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A Conceptual Framework for Tracking Income Inflows and Outflows, Actual Poverty Level and Determination of Livelihood Opportunity for Adult Household Members Across the Bottom, Middle and Top of B-40 Group

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ABSTRACT

The model and measurement criteria of poverty are subject to various interpretations based on the values and indicators employed. This paper proposes a framework to track the household poverty data based on holistic, comprehensive and wide spectrum of characteristics that measure and assess poverty and well-being in the districts of Baling, Kedah. It also aims that the framework can be replicated all over Malaysia and worldwide. The focus and objective of the study is to track the poverty household's profile based on the real data through observing and exploring the compilation of poverty indicators, specifically on the source of income (income inflows), income outflows (expenses), income inequality, housing quality (comforts, condition, size), home furnishings and appliances, assets ownership (both productive and unproductive such as land, house, machinery, vehicle, fixtures and fittings, working tools, facilities), leisure and lifestyle (clothing, amenities, mobile phone, communication, transportation, smoking consumption, internet and entertainment subscription), level of education and competencies, health status and ability, food intake (frequency, size of serving, sufficiency, nutrition and security), electricity and water supply, degree of aid and support received from various parties, motivational level and local wisdom. This action study will be based on qualitative research methodology. The outcome of study will provide an intensive real-life data sets and clear action of tracking the household poverty profile. The findings are vital as it will be the basis to create, design and implement development programmes, projects and schemes such as anti-poverty projects and sustainable livelihood opportunities (SLO) for adult household members in order to achieve sustainable source of income (*mata pencarian lestari*).

Keywords: *Poverty, Inequality, Livelihood Opportunity, Poverty Line, Poverty Database, Household Income, B-40 Communities.*

INTRODUCTION

Successful in identifying genuine and right poor people is one of the key prerequisites in ensuring that the aids from various funds such as from government, religious authorities, non-governmental organizations (NGOs), companies and welfare associations are correctly channelled and benefited the needy group in the communities. Most importantly, it also assures that public policy and program developed by the government and its agencies will achieve its goal to reduce poverty and create sustainable livelihood to the targeted group. However, it is not easy to normalise and perfectly determine who is poor and who is not for a population with diverse profile of income, asset ownership, regional economic activity, living scenario, health and family size. The biggest challenges here are to accurately define poor, construct yardstick to

measure poverty, build poverty attributes model, determine poverty line and develop a most realistic poverty database. In this context, the policy maker, definers, verifiers, individuals (or entities) with authorities and providers of information about poverty have an important and powerful role and responsibility to be played, as their decisions and framework developed will be imposed and implemented in the communities nationwide. It will be used as a yardstick to help the governmental and other bodies in formulating new programmes or policy to bring the poor out of poverty. In addition, it can also be the basis in selecting the poor and extremely poor people in the community for certain anti-poverty aids, projects and schemes.

Normally, the ill-defined poverty measure may be resulted inaccurate outcome that will trigger ample dispute and arguments in the media and communities at both national and international level. For example, recently the Economic Affairs Minister, Datuk Seri Mohamed Azmin Ali has reported that Malaysia's official poverty rate fell from 49% in 1970 to just 0.4% in 2016. However, Philip Alston, the United Nation (UN) human rights expert, disputed Malaysia's claim that it has almost eliminated poverty. In addition, he emphasises that official figures were immensely inaccurate and do not reflect realities on the ground. Moreover, the UN expert highlighted the poverty rate in Malaysia is much higher than reported, where the related ministry and agencies be obliged to work hard and increase their efforts to ensure that a more robust, effective policy and innovative approach are invented to help the poverty-stricken.

As we mentioned earlier, poverty (or wealth) can be measured through multiple methods such as household income, poverty line or benchmarking an individual's or family's income (with or without children) with a set poverty threshold of income required to cover basic needs. This measurement is always used as a basis of welfare aid distribution. However, the use of household income in determining the status of poverty might lead to inaccuracy of selecting poor people to be given welfare aid. In Malaysia, the government divides Malaysians into three different percentages groups based on their household income. They are T20, M40 and B40, which are abbreviation for the Top 20 percent, Middle 40 percent and Bottom 40 percent respectively. The percentage refer to (the proportion of households in each group) compared to the total number of households (household) in Malaysia (which represent All Malaysian residents). To define the income range for each group, each household recorded in the list by income, beginning with the highest income earner placed in the position top up to the lowest-income households in the bottom position. The income range is an approximation of wealth for the T20 (average income more than RM8,319 a month), M40 (average income from RM3,860 to RM8,319 a month) and B40 (average income less than RM3,860 a month) households play as a guide for welfare aid (The Department of Statistics Malaysia, 2017). To be considered living in poverty, the household income is set at RM980 and below for Peninsular Malaysia, RM1,020 for Sarawak and RM1,180 for Sabah. People whose income falls under the setting threshold and income range of the bottom 40 are considered poor and entitle to receive government aids and secure into government anti-poverty programs. For instance, those in the B40 group have access to cheaper housing, children and school aid, and other financial aid through

programmes like Bantuan Sara Hidup (BHP) and Bantuan Prihatin Nasional (BPN).

The distribution of various aids and subsidies undertaken by the Government to the poor and low-income group (B40 Group) have many shortcomings and have been given various criticism. Public and NGO argue that numerous names listed on the B40 list and under the government welfare scheme (such as eKasih, JKM, Zakat, MOE's learning aid) are inaccurate and some are ineligible. There are households with bigger family members, but are not eligible to receive government assistance because their income exceeds slightly from the official limit of poverty line. Comparatively, this family is poorer if compared to the smaller family being in the B40 limit. In another case, a teacher posted his disappointment on social media about the bad attitude of parents taking the right of others who are needier than them. These parents have declared an income of RM700 – RM1, 500. By doing so they will be eligible for all the financial assistance such as RMT, KWAMP and assistance of RM100 per child. However, from the teacher investigation he apparently found that particular parent has a big house, luxury car and a few more vehicles were parked at their home. In addition, their child's pocket money is up to RM5 a day. The teacher wonders how there is no slight of guilt in their hearts for dishonest act and taking the poor's people right.

In another note, Kelantan's director of development said a total of 65,070 out of 100,550 households in Kelantan registered in E-Kasih are not eligible in the poor and extremely poor category. While, the remaining eligible of 29,979 households are placed on the eligible list in the poor family category and 5,501 in the extremely poor families. The figure was acquired after the Prime Minister's Department carried out the whitening proses and found an income per capita or a registered participant's income exceeding a certain limit. After being investigated in detail, the total amount of income for more than RM2, 000 were not eligible in the list and it is out of poor level and should only be included in the category of B40 (Sinar Harian, 24 July 2019). Similarly, in Sarawak, the Minister of Welfare, Women and Family Development Datuk Fatimah Abdullah described the list of poor people registered in E-Kasih is not quite exhaustive and comprehensive. In this regard, many of the poor people have not been registered on the list. She gave an example in Dalat district, where there are only 200 households have been registered in the E-kasih and this is not logical because when she visited to the area, the number of the poor people who have not been registered actually far exceeded the registered number. In addition, Fatimah also tells that the Government is currently actively implementing the whitening process on the old e-Kasih list after they found that there were individuals who were ineligible in the list, while those are eligible were neglected (Borneo post, 11 May 2011).

Currently, most of the existing policies and programmes that we have in Malaysia to help the poor and B40 group would not necessarily work for everyone. Therefore, in order to improve the quality of life and reduce the poverty rate in the country, the respective responsible government officers, law makers, state representatives, local authorities and local leaders should work hard to map out poverty in their areas and proactively tackle the problem through introducing innovative, creative and ingenious strategy. They should not use single

approach and solely rely to the statistical data of poverty line threshold and the B40 list. Moreover, avoid from just doing work remotely from the office, they should go to the ground to see and feel the reality of community members to get a better understanding of the situation. For example, the villagers and single mothers that live in Baling have different needs and challenges from the urban folks or single mothers of Kota Star or Kuala Lumpur.

The inequality and income gap between the T20, M40 and B40 seem to further widen in Malaysia as the business environment continues to fortify those with capital and competent. Prices of daily necessities, house and most of other products and services are getting increasing greater and faster than income growth of the B40 and M40 group. This have trigger poverty and socioeconomic problems, especially to bottom B40 group in coping with the higher cost of living. Therefore, struggles to close the inequality gap, eradicate poverty and increase sustainability income for the poor and B40 group (B10, B20, B30 and B40) can only be effective and achieved its objectives by truly understand the reality and true poverty profile of the peoples. It is extremely important to stop these groups to continue to be marginalised, overlooked and ill-treated.

Prior studies have utilised income information to measure poverty and establish policy to eradicate poverty. A number of alternative measures also have been developed to evaluate the welfare effects on poverty. Furthermore, in effort to comprehend the poor households and its members there have been a growing number of attention focused on the issue of income inequality, levels of absolute poverty and relative poverty within a life course context. This article agreed that all of these factors remains as important source of information in understanding the poor people, poverty, anti-poverty programs and in creating better models and methods pertaining to poverty measurements. As an effort to best and fully understand the poor and B40 group, this research paper will continue to take into account the existing frameworks, models, factors and approaches. Moreover, it aims to further improve the existing frameworks and models by using a new approach and to discover more factors in order to clearly understand community and household's specific poverty real situation as well as to get actual information about their income inflows and outflows. This information is crucial to develop more appropriate anti-poverty program and to create a sustainable livelihood opportunity for poor households. In this context, this paper will comprehensively track, interview and observe the targeted poor household group.

As a new approach is needed, this research paper will follow-up the work performed by another research group (cluster 1) that responsible to develop household profile, which is created and designed to arrive at the most accurate status of household (and its members) income, characteristics, surviving and wellbeing profile in the district of Baling, Kedah. The paper will comprehensively tracing, assessing and observing the household profile and measuring poverty through multiple factors such as income data, productive and unproductive assets, sources of income inflows (monetary and non-monetary) and outflows (expenditures, cash payment etc), household size and characteristics (number of adults, children, disabilities, single parent etc) and capability and competency, house conditions and comfort, home furnishing and luxury

levels, work and life skills, domestic economic activities, local wisdom, food and nutrition, and health and motivational level. Instead of having just B40, the data will split the B40 people into four categories, which are B-10, B-20, B-30 and B-40. In relation to accuracy of household income of threshold, the data derived from tracking of inflows and outflows are critical to determine appropriate sustainable livelihood to be promoted among the adult household members of the bottom of B-40 communities within the context of social business entrepreneurship and social innovation.

In this article, we want to contribute by proposing a conceptual framework that defines means of tracking the household income inflows and outflows and to understand the reality of poverty, links it to household livelihood (socioeconomic activities) and the effect of local wisdom ecosystem. The article starts with an introduction section on the poverty concept, issues on poverty measurement, the need to understand the real data of household quality of life, actual poverty picture and livelihood opportunity, including the objective of this article. In Section 2, we discuss the relevant literature review on poverty, including the definition, poverty measurement in general, and what measurement mechanisms have been practised in Malaysia. In Section 3, we present the conceptual framework and a process for TRACKING the household profile. In Section 4, we present the conclusion and results from TRACKING the household profile and needs for indicator improvement.

LITERATURE REVIEW

Poverty Definition

According to World Bank, it was estimated that in 2015, 10 percent of the world's population or 734 million people lived on less than $1.90 a day. The World Bank also estimates that 40 million to 60 million people will fall into extreme poverty (under $1.90/day) in 2020, compared to 2019, as a result of COVID-19, depending on assumptions on the magnitude of the economic shock. The global extreme poverty rate could rise by 0.3 to 0.7 percentage points, to around 9 percent in 2020.

In general, poverty is defined by their income per day. A person is considered as poor if his income falls below a poverty line (Bourguignon and Chakravarty, 2019). As suggested by World Bank, people are considered poor is they daily income is less than $1.90 per day. However, previously Hatta, Zulkarnain & Ali (2013) suggest that poverty refer to "different adverse social and psychological repercussion" and it could be different from one country to the other. One of the differential reason is the politics; or how a nation's governing authorities distribute economic and other resources amongst the population (Raphael, 2013).

Acar (2014) stated that there are two important elements when we talk about poverty; one is measurement and the other one is the identification of the 'poor'. Unfortunately, there is no consensus so far in the literatures on the measurement of poverty or identification of the poor (Acar, 2014). Consequently, poverty measurement faces two issues: methodological ("get it right") and public policy concerns ("make it useful") (UNECE, 2017). This is because; how we measure poverty is important as it will influence how we understand the meaning of poverty itself and how the policy is being developed (Alkire and Foster, 2011).

Absolute and Relative Poverty

In a normal practice, poverty is often measured based on income and/or consumption, called poverty line income (PLI) (UNECE, 2017; Rohwerder, 2016). In general, there are two ways of how poverty being identified and classified: one is called absolute poverty, while the other is relative poverty (UNECE, 2017; Fritzell, Rehnberg, Hertzman and Blomgren, 2015; Notten and De Neubourg, 2011; Madden, 2000; Foster, 1998). Poverty line is set as a benchmark in identifying poverty. For absolute poverty measurement, poverty lines can be defined on the basis of absolute needs; such as the cost of a minimum food basket plus an allowance for basic non-food needs (UNEC,2017). In other words, it is a household basic requirement to live healthily and actively (Malay Mail, 2019). As stated above, the World Bank absolute poverty line is at $1.90 per day.

On the other hand, relative poverty compares people's minimum income with their community or society average (such as median or mean) standard of living as poverty line (What Is Relative Poverty? - Definition, Causes & Examples, 2015; Notten and De Neubourg, 2011; Foster 1998). Unlike absolute poverty; poverty line for relative poverty will change when the wealth of the society change. Consequently, it was argued that the relative poverty line will be higher than absolute; and might increase from time to time (Foster, 1998). For example, if a family of four (two adults and two children) living in America in 1963 with a yearly income less than $3,100; they are considered as living in relative poverty. However, by 1992, this threshold line had increased to $14,228 a year (What Is Relative Poverty? - Definition, Causes & Examples, 2015). There are few factors identified that contribute to the change in relative poverty line. Among others are education and employment.

Multidimensional Poverty Index (MPI)

Using either absolute or relative measurement is considered as single view as the poverty line is based on one single figure of income (monetary based) (Alkire, Kanagaratnam and Suppa, 2018). Many literatures argue that monetary measurement is insufficient to determine poverty. Some monetary elements also need to be considered. Considering both monetary and non-monetary elements is known as multidimensional measurement (UNECE, 2017). According to World Bank (2020), multidimensional definition that includes consumption, education, and access to basic utilities is approximately 50 percent higher than when relying solely on monetary poverty. Figure 1 below show the differences between single and multidimensional measurement.

There are many dimensions or elements that can be used in multidimensional measurement. Asselin, (2002) includes economy and infrastructure, education, health and agriculture in her composite index of multidimensional poverty. Meanwhile Schreiner (2016) catch the following dimensions in the poverty scorecard: family composition (such as number of household members), education (such as school attendance), housing (such as number of rooms), ownership of durable assets (such as televisions, fans, or bicycles), employment (such as whether a household member is paid on a daily basis), and agriculture (such as use or ownership of cultivable land).

<table>
<tr><th colspan="15">Single measurement</th></tr>
<tr><th colspan="14">Monetary</th><th>Non-Monetary</th></tr>
<tr><th colspan="7">Income Based</th><th colspan="7">Expenditure Based</th><th rowspan="3">Food energy intake (FEI)</th></tr>
<tr><th colspan="3">Absolute Poverty Lines</th><th colspan="4">Relative Poverty Lines</th><th colspan="3">Absolute Poverty Lines</th><th colspan="4">Relative Poverty Lines</th></tr>
<tr><th colspan="2">National thresholds specific for individual countries, in the national currency</th><th colspan="2">Internationally comparable thresholds</th><th colspan="3">Share of the median (or mean) income</th><th colspan="2">National thresholds specific for individual countries, in the national currency</th><th colspan="2">Internationally comparable thresholds</th><th colspan="3">Share of the median (or mean) income</th></tr>
<tr><td>1. Cost of basic needs</td><td>2. Subsistence minimum</td><td>3. Severely poor with income below 1.9 PPP$</td><td>4. “Just poor” with income below 3.1 PPP$</td><td>5. Relative low income (example: below 50% or 60% of the contemporary median equivalised income in each country)</td><td>6. Relative low income anchored at a fixed point in time</td><td>7. Weakly relative poverty line</td><td>8. Cost of basic needs</td><td>9. Subsistence minimum</td><td>10. Severely poor with expenditures below PPP$1.90/day</td><td>11. “Just poor” with expenditures below PPP$3.10/day</td><td>12. Relative low expenditure (example: below 50% or 60% of the current median equivalised expenditure in each country)</td><td>13. Relative low expenditure anchored at a fixed point in time</td><td>14. Weakly relative poverty line</td><td>15. Nationally specific FEI-based poverty rates (varies by climate conditions, rural/ urban distribution, type of occupation, etc.)</td></tr>
<tr><th colspan="15">Multidimensional measurement</th></tr>
<tr><td colspan="5">Deprivations</td><td colspan="5">Multidimensional poverty estimates – internationally comparable (following the methodology developed by</td><td colspan="5">Official national multidimensional poverty indices, following the methodology developed by OPHI</td></tr>
</table>

		OPHI and used for international comparisons and in the Global HDRs published by UNDP)		
16. Indicator dashboards	17. Indices of multiple deprivation, including material deprivation	18. Multidimensional poverty index (thresholds for the various dimensions)	19. Severely poor	20. Moderately poor

Figure 1: The differences between single and multidimensional measurement (adapted from UNECE, 2017 pg. 19)

Alkire, Kanagaratnam and Suppa, (2018) in their revised global Multidimensional Poverty Index (MPI) project have suggested the following framework:

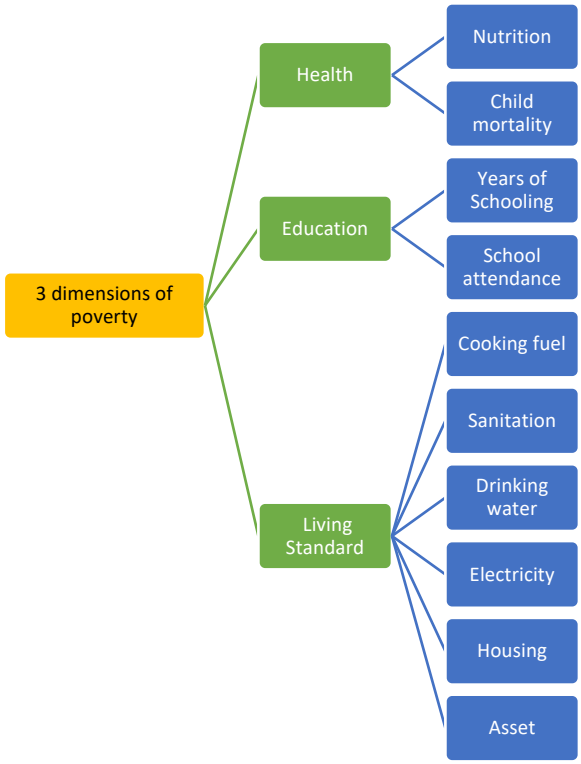


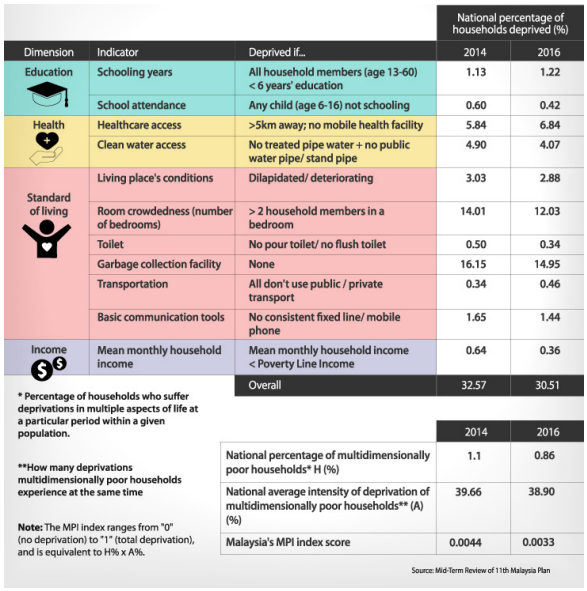
Figure 2: Global Multidimensional Poverty Index (MPI) (source: Alkire, Kanagaratnam and Suppa, pg. 8, 2018)

The above framework includes three dimensions of poverty; which are health, education and living standards. Each dimension has its own indicators. For instance, in health dimension, nutrition and child mortality are the indicators. In child mortality for example, the family is considered deprived if there is any child died within 5 years preceding the survey.

Above are among the common dimensions in multidimensional index. In addition to the above, UNECE (2017) also highlights the element of time (time poverty). Some people have to work long hours doing particular work or multiple works in order to get income above poverty line. However, they have to sacrifice their personal and time with their family. This has caused a bad social impact especially to women.

Malaysian's Poverty Measurement

Malaysia is using both poverty measurement of PLI and MPI. As reported recently by Malay Mail (2019), Malaysia current PLI is at RM980 monthly nationally, and at a higher level of RM1,020 for Sarawak and RM1,180 for Sabah. This RM980 monthly PLI would translate to slightly above RM8 per person daily based on a household of four. Using this PLI, in 2016, there are officially 24,700 households (or a mere 0.4 per cent of total households) in Malaysia that are categorised as poor. This figure has received criticism by World Bank senior economist Kenneth Simler. He commented that the World Bank's standard of $1,90 is for extreme poverty and United Nations' Sustainable Development Goal (SDG); thus not suitable for Malaysia. With current economic progress, he suggests that Malaysia should have a higher PLI (Malay Mail, 2019). According to Kenneth Simler, countries with average incomes similar to Malaysia's have PLI equivalent to MYR 2,550 per month for a family of four, which is almost three times Malaysia's current PLI. Using this suggested PLI would yield a poverty rate of 18 percent, which is about the same poverty rate that arises from applying an OECD-style relative poverty line, and also within the 16–20 percent range given in the UNSR's press release.



Dimension	Indicator	Deprived if...	National percentage of households deprived (%) 2014	2016
Education	Schooling years	All household members (age 13-60) < 6 years' education	1.13	1.22
	School attendance	Any child (age 6-16) not schooling	0.60	0.42
Health	Healthcare access	>5km away; no mobile health facility	5.84	6.84
	Clean water access	No treated pipe water + no public water pipe/ stand pipe	4.90	4.07
Standard of living	Living place's conditions	Dilapidated/ deteriorating	3.03	2.88
	Room crowdedness (number of bedrooms)	> 2 household members in a bedroom	14.01	12.03
	Toilet	No pour toilet/ no flush toilet	0.50	0.34
	Garbage collection facility	None	16.15	14.95
	Transportation	All don't use public / private transport	0.34	0.46
	Basic communication tools	No consistent fixed line/ mobile phone	1.65	1.44
Income	Mean monthly household income	Mean monthly household income < Poverty Line Income	0.64	0.36
		Overall	32.57	30.51

* Percentage of households who suffer deprivations in multiple aspects of life at a particular period within a given population.

**How many deprivations multidimensionally poor households experience at the same time

Note: The MPI index ranges from "0" (no deprivation) to "1" (total deprivation), and is equivalent to H% x A%.

	2014	2016
National percentage of multidimensionally poor households* H (%)	1.1	0.86
National average intensity of deprivation of multidimensionally poor households** (A) (%)	39.66	38.90
Malaysia's MPI index score	0.0044	0.0033

Source: Mid-Term Review of 11th Malaysia Plan

Figure 2: Malaysia's Multidimensional Poverty Index (MPI) (2014, 2016) (source: Malay Mail, 2019)

Malaysia joined a global network of countries that adopted the MPI tool to measure poverty in 2013 and had launched its own customised MPI in 2015 through the 11th Malaysia Plan (2016-2020). Figure 2 shows the result of Malaysia's MPI for the year 2014 and 2016. Similar to the result using PLI, this MPI results also received criticism from world economist. This MPI is said to be too low for a country at Malaysia's level of development. As the below result shows, even when non-monetary aspects of well-being are considered, Malaysia's multidimensional poverty index counts less than one percent of Malaysians as multidimensionality poor.

Presenting the same MPI but using standards relevant to an upper-middle income country, World Bank estimates that Malaysia's rate of multidimensional poverty is at 19 percent (World Bank, 2019). Despite the criticisms, Malaysia has made a good progress in developing its own MPI in measuring poverty. This is because, measurement using PLI alone does not reflect household preferences, mobility, and human capability and potential (Nair and Sagaran, 2017).

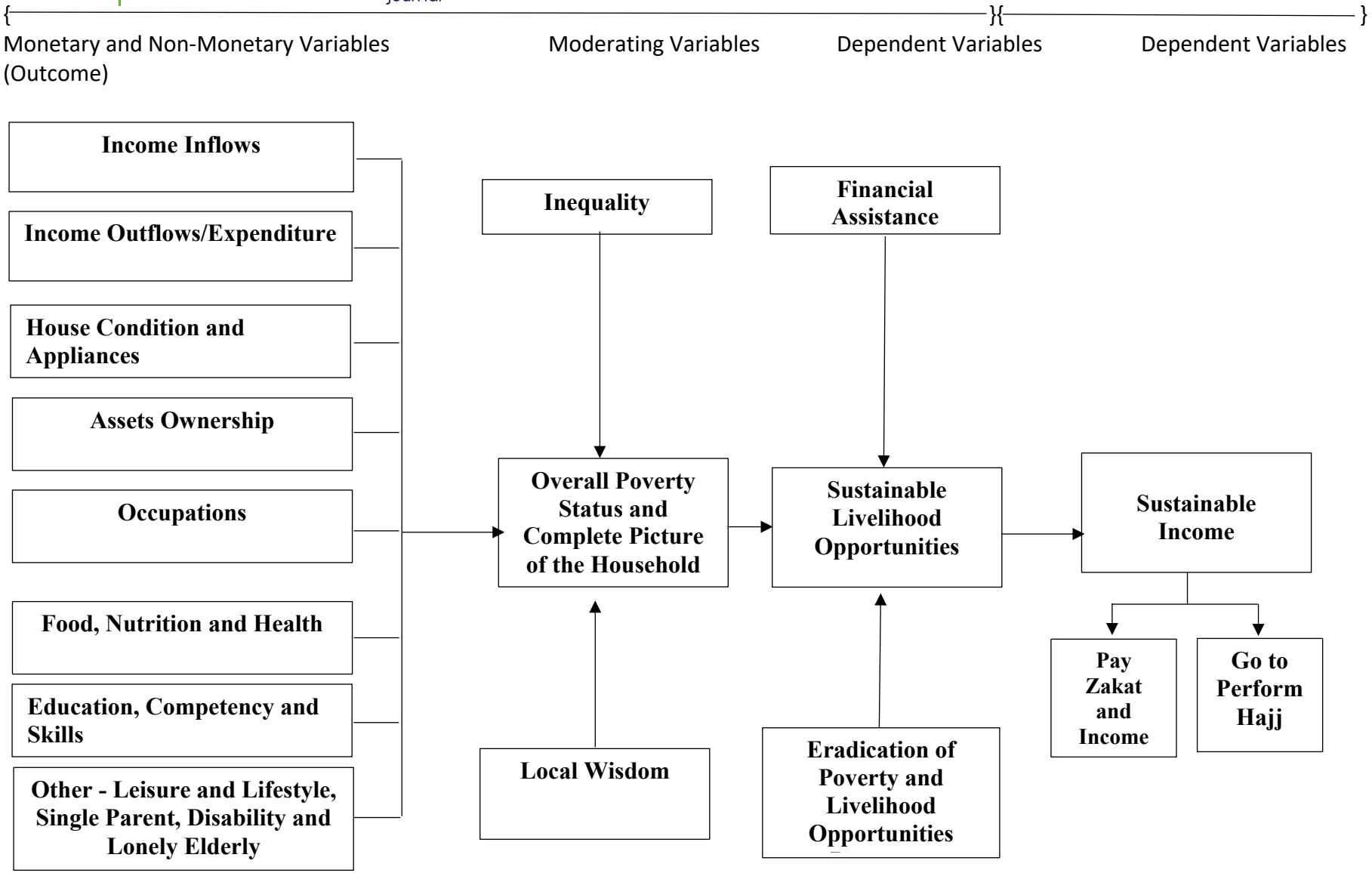
a. Proposed framework for tracking accurate household income, poverty and planning the livelihood opportunity

In the following, we will propose a conceptual framework for the poor family and B40 group, especially for those at the bottom and middle of the group list, on the methodology used for tracking poverty in terms of monetary measure of poverty (such as people's income inflows and outflows [expenditure]), nonmonetary measures of poverty, inequality and communities' local wisdom interactions that aims at linking it with livelihood opportunities. In this way, we intend to develop a comprehensive recommendation and contribute to a structuring of dimensions and relativities of poverty, agendas to generate sustainable income and resource efficiency that better supports anti-poverty programs. This will be able to make poverty measurement more comprehensive, reliable and accurate.

Figure 3 illustrates the framework of household income, poverty, livelihood opportunity and sustainable income in two models. The first model shows a physical flows of how the numerous variables (obtained from the database developed by cluster 1) comprises of the household income inflows (source of income– salary, business, aids, zakat), income outflows (expenses and bills), housing characteristics and quality (comforts, condition, size), home furnishings and appliances, assets ownership (both productive and unproductive such as land, house, machinery, vehicle, fixtures and fittings, tools, facilities), leisure and lifestyle (clothing, amenities, mobile

phone, communication, transportation, smoking consumption, internet and entertainment subscription), level of education and competencies, health status and ability, food intake (frequency, size of serving, sufficiency, nutrition and security), electricity and water supply, and degree of aid and support received from various parties will be tracking through interview, observation and achieve data (documents, reports). The tracking data then will be assessed, compared, contrasted, mapped, and undergo analytic and substantive test to determine the authenticity, consistency, reliability, accuracy and completeness of the household income and poverty status. Furthermore, we will track and consider information relating to income inequality, local wisdom, spirit and motivational level of the household studied in effort to understand the complete picture of household poverty status and ability. Next step, based on the results of the tracking, we will make suggestions, recommendations and provide the information to Cluster 3 for them to develop anti-poverty eradication scheme and decide the most appropriate sustainable livelihood opportunity for each of the qualified household identified. Subsequently, the qualified household will be linked to Cluster 4 that will find and provide fund for their livelihood opportunity.

Finally, the framework will depict the impact of tracking activity and other endeavour, specifically to see the degree of effectiveness of the database development (by cluster 1), tracking process (by Cluster 2), livelihood opportunity programs (by Cluster 3) and financial assistance (by Cluster 4). Where the effectiveness of these four Clusters effort will be measured through the ability of the poor households that chip in the program to sustainably generate income and manifest to pay zakat, income tax and performing hajj. We consider the absolute and relative poverty as the central between the poverty line perspective and the actual poverty perspective, which need to be linked to sustainable livelihood opportunities in order to generate sustainable income and successful social-economic impacts. The structure for the conceptual framework thus combines four perspectives: (1) comprehensive poverty database; (2) tracking all factors that can help to understand the actual household income, household capabilities and its interaction with household poverty; (3) poverty status as the link to inequality and local wisdom of socio-economic activities; and (4) impacts to sustainable income and profession as the effect of effective financial assistance and appropriate sustainability livelihood opportunity programs. The conceptual framework can emerge as a valuable source of recommendations range from the need to invest in better data for Baling district as well as to develop better national-level poverty statistics, with explanation of the probable sources and significances of statistical errors. In addition, the recommendations will be useful for developing an array of complementary indicators, nonmonetary measures of poverty and sustainable livelihood opportunities in order to generate sustainable income. Eventually, we are expecting the framework can provide a significant contribution in improving our understanding of the level of poverty and in formulating innovative methodology in achieving desired goals of eliminating extreme poverty as well as promoting equality, inclusiveness and shared prosperity of the nation economic wealth.


Model 1
Model 2
Monetary and Non-Monetary Variables (Outcome)
Moderating Variables
Dependent Variables
Dependent Variables
Income Inflows
Income Outflows/Expenditure
House Condition and Appliances
Assets Ownership
Occupations
Food, Nutrition and Health
Education, Competency and Skills
Other - Leisure and Lifestyle, Single Parent, Disability and Lonely Elderly
Inequality
Financial Assistance
Overall Poverty Status and Complete Picture of the Household
Sustainable Livelihood Opportunities
Sustainable Income
Pay Zakat and Income
Go to Perform Hajj
Local Wisdom
Eradication of Poverty and Livelihood Opportunities

Tracking Strategy - we will carry out a tracking and data-collection strategy for the household family by personalizing and taking into account the unique characteristics of each household. The tracking strategy will rely on (1) Fieldwork interviewers and observation; (2) Administrative database; and (3) Incentives.

Fieldwork interviewers - are comprises of six research team members and one fulltime practical student to conduct series of interviews and observations session, data collection works and all subsequent tracking. All interviewers will be given instructions and the gist about the study background, research questions, objectives of each of the individual data-collection components, and guidelines for gaining cooperation from respondents. They are also required to be familiar with the culture, language, lifestyle and neighbourhoods in which the study participants lived to enable them to build a rapport and professional relationship in order to minimize the challenges to get a reliable data, be trusted and obtain full commitment from the participants and their family members. The tracking protocol involves contact with household participants until the interview team obtained all the required data and follow-up process for the full 24-month follow-up period.

Archive Database Searches and Interviews - the research team will also obtain and track data particularly from Baling District Officers, Jabatan Kebajikan Masyarakat, Lembaga Zakat Negeri Kedah, Pejabat Pendidikan Negeri, Pejabat Kesihatan Dearah, Local leaders, E-kasih database and other relevant sources. These sources are useful for crosschecking purposes, providing updated information and supplementing the data collected by the interviews and tracking efforts.

Incentives – as an effort to enhance the ability of research team to engage study participants in all aspects of participant tracking and data collection. Households will be offered a financial incentive equivalent to one month of their income as a token of appreciation for their time spent participating in the interview and tracking data-collection efforts.

b. Tracking Determinants of Household Income Inflows and Outflows and Overall Poverty Status

In this section we will outline a straightforward model, consist of ten determinants (including inequality and local wisdom) that may affect the overall poverty status and to accurately understand a complete picture of the extent of poverty and household condition. Eventually, this could influence the type of work or livelihood opportunities programs that will be uniquely developed and mapped for each of these poor households. However, for single parent and disable household (either head of the family or other family members), they will be handled, interviewed and tracked by a specific and different research teams. The household participate in this study will be selected based on the list of poor family (obtained from various government agencies), B40 group, asnaf group, names given by the local leaders, physical appearance (house or individual) and direct identification made by the research team.

c. Ten Determinants of Household Poverty Status

We will explain ten major determinants of household poverty status to guide the tracking and interpretation of our realistic framework and outcomes. According to the Model 1 of the research framework, we listing ten determinants, which are: (i) income inflows; (ii) income outflows; (iii) house condition and comfort including furniture and appliances; (iv) assets ownership; (v) occupation and economic activities; (vi) food, nutrition and health condition; (viii) level of education, competencies and skills; (viii) other factors- leisure and lifestyle, single parent, disability and lonely elderly; (ix) inequality; and (x) local wisdom.

(i) Income inflows

Household income is the combined gross income of all adult members of a household occupying the same housing unit, regardless of relation. It is a valuable economic indicator of an area's standard of living. Income inflow are determined by taking into account all household's income gained from various sources. This will consist of things like salary, wages, pay-checks, income from business, income from services rendered, revenue, rent, lease, interest, dividend, royalty, financial aid, zakat, grants, endowment, profit, fee, allowance and cash inflow from other sources. More information pertaining to household's income can be gathered through tracking the forms and type of income earned whether it is a daily, weekly, monthly, yearly, indefinite, fixed or seasonal. Obtaining information on the amount of income received by the family head, spouse and other adults in the family are crucial to understand the total amount of income earned by the family. In addition, we will be tracking the detail of passive income such as monthly financial assistance, annuity, gifts (monetary and non-monetary) and school (children) aid that a family or its members received, whether from the governmental bodies, non-governmental organizations, corporate entities, Lembaga Zakat Negeri Kedah, relatives and other parties to be included as part of the household income. In effort to fully understand the household income it is crucial to track information about household source of income and type of job, whether it is a self-employed, rubber tappers, farmers, fruit sellers, chef, home builders, meet butcher, fishmonger, foreman, gardeners, motor/car mechanic, sole proprietorship, small and medium entrepreneurs, farmers, contractor, government sector employee, private sector employee, fishermen, food store worker or unemployed. The tracking should also consider the numbers of adult of a household that generate income, how many jobs the head of family and other adults are doing, whether the job (jobs) is (are) part-time, full-time, temporary or permanent. Last but not least, knowing the size of a household or number of members in a household is important because many households consist of a single person and this information is considered in calculating median household income. Household income also useful in comparing poverty, wealth and living standards between different area, cities, states or countries.

(ii) Income Outflows

Income outflow is an expenditure or an outflow of money to pay out for a thing, goods, service or for a type of costs. Household expenses list for a basic household budget may comprises of food, child care, clothing, transportation, loan or debt payments, utility bills, groceries, housing rental and insurance, household maintenance, medical/dental, taxes, fitness, entertainment, gifts, hobbies, charitable donations, savings, subscriptions, vacation and miscellaneous. Of course, the amount and pattern of outflow will greatly depend on how big the income earned, wealthy lifestyle and preferences of a household. The research team will track, observe and be analytic on the relationship between income inflow and outflow to ensure the data collected to determine poverty status are real and accurate. The form and frequency of the expenses whether daily, weekly, monthly, quarterly, annual or one-off are important information in understanding the household capacity and purchasing power. By tracking the income inflow and outflow, it allows the research team to estimate real sources and real expenditure.

(iii) Housing Condition Including Furniture and Appliances

Family or individuals who live in homes where conditions are poor, obsolete and in the case of collapse can be associated with low income group and poverty. Therefore, absolute poverty thresholds should be measured beyond the survival needs like food and shelter for different sized households. Poor residence and housing condition can affect and be affected by other aspects of a family's life. There is a range of information available for the research team to track the household's housing condition including ownership status (owned, rental, inheritance), housing quality (whether over or below the tolerable standard), whether houses in 'incredibly' splendid or 'serious' disrepair condition, comfy or overcrowding, size, landscape, state of home furnishings, facilities and services, modern or old fashion, energy efficient and other physical condition (roof, floor, wall, toilet, room, interior decoration). Tracking house condition is one of a solid foundation through which research team can tackle the effects of poverty on communities and its hard cycle. House quality is vital for the household and its members to living a life with a sense of dignity and pride, safe and secure, conducive environment for education, inclusiveness, health improvement, copious opportunities and to help a household to eradicate poverty.

(iv) Assets Ownership

Generally, if effectively utilised and managed, asset ownership is an important means by which an individual or household can improve their livelihood and come out of poverty. The most important thing is that we do not let assets be idle or unemployed but make them work to generate income. This is supported with the expression 'money make money' and evident from the business environment that continues to enrich those with capital. There for tracking assets are important in understanding the extreme poverty. For this purpose, the research team will trace assets owned by households included land, real estate, business assets, machinery, tools and equipment, vehicle, backhoe, houses, cars, motorcycles, tractor, water pump, generator, smart phone and computers, sewing machines, financial assets, retirement assets, buildings, farm,

livestock assets and possession. After tracking assets ownership, research team can use this information and make recommendation to cluster 4 in helping them mapping the potential assets with appropriate sustainable livelihood opportunity or economic activity, which also must well suit household's competency and talent. Ultimately, the tracking process can help on poverty reduction programs, which is expected to increase household's asset portfolio for generating sustainability income.

(v) Occupation and Economic Activities

Tracking the household's type of occupations and knowing their source of income are tremendously crucial facts in order to understand household poverty status and its impact on income generation. In addition, the research team from Cluster 2, 3 and 4 or any relevant government agencies can manipulate this knowledge and then properly linkage it with the household's education and competencies level to effectively eradicating poverty and accurately create sustainable livelihood opportunity.

(vi) Food, Nutrition and Health Condition

This study realizes the importance of tracking the quantity, size and frequency of food and nutrition intake and its relationship with health condition. Food insecurity, lack of food and poor nutrition that lead to poor health condition can easily be linked to poverty. They are also among the most critical problems eroding quality of life and limiting economic productivity. The purpose of this research team focusing on tracking the food, nutrition and health problems is to accurately verify the household's poverty status and to identify effective strategies to improve the lives of poor communities.

(vii) Level of Education, Competencies and Skills

In general, poverty problem can be linked with the poor educational outcomes and incompetency problems. However, the need to track the education and competencies level is help the research team to prepare the poor household members to learn a new knowledge, upskilling and reinstate with a relevant competencies and skills. It is vital to identify individual from these groups in order to realign them with a new working requirements and to effectively match and enrol them into identified sustainable livelihood opportunity program. This tracking effort offer challenging and creative opportunities for positive development of the poor individual and household group.

(viii) Other Factors-Leisure and Lifestyle, Single Parent, Disability and Lonely Elderly

It is important to observe and track household leisure and lifestyle as a means to validate the information attained from the household interviewed and to understand a real poverty status. For example, by tracking the model of mobile phone use by each of the household members, communication and entertainment subscription (such as Astro and Unifi), quantity of cigarettes consume, possession of the branded and expensive goods, and using of other luxury items and appliances, the research team can compare and crosscheck with the income declared and then figure out the reality of

the household poverty status. For the household with a single parent, lonely elderly, disable and ill members, they will be referred to other research cluster that will deal with them exclusively.

(ix) Inequality

Much of the wealth and benefits of world economic growth are enjoyed only by a handful of elite and wealthy people. This contribute to inequality and distinctive shared prosperity growth in the consumption and income distribution dominated by T20, M40 and B40 group. As a result of scarcity resources, the extreme poor household are more vulnerable to pandemic, conflict and climate change and they are also more likely to be starving, get less access to services like education, energy, communication, clean water, sanitation and healthcare. Understanding poverty is thus fundamental to understanding how societies can progress. Through tracking the inequality, the research team can better understand a reality of poverty, especially pertaining to aids distribution pattern among B40 group. Where B40 group can further categorise into bottom, middle and top group such as B10, B20, B30 and B40 based on the severity of poverty level. Consequently, the research team can considerable prioritise the aids and poverty reduction programs to needier group. Additionally, we can promote equality irrespective of gender, skin colour, age, religion and race biases with less-advantaged household will be given more priority by eligibility.

(x) Local Wisdom

Local wisdom is a set of values with a combination of knowledge, skills, expertise and traditions that are specific and unique to a location, culture or group of people and that are passed on from generation to generation. For example, become a leader in pottery handicraft, shipbuilding, traditional medical, specific agricultural products and natural resources, and downstream and upstream industries for rubber products. As a result of tracking the local wisdom, the research team can effectively utilise, manipulate and link together the best resources, skills and expertise of the area with the sustainable economic activity program that will be proposed for the poor household. By really understand the local wisdom and household interest, researcher can help the household to get out from poverty and be more successful in functioning within a local community as well as in the national or international arena.

Limitation of the Study

There are some limitations of the study. First of all, the tracking and assessing of the poor is based on the Cluster 1 findings of household profile. Thus the accuracy of this study will much depends on the accuracy of the initial data of Cluster 1. Another limitation relates to the model to be applied in the study. The monetary attributes of the model such as income inflows and outflows are based on the estimation of the respondents. Thus the accuracy of the data will depend on the respondents' honesty and the correct assessment and judgement of the respondents. In addition, the effectiveness and the robustness of the tracking effort is also crucial in ensuring the accuracy and the reliability of the data. Other than that, the multidimensional variables/ index may change from time to time to suite the conditions and culture of the local respondents. Last but not least, even

though the study is for the Baling district; it only covers 7 of the villages in Baling. On the other hand, the researchers believe that the findings of the study will reflect the poverty assessment of the whole district.

CONCLUSION

This paper uses a 360-degree approach to continuously track and address comprehensive multidimensional indicators that may give a significant impact to the household poverty level and quality of live at different point interval. Model 1 of the proposed framework depict the tracking process, which have an overarching vision of what to track and how to fully utilise analytically verified income, personnel, social, health, lifestyle, assets ownership, cultural, economic activity, educational, inequality and local wisdom data and fit them together in order to precisely understand the household condition. This fundamental household profile is crucial for the research team (cluster 3 and 4) and policy-makers in mapping and developing most suitable livelihood opportunity (or anti-poverty scheme), followed by providing necessary financial aid and training to ensure that the program successfully creates a sustainable career and income. Subsequently, Model 2 of the framework illustrate the ultimate achievement of the entire process of this poverty programs. It will only be considered successful when the participants of the program manage to generate income sustainably and also able to pay zakat, income tax and perform hajj (for Islam household).

How we measure poverty is important as it will influence how we understand the meaning of poverty itself and how the policy is being developed (Alkire and Foster, 2011). Consequently, we should not solely rely to the static poverty line threshold, the B40 list and descend into the same means of coming up with 'one size fits all' approach. This is because, measurement using PLI alone does not reflect household preferences, mobility, and human capability and potential (Nair and Sagaran, 2017). For setting priority and better wealth redistribution and aids distribution to eligible household we should take into account different household poverty severity status (B40 can be reclassified into four groups - B10, B20, B30 or B40), capability, development stages, circumstances, as well as the MPI. This is to ensure that public at large will be benefited from the existing initiatives and progress of continuous measurements development that focused on measuring social growth, human wellbeing, integrity, fairness, inclusiveness, safety, security, equality and sustainability. The new proposed framework in this paper is to improve the existing one so that we will end extreme poverty, reduce poverty and inequality, promote shared prosperity and progressively achieve a sustainable income growth of the bottom 40 per cent of the Baling population at a rate higher than the national average by year 2030.

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