worse. (. . .) I was hit by a van on the way to the mosque. My left leg was fractured. This is why I am using a stick. Actually, I had accidents three times already.”*

R16, Not Working

In the case of R16, his wife was diagnosed with stroke in 2014. She recovered from the stroke but her body is still weak to work due to asthma and age factor. Fortunately, two of R16's daughters are working and able to support the family.

*“My wife was diagnosed with stroke before this, maybe due to high cholesterol in her body. (...) Partially paralyzed. (...) Until now, she has to take the cholesterol and aspirin medicine on a regular basis. (...) When she was first diagnosed with stroke, we stopped the business. I am also not in a good*

*condition after the second accident. (. . .) We have children that can support us, so they (their children) asked us to stop working.”*

R16, Not Working

As mentioned before, in the case where the head of household was incapable, the researcher conducted the interview with his wife. This case happened to R13 and R18, where their husbands were incapable of working and speaking properly due to health factors. For R13, her husband was diagnosed with stroke and she experienced a sudden death of her first son who usually helped her with her business. In the case of R18, her husband was involved with severe accident, which caused head and leg injuries. Now, both respondents hold the responsibility to support their family.

*“My husband has stroke. He is in the recovering phase and his condition is getting better now. However, he still cannot work. He also has diabetes. (. . .) Now he is just staying at home. (...) Before this, he and my eldest son helped me to set up and handle the stall. However, my (eldest) son was involved in an accident last two years. He died due to the accident. (...) After all this happened, I stopped from selling kuih and taking order for bahulu<sup>21</sup>. I cannot handle the business by myself. Besides, the price of goods has increased so I could not make much profit from selling kuih and bahulu by myself.*

R13, Cleaner

*“I do not have any disease. However, after joining Yayasan Sejahtera, there was one time that I cannot work for a while. (...) Bad morning sickness. Then, after giving birth, my husband was involved in an accident. He had to stay in the*

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<sup>21</sup> A traditional Malay sponge cake

*hospital for more than a month. Now, he has to use the stick and cannot work anymore. (...) He can manage himself, to bathe and eat by himself, but not more than that. (...) So, I am the only one in the family who can work.*

R18, Small Food Trader

It is seen here that the abovementioned unexpected occurrences have affected the livelihood of the four households. The shock caused the head of household unable to work, which forced their spouse to take over their responsibility to support the family. For the rest of households (17 households), they have never experienced any health shock after participating in Yayasan Sejahtera’s programme.

**Table 4.4 Key Findings in regard to Health Shock**

<b>No of households</b>	<b>Key Findings</b>
4	Experienced health shock since last three/five years.
17	Verified that they have never experienced any health shock after participating in Yayasan Sejahtera’s programme.

#### **4.2.4 Natural Disaster**

Eight of the respondents claimed they have experienced natural disasters like flood and strong wind since last three/five<sup>22</sup> years. R13 and R17 said that their family had been the flood victims at almost every year. R13 described her experience as below:

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<sup>22</sup> Since last three years for Small Grant 2.0 beneficiaries

Since last five years for Small Grant 1.0 and One Enterprise for One Family beneficiaries

*“The water rose at night, around 11 to 12 pm. The water rose when there was heavy rain, rose up to the waist. We have to move to a temporary shelter (such as at school). (...) Recently, it happened in December last year, then January this year. (...) Every year the same (the phenomenon happened every year). ”*

R13, Cleaner

Six of the respondents were involved with the recent flood - December 2016 and January 2017. Before this, they had never experienced the flood. When the flood happened, farmers had to bear more losses. They could not cultivate the land and the crops died due to the flood. R5 and R10 recalled the flood situation as below:

*“Early this year . . . there was a flood. The water rises quite high. (...) Yes, it disturbs my business. I have to close my stall (during that time). However, compare to farmers, they bear more losses. For the farmers, all their capital for business vanished. (...) But, the flood this year was quite bad compared to before.”*

R5, Small Food Trader

*“The flood submerged my vegetables. (...) The flood was about two to three feet. It happened early this year. This road also submerged (showing the road in front of us). (...) So, when the vegetables submerged, it wilted and died. All my vegetables died early this year.”*

R10, Farmer

Other than the flood, four respondents have experienced strong wind. Three of them claimed that the phenomenon only occurs once a while and they incurred minor losses – minor damage to their house infrastructures.

*“Yes, strong wind. (...) Two, (or) three of my house’s roofs detached, carried away by the wind. (...) I live near to the sea, so the wind sometimes was too strong, causing the roofs to be detached.”*

R11, Technician

*“Strong wind also had happened before, but only affected the house’s zinc. One, two pieces of the zinc were detached from my house. It happened once before.”*

R13, Cleaner

Other than the abovementioned respondents, the rest claimed that they had never experienced natural disasters in their entire life. For those who had been affected with flood and strong winds before, their losses depend on the severity of the incidences.

**Table 4.5 Key Findings in regard to Natural Disaster**

<b>No of respondents</b>	<b>Key Findings</b>
8	Experienced natural disasters like flood (8/21 respondents) and strong wind (4/21 respondents) since last three/five years.
13	Have never experienced natural disasters in their entire life.

#### **4.2.5 Catastrophe Incidence**

Among all respondents, R2 mentioned that he had faced a catastrophic incident in 2015. His food stall caught fire after the gas stove in the stall caught fire. R2 expressed his frustration as below:

*“No equipment given by Yayasan Sejahtera can be used anymore. All were burnt by the fire. All. My stall was destroyed by fire last two years. (...) After that, I had to borrow from AIM (Amanah Ikhtiar Malaysia), or else I do not have money to start back my business. Everything! I have to start anew.”*

R2, Small Food Trader

This shows that the catastrophe incident certainly gives major shock to the hardcore poor. For R2, he had to seek for immediate assistance from a microcredit provider to start his business again. Other than R2, none of the respondents mentioned that they had undergone any catastrophic incident.

**Table 4.6 Key Finding in regard to Catastrophe Incidence**

No of respondents	Key Finding
1	R2 mentioned his food stall was burnt after the gas stove in the stall caught fire.

#### 4.2.6 Climate Change

Most respondents realized that there is a persistent change in statistical distribution of weather patterns – heavy and erratic rain, and drought. The key informant from Yayasan Sejahtera had mentioned that “Among the major challenges that affect this group (the beneficiaries) are drought season, heavy rains, natural disasters (especially the yearly floods), and risks of failed crops”. During the fieldwork in Kelantan, 17 respondents claimed that the heavy and erratic rain affect their livelihood. They examined stagnant water around their workplace and house area, which make them feel uncomfortable to work. Besides, small food traders observed a decreased number of customers when there is heavy rain. The picture below shows the condition of R2’s stall after a heavy rainfall.

*“My stall now, you cannot even go into the stall. It is surrounded by water. The stall is at a low area. Thus, when the rain was so heavy last night, you can see stagnant water this morning. (...) It looks like a stall on an island. This is because, these two three days, the rain was so heavy. (...) When this happens, it disturbs my business. (...) During heavy rain, who would want to come?”*

R2, Small Food Trader





**Figure 4.1 Condition of R2's Stall - flooded by water**

*“I make kuih (local desserts), bread, and cakes so I am not quite affected by the weather. (...) Yes, now the rain is heavy and erratic, but I am doing my business inside my house, so I am not largely affected. (...) It is just that I feel a little bit uncomfortable when they are a lot of puddles around my stall.”*

R8, Small Food Trader

For farmers, all of them agreed that the heavy rain affects their agricultural production. Few areas in their cultivated land were submerged. As the consequences, their crops became wilted and died. In addition, they need to plant new crops at limited areas that are not submerged. R10 said, “During heavy rain, when the rainwater was unable to flow into the river, it flooded the land”. When this happens, their job scope and production capacity have reduced, which can give a great impact to their income.

*“The watermelon submerged. (...) Now, when this happens, there is no return of capital. Before coming here (the interview place), I make a waterway (so that the water can flow out), then, I can see the size of the watermelons are quite big.*

*(...) About five to six kilo (kilogramme). Meaning that, in a week, it will mature.  
(...) So now, we will see how, there may be some parts that are not much affected.”*

R4, Farmer

*“The chillies (planted in his land) are all submerged. I just plant them. The rain was so heavy lately ... water rose and submerged my vegetables. (...) The unripe peppers, most of them were submerged. Some of them, I managed to save and put them on the wood (at a higher place). (...) The rain is so heavy, but in the afternoon, the weather becomes so hot. I do not understand the weather now. (...) We (my wife and I) have just started planting the vegetables. Then what can I do?”*

R9, Farmer

Other than heavy and erratic rain, respondents observed there is a drought period (prolonged heat) every year. According to Yayasan Sejahtera Annual Report 2014, the drought season is one of the biggest challenges faced by the farmers in their programmes. For example, Mr. Zakaria Derashid (participants of Small Grant 2.0) from Pasir Puteh stated that during the drought season (where the weather is hot and dry and water supply becomes scarce), he needed to stop from tending his crops and shift his focus on his experiments – testing different types of fertilizers and pesticides.

Thirteen of the respondents in this study said that this phenomenon affects their livelihood and economic activity. For farmers, during drought, the quantity and quality of their crops dropped.

*“During the drought season, I have to use a water pump to water the plants such as yam, chillies, corn. However, I would not get 100% of production. Some will die, wilted because they did not get enough water but at least I got more crops compared to now (heavy rain season).”*

R17, Farmer

Some farmers (3 respondents) believed that drought season is better than heavy rain or flood. At least during the drought season, they still can acquire more agriculture products compared to heavy rain. The farmers said that they just need to put extra effort to water the plants regularly.

*“I use pump wire. Drought season is better than the flood. During the drought season, I am still able to get some produce. If the plants submerged (during raining season), I incurred more loses.”*

R4, Farmer

*“Drought is better because I can water the plants. A bit tired but at least I get better results. Just sometimes, the plants stunted so I get about 60%, not 100% result.”*

R17, Farmer

Aside from that, three of the farmers claimed that the drought season also contributed to pest diseases such as Thrips spp.

*“Last year, I did not get much yields. The watermelons were infected by drip (Thrips). It was during drought season last year. The infected plants crinkle and die. The leave became yellowish. I tried to use pesticides but failed. When it*

*happened, it is difficult to control the disease. Last year, the plants were infected by drip (Thrips), this year, the plants submerged.”*

R4, Farmer

Drought season or prolonged heat brings water problems to four respondents. The key informant also has mentioned on this issue, “The beneficiaries faced severe water stress and water insecurity during dry months”.

*“During the drought, there will be water disruption. The water in the well became lesser and turned to yellowish colour. Then, when I washed my clothes, my clothes became yellowish. The problem is my house does not have a filter. So, during that time, if we want to drink, we have to buy drinking water from the shop.”*

R13, Cleaner

*“Water disruption in this area. This is because we use well water so when the weather is too hot, the water dries up. We share the well water with a few villagers so when it dried, we have to find other alternatives. (...) This happens only sometimes, when the weather is too hot.”*

R21, Small Food Trader

Climate change affects and complicates the livelihood of the majority respondents. Farmers are mostly affected by this occurrence. For farmers, their crops are submerged when there was heavy rain, which limit their job scope and production capacity. During the drought season, many plants are affected by pest disease, wilt and die due to dry soils.

**Table 4.7 Key Findings in regard to Climate Change**

No of respondents	Key Findings
Key Informant	“Among the major challenges that affect this group (the beneficiaries) are drought season, heavy rains, natural disasters (especially the yearly floods), and risks of failed crops”.
17	Claimed that heavy and erratic rain affects their livelihood - stagnant water around their working place and house area.
7	Small food traders observed a decreased number of customers when there is heavy rain.
7	Farmers agreed that heavy rain affects their agricultural production. Few areas in their cultivated land were submerged.
Yayasan Sejahtera Annual Report	Drought season is one of the biggest challenges faced by the farmers in their programmes.
13	Said that the drought period affects their livelihood and economic activity.
7	Farmers stated that during the drought period, the quantity and quality of their crops dropped.
3	Claimed that the drought season also contributed to pest diseases.
4	Drought season brings water problems.
Key Informant	“The beneficiaries faced severe water stress and water insecurity during dry months”.

#### 4.2.7 Crop Health Shock

As mentioned in the previous section, it is observed that climate change gives more severe effects to the farmers. They (7 farmers) are exposed to higher risk of crop failure. R9 acknowledged these risks and said that he will continue to work to yield the best harvest, as this is his main source of income. In contrary, R5 had changed his occupation from a farmer to a small business trader because he realized that farming involved risks and he did not want to experience the crop health shock repeatedly. He observed that small stall business guarantees better employment and income.

*“During the drought, the vegetables are not growing due to lack of water. Then, when there is heavy rain, the land was flooded, and the plants died. (...) There are many problems here. The risks are high when you work as a farmer. Then sometimes, the plants get infected by a disease. It usually happened to cucumber. (...) This is my main source of income, so I will try and try again.”*

R9, Farmer

*“I have changed from farmer to businessman, selling breakfast. In my opinion, farming involved high risks. When I do business, I get daily income. Every day you will get money from selling food. Before this, when I was a farmer, there were few times where I could not get the yields. (...) To start farming, you need to have a capital about RM5000. Then, after that it is either you succeed or fail to yield crops. If you failed, you incur losses. (...) Then, after I failed a few times, I discussed with my wife to start a small business.”*

R5, Small Food Trader

**Table 4.8 Key Findings in regard to Crop Health Shock**

<b>No of respondents</b>	<b>Key Findings</b>
7	Farmers are exposed to higher risks of crop failure.
1	Changed his occupation from farmer to businessman due to the persistent crop health shock he faced.

