

Financial Allocation for Poverty Eradication in Terengganu Under the 12th Malaysia Plan

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Abstract

In Malaysia, poverty is still an unresolved issue and the government's main agenda to improve the society's quality of life. For that purpose, various programs and policies have been introduced by the government to combat the poverty. At the same time, the government had set up the Implementation Coordination Unit (ICU) as the main agency in order to eradicate the poverty in Malaysia. Therefore, this article discusses the economic policies that have been introduced as efforts to eradicate poverty in Malaysia, focusing on the management of the poverty eradication program in Terengganu. In fact, the poverty rate in Terengganu is among the highest in Malaysia. Therefore, analysis also touched on the financial allocation provided by the Malaysian government to poverty eradication in Terengganu. However, many issues and challenges occur in implementing such policies and programs for the poor group in Terengganu. As a main actor to solve the poverty in Terengganu, the ICU has shown his capability effectively but needs some improvement.

Keywords: Programs, policy, poverty, poverty eradication, financial allocation.

1. INTRODUCTION

The issue of poverty eradication is closely related to economic growth, as it is an important instrument for reducing poverty and improving the quality of life in developing countries, including Malaysia. For this reason, the economic policies that have been introduced by the government can determine whether the poverty rate can be reduced or vice versa. Since Malaysia achieve independence until now, many efforts and policies have been implemented to eradicate poverty within the community, especially in early 1970s. In other words, every development policy that has been introduced is aimed at poverty eradication efforts in Malaysia.

Regarding poverty eradication efforts in Malaysia, there are many studies been done by researchers which are focusing on a different issues and problems. Wan Nuruliasiah, Abdullah and Mohamed Dahlan (2018) have studied the initiatives provided by the government to assist low-income households towards poverty eradication. In this study, the focus is on the role played by agencies such as Amanah Ikhtiar Malaysia (AIM), Tabung Ekonomi Kumpulan Usahawan Kebangsaan (TEKUN) and Lembaga Kemajuan Ikan Malaysia (LKIM). Meanwhile, Mohd Rodzi, Roshaza and Mohd Nazli (2015) conducted a study on the role played by the Zakat Center in eradicating poverty.

For combating the poverty, the government has established the Implementation Coordination Unit (ICU) as the main agency being an actor for these purposes in Malaysia. The ICU and Economic Planning Unit (EPU)—both under the Prime Minister's Office—are responsible for preparing and updating the Poverty Line Income (PLI) assessment, which is monthly household income every two years (<https://ekasih.icu.gov.my>). Through the PLI assessment, the poverty rate of the community be categorized as extremely poor and poor, where it is different for residents in urban and rural areas.

In fact, the poverty rate in rural areas is higher than urban areas. Therefore, the ICU formed the State Development Office (SDO) at all states and district levels to combat poverty, particularly in rural areas. In other words, SDO carrying out the roles of ICU in order to eradicate poverty. Based on these roles, SDO and ICU serve as the main organizer or actor in coordinating all government initiatives for eradicating poverty. However, never the past studies had done in Malaysia is directly focus on the role of ICU or SDO in coordinating and implementing poverty eradication programs, especially in the state of Terengganu. So, this study conducted to fulfil the loophole in emphasis the effectiveness of ICU or SDO in eradicating poverty in Terengganu.

2.0 The Concept of Poverty

Poverty can be defined as the inability to meet the minimum standard of basic needs, which includes food and non-food needs. The poor are people who are below a certain threshold or referred to as the poverty

line. According to UNDP (2008), poverty is defined as a lack of well-being. Poverty arises when people lack key capabilities and do not have adequate income or education, or poor health, or insecurity, or low self-esteem, or a sense of helplessness, or lack of rights.

The definition of poverty has been explained by various scholars in various ways. According to Davis and Martinez (2015), poverty is a state when a person's resources (especially their material resources) are insufficient to meet minimum needs (including social participation). Meanwhile, Martin and Petersen (2018) define poverty as the lack of resources that, if possessed, would enable an individual to meet their basic needs and are usually expressed in terms of food, shelter, and clothing. In addition, Hagenaars and De Vos (1988) define poverty in three main categories, namely: (i) poverty means having less than what is objectively defined; (ii) poverty is having less than others in society; and (iii) poverty is a feeling of not being enough to get along.

Apart from that, poverty can be categorized into several types. According to the World Bank definition (2024), poverty is categorized as an individual who earns less than \$2.15 a day, where it is measured using the international poverty line. Globally, poverty is categorized into two categories, which are absolute poverty and relative poverty. Absolute poverty means that an individual is unable to afford basic human needs such as food, shelter, and clothing for a long period of time to the point of endangering or affecting their lives.

Other than that, Sen (1983) defines absolute poverty in terms of human capabilities in exchange for income or commodities. Meanwhile, he defines relative poverty as a type of poverty that occurs as a result of the influence of development. For Townsend (1979), he defines relative poverty is a situation where a person's resources are much lower than what the individual or family usually needs and is excluded from normal lifestyles, customs, and activities. Relative poverty includes individuals who have incomes below the median income of the country.

In Malaysia, the poverty category is categorized according to income class based on the set Poverty Line Income (PLI). Therefore, there are three categories of classes, which are the B40, the M40, and the T20. First, the B40 refers to the 40% of Malaysians who have the lowest income in terms of household income. The poor and the extremely poor are also classified under B40. Second, the M40 group refers to the 40% of Malaysians who are in the middle position in terms of household income. Third, the T20 refers to the 20% of Malaysians who have the highest income based on household income.

Figure 1 below shows the income structure by household group in Malaysia. The figure shows that the income distribution pattern for the B40 shows an increase from 2.91 million households in 2019 to 3.16 million households in 2022. For the M40 category, the income distribution pattern shows an increase from 2.91 million households in 2019 to 3.16 million households in 2022. Meanwhile, the income distribution pattern for the T20 shows an increase from 1.46 million households in 2019 to 1.58 million households in 2022. In short, there are various definitions of poverty, where the classification of poverty categories internationally and in Malaysia has slight differences when Malaysia uses the classification of poverty categories according to the B40, M40, and T20 groups.

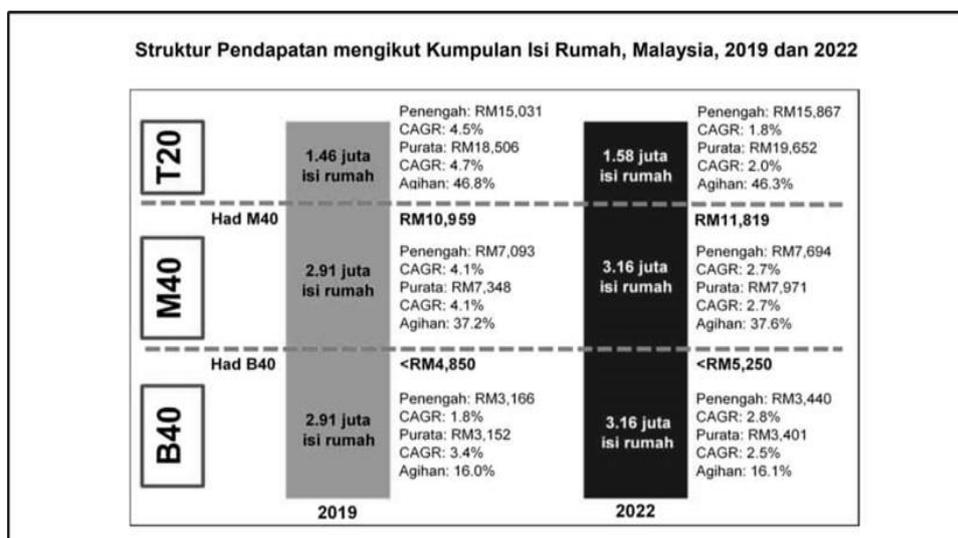


Figure 1: Income Structure by Household Group in Malaysia
 (Source: DOSM,2022)

3.0 Poverty Rate in Terengganu

Poverty is not a foreign issue around the world, especially involving developing and underdeveloped countries. Efforts towards poverty eradication have never been left out of the development agenda in a country, including Malaysia. In this regard, the Malaysian government has targeted a goal of zero for the hardcore poor category by 2025 (Sinar Harian, 28 December 2021). The goal is seen to be related to a report by the United Nations (UN), which stated that the global poverty rate has increased sharply from 2019 to 2020, from 8.3 percent (%) to 9.2 % (<https://unstats.un.org>). The increase is the effect of the COVID-19 pandemic, including economic development, which has caused an increase in the percentage of poor people in Malaysia.

To determine the poverty category in Malaysia, a measurement method using the PLI is used. According to the Department of Statistics Malaysia (DOSM) (2022), the poverty headcount in Malaysia has shown an increase from MYR2,208.00 in 2019 to MYR2,589.00 in 2022. For the state of Terengganu, the poverty headcount of the population has also shown an increase from MYR2,507.00 in 2019 to MYR2,751.00 in 2022 (DOSM, 2022). These statistics show that the poverty headcount increased significantly to 8.4% in 2020 compared to 5.6% in 2019 (DOSM, 2022).

The DOSM report (2022) shows that among the three states that experienced a significant increase in poverty rates in 2020 compared to 2019 are (i) Sabah, which is 25.3% from 12.4%; (ii) Kelantan, which is 21.2% from 12.4%; and (iii) Terengganu, which is 12.0% from 6.1%. However, statistics from DOSM have shown a positive value when the poverty rate in Malaysia has decreased to 6.2% in 2022 compared to 2020. Meanwhile, the poverty rate in Terengganu in 2022 has decreased to 6.2% in 2022 compared to 2020 (DOSM, 2022). Yet, the poverty rate in 2022 is still high compared to the poverty rate before the COVID-19 pandemic hit, and poverty eradication efforts still need to continue to reduce the poverty rate in Malaysia.

In the state of Terengganu, the gross household income rate in 2022 showed an increase compared to 2019 which was MYR7,248 from MYR6,815.00 (DOSM, 2022). However, the average gross household income for urban and rural areas in Terengganu has a significant difference, namely MYR7,939.00 in urban areas and MYR5,980.00 in rural areas (DOSM, 2022). In addition, the high poverty in Terengganu is due to the higher average household size compared to other states. Terengganu has an average household size of 8 people and more, which is 8.3%, which is the highest compared to other states (DOSM, 2022).

4.0 Poverty Eradication in Terengganu: The Role of ICU

The Malaysian government has put in place a number of short- and long-term policies and projects to end poverty. As a result, SDO has carried out a number of policies and programs in order to eradicate the poverty rate. It has also served as an implementer in directing aid programs and policies to the community and carrying out the duties assigned by the government.

The ICU agency is placed under the Prime Minister's Office (PMO). A Director General leads ICU, with support from 14 SDO Directors in each state and three Deputy Heads (Strategic Distribution Sector, Development Monitoring and Evaluation Sector, and Special Project Coordination Sector) (ICU, 2023). SDO in each state is divided into 5 sections, namely Management Services Section, Special Section, Monitoring Section, Technical Section, and People's Wellbeing Section (www.icu.gov.my).

In terms of vision, SDO acts as a superior central agency in coordinating and monitoring national development. While its mission is as a central agency that drives national development through coordination, monitoring, implementation, and evaluation of policies, programs and projects by practicing good governance and a creative, innovative and integrity-based work culture. SDO holds firmly to four main commitments and thrusts, namely: (i) zero poverty; (ii) strengthening coordination of monitoring and evaluation of national development; (iii) strengthening the implementation of small projects focused on the well-being of the people; and (v) Bumiputera empowerment. SDO functions as a key actor in poverty eradication policies or programs in each state. Thus, this SDO has main functions such as:

- a) Acting as a secretariat to the National Action Council, Cabinet Committee and National Action Working Committee;
- b) Coordinating, managing, monitoring, evaluating policies and implementation of development projects including special projects of Prime Minister, Deputy Prime Minister and the Penang Bumiputera Participation Steering Committee;

- c) Managing, implementing, monitoring, evaluating special allocations of Prime Minister, Deputy Prime Minister, Members of the Senate and the House of Representatives;
- d) Developing, managing, implementing, monitoring and evaluating the national development project information system;
- e) Managing personnel, financial resources, administration and public relations; and
- f) Special tasks as directed from time to time by Prime Minister and Deputy Prime Minister.

4.1 The Role of SDO Under the Malaysia Madani Policy

The SDO strategic planning for 2023-2025 shows that various poverty eradication policies and programs have been planned. In fact, government allocations have also been distributed to make this plan a success. On 19 January 2023, the Malaysia MADANI Policy (MMP) was introduced by Prime Minister Anwar Ibrahim. This MMP was launched as an approach to save the country when the country's economic and financial performance was very critical post-COVID-19 pandemic. MMP in the context of SDO can be divided into six, namely (ICU, 2023):

- a) Committed to ensuring an efficient monitoring process, accurate and flexible outcome assessment to changing conditions and current needs;
- b) Focus on monitoring the implementation of federal policies at every level, coordinating feedback, and being responsive to the needs of change;
- c) Open in coordinating interactions between sectors such as the economy, law, education, social, and culture, whether in urban or rural areas, to ensure inclusiveness in national development;
- d) Proactive in ensuring the implementation of inclusive policies and programs in eradicating poverty and committed to empowering the Bumiputera agