

## **'BR1M in food stamps won't solve poverty'**

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The government's proposal to disburse the Bantuan Rakyat 1Malaysia (BR1M) in grocery coupons instead of cash is unlikely to help low income groups out of poverty, said a think tank.

PKR-linked Institut Rakyat said that instead, disbursing BR1M in food coupons is only likely to benefit proprietors of the selected grocery stores, like those behind Kedai Rakyat 1Malaysia.

Assistant director of research Ginie Lim (left) added that coupons will stop recipients from using the aid for education and transport, and may lead to social stigma.

"Recipients of food assistance are found to viewed negatively by society," she said, citing international research.

Finance Ministry earlier said that the government is mulling disbursing BR1M in food coupons instead of cash in 2016.

This is to stop recipients from buying non-essential goods like the latest smartphones, the ministry said.

Is it an effective policy?

Meanwhile, Lim said that instead of considering food stamps to force recipients to use the cash aid on essentials, the government must first consider if the programme which has cost taxpayers RM14.3 billion since 2012 is an effective policy at all.

Lim said that among others, BR1M "contradicts" with existing policy of racial quotas.

Further, she said, the disbursement of BR1M to households earning less than RM3,000 also shows that families earning far higher than the poverty line are also struggling.

"The temporary and one-off aid does not overcome the issue of household debt and rising cost of living due to inflation and subsidy cuts," she said.

She said that the government should instead prioritise on its policy of raising disposable income sustainably by rising the proportion of wages to the gross domestic product from 33.6 percent today to 50 percent in 2020.

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