#### **4.2.8 Seasonal Shift in Prices**

When the researcher asked the respondents’ perceptions on the prices of goods, the researcher expected them to give their view on the prices of essential goods and materials. However, the farmers also mentioned the fluctuating prices of their selling products such as cucumber, long beans, brinjal, and chillies. This is the advantage of an open-ended interview where the respondents bring up an unexpected issue that can enhance the study. R10 and R12 said that the prices of their selling products are inconsistent, depending on the weather, season, and market demand.

*“The selling prices vary. Sometimes, lower, so I get less profit. Sometimes, higher than usual. Usually, the (selling) prices are higher during drought and flood season.”*

R10, Farmer.

*“Now, the prices are a bit higher. (. . .) Lately, it is the rainy season, so the dealers buy with higher prices. (...) I have no choice but to follow the demanded prices.”*

R12, Farmer

This shows that the selling prices of agricultural crops are higher during the rainy and drought season and when the products are less in the market; and vice versa. The farmers have to adhere with the uncertainty of the selling prices in order to make a living.

**Table 4.9 Key Finding in regard to Seasonal Shift in Prices**

<b>No of respondents</b>	<b>Key Finding</b>
7	Farmers observed the fluctuating prices of their selling products. The prices of their selling products are inconsistent, depending on the weather, season, and market demand.

### **4.3 Perceptions on the Networking Opportunities, Materials, Equipment and Training provided by Yayasan Sejahtera**

The programmes conducted by Yayasan Sejahtera involved providing networking opportunities, materials, equipment and training to the beneficiaries. The key informant from Yayasan Sejahtera stated that, “Kelantan was chosen as the target state to work in considering the limited assistance available and received by the hardcore poor from the authorities’. The objective of this section is to understand how the respondents perceived the assistance and whether the supports can help the beneficiaries withstand vulnerability issue surrounding them.

#### **4.3.1 Condition of Materials and Equipment upon Receipt**

The majority of respondents (18 respondents) perceived that the materials and equipment provided by Yayasan Sejahtera were in good condition when they received

them. Besides that, all respondents have confirmed that they have used the assistance for income generating purpose. The key informant has noted that, “Materials and equipment are distributed based on needs assessments and specifications of the items needed for the beneficiaries in order to carry out their economic activity. This process is closely monitored by our Project Officer and Project Assistants”. Table 4.11 underlines the materials and equipment received by the beneficiaries.

**Table 4.10 List of Materials and Equipment received by the Beneficiaries**

<b>Occupation</b>	<b>Materials and Equipment<sup>23</sup></b>
Farmer	Seedlings, fertilizers, plastic covers, pesticide, power sprayer pump and wire.
Food Trader	Oven, baking utensils, groceries, freezer, generator, umbrellas, tables and chairs.
Tailor	Sewing machine, stitch machine and sewing equipment.
General Business	Welding inverter machine, air compressor, etc.

The respondents said:

*“Nice. They gave new generator and three huge umbrellas. All are new. (...) The quality is good, can be used when I am selling in the market. We (my wife and I) work every day, so we use them every day.”*

R6, Small Food Trader

*“New oven. They gave the new oven. (...) The quality is also good. At that time, when I received the new oven, I felt more motivated to make bahulu, akok<sup>24</sup>. When they gave me the oven, it is still new. It still can be used until today. I use*

<sup>23</sup> Materials and equipment were distributed based on the need of the beneficiaries and according to the programme they involved. Some materials and equipment received by A may not equally received by B.

<sup>24</sup> Akok is a traditional snack that is popular in Kelantan. It is made of flour, eggs, coconut milk and palm sugar.



*the oven to bake cake, akok, kuih bakar, bahu. Then, towards Hari Raya<sup>25</sup> (Eid season), I bake kuih raya (cookies).”*

R8, Small Food Trader

*“I got sewing machine from Yayasan Sejahtera. (...) Good. The machine was in good condition when they gave me. (...) The quality is also good. They gave new machine so of course it was in good condition. I still can use it until now. To use the machine is also easy. It has a motor”.*

R19, Tailor

However, R19 added that she could only sew a maximum of three pairs of baju kurung in a day, by using the machine. She said, “To sew more than three pairs, you need to use high speed when sewing. However, when you use high speed, the motor will start to heat up. When the motor overheats, it will burn”. Other tailors (R3 and R20) also brought out the same issue. However, it should be noted that the machine was given to add value to the beneficiaries’ existing economic activity and to generate more revenue in future. The key informant said, “Previously (before the programmes started), most of those involved with garment production did not have a proper machine for their business. We give the equipment with the hope that they can utilize the assistance and use it to increase their income. When we give the sewing machine, we hope that they can start earning money or increase income and later, expand their business using the profit”. Thus, this means that the assistance provided by Yayasan Sejahtera were supposed to be a stepping-stone to a better livelihood. This is evident when R19 was able to buy a high-speed sewing machine from her friend after saving for about two

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<sup>25</sup> A religious festival celebrated by Muslims worldwide. This is one of biggest festival celebrated by Muslim in Malaysia

years. Currently, R20 is saving to buy industry sewing machine to increase her capacity of production.

From 21 respondents, only two encountered little technical problems with the equipment upon receiving them at first.

*“I got a new sewing machine. However, at first, there is a little technical problem. It took a while to repair the machine. (...) While sewing, the threads often break. (...) During the training at the Agricultural Department, in Pasir Puteh, I did not detect any problem. Only after I brought the machine back home, the problem occurred. Now, there is no more problem with the machine anymore. It is just that I cannot use high speed mode when sewing.”*

R3, Tailor

*“At first, when we used the oven, there was a short circuit. So, we cannot use it for a while. Then, I reported to Yayasan Sejahtera. They came and repaired it for me. After that, no more problem.”*

R16, Not Working

Aside from that, 11 respondents, which amount to the majority, stated that they received adequate quantity of materials and equipment to conduct their economic activity.

*“The oven is good. (...) One is enough. Only one person (me) bakes at home. (...) The quality is good. It is good that I can replace my old oven at that time.”*

R13, Small Food Trader

*“Good . . . They gave two big packets of fertilizers. (...) Yes, I think that is enough for my land. The fertilizers and pesticides were enough. However, the time when they gave the materials, it was drought season, so I did not get much yields. It is not that I did not get the yields at all. It is just the yields were not much. The assistance really helped me. It reduced my burden at that time. If I use my own money to buy the materials, I might incur more losses.”*

R10, Farmer

*“The materials were enough for my land. I have one acre of land and the materials are for one acre of land. Meaning that, when they gave me the materials, I spend less on capital. I save more.”*

R17, Farmer

From the conversation, 15 respondents said that the assistance helped to increase their physical assets at that time. For farmers, some managed to gain profits and increased the income. However, due to seasonality factors, some failed to produce healthy crops.

Overall, the material and equipment were in good condition when they were delivered to the respondents. The assistance was used for income-generating purpose. In helping the hardcore poor, Yayasan Sejahtera considers the asset and existing economic activity of the beneficiaries. Besides that, Yayasan Sejahtera has delivered the adequate assistance to the beneficiaries in order to increase their physical assets. However, for the farmers, their income depended on the seasonality factor.

**Table 4.11 Key Findings in regard to the Condition of Materials and Equipment upon Receipt.**

<b>No of respondents</b>	<b>Key Findings</b>
18	Perceived that the materials and equipment provided by Yayasan Sejahtera were in good condition when they received them.
21	Confirmed that they have used the assistance for income-generating purpose.
Key Informant	“Materials and equipment are distributed based on needs assessments and specifications of the items needed for the beneficiaries in order to carry out their economic activity. This process is closely monitored by our Project Officer and Project Assistants”.
3	Mentioned that they cannot use the sewing machine at the maximum volume – could not use high speed mode when sewing.
Key Informant	“Previously (before the programmes started), most of those involved with garment production did not have a proper machine for their business. We give the equipment with the hope that they can utilize the assistance and use it to increase their income. When we give the sewing machine, we hope that they can start earning money or increase income and later, expand their business using the profit”.
2	Encountered little technical problems with the equipment upon receiving them at first.
11	Stated that they received adequate quantity of materials and equipment to conduct their economic activity.
15	Said that the assistance helped to increase their physical assets at that time.
7	For farmers, some (3/7 respondents) managed to gain profits and increase the income. However, due to seasonality factors, some (4/7 respondents) failed to produce healthy crops.

#### **4.3.2 Durability of Equipment provided by Yayasan Sejahtera**

Fifteen respondents, amounting to the majority, reported that the equipment given by Yayasan Sejahtera are still usable. However, they agreed that the conditions of the equipment are not as good as before and some encountered minor problems. This is because they have used the equipment for about five/six<sup>26</sup> years.

*“Yes. I am still using the oven. In evening, I usually bake cakes using the oven.*

*Now, my eldest daughter is learning to bake, to make bread and cake. Thus, she bakes using the oven.”*

R1, Small Food Trader

<sup>26</sup> Small Grant 1.0 and One Enterprise for One Family started in 2011 and Small Grant 2.0 started in 2012

*“It still can be used. The engine had a problem once. Then, I sent to the shop to be repaired. Maybe because I had overused the machine, so it jammed. (...) After that, I can use the machine back.*

R3, Tailor

*“Yes, I am still using the wire (to water the plants automatically). Half of the wire still can be used. Some parts of the wire have sand on it and the sand blocked the water flow. I do not know how to remove the sand. However, some parts are still in good condition.”*

R4, Farmer

Six of the respondents claimed that the equipment received could not be used anymore. The duration of usage of the equipment ranged from three to five years.

*“All the equipment were burnt during the fire (fire at his stall). None were saved.”*

R2, Small Food Trader

*“None can be used anymore. Damages due to the strong wind. (...) If the wind was not so strong, the umbrella, the table would not break. (...) The wind was strong at the market, Pasar Irama Bachok.”*

R6, Small Food Trader

*“The machine (welding machine) just breakdown. (...) In 2016, the machine encountered a problem, so I sent it for a repair. Then, I was able use it back. Then, this year, the problem happened again. The machine cannot work*

*properly, often got stuck when I used it. I do not have money to repair it again because I need to spend the money for some other purposes.”*

R11, Technician

The results show that Yayasan has supplied quality equipment to the beneficiaries. Majority are still using the equipment for their economic activities. For the broken equipment, their duration of usage ranged from three to five years and some were damage due to natural factors such as strong wind and fire.

**Table 4.12 Key Findings in regard to the Durability of Equipment provided by Yayasan Sejahtera**

<b>No of respondents</b>	<b>Key Findings</b>
15	Reported that the equipment given by Yayasan Sejahtera is still usable. However, they agreed that the conditions of the equipment are not as good as before. They have used the equipment for about five/six <sup>27</sup> years.
6	Claimed that the equipment received could not be used anymore. The duration of usage of the equipment ranged from three to five years.

### 4.3.3 Training

All respondents verified that they had received the technical training from Yayasan Sejahtera. Yayasan Sejahtera received cooperation from Department of Agriculture and the Foundation for Women’s Education and Vocational Training Malaysia (YPVWM) to conduct technical training for the beneficiaries (Yayasan Sejahtera, 2014). The respondents perceived that the training helped to enhance their current skills and techniques (7 respondents) and beneficial for their economic activity (10 respondents). They also understand (8 respondents) and practice (14 respondents) the training courses provided by Yayasan Sejahtera and its partners.

<sup>27</sup> Small Grant 1.0 and One Enterprise for One Family started in 2011 and Small Grant 2.0 started in 2012

*“Yes, I practice the training until now. They taught us cooking methods, (and) how to start selling in the market. They even inspected my kitchen to ensure that I practiced a good hygiene in the kitchen. (...) Thanks to God, I understand what they taught.”*

R6, Small Food Trader

*“I have attended their talk, about agriculture. Then, they came to my land to see how I cultivated the land. We shared information. I used the old technique to plants, they taught the new, modern technique. So, I will see based on the situation, whether to use their technique or mine.”*

R12, Farmer

*“Good. They gave a talk and training so I learned a lot. (...) As I remember, the first day we just attended the talk. Then, a day after they trained us to sew baju kurung. After that, the curtain (to sew curtain). The last day, they taught us embroidery and to sew beads. (...) I have the basic skill to sew so from the training, I learned more. (...) I have never sewed curtain before, now I know how to do it already.”*

R19, Tailor

However, for farmers, some failed to reduce the risks of failed crops and to produce healthy crops after the materials, equipment and technical training are delivered to them.

*“Good . . . They gave two big packets of fertilizers. (...) Yes, I think that are enough for my land. The fertilizers and pesticides were enough. However, the time when they gave the materials, it was drought season, so I did not get much yields. It is not that I did not get the yields at all. It is just the yields were not*

*much. The assistance really helped me. It reduced my burden at that time. If I use my own money to buy the materials, I might incur more losses.”*

R10, Farmer

Aside from that, for the beneficiaries of One Enterprise for One Family and Small Grant 2.0, they also received financial management training, apart from the technical training. According to the key informant of Yayasan Sejahtera, this training is the enhancement made by the NGO after started the Small Grant 1.0 as they observed that most of the hardcore poor at that time did not have savings. All the respondents from the One Enterprise for One Family and Small Grant 2.0 (16 respondents) had attended the financial management training, conducted by Yayasan Sejahtera and its partner, University of Malaysia Kelantan (UMK). Surprisingly, from the interviews, only six respondents are still practising the training and value its importance. This finding is contradicted with the report by Yayasan Sejahtera which stated that after the programmes, the beneficiaries were better in saving, monitoring their income, and they regularly update their financial record. The report also stated that the collaboration facilitated the beneficiaries to sustain their income and expenditure record for business purposes (Yayasan Sejahtera, 2014).

*“Yes, I am still practicing (the financial management). When I buy materials for my business, I will record them. The amount of money I spend and my profits from selling breakfast. (...) It is very important (to record the financial transaction).”*

R5, Small Food Trader



*“They trained and asked us to save. Saving from time to time. Then, your money will increase more and more. (...) About RM2 a day is good, they said. (...) Yes, we (he and his wife) do saving for our children’s education and expenses.”*

R16, Not Working

*“They taught us to record every business transaction. How much you spend; how much you gain, like that. (...) Hahaha. Before this, I practiced what they taught. Now, not anymore. (...) Difficult to do, I do not have enough time to do it.”*

R1, Small Food Trader

*“They taught account management. However, I handle a small business, so I just count my expenses in my own way. Just remember what I buy. (...) To do the saving, just sometimes.”*

R8, Small Food Trader

*“They teach about debit, credit. They asked us to record expenses and our selling profit. Record them on a book that they gave us. I still have the book at my house. (...) No, I do not practice the training anymore, just for a while (before this). Tok dey (do not have enough time). (...) I understand the training but to do it, it is a bit difficult. I feel better to use my own way.”*

R10, Farmer

However, the researcher found that R11 records his financial transaction even though he is in Small Grant 1.0 programme. He did not receive any financial management training from Yayasan Sejahtera and its partner but he was able to save some money to

repair his house. This shows that it is all about an individual's initiative and awareness. If you have awareness on the importance of saving and monitoring the financial record, you will have the initiative to practice them. Yayasan Sejahtera has detected this matter and tried to increase this awareness and to instil the financial management practice to the beneficiaries. However, due to limited funding, Yayasan Sejahtera cannot afford to consistently monitor the livelihood of the beneficiaries for a longer time. According to the key informant from Yayasan Sejahtera, "The assessment and monitoring period for our programmes in Kelantan can vary from a minimum of three months to one year, depending on the funding availability".

Overall, the development training provided by Yayasan Sejahtera and its partner fulfilled the need of the beneficiaries as they lacked technical skills and do not practice financial management. However, majority of the respondents are practicing the technical training, not the financial management training, which contradicts with the claim in Yayasan Sejahtera Annual Report in 2014. Besides, some farmers failed to reduce the risks of failed crops and to produce healthy crops after receiving the assistance.

**Table 4.13 Key Findings in regard to the Training Program provided by Yayasan Sejahtera.**

<b>No of respondents</b>	<b>Key Findings</b>
21	Verified that they had received technical training from Yayasan Sejahtera.
7	Perceived that the technical training helped to enhance their current skills and techniques.
10	Perceived that the training is beneficial for their economic activity.
8	Stated that they understand the training courses provided by Yayasan Sejahtera and its partners.
14	Stated that they are still practicing the technical training provided by Yayasan Sejahtera and its partners.
4	Failed to reduce the risks of failed crops and to produce healthy crops after receiving the assistance.
16	The beneficiaries of One Enterprise for One Family and Small Grant 2.0 also received financial management training, apart from the technical training.

**Table 4.13 continued**

<b>No of respondents</b>	<b>Key Findings</b>
Key Informant	The financial management training is the enhancement made by the NGO after started the Small Grant 1.0 as they observed that most of the hardcore poor at that time did not have saving.
6	Only six respondents are practicing the financial management training and value its importance.
Yayasan Sejahtera Annual Report	After the programmes, the beneficiaries were better in saving, monitoring their income, and regularly updating their financial record. The collaboration facilitates the beneficiaries to sustain their income and expenditure record for business purposes.
1	R11 records his financial transaction even though he is in Small Grant 1.0 programme. He did not receive any financial management training from Yayasan Sejahtera and its partner but was able to save some money to repair his house.
Key Informant	The assessment and monitoring period for their programmes can vary from a minimum of three months to one year, depending on the funding availability.

#### **4.3.4 Networking Opportunities**

According to the key informant of Yayasan Sejahtera, through training session organized by Yayasan Sejahtera, the organization channelled the beneficiaries to few implemented partners such as University of Malaysia Kelantan, Department of Agriculture, the Foundation for Women's Education and Vocational Training Malaysia, Community College in Pasir Mas, 1Malaysia Internet Centre and a few more organizations. In addition, during the training session in particular places, the NGO encourages group networking and exchange of idea among the beneficiaries. She also added that "Yayasan Sejahtera builds networking among the participants by appointing some of them as mentors for the next project and continue connecting them with relevant partners".

Based on the interview session with the beneficiaries, most of them (17 respondents) stated that they value the opportunity to get connected with the agencies and other beneficiaries.

*“We met during the training session. Some are farmers, (and some are) tailors like me. I met new friends. (...) We get to exchange our knowledge, together with the trainers. (...) Yayasan Sejahtera said that I can call the trainers if I need their help in future, which is a good opportunity for us (the beneficiaries)”*

R3, Tailor

*“Some of us came from different district. It is good to know each other that time. (...) That was a rare opportunity to meet the experts and learn new things”*

R15, Farmer

Unfortunately, the researcher found that none of the respondents are continuing their relationship with the agencies and participating in other programmes, organized by the agencies. When the researcher asked for the reason of not contacting them, some of the beneficiaries could not give the reason and some responded that it is due to reachability factor. Respondents also showed a low effort in maintaining their relationship with the agencies.

*“I do not know how to reach them. Where is the programme, how to participate, I do not know. (...) If they invite me, God willing, I will come”.*

R9, Farmer

*“I think ... it is not easy to contact them. They might be busy. The training is good enough, so I do not need their help. But, if they are coming again, I can enhance my skills”.*

R15, Farmer

In regard to the relationship between the beneficiaries itself, 11 respondents said that they are still in contact with other beneficiaries who live in the same area and they did not contact anymore with the beneficiaries who live far away. They claimed that the distance factor leads to the disconnection. Only R20 stated that she is still in contact with another beneficiary from different area to share story and experiences.

*“Good. (...) yes, still in contact with them, using WhatsApp. We share stories, knowledge. When she has time, she will call me. (...) In this area, I was the only one who joined the programme”.*

R20, Tailor

It is seen here even though Yayasan Sejahtera has provided an opportunity to build networks with the implemented agencies and other beneficiaries, most respondents could not maintain the relationship after the programmes ended. Among their reasons are reachability and distance factors.

**Table 4.14 Key Findings in regard to the Networking Opportunities provided by Yayasan Sejahtera**

No of respondents	Key Findings
Key Informant	Through the training session, the organization channelled the beneficiaries to a few implemented partners. Yayasan Sejahtera builds networking among the participants by appointing some of them as mentors for the next project and continues connecting them with relevant partners.
17	Stated that they value the opportunity to get connected with the agencies and other beneficiaries.
21	All respondents did not continue their relationship with the agencies and participate in other programmes, organized by the agencies. Some of the beneficiaries could not give the reason of the disconnection and some responded that it is due to reachability factor. Respondents also showed a low effort in maintaining their relationship with the agencies.
11	Said that they are still in contact with other beneficiaries who live in the same area and they did not contact anymore with the beneficiaries who live far away. They claimed that the distance factor leads to the disconnection.
1	Only R20 stated that she is still in contact with another beneficiary from a different area to share story and experiences.

#### 4.4 The Impacts of Yayasan Sejahtera's Programmes on the Beneficiaries

To assess the impacts of Yayasan Sejahtera's programmes to the hardcore poor, this research examines the past and current assets owned by the respondents. The assets considered in this study are social, human, physical, and financial capitals.

##### 4.4.1 Social Capital

In order to measure the social capital of the respondents, researcher studied their relationship with the family members, neighbours, peers, and other beneficiaries of Yayasan Sejahtera. The results revealed that all respondents perceived that their surrounding communities give their helping hand when needed, before and after they participate in Yayasan Sejahtera's programme. They said that most of the assistance comes from their family members and neighbours.

Aside from that, five respondents mentioned that the assistance were mostly in terms of non-monetary support – as the surrounding communities are also facing with financial issue. They support each other in terms of motivation build-up, sharing knowledge, and working together to reduce one's burden.

*“When I was diagnosed with stroke, my sibling helped me. They offered some financial assistance, as much as they afford to give. Mostly, the assistance came from my siblings. Thanks to God. (...) My relationship with the community is always good.”*

R7, Not Working

*“Erm... the assistance... many come from my close friends, neighbours. From my siblings also. (...) They help what they can. Their livelihood are also likes us; (they are) poor family. Thus, when I have a car, I help send their children to*

*school. We have children who study in the same school, so I send them together. Then they will help me in farming.”*

R9, Farmer

*“As usual. Just the same as before. There are few times that we help each other, sharing experiences in farming. My neighbours are all good. We help each other... like when there is a ceremony in one’s house or in the mosque, we all go there to help. When we are nice with people, they will do the same to us.”*

R10, Farmer

*“Yes, when my husband was involved with the accident before, my neighbours helped us a lot. They gave money... sent me to the hospital. During that time, I was in a difficult time and my kids were still very young. My husband had to stay in the hospital for about one and a half month so at that time, I depended on people’s help, friends, neighbours, (and) my siblings. Thank God they were willing to help when I needed them.”*

R18, Small Food Trader

In regard to the relationship between the beneficiaries itself, the key informants from Yayasan Sejahtera claimed that, “Yayasan Sejahtera observed that the agriculture beneficiaries are working together with the non-agriculture beneficiaries in terms of technical services, getting supplies, providing recommendations and sharing of resources and information”. However, this statement is contrary with the findings from the fieldwork in Kelantan. During the fieldwork, 11 respondents said that they are still in contact with other beneficiaries who live in the same area but not anymore with those in different district or live far away. They claimed that distance factor leads to the

disconnection. Only R20 stated that she is still in contact with another beneficiary from a different area to share story and experiences.

*“Good. I knew them, but we are not that close. Hahaha. The relationship (with her neighbours) is still good. For those who live far away, we did not keep in touch anymore. (...) My supplies ...I still buy the materials from the same suppliers (since 2006).”*

R4, Farmer

*“I no longer meet those who live far (from his district). (...) Just now, there was one beneficiary (from Small Grant 2.0 programme) having breakfast at my stall. This is how we usually meet. They come to my stall to have their breakfast.”*

R5, Small Food Trader

*“Good. We do not have any problem with each other. Good. It is just that we do not keep in touch with each other. The programme ended long time ago. They live far away. (...) I buy my supplies (for business) at RTC (Rural Transformation Centre). The corn, groundnut, yam, potatoes, etc are from Thailand.”*

R6, Small Food Trader

*“Only with those who live here. Sometimes, we meet at the coffee shop at night, where we share stories. (...) I asked them on the current price of materials and selling price for the vegetables.”*

R15, Farmer



*“Good. (...) yes, I am still in contact with her (other beneficiaries), using WhatsApp (Messenger)<sup>28</sup>. We share stories, knowledge. When she has time, she will call me. (...) In this area, I was the only one who joined the programme.”*

R20, Tailor

The findings show that there is less networking between the beneficiaries of the programme. Even R6, who sells agriculture products, does not get his supplies from the farmers who joined Yayasan Sejahtera’s programmes. Instead, he buys agriculture products from Thailand. His reason is that, it is cheaper to buy from Thailand suppliers and the products will always available in the market when he needs them. Compared to local suppliers, they cannot supply the products constantly due to rainy, flood and drought season.

Overall, the beneficiaries perceived that their surrounding communities give their helping hand when needed, before and after they participated in Yayasan Sejahtera’s programme. However, the majority do not maintain a continuous relationship with the beneficiaries who live far from them due to distance factor.

**Table 4.15 Key Findings in regard to the Social Capital of the Beneficiaries**

<b>No of respondents</b>	<b>Key Findings</b>
21	Perceived that their surrounding communities give their helping hand when needed, before and after they participated in Yayasan Sejahtera’s programme. Most of the assistance comes from their family members and neighbours.
5	Mentioned that the assistance was mostly in terms of non-monetary support – as the surrounding communities are also facing financial issue.
Key Informant	“Yayasan Sejahtera observed that the agriculture beneficiaries are working together with the non-agriculture beneficiaries in terms of technical services, getting supplies, providing recommendations and sharing of resources and information”.

<sup>28</sup> A free app that offer instant messaging service for smartphones.

**Table 4.15 continued**

<b>No of respondents</b>	<b>Key Findings</b>
11	Said that they are still in contact with other beneficiaries who live in the same area but not anymore with those in different districts or far away. They claimed that distance factor leads to the disconnection.
1	Only R20 stated that she is still in contact with another beneficiary from a different area to share story and experiences.

#### **4.4.2 Human Capital**

To examine the human capital owned by the respondents, researcher considers their skills and occupation condition. Based on the key informant of Yayasan Sejahtera, “Skills development training, access to capital and creation of employment opportunities are priority in our programmes. We trained them with the skills which can be used to improve their ways of generating income and also offered better employment to them”

From the interviews, all respondents have attended the technical training conducted by Yayasan Sejahtera. As mentioned in the previous section (Section 4.3.3), the respondents perceived that the training helped to enhance their current skills and techniques (7 respondents) and is beneficial for their economic activity (10 respondents). Eight respondents claimed that they understand the training courses. Besides, majority (14 respondents) are still practicing the technical training provided by Yayasan Sejahtera and its partners.

According to Yayasan Sejahtera Annual Report in 2012, the organization examined that after the programmes ended, their beneficiaries started saving and showing a strong ownership through monitoring their own income and updating their financials. However, based on the interview with the beneficiaries of the programmes, it is found that most of the respondents (10 out of 16 respondents) did not practice the financial management training provided to them. Researcher also found that, to adopt with the

financial management training, an individual need to complete his/her higher secondary education. This is because, based on the survey, five out of six respondents who are practicing the financial management have completed their higher secondary school.

In terms of occupation, most respondents (15 respondents) are performing the same occupation – the occupation before they joined Yayasan Sejahtera. Among 19 respondents who are still working, five of them do a part time job to increase their income.

*“Just the same. Before this, I am doing business and now I am still with the same job. It is just nowadays, I am doing part time job also. I still have a job. Thanks to God. This is how I support my family, send my children to school.”*

R1, Small Food Trader

*“I do part time job also. We (my wife and I) make keropok lekor<sup>29</sup>. (...) If I am only depended on my stall business, it would not be enough for my family. (...) We make keropok lekor until 3 p.m. and after that, get ready for my business”.*

R2, Small Food Trader

Four of the respondents changed to a better occupation with the help of Yayasan Sejahtera but only three of them remain with the same occupation. R13 has to change to other occupation (become a cleaner at a primary school) because she cannot afford to handle the business alone - her husband was diagnosed with stroke and her eldest son who regularly helped her had died from an accident. From 21 respondents, only one

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<sup>29</sup> A savoury fish cracker snack popular in Kelantan and Terengganu, Malaysia.

respondent (R5) has changed to new occupation a year after joining the Small Grant 2.0 programme.

*“Before this, I was a lorry driver. Sometimes I did not get the salary from my employer. When I am getting older, I did not have much energy to drive the lorry. After I joined the programme, they suggest me to start doing business. (...) Until now, I am still conducting the business.”*

R6, Small Food Trader

*“Very different from before. Before this, I worked at a coffee shop in the morning. (...) I get about RM10 per day. RM10 only. During that time, most of my children were still schooling. None of them are working yet. After joining the programme, we (my husband and I) started doing business, selling keropok lekor and bananas fritters. (...) I make bahulu and cakes too. (...) Now my husband cannot work anymore, so I have to work at this school as a cleaner.”*

R13, Cleaner

*“Compared to the previous years, my job (today) is better. More stable. When I was a farmer, sometimes I did not get back the money that I invested for the land. Now, even though not much, I still can get my daily salary.”*

R5, Small Food Trader

Aside from that, two of the respondents did not work anymore due to the health factor. R7 has just recovered from a stroke; and R16 was involved with three accidents before, and the last accident hindered him from walking. The accidents also worsened his health condition - he has high blood pressure and diabetes before.

*“The difference is that I am not working now. I do not have a job, unlike before. If I do not have the stroke, maybe I am still working at the orchard. Now, I have sold my land to another person ... I do not have any land to cultivate anymore.”*

R7, Not Working

*“I am not working anymore. We (my wife and I) are only depending on our children. (...) What they (his daughters) give is enough for us. They help to support their siblings that are still studying in university. Thank God that they all received (a loan from) PTPTN (National Higher Education Fund Corporation). This reduces my burden a little bit.”*

R16, Not Working

In this study, the researcher noticed in the case of severe health condition, respondents lost their job. For instance, R7 and R16 lost their job due to severe health issue – stroke and three consequences of accidents respectively. For R13, her husband was diagnosed with stroke and in the case of R18, her husband was involved in a severe accident, which caused head and leg injuries. Their husband is unable to work due to the health issue.

Overall, the majority of respondents in this study is practicing the technical skills learned during Yayasan Sejahtera’s programmes and has a job. Five respondents are putting extra effort to earn more income from their part time job. However, at the same time, the majority of respondents do not practice financial management and two of the respondents have a serious health issue that makes them unable to work.

**Table 4.16 Key Findings in regard to the Human Capital of the Beneficiaries**

<b>No of respondents</b>	<b>Key Findings</b>
Key Informant	“Skill development training, access to capital and creation of employment opportunities are priority in our programmes. We trained them with the skills which can be used to improve their ways of generating income and also offered better employment to them”.
7	Perceived that the training helped to enhance their current skills and techniques.
10	Perceived that the training is beneficial for their economic activity.
8	Claimed that they understand the training courses.
14	Stated that they are practicing the technical training provided to them.
Yayasan Sejahtera Annual Report	Yayasan Sejahtera examined that their beneficiaries have started saving, and showed a strong ownership through monitoring their own income and update their financials.
10	The majority of respondents (who received financial management training) do not practice the training.
5	Five out of six respondents who are practicing financial management have completed their higher secondary school.
15	Still performing the same occupation – the occupation before they joined Yayasan Sejahtera.
5	Doing a part time job in order to increase their income.
4	Changed to a better occupation with the help of Yayasan Sejahtera but only three (3) of them remain with the same occupation.
1	R5 has changed to new occupation a year after he joined the Small Grant 2.0 programme.
2	Does not work anymore due to the health factor.

#### **4.4.3 Physical Capital**

This study investigates respondents’ access to basic infrastructure and basic equipment to carry out their economic activity, before and after the programme. The key informant had mentioned that “Considering that the basic infrastructure such as water, electricity, and accessibility (road access) is fairly better in Kelantan compared to the other project locations (e.g. Sabah & Sarawak), most of the programmes in Kelantan are geared towards betterment of the livelihood of the hardcore poor through small grants for businesses and enhancement in their agricultural activities”. Thus, this indicates that before the programmes, the beneficiaries in Kelantan already have equitable amount of physical assets.

Access to basic infrastructure in this study is conveyed in terms of respondents having access to clean water, electricity, house, land, television, refrigerator, and transport vehicle. The majority of the respondents (19 respondents) perceived that their physical assets have improved from time to time. They have better house condition, water system, electricity, and basic house items like television and refrigerator. Besides that, all the farmers in this study work on their own land and 13 of the respondents have vehicles like motorcycles and cars.

*“I have a car now. (...) Our house is just an ordinary house, mix of wooden and concrete. We (my wife and I) improve the infrastructure (of their house) time by time. To renovate everything, we do not have enough money. Thus, when we have extra money, we repair some parts of the house. Before this, the house is very small. Our children also give some money to renovate the house. (...) When it is raining, there is little leakage (from the roof). It is normal for us.”*

R6, Small Food Trader

*“I have my own car and house. My house condition is getting better. I had renovated the wall and roofs. Meanwhile, only the floor has not been repaired yet. The house is already old, so the wooden floors need to be changed. (...) Yes, I get water supply from well (he uses pump to connect the water to his house). (...) I have a television, refrigerator at home.”*

R11, Technician

*“I have this house and a motorcycle. Actually, Yayasan Sejahtera helped to build this place for me to make kuih here. It is because, before this, I stay at my sister’s house, beside this house. (...) At first, this place is just a small working room for me to make kuih but later on, I expanded this place. I added a room*

*and living room. Then, I moved into this place. It is just that the electric supply in this place is still from my sister's house. I still cannot afford to have my own electricity source."*

R21, Small Food Trader

However, two of the respondents did not perceive an improvement in their physical assets.

*"My house condition... not so good. I have electricity at home, but I cannot afford to pay for it. (...) The electric bills have an outstanding amount ... about RM 700. It is not that I do not want to pay, but I have to spend my money for my children's education and daily meals. (...) My house is a wooden house. (...) Since I was sick, some parts of the wood decayed. No one can do the maintenance"*

R7, Not Working

*"I have a motorcycle. (...) My house is beside my orchard. (...) It is a wooden house. The roofs are not in good condition now. It is an old house. Some windows have dislodged. I use clothes to cover them. However, I still can live inside the house."*

R12, Farmer

Aside from that, the researcher also asked whether the respondents have enough materials and equipment to carry out their current economic activity. Before the programmes, Yayasan Sejahtera identified that most of those involved with garment production did not have a proper machine for their business (Yayasan Sejahtera, 2012). Thirteen respondents said that they have adequate basic equipment to conduct their



economic activity. Few of them (5 respondents) said that they dream of better equipment to enhance their business.

*“One sewing machine is enough for me. (...) The machine is still in a good condition. It is just that I need a high-speed machine so that I can sew more (in a day). (...) During peak season like Hari Raya, I need to limit my productions. (...) However, compared to before, at least I have my own sewing machine now. I can work from home.”*

R3, Tailor

*“All the basic equipment I think is enough. However, now I am trying to ask for three-wheeled motorcycle from the Social Welfare Department. It is because I have to commute from my house to the market about three times in the morning to send my kuih. If I have the motorcycle, it will be easier to send kuih to the market.”*

R21, Small Food Trader

For the materials to conduct their economic activity, 10 of respondents said that they will buy the materials when needed, depending on their budget.

*“The materials are never enough. (...) When I run out of fertilizers, then I will buy a new one. Only when I want to start planting then I will buy the fertilizers, plastics, etc. If we (my wife and I) do not have enough money, we will plant only at half of the land, in stages”.*

R9, Farmer

*“I think it (the materials) is just enough. When I run out of stock, I will buy a new one. If I do not have enough money, I will borrow (the materials) from my workplace and pay them later. I borrowed first from my employer.”*

R19, Tailor

It is seen here that most of respondents perceived that their physical assets have improved from time to time. Today, they have better access to basic infrastructure. The equipment provided by Yayasan Sejahtera also has increased the asset owned by the respondents.

**Table 4.17 Key Findings in regard to the Physical Capital of the Beneficiaries**

<b>No of respondents</b>	<b>Key Findings</b>
Key Informant	“Considering that the basic infrastructure such as water, electricity, and accessibility (road access) is fairly better in Kelantan compared to other project locations (e.g. Sabah & Sarawak), most of the programmes in Kelantan are geared towards betterment of the livelihood of the hardcore poor through small grants for businesses and enhancement in their agriculture activities”.
19	Perceived that their physical assets have improved from time to time. They have better house condition, water system, electricity, and basic house items like television and refrigerator.
7	All the farmers in this study work on their own land.
13	Have vehicles like motorcycle (11/21 respondents) and car (6/21 respondents)
Yayasan Sejahtera Annual Report	Before the programmes, Yayasan Sejahtera identified that most of those involved with garment production did not have a proper machine for their business (Yayasan Sejahtera, 2012).
13	Said that they have adequate basic equipment to conduct their economic activity.
5	Said that they dream of better equipment to enhance their business.
10	Said that they will buy the materials when needed, depending on their budget.

#### **4.4.4 Financial Capital**

The components assessed under financial capital are the respondents’ income and saving. As mentioned before, only two respondents (R13 and R19) are salaried workers. They managed to answer promptly when the researcher asked their monthly net income. The rest of the respondents in this study do not have a fixed income. Seven of the

respondents managed to estimate their daily or average income. Surprisingly, 10 of the respondents are uncertain about their monthly income and difficult to specify their daily or average income. R1 and R6 responded to the question as below:

*“I cannot estimate my income because it all depends on the number of customers. When there were more customers, then I earned more. (...) I am not sure how much I earn every day. In a day, sometimes I get more customers, and then sometimes, when it is raining like this, fewer customers. (...) Maybe I can say around RM 40 to RM50 a day. That is when I have customers.”*

R1, Small Food Trader

*“I do not know. Sometimes it increases, then decreases. I operate a small business. (...) If I sell in a large night market, I earn more. If in a small place, I earn less. (...) The income maybe . . . around RM 1000 per month, in average.”*

R6, Small Food Trader

Aside from that, for farmers, the researcher found that they spend about RM2000 to RM4000 to buy materials for farming and it takes about 2 to 3 months to cultivate their land and get the yields. Thus, their income is not on a daily or monthly basis. The profits from the sale will be then rolled to cultivate new crops. R10 and R14 describe their income generation process as below:

*“It is inconsistent. (...) My income is based on the season. For example, for cucumbers, after planting the seed, I need to wait for a month to get the products. After that, it takes a month to sell the cucumbers to dealers. Thus, it already takes two months. It takes about three months, including preparation phase at first. (...) After three months, I will get net income about RM2000.*

*However, it depends on the condition of the vegetables, also the seasonality factor. If it is healthy (the crops), I can sell more with higher prices.”*

R10, Farmer

*“Monthly income... I am not sure. If I can cultivate healthier vegetables, then I can earn more. When the dealer offers higher prices, then I can get more profits. This is because we sell according to the season. Sometimes, the price of cucumber increases and at another time, the price decreases. (...) Sometimes I can get RM300 in a day. It all depends on the weather.”*

R14, Farmer

In addition, for the farmer and tailor, their occupation and income are much affected by the seasonality factor. For the tailor, they will get high demand during peak season like the Eid season.

*“My income is inconsistent. The order comes from my neighbours and friends. Usually around 15 orders of baju kurung (in a month). (...) They also send clothes to alter. During the fasting month, the order can be up to 50 orders. They booked for Hari Raya (Eid Festival). (...) The orders are inconsistent every month”.*

R3, Tailor

*“I am not sure because my income is inconsistent. However, I will earn more during the festive season. During the festive season, I can earn about RM3000 a month. In a normal season, I earn around RM400 to RM500 a month.”*

R20, Tailor

Among the respondents, six respondents revealed that they received financial support from their children. This helps to increase their income and for R16, he and his wife are fully supported by their children who have a stable occupation. He mentioned that, “After I was involved with the accident, my daughters asked me to rest. Besides, I am old to work. They will support us”. Eighteen of respondents perceived that their income has increased compared to before. However, at the same time, they claimed that their expenses have also increased – due to price hike and growing expenses for their children education.

*“I earn more now. Before this, my sewing skills are not so good, so I took a long time to complete a pair of baju kurung. Hahaha. Now, I know the (better) skills so I have improved a lot. I can sew more clothes in a day. (...) The education expenses for my children have also increased. Every month I have to allocate some money for them. My eldest child is doing diploma and the second stays in a boarding school. Only the youngest stays with me. My expenses are increasing now.”*

R19, Tailor

*“Increased (the income) compared to before. (...) After my husband passed away (before she joined the programme), I did not know what to do. (I) only depended on my siblings’ help. (...) Before this, I learned to sew just to sew my children and sibling’s clothes. (...) Now, I do it for business. When people see the sign board in front of my shop, more people are coming.”*

R20, Tailor

*“My income has increased a little bit and my expenses have increased (also). Thus, the income is still the same. (...) This is because I have many who are dependent on me so I spend a lot for them. I have to support my grandchildren for their school too. Thus, we (my daughter and I) spend much on their education and daily expenditure. A day... their expenses are about RM 20. (...) They are growing up, so their expenditure is high.”*

R21, Small Food Trader

Based on the interview also, three respondents observed that their income has decreased compared to before.

*“When I had stroke, Kelantan’s Social Welfare Department give us (his family) a monthly donation. (...) RM 300 a month. (...) My wife is also not working so I get money assistance from my siblings. (...) Sometimes, I borrowed from other people and (last year) I had sold my cow and land. (...) I am still not working. Now, I am looking for a job, as my health is getting better. (...) Meanwhile, I take care of my neighbour’s cow. That is all I am able to do now. (...) Just started, so I do not have wages yet.”*

R7, Not Working

*“Now, I am not very well. I have high blood pressure, diabetes. (...). Thus, I easily get tired every day but I am still need to work. I need to support my family, so I have to force myself. My children are also poor. They do not have a fixed income and I have to support one of my sons who is studying in private university. (...) His expenses are high. When you work as a farmer, without a stable job, I feel a bit hard to support him. (...) His house rental costs RM200 a month. Then, his personal expenses cost about RM400 a month. (...) Luckily, he*

*received a loan from PTPTN (National Higher Education Fund Corporation) so that (loan) slightly reduces my burden. (...) Before this, I am still able to work, I am healthy. Now, I am getting older, so I am not fit as before.”*

R12, Farmer

*“I only work here (as a cleaner). If I stop working, I still have three children who are still schooling. I got RM300 donation every month because of my husband (his husband was diagnosed with stroke). Just that. That is not enough to support my children. (...) Two of my children have recently stopped working. Now, they are looking for another job. Only one is still working but he has his own family to support. (...) Before this, my husband was healthy. I have my son that can help me to sell. But after he (her son) passed away, I cannot afford to handle the business alone.”*

R13, Cleaner

On the other hand, Yayasan Sejahtera in its Annual Report claimed that they examined an improvement in the standard of living of the beneficiaries as many of them had greater financial stability and started saving (Yayasan Sejahtera, 2012). For the Small Grant 1.0 Programme, approximately 40 per cent of the beneficiaries have obtained an average increase of 20 per cent in their monthly income (Yayasan Sejahtera, 2014). In regard to One Enterprise for One Family Programme, 38 per cent of the food traders and 26 per cent of the tailors managed to achieve income improvement between RM500 and RM1000 (Yayasan Sejahtera, 2012). Lastly, for Small Grant 2.0, the 55 participating families have generated an additional total gross income of RM614,775, exceeding the initial target which was set at RM92,000 (Yayasan Sejahtera, 2014).

According to the key informant of Yayasan Sejahtera, “Before the programmes started, Yayasan Sejahtera had detected that the hardcore poor in Kelantan do not have saving for future and possess limited resources”. The fieldwork revealed that only six respondents are practicing saving. They keep the money for their children’s education and for asset enhancement.

*“When I get the profits, I make a saving. This is to add up the saving for my children’s education.”*

R17, Farmer

*“My income has increased a little bit. The amounts of customers have increased. (...) From the profits, I make saving and now I have a shop (an extended room in front of her house). When I have this shop, with a sign board, more customers are coming. (...) Now, I am saving to buy a high-speed sewing machine. Then, I can sew more clothes in a day.”*

R20, Tailor

*“I added a room and living room in this working place. This is my house now. At first, this place is just a working room to make kuih. (...) After a while of saving, I added one bedroom. Then, it becomes my house. (...) My income has increased a little bit. (...) Before this, to buy a food in a day, I have to limit my expenses. Now, if I think of some foods, I can afford to buy them. (...) I make saving from my profits, around RM 200 to RM300 (a month). Before this, I cannot even make a saving.”*

R21, Small Food Trader



The key informant also reported, “In Kelantan, food and basic infrastructure is not a major issue for the beneficiaries, but they need assistance in terms of financial support and enhancing their current activities for higher income generation. With the higher income, they are able to save some money for their children’s education and improve their quality of life”. Some respondents have stated the reasons for not practising saving. They claimed that it is hard to practise the saving due to their commitment and vulnerable issues faced by them.

*“They taught us to record every business transaction. How much you spend, how many you gain like that. (...) Hahaha. Before this, I practiced what they taught. Now, not anymore. (...) (It is) Difficult to do, I do not have enough time to do it.”*

R1, Small Food Trader

*“They taught and asked us (the beneficiaries) to make saving every month. However, my salary is not much, based on season, so I make saving when I get extra income. The expenses for my children are high so it is hard to make a saving.”*

R3, Tailor

*“The water pump has broken. Two years ago. There was sand inside the pump and it blocked the waterway. (...) To buy a new one, I do not have enough money. I have to spend the money for my children and daily consumption. Thus, how to make a saving? Last time, during flood, I have no return of capital. (...) The income was just enough for our (his family) necessities.”*

R12, Farmer

The majority of respondents perceived that their income has increased compared to before. However, at the same time, their expenses have also increased due to the higher expenses in their daily life. Besides that, only few of the beneficiaries are saving for their future.

**Table 4.18 Key Findings in regard to the Financial Capital of the Beneficiaries**

<b>No of respondents</b>	<b>Key Findings</b>
2	Are salaried worker and managed to answer promptly on their monthly net income.
17	Do not have fixed income. Seven of the respondents managed to estimate their daily or average income. Ten of the respondents are uncertain about their monthly income and difficult to specify their daily or average income.
7	For farmers, their income is not on a daily or monthly basis.
10	For the farmer and tailor, their occupation and income is much affected by seasonality.
6	Revealed that they received financial support from their children. This helps to increase their income.
18	Perceived that their income has increased compared to before. However, at the same time, they claimed that their expenses also have increased due to price hike and growing expenses for their children education.
3	Observed that their income decreased compared to before.
Yayasan Sejahtera Annual Report	They examined an improvement in the standard of living of the beneficiaries as many had greater financial stability and started saving (Yayasan Sejahtera, 2012). <ul style="list-style-type: none"> <li>• Small Grant 1.0: approximately 40 per cent of the beneficiaries have obtained an average increase of 20 per cent in their monthly income.</li> <li>• One Enterprise for One Family: 38 per cent of the food traders and 26 per cent of the tailors managed to achieve income improvement between RM500 and RM1000.</li> <li>• Small Grant 2.0: the 55 participating families have generated an additional totals gross income of RM614,775, exceeding the initial target which was set at RM92,000</li> </ul>
Key Informant	“Before the programmes started, Yayasan Sejahtera had detected that the hardcore poor in Kelantan do not have saving for future and possess limited resources”.
6	Are currently practicing saving. They keep the money for their children’s education and for asset enhancement.
Key Informant	“In Kelantan, the issue of food and basic infrastructure is not a major issue for the beneficiaries, but they need assistance in terms of financial support and enhancing their current activities for higher income generation. With the higher income, they are able to save some money for their children’s education and improve their quality of life”.

## CHAPTER 5: TRIANGULATION ANALYSIS AND DISCUSSION

This chapter presents the triangulation analysis, using the findings from (1) the interview session with the beneficiaries of Yayasan Sejahtera and (2) Yayasan Sejahtera (the key informant and Yayasan Sejahtera's Annual Report from 2011 to 2015). The analysis will answer the research questions in Section 1.5 and address the research objective in Section 1.6. Then, the researcher critically discusses the results deduced from the analysis.

### 5.1 Vulnerability Contexts of the Hardcore Poor in Bachok and Pasir Puteh, Kelantan

RQ1: What are the vulnerability contexts of the hardcore poor in Kelantan that can hinder them from achieving sustainable livelihoods?

**Table 5.1 Triangulation Analysis of the Vulnerability Contexts of the Hardcore Poor in Bachok and Pasir Puteh, Kelantan**

<b>Beneficiaries</b>	<b>Yayasan Sejahtera</b>	<b>Comments</b>
The majority of the respondents perceived that they are most vulnerable to the price hike of goods and climate change.	Among the major challenges that affect this group (the beneficiaries) are drought season, heavy rains, natural disasters (especially the yearly floods), and risks of failed crops.  The beneficiaries faced with severe water stress and water insecurity during dry months.	The findings from both methods suggest that the hardcore poor in Kelantan are most vulnerable to climate change.
All farmers in this study perceived that they are vulnerable to the price hike of goods, climate change, crop health shock and seasonal shift in prices.	Among the major challenges that affect this group (the beneficiaries) are drought season, heavy rains, natural disasters (especially the yearly floods), and risks of failed crops.  Drought season is one of the biggest challenges faced by the farmers in the programmes.	It is found that the climate change phenomenon gives more severe effects to the farmers. The farmers in Kelantan are also highly exposed to crop health shock.

Based on the above analysis, this study found that the hardcore poor in Kelantan are most vulnerable to climate change (heavy and erratic rain; and drought). The respondents recognised that these problems have increased their vulnerability contexts and hindered them from achieving sustainable livelihood. For instance, the heavy rain and gradual increase in temperature cause flood (natural disaster), submerged of agriculture land, drought, water irrigations, crop failure and fluctuations of prices. In addition, after the heavy and erratic rain, small traders in Kelantan observed stagnant water around their working area, resulting to a decreased number of customers. All these consequences have affected the job scope and increased the cost of living of the beneficiaries.

Other than climate change, the interview session with beneficiaries found that the majority of the respondents perceived that they are vulnerable to price hike of goods. The essential goods such as sugar, cooking oil and petrol oil were often mentioned as goods that have been increased from time to time. Previously, based on the study by Kobe University in 2012, the institution identified that the increase of fuel price in Phillipines had contributed to higher transportation cost to entrepreneurs in transporting their products to the city, which could lead to the increase of price of the products to the customers. For small food traders, most of them mentioned the prices of cooking oil and sugar have increased; for farmers, they observed that the prices of the fertilizers have increased; and as for tailors, they examined that the prices of materials to sew have increased. However, even though the prices of goods to conduct their economic activity have increased, some of the respondents said that they could not increase their selling prices as this will give a bad impact to their business.

This study also found that the farmers in Kelantan most vulnerable to climate change and crop health shock. Compare to the small traders, tailors and technician, climate change gives more severe effects to the farmers. This is because after the heavy and erratic rain, few areas in their cultivated land were submerged. As the consequences, their crops wilted and died. Besides, they need to plant new crops at the limited areas, which were not submerged. When this happened, their job scope and production capacity are reduced. The farmers also had to adhere with the fluctuating prices of their selling products, whereby they can only increase their selling prices during rainy and drought season; and when the products are less in the market and vice versa. Even so, for small farmers, their agriculture productions are also lower during that time due to the effects of climate change. This has hindered them from achieving a sustainable livelihood.

During the drought period in Kelantan, some beneficiaries faced severe water stress and water insecurity. For farmers, the quantity and quality of their crops dropped. Some of the farmers believed that drought season is better than heavy rain or flood. This is because during the drought season, they still can acquire more agriculture products compared to heavy rain, where the crops submerged and died. The farmers also claimed that drought season contributed to pests' diseases such as Thrips spp. It should be noted that climate change could cause long-term water shortages for irrigation. This could also contribute to deterioration of soil condition as well as diseases and pest outbreaks on crops. Consequently, there would be losses in agricultural productivity in vulnerable remote areas (Chamhuri Siwar et al., 2009). This occurrence can complicate the livelihood of the poor. The result from this study confirms the projections made by National Hydraulic Research Institute of Malaysia (NAHRIM). This organisation predicted that the North Eastern Region (consists of Terengganu and Kelantan) will experience a substantial increase in temperature and rainfall compared to other regions

by 2050. As majority of the beneficiaries in Small Grant 2.0 were involved in agriculture activities, continuous increase in temperature and rainfall have considerably increased their burden and affected their livelihood.

The result from this study also is in line with the study by Hameso (2015), which reported that small farmers were more vulnerable to climate change because their income and livelihood were determined by the amount and timing of rainfall. Besides, the author also mentioned that climate change reduced agricultural production, affected the price of goods and decreased the employment opportunities. A focus group discussion in a paper by Masud et al. (2016) also found that rough weather (climate change) contributed to uncertainty in occupation to the respondents. It should be noted that the poor need a consistent job because employment delivers income that determines people's access to the basic living needs (Ullah and Routray, 2007). Therefore, due to uncertainties derived from the climate change phenomenon, it will be difficult for the respondents to sustain their livelihood.

Besides that, based on the interview session with beneficiaries, this study found that the hardcore poor in Kelantan are exposed to social problems, human health shock, natural disaster and catastrophic incidence. The results from the fieldwork in Kelantan revealed that social problems exist around the respondents' community. Even though the majority of respondents had never been involved or been the victims of thieves or drug addicts, they are exposed to the issue. Thus, they need to be cautious to prevent losses in the future.

Human health shocks such as prolonged illness or sudden death of the head of household can induce shock to a household (Bird et al., 2002). The conversation during the interviews discovered that four households have experienced health shock since last

three/five<sup>30</sup> years. According to DFID (1999), shocks can force people to dispose their assets prematurely in order to cope with the situation. In this study, the health problem has made the head of households unable to work and to support their family. This has imposed pressure to the household (especially the spouse). Their wife has to take over the responsibility to support the family.

Moreover, during the interview, two respondents noted that their family had been the flood victims almost every year and six of the respondents were involved with the recent flood - December 2016 and January 2017. Before this, the latter respondents had never experienced the flood. This shows that the flood issue in Kelantan is not getting better and it disrupts people's daily activities. Sinha and Lipton (1999) had remarked that the remote rural areas are more vulnerable to natural disasters due to the marginality of land and lack of government interest in providing rescue and rehabilitation. Besides, major conurbations were normally focused on strategic geographical and ecological areas, which neglected the remote rural areas and eventually exposed them to climatic and other risks.

According to Morse et al, (2009), the vulnerability of shocks can vary. For instance, drought and flood can impact the natural capital (reduce the quality and quantity of crop yields), but may have little impact to other capitals (such as public infrastructure and housing). Nevertheless, in a longer term case, severe drought and flood could affect more assets and people (Morse et. al, 2009). This can cause difficulties for the hardcore poor to increase their capacity of productions and to expand their business, which may eventually affect their livelihood. This study believes that the continuous increase in

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<sup>30</sup> Since last three years for Small Grant 2.0 beneficiaries

Since last five years for Small Grant 1.0 and One Enterprise for One Family beneficiaries

heavy rainfall, plus limited assistance and infrastructures at remote areas will exacerbate the flood issue in Kelantan and affect more people in future. This is why it is important to examine the problems faced by the rural poor so that the report can be channelled to the government for better policy formulation and prevention action. The poor's perceptions on the vulnerable issues surrounding them are critical for policy formulation and future intervention (Koczan, 2016). This is because perception is one of the approaches to understand a phenomenon and to create awareness in a society (Hameso, 2015).

Other than the flood issue, four respondents in this study have experienced strong wind and one respondent has faced with catastrophic incidence previously. The former respondents claimed that the phenomenon only occurs once a while and they incur minor losses – minor damage to their house infrastructures. However, when you are poor and vulnerable, little losses can affect your livelihood, especially on the cost to repair the damages. What makes the problems faced by the respondents in this study different from other people are that the respondents are vulnerable to uncertainties, getting low income and having limited option to make a living. Thus, even a little problem can hugely affect their livelihood. As for the catastrophic incident, the incident had certainly given major shock to the victim. Therefore, a consistent monitoring on the livelihood of vulnerable people are important in order to provide immediate action when they are faced with the catastrophic event. These people are too weak to make substantive initiatives; therefore, they need external support (from the government and NGOs) to climb out of poverty (Rao, 2007).



## 5.2 Perceptions on the Networking Opportunities, Materials, Equipment and Training provided by Yayasan Sejahtera

RQ2: How does assistance (networking opportunities, materials, equipment, and skill development training) provided by Yayasan Sejahtera helps the beneficiaries to withstand the vulnerability issues surrounding them?

**Table 5.2 Triangulation Analysis of the Beneficiaries' Perceptions on the Assistance provided by Yayasan Sejahtera**

<b>Beneficiaries</b>	<b>Yayasan Sejahtera</b>	<b>Comments</b>
The majority of respondents perceived the materials and equipment were in good condition and adequate quantity when they received them. They also confirmed that the assistance helped to increase their physical assets at that time and are been used for income generating purpose. Besides, most of respondents verified that the equipment given is still usable.	The materials and equipment are distributed based on needs assessments and specifications of the items needed for the beneficiaries in order to carry out their economic activity. This process is closely monitored by Yayasan Sejahtera's Project Officer and Project Assistants.	The findings from both methods show that Yayasan Sejahtera has delivered the right materials and equipment to the right people. The materials and equipment have increased the respondents' physical assets and were used for income-generating purpose.
In regards to the technical training, the respondents perceived that the training helped to enhance their current skills and techniques (7 respondents) and beneficial for their economic activity (10 respondents). They also understand (8 respondents) and practicing (14 respondents) the training courses provided by Yayasan Sejahtera and its partners.	Yayasan Sejahtera received cooperation from the experts from the Department of Agriculture and the Foundation for Women's Education and Vocational Training Malaysia (YPVWM) to conduct technical training for the beneficiaries.	The respondents valued and are still practicing the technical training provided by Yayasan Sejahtera and its partners for the purpose of their economic activity.
All respondents did not continue their relationship with the implemented agencies and participate in other programmes, organized by the agencies. In addition, the majority of the respondents did not contact anymore with the beneficiaries who live far from them due to distance factor.	Through the training session, the organization channelled the beneficiaries to a few implemented partners. Yayasan Sejahtera builds networking among the participants by appointing some of them as mentors for the next project and continues connecting them with relevant partners.	However, there is no continuous engagement between the respondents with the implemented agencies and among the respondents themselves. Thus, the linkages created are not fully utilized to further improve the livelihood of the respondents.
For farmers, due to seasonality factors, some managed to gain profits and alternatively, some failed to produce healthy crops.		As the effect, some farmers were not able to withstand the climate change and to reduce the risks of failed crops, even though right assistance has been channelled to them.

**Table 5.3 Triangulation Analysis of the Beneficiaries' Perceptions on the Financial Management Training provided by Yayasan Sejahtera**

<b>Beneficiaries</b>	<b>Yayasan Sejahtera</b>	<b>Comments</b>
<p>From 16 respondents (from One Enterprise for One Family and Small Grant 2.0 Programmes) who had attended the financial management training, only six respondents are still practicing the training and value its importance.</p> <p>During the interview, it is also found that R11 records his financial transaction even though he is in Small Grant 1.0 programme. He did not receive any financial management training from Yayasan Sejahtera and its partner but able to save some money to repair his house.</p>	<p>After the programmes, the beneficiaries were better in saving, monitoring their income, and regularly updates their financial record.</p> <p>The monitoring period for their programmes can vary from a minimum of three months to one year, depending on the funding availability.</p>	<p>It was found that there were conflicting findings regarding the results of the financial management training conducted by Yayasan Sejahtera and its partner. Monitoring period is the one of the main factors that causes this difference. Yayasan Sejahtera monitored the livelihood of their beneficiaries for a period of three months to one year after the programmes ended due to funding constraint. Conversely, this research study is conducted after three years the programmes had ended. Thus, the financial behaviour of the beneficiaries has changed after three years.</p> <p>This study also found that an individual's initiative and awareness are important in helping him/her to withstand vulnerability issues surrounding him/her. The beneficiaries need to have a self-effort to continuously conduct the financial management practice.</p>

The triangulation analysis remarked that Yayasan Sejahtera has delivered the right assistance to the right group of people. The materials and equipment have increased the respondents' physical assets and were used for income-generating purpose. In addition, the respondents valued and are still practicing the technical training provided by Yayasan Sejahtera and its partners for the purpose of their economic activity. As the assistance is given to add value to beneficiaries' main source of income, the assistance is supposed to be a stepping stone to a better livelihood. However, some of them are still unable to resist shocks in their livelihood especially the farmers. Some farmers failed to reduce the risks of failed crops and to produce healthy crops after the networking opportunities, materials, equipment and technical training had been delivered to them. This may arise as there is no continuous engagement between the beneficiaries with the implemented agencies and among the beneficiaries themselves.

For farmers, when their economic activity involved with high risk of crop failure, they need a continuous training support from the Department of Agriculture. This study noted that as the agriculture activity involved with high risks, continuous and long-term training on the method to control pests and to reduce the natural shocks which need to be conducted. This is supported by a study by Matin and Begum (2003), claimed that even though the right assets have been channelled to the beneficiaries in this programme, knowledge and skills through continuous training courses are important to guide beneficiaries in securing their assets.

Moreover, most of the respondents failed to utilize the financial management training provided by Yayasan Sejahtera and the University of Malaysia Kelantan. The researcher examined that the financial behaviour of the beneficiaries has changed after three years the programmes completed. The limited resources faced by Yayasan Sejahtera have restrained them from conducting longer monitoring phase. Parthiban S. Gopal and Nor

Malina Malek (2015) had stated that for most NGOs, their initiatives usually involve micro and short-term programmes to tackle poverty issues. Therefore, an effective and long-term impact programme needs intervention from both, government and NGOs (Ullah & Routray 2007). The government can spearhead the policy formulation to eradicate poverty and NGOs can serve to strengthen the policy foundation – by providing data and results of their programmes (UN, 2015; Mondal, 2005).

It should be noted here that a short-term and one-off training is less able to deliver capability and to tackle vulnerability issues surrounding the hardcore poor. An impact assessment study by Chowdhury, Ghosh and Wright (2005) found that most microcredit schemes by NGOs in Bangladesh are particularly strong for about six years only. Then, they found that the impact of the scheme levels off after six years after the microcredit provider discontinues the training programmes. Therefore, a continual training course is important to guide the beneficiaries to fully utilize their resources (UNDP, 2008; Aliber, 2003). In this case, financial management training is important to guide the hardcore poor's financial behaviour. For instance, based on a survey conducted by Al Mamun et al. (2012) and Norma Md Saad (2010) to the microfinance beneficiaries in few states in Malaysia (such as Kelantan, Perak, Kedah and Terengganu), it is revealed that the financial management training offered by Amanah Ikhtiar Malaysia (AIM) has shaped the financial behaviour of the participants – they became more disciplined in handling their income and assets.

This study also found that an individual's initiative and awareness are important in helping him/her to withstand vulnerability issues surrounding him/her. The respondents need to have a self-effort to continually conduct the financial management learned from the training session. If they have awareness on the importance of saving and to monitor their financial record, they will have the initiative to practice them. Yayasan Sejahtera

has detected this matter and tried to increase the awareness and importance of financial management practice. Education level also affects the beneficiaries' adaptation to training. The low education level restrains the respondents from realizing the importance of financial record and saving. Compared to technical training that is conducted to enhance their skills, financial management training is new subject for them. Thus, this training requires intensive approach (to align with the intellectual of the beneficiaries); and need to be monitored and conducted in long term.

In a few cases, NGOs have many advantages over government agencies. They are not restricted with bureaucratic rules and regulations and retain flexibility in conducting their programmes. Moreover, most of their poverty programmes cover the remote rural areas which normally have a large number of the poor group (Naila Aaijaz et al, 2011). The role of Yayasan Sejahtera, as the third sector actors in economic and social development remains important as they are able to reach the hardcore poor and support the government programmes and policy to reduce the hardcore poverty incidence. According to Carloni and Crowley (2005), institutions and policies are man-made factors that provide livelihood options and opportunities to households. This supportive options and opportunities would make it easier for the poor to gain access to assets.

According to Hulme and Shepherd (2003), millions of old, disabled, ethnic group, and rural poor will never be able to escape from poverty without aid instruments from external parties. In helping the hardcore poor, Yayasan Sejahtera did not only look at the land-based economic production but also consider the current asset and the existing economic activity of the beneficiaries. This organisation works with UNDP and the latter has appointed a few community mobilisers to examine the livelihood of potential beneficiaries and to conduct a profound study on the beneficiaries' background to ensure that the aids would be channelled to the right group (Abd Halim Hadi, 2015).

The programmes assessed in this study are different from microcredit programmes. Microcredit stresses on the joint liability among the members and encourage them to explore various income generation activities (Mohamed Zaini Omar et al., 2012). For Yayasan Sejahtera's programmes, the beneficiaries have to fully utilize the assistance, without being bound to pay the assistance. Thus, the researcher observed that this unbounded assistance is less able to create urgency to the beneficiaries to practice the training and to strive hard for better livelihood. What may arise in their thinking is, if they failed, they will not incur burden to repay the grants. This finding is confirmed by the study by Salma Mahmud (2006) whereby the researcher made a comparison between AIM's Microcredit Program (financial aids) and Housing Project for the Poor (PPRT) (non-financial aids) in Penang, Malaysia. The research study found AIM's participants showed higher increases in income compared to PPRT's participants – more than 4/5 of AIM's participants have surpassed the PLI compared to only less than 1/3 among PPRT.

### **5.3 The Impacts of Yayasan Sejahtera's Programmes on the Beneficiaries**

RQ3: How does Yayasan Sejahtera's programmes impact the livelihood of the beneficiaries after three years?

**Table 5.4 Triangulation Analysis of the Impacts of Yayasan Sejahtera’s Programmes on the Beneficiaries**

	<b>Beneficiaries</b>	<b>Yayasan Sejahtera</b>	<b>Comments</b>
In terms of Social Capital	<p>All respondents perceived that their surrounding communities give their helping hand when needed, before and after they participated in Yayasan Sejahtera’s programme.</p> <p>Majority of the respondents said that they are still in contact with other beneficiaries who live in the same area but not anymore with those in different district or live far away. Distance factor has led to the disconnection.</p>	<p>Yayasan Sejahtera observed that the agriculture beneficiaries are working together with the non-agriculture beneficiaries in terms of technical services, getting supplies, providing recommendations and sharing of resources and information.</p>	<p>Social capital is formed before, during and shortly after the programmes. The networking formed through the programmes is not lasting to the majority of beneficiaries due to distance factor. This has hindered them from forming a productive business relationship.</p>
In terms of Human Capital	<p>The majority of respondents are still practicing the technical training provided by Yayasan Sejahtera and its partners. The respondents perceived that the training helped to enhance their current skills and techniques (7 respondents) and beneficial for their economic activity (10 respondents).</p> <p>The majority of respondents (who received financial management training) did not practice the training.</p> <p>The majority of the respondents are performing the same occupation as before.</p>	<p>Yayasan Sejahtera examined that their beneficiaries have started saving and show a strong ownership through monitoring their own income and updating their financials.</p>	<p>The findings from both methods suggest that the majority of respondents are still performing the same occupation and are using the technical skills learned from the programmes to improve their economic activity. However, after three years, they failed to continuously practice the financial management skills.</p>

**Table 5.4 continued**

	<b>Beneficiaries</b>	<b>Yayasan Sejahtera</b>	<b>Comments</b>
In terms of Physical Capital	<p>The majority of the respondents perceived that they have better house condition, water system, electricity, and basic house items like television and refrigerator from time to time.</p> <p>Those who are still working said that they have adequate basic equipment to conduct their economic activity.</p>	<p>Considering that the basic infrastructure such as water, electricity, and accessibility (road access) is fairly better in Kelantan compared to other project locations (e.g. Sabah &amp; Sarawak), most of the programmes in Kelantan are geared towards betterment of the livelihood of the hardcore poor through small grants for businesses and enhancement in their agriculture activities.</p> <p>Before the programmes, Yayasan Sejahtera identified that most of those involved with garment production did not have a proper machine for their business.</p>	<p>Before the programmes, the majority of respondents have only attained the basic infrastructure such as water, electricity, and accessibility (road access). However, these basic infrastructure has facilitated them to attain better physical assets from time to time. Therefore, after three years, they have attained better house condition, water system, electricity, and basic house items like television and refrigerator.</p>
In terms of Financial Capital	<p>The majority of the respondents do not have fixed income. Seven of the respondents managed to estimate their daily or average income. Ten of the respondents are uncertain about their monthly income and difficult to specify their daily or average income.</p> <p>The majority of them said that their income has increased compared to before. However, at the same time, they claimed that their expenses have also increased due to price hike and growing expenses for their children education.</p> <p>Only six respondents are currently practicing saving. They keep the money for their children's education and for asset enhancement.</p>	<p>Yayasan Sejahtera examined an improvement in the standard of living of the beneficiaries - many had greater financial stability and started saving.</p> <ul style="list-style-type: none"> <li>• Small Grant 1.0: approximately 40 per cent of the beneficiaries have obtained an average increase of 20 per cent in their monthly income.</li> <li>• One Enterprise for One Family: 38 per cent of the food traders and 26 per cent of the tailors managed to achieve income improvement between RM500 and RM1000.</li> <li>• Small Grant 2.0: the beneficiaries have generated an additional total gross income of RM614, 775, exceeding the initial target.</li> </ul> <p>The beneficiaries need assistance in terms of financial support. With a higher income, they are able to save some money for their children's education and improve their quality of life.</p>	<p>The findings indicated that the income of most beneficiaries have improved as compared to before, even though their income is inconsistent. However, after three years, it is observed that their expenditure has also increased due to vulnerability issues surrounding them. Therefore, there is only slight improvement in their income. This is among the factors that restrained the respondents from practicing saving.</p>



Based on the analysis in Table 5.4, it is observed that social capital is formed before, during and shortly after the programmes. The surrounding communities of the respondents are giving their helping hand when needed. They support each other in terms of motivation, sharing of knowledge, and cooperate to reduce one's burden. This finding is consistent with the study by Masud et al. (2016), whereby the researchers found that the social connection between the respondents and their surrounding communities encourage them to interact and work together to solve financial, emotional, political, or mental depression problems.

Unfortunately, the relationship among the respondents is not lasting and only limited at their surrounding area only. This has hindered them from forming a productive business relationship. They claimed that distance factor has led to the disconnection. Even R6, who sells agriculture products, does not get his supplies from the farmers who joined Yayasan Sejahtera's programmes. Instead, he buys agricultural products from Thailand. His reason was that, it is cheaper to buy from the Thai suppliers and the products will always be available in the market when he needs them. When there is less networking between respondents in the programmes, the respondents lost the opportunity to gain better access to resources, reduce the transaction cost and increase connection with others. This is because through networking, people share and spread information, knowledge and risks during a crisis to solve one's problem (Hameso, 2015). Besides, Bebbington (1999) indicated that social capital can help people to gain better access to resources and connection with others. The networking channel can be a crucial support system in advancing people's skills and to grab more opportunity in future (UNDP, 2008).

In regards to the human capital, it is found that the majority of respondents are still performing the same occupation and among 19 respondents who are still working, five of them do a part time job in order to increase their income. Besides, the majority of respondents are using the technical skills learned from the programmes to improve their economic activity. However, they failed to continuously practice the financial management skills. This study found that after three years, only six respondents are still practicing the financial management skills learned from the programmes.

In a study by Wang et al. (2016), the researcher suggested that primary and secondary education is essential for an individual to withstand vulnerabilities (especially when caused by natural disaster) and to promote long-term livelihood sustainability. Based on the respondents' education level, they managed to absorb and continuously practice the technical training as they agreed that their technical skills have increased compared to before. On the other hand, this study found that, to adopt and continuously practice the financial management training, an individual need to complete his/her higher secondary education. This is because five out of six respondents that are still practicing the financial management have completed their higher secondary education.

Education is important because based on a study of microcredit scheme in Malaysia, the researcher found that educated participants were more knowledgeable in handling loans and expenses than others (Norma Md Saad & Jarita Duasa, 2011). Human capital like education and skills will allow a person to adapt with development challenges and to create new strategies to improve his standard of living (Hameso, 2015). The respondents in this study are less able to persistently practice the financial management due to low education level. Thus, their business management skills have not much improved from before.

According to Al Mamun et al. (2012) and Matin & Begum (2003), the reasons why the hardcore poor continue to face prolonged deprivations are because they suffer from a combination of poor health, poor education, skewed resource distributions, broken families, deficient infrastructures and fewer employment opportunities. In this research, other than low education, the researcher also noticed that poor health affects the respondents' job and in the case of severe health condition, respondents would lose their job. Few respondents in this study lose their job due to health issue. For example, R7 has just recovered from a stroke and R16 was involved with three accidents before, and the last accident hindered him from walking. The accidents also worsened R16's health condition - he has high blood pressure and diabetes before. This shows that the health condition of the head of household gives a great influence to the family's livelihood. A research study on the effects of microcredit programmes on poverty in Malaysia by Al Mamun et al. (2012) also has found that bad health condition of the head of household and/or household members decreased the average monthly income of the respective household.

In terms of physical capital, this study found that before the programmes, the majority of respondents have only attained the basic infrastructure such as water, electricity, and accessibility (road access). However, these basic infrastructure has facilitated them to attain better physical assets from time to time. Therefore, after three years, they have attained better house condition, water system, electricity, and basic house items like television and refrigerator. This finding is similar to the study of microcredit programme in Malaysia: The case of Amanah Ikhtiar Malaysia (AIM), which found that those who owned assets (such as land and vehicle) before they joined AIM continued to own and accumulate more asset (Norma Md Saad & Jarita Duasa, 2011). This shows the importance of assets in determining people's livelihood.

In this study, Yayasan Sejahtera, as one of the well-known NGOs in Kelantan has contributed to the improvement in physical assets of the hardcore poor by providing them with materials and equipment to conduct their economic activity. This non-monetary approach is better to enhance their physical assets, compared to the financial assistance. Financial assistance is less suitable for short-term and unbounded programmes as it takes considerable time for the hardcore poor to learn and practice the financial management skills; and to accumulate assets from their saving. Aside from that, this monetary approach requires constant and long-term monitoring phase from the implementer. Due to limitation of funds received by an NGO, it is difficult to provide a long-term and inclusive training and monitoring component. However, this study acknowledged the role of Yayasan Sejahtera to provide the data of their programmes to the government in order to strengthen the policy foundation. They are able to reach the hardcore poor in field and capture specific issues (lack of assets, unemployment and saving), which sometimes are overlooked by the government bodies.

For financial capital, it is found that the income of most beneficiaries have improved as compared to before, even though their income is inconsistent. However, after three years, it is observed that their expenditure has also increased due to vulnerability issues surrounding them. Therefore, there is only slight improvement in their income. This is among the factors that restrained the respondents from practicing saving. In order to see major improvement in the livelihood of the beneficiaries, all the assets (social, human, physical, financial and natural assets) must work together (Sen, 1985). From the findings, only physical assets of the respondents have shown a gradual increase and that is not enough to improve the living standard of the respondents. Thus, the poor in this study are still deprived in qualitative measure (human and social assets) that made them hard to achieve a sustainable livelihood.

The slight increase of income of the respondents is among the factors that restrained them from practicing the saving. Besides that, some respondents claimed that it is hard to practice saving due to their commitment and vulnerable issues faced by them. Cooper, et.al (2008) had once mentioned that the variety of assets owned by individuals would facilitate them to enhance their adaptive capacity upon vulnerabilities and then to produce favourable outcomes. Therefore, it is important to help the poor to obtain substantial amount of assets in order to reduce the vulnerabilities surrounding them.

In regards to the increase of expenditures by the respondents, Hameso (2015) has noted that large household size can increase the expenses of the poor, especially when their children are still studying. However, having how many members in a household is the household's personal decision. In a book entitled 'Poor Economics' (2011), written by Banerjee and Duflo, the writer discusses the life decision made by Pak Sudarno from Indonesia who chose to have nine children. Pak Sudarno is happy with his decision and believed that his children can take care of him in old age. Among the respondents, six respondents revealed that they received financial support from their children. This helps to increase their income and for R16, he and his wife are fully supported by their children who have a stable occupation. Therefore, the future livelihood of a household will depend on how the parents bring up and instil values of looking after them. However, this can only happen when the parents invest in their children's future.

The incidence of hardcore poverty in Malaysia has shown a significant reduction - 6.9 per cent in 1984, 1.2 per cent in 2004, 0.7 per cent in 2009, and 0.2 per cent in 2012 (EPU 2012, cited in Nor Fairani Ahmad et al., 2016; DOSM 2011, cited in Zulkarnain A. Hatta & Ali, 2013). This finding confirms the data made by the EPU that the number of hardcore poor in Malaysia has reduced to 0.2 per cent in 2012. Even though the number of hardcore poor is very small, consistent monitoring and assessing the

livelihoods of the poor (who manage to escape from hardcore poor condition) need to be conducted to ensure that these vulnerable people have a sustaining livelihood. The findings from the assessment will be a good input for future interventions (Domelen, 2007; UNDP, 2004). Therefore, this research study is conducted so that adjustments and recommendations can be made to Yayasan Sejahtera and other development agencies for better future interventions.

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## CHAPTER 6: RECOMMENDATIONS AND CONCLUSION

This chapter discusses the implications and the limitations of this research study. Then, the researcher provides some recommendations, along with suggestions for future research. The last section will be the conclusion for the entire research study

### 6.1 Implications of Study

From the findings, some implication to theory, research, policy and development agencies (especially to Yayasan Sejahtera) can be drawn. Firstly, this research modified the DFID's Sustainable Livelihood Framework and narrowed down the focus to hardcore poverty components and the role of NGO to assist the vulnerable group in Kelantan. This provided enhancement to the theory of sustainable livelihood and its framework. Through the new framework, readers can have better understanding of the livelihood of the hardcore poor in Kelantan and expand their vista knowledge about the problems faced by the hardcore poor in that state.

Secondly, the findings provide urgency to the development agencies to take immediate action in order to reduce the problems faced by the rural poor in remote areas in Kelantan. The issue of climate change needs further consideration and immediate action by the agencies, especially the government to mitigate the adverse effects. For example, the flood situation in Kelantan is not getting better. Every year, the number of victims increases and more areas are affected. The detailed descriptions of the vulnerable issues surrounding the poor provide information to researchers and policy maker to plan and work with other agencies to implement immediate action. The hardcore poor and poor are vulnerable to uncertainties, getting low income and having limited option to make a living. Besides, the demand in the rural area is small compared to the cities. Thus, even a little problem can hugely affect their livelihood. Besides, since Kelantan has the highest poverty rate in Peninsular Malaysia (0.9 per cent), the

government, private sectors, and NGOs can use the findings to plan and implement right intervention in this state.

Thirdly, this study contributes to new body of literature on the effect of an NGO's programmes to the hardcore poor. This impact assessment study helps the researchers, policy maker and the Yayasan Sejahtera itself to learn on what has been achieved, what made the programmes fail or successful, and the tools to improve the programmes. The findings in this research found that short-term and one-off training programmes are less able to deliver capability and to tackle vulnerability issues surrounding the hardcore poor. Thus, in every Yayasan Sejahtera's programme for the poor, they need to consider and tackle the limitations at the initial phase so that the programmes can deliver continuous improvement to the beneficiaries' livelihood. There is wastage of resources if they continue to implement these short term programmes. This claim also implies to the government and other development agencies. However, the researcher believes that the intervention made by of Yayasan Sejahtera has brought great information to the government and that is important to enhance the policy foundation. The organisation is able to reach the hardcore poor in the field and capture specific issues (lack of assets, unemployment and saving), which sometimes are overlooked by the government bodies.

Lastly, this study uses first hand interview, where the researcher received original perceptions from the poor who had once lived under hardcore poverty threshold. The poor described their experiences and stories of their livelihood. The majority of the studies on the livelihood of poor people use the quantitative method, without deeply understanding the situation. Thus, this research performed detailed interviews with the respondents to explore the vulnerabilities faced by them, their perception on the assistance from Yayasan Sejahtera and their current state of livelihood. The responses



are rich with information which makes readers understand the difficulties faced by the hardcore poor in sustaining their livelihood.

## **6.2 Limitations of Study**

In conducting this study, the researcher is aware of several limitations. Firstly, this study does not cover Yayasan Sejahtera's hardcore poverty programmes in Sabah and Sarawak. Yayasan Sejahtera has conducted hardcore poverty alleviation programmes in three poorest states - Sabah, Sarawak, and Kelantan. For this study, the researcher only focused on the programmes in Kelantan. Kelantan is chosen due to logistical reasons. Due to financial and time limitation, researcher could not go to Sabah and Sarawak. It would be good if these two states in Malaysia were included in this research. This would enhance the findings because compared to Kelantan, the hardcore poor in Sabah and Sarawak have less access on basic infrastructures and other assets.

Secondly, this study only depended on one key informant from Yayasan Sejahtera. In order to enhance the study, the researcher should consider the feedbacks from all partners of Yayasan Sejahtera such as University of Malaysia Kelantan (UMK) and Foundation for Women's Education and Vocational Training Malaysia (YPVWM). Yayasan Sejahtera appointed them to conduct the training, as they do not have the expertise to do so. These organisations can explain on the training courses provided to the beneficiaries such as how the trainings are conducted and their observations on the adaptive capacity of the beneficiaries.

Thirdly, some of the respondents in this study are less sure on their income. Seven of the respondents managed to estimate their daily or average income. Surprisingly, 10 of the respondents are uncertain about their monthly income and difficult to specify their daily or average income. Thus, they just give an estimated amount, which is not a strong evidence to measure how much their income has increased. Researcher does not have

expertise or tools to measure their income as used by the government when conducting the household census. However, the respondents have shared some experiences, illustrated that their livelihoods have improved compared to before.

Lastly, this is an assessment of short-term programmes on hardcore poverty reduction. NGOs usually implement micro and short-term programmes to tackle the poverty issue in most countries (Parthiban S. Gopal & Nor Malina Malek, 2015). Government still plays an important role in tackling poverty. However, NGOs function as support system to conduct supplement programmes to reduce poverty in Malaysia. Due to the lack of funds, NGOs only managed to conduct short-term programmes. The duration of programmes conducted by Yayasan Sejahtera in Kelantan ranged from one to two years. However, the results of these programmes and research provide fundamental inputs to the government.

### **6.3 Recommendations to Assist the Hardcore Poor to Achieve a Sustainable Livelihood**

A number of recommendations can be made based on the triangulation analysis and to meet the first research objective. Firstly, to promote diversification. The poor in Kelantan are most vulnerable to climate change and the phenomenon is not getting better. High dependence on one economic activity means that the households are exposed to job uncertainty, especially to the farmers. Thus, they have to expand their job scope, diversify their income sources and livelihood routine. For instance, the poor may involve with frozen food business; work as a technician and carpenter; and involved themselves with experiments – testing different types of fertilizers and pesticides. Then, other than selling the watermelon or corn directly to consumer, they can use their products to make juice, jam and jelly. These activities are less affected by

the climate change. Diversification also important to increase the poor's resilience to shocks, stresses and seasonality.

Secondly, it is identified that the majority of respondents did not practice the financial management in their daily life. A campaign to encourage the poor to practice saving should be conducted widely. Most of the community in remote rural areas are self-employed, so they need guidance and awareness to manage their financial account and to practice saving. Besides that, they do not have pension and insurance system, thus it is important to ensure that they have enough savings during their old age. The campaign should be inclusive and it requires continuous efforts, compatible with their education level and health condition. In January 2010, the Employees Provident Fund (EPF) launched 1Malaysia Retirement Savings Scheme. Through the scheme, individuals who are self-employed can contribute a minimum of RM50 per month as their retirement savings (EPF, 2010). However, for the poor in rural areas, they need to be informed and have an access to this scheme. The organisation needs to reach the poor in their areas and explain the scheme to them clearly. Yayasan Sejahtera also should channel the beneficiaries to EPF so that they can learn about the scheme.

Thirdly, the poor should be exposed to technology. In this globalised world, the remote rural poor need to take the advantages of technologies such as mobile phones, internet, and the Global Positioning System (GPS). These tools can give information on the markets, weather and connecting with each other. However, education remains an important factor to facilitate the poor to adapt with this trend of technology. Thus, policies and programmes focusing on the development of human capital are very important for developing countries. More educated individuals are likely better to adapt with varying circumstances and have a higher coping capability. The government can target this strategy to the young generation as they have more capability to adapt with

the technology tools and they can be the informants to their parents. This also can reduce intergeneration poverty to the household.

In addition, NGO programmes need funds from the government, corporate sectors, and the citizens. More publication and news should be made to create awareness on the limitations of funds and encourage more party to engage with NGOs' programmes. Compared to the government programmes, NGOs are more flexible and capable to build connection with the remote poor. The outcomes from their programmes are the input for government policy and research. Thus, voluntary organisations need sufficient funds to sustain their programmes; and develop more strategies and poverty alleviation programmes in future. Moreover, all agencies need to work hand in hand to repair and build better infrastructure to mitigate flood (such as systematic drainage system), to control the uncertainty in the price of goods and to advertise the strategies to reduce crop health shocks to the poor. The agencies like Department of Agriculture, Federal Agricultural Marketing Authority (FAMA), Ministry of Health, Ministry of Education, Ministry of Rural and Regional Development, and NGOs should educate the poor through continuous skill and business development training, although at a much less intensive pace. This is to encourage the poor to change from the traditional to modern ways of conducting economic activity and to have better resilience against shocks. This effort can also help maintain and enhance the networking between the beneficiaries (UNDP, 2008). Consistent follow-ups are also important to examine the beneficiaries' ways of sustaining their livelihood. Furthermore, the training also should aim to change their behaviour and mindset – not to solely depend on financial and materials' assistance from others.

Besides that, researcher suggests that the future programmes for the poor should be bounded but the commitment should not be rigid. Yayasan Sejahtera should make an agreement with the beneficiaries that they have to meet certain targets and if they managed to achieve the target, they will get more assistance in future. Guarantee schemes can be offered to them, in which the organisation can upgrade their equipment and materials after certain years if they show impressive and consistent results. This can motivate them to strive hard to achieve the target and develop the sense of responsibility to utilize the assistance. Nonetheless, the agreement should not be rigid because the agreement is only to instil commitment and to ensure that they work hard for a better livelihood.

Lastly, some poor need urgent assistance, adaptation, and mitigation intervention. For instance, when they face a catastrophic incident, water stress, and health shock, they need immediate assistance as well as motivation and mental support to handle the situation. Moreover, the government and NGOs should pay attention and deliver immediate action to solve the climate change and flood issue in Kelantan - through research and building proper infrastructures. Even though the hardcore poverty rate in Malaysia has shown a significant reduction, the government needs to consider the problems highlighted in this study as the problems may lead the poor to return to hardcore poor condition.

#### **6.4 Future Research**

Based on the findings, several imperative suggestions should be considered for future research. Firstly, this study involved the poor, irrespective of their occupation. Future research should focus on one sector of economic activity such as agriculture or small business. This can enhance the policy formulation and implementation process as the discussion will cover extensively on a specific scope like the study on the livelihood of

the farmers and the vulnerable issues surrounding them. Every occupation has their own risks and is exposed to different vulnerabilities. Thus, by separating the study based on the occupation of the poor, researchers are able to explore and discuss on the livelihood of the poor, their issues and challenges with reference to their economic activity.

Secondly, in every country, the poor face different problems that threaten their livelihood. In the future, the researcher can focus on initiatives to discover only the vulnerable issues surrounding the poor. The discussion can go in-depth into the problems faced by them and a comparison with poverty issue in other countries can be made, especially in developing countries. A research study that explores the vulnerable issues faced by hardcore poor will help the policy makers, government, and interested parties to plan comprehensive global intervention programmes in future. The findings of the study can also ease the policy makers to make specific policy for certain group of people.

Lastly, more research study should report the role of few stakeholders (such as government bodies, private sectors, NGOs, and universities) in fighting poverty issues. In reducing the poverty rate in a country, various stakeholders have involved and each of them gives their helping hand to help the government to reduce the poverty rate. Their role and contribution in reducing poverty rate should be publicized. Other study can explore how they cooperate and build trust relationship with each other.

## **6.5 Conclusion**

The Sustainable Livelihood Approach and its framework have guided this research in exploring the vulnerability contexts of the hardcore poor in Kelantan and make recommendations to assist the poor. Aside from that, the researcher managed to assess the assistance provided by Yayasan Sejahtera to their beneficiaries and to examine the livelihood of the beneficiaries after the programmes ended three years ago.

The findings from the triangulation method suggested that the hardcore poor in Kelantan are most vulnerable to climate change. Aside from that, it was found that materials, equipment and technical training provided to the beneficiaries are beneficial for their economic activity. However, some beneficiaries failed to utilize the networking opportunities provided, making them less able to withstand the vulnerability issues and to form a productive business relationship. In addition, this study found that the majority of respondents are using the technical skills learned from the programmes to improve their economic activity. However, after three years, they failed to continuously practice the financial management skills. On the other hand, there is a gradual increase on the physical capital and slight increase on the financial capital of the respondents.

Apart from that, the majority of the respondents have escaped from hardcore poverty but at the same time, they are exposed to vulnerabilities, especially the climate change that has obstructed their livelihood stability. Among them, farmers are more affected by the climate change and the phenomenon has resulted to flood, crop health shock, and seasonal shift in prices to them. These vulnerable issues have reduced their capability to improve their standard of living.

Yayasan Sejahtera has developed a few sustainable livelihood programmes for the hardcore poor by providing networking opportunities, materials, equipment, and skill training to add value to their existing economic activity. They have delivered suitable materials and equipment to increase the physical assets of the beneficiaries. However, due to the short term and one-off intervention made by them as well as the minimal attainment of education of the respondents, the majority of them are less able to adapt with the financial management training. Their business management skills need to be improved further in order to enhance their livelihood.

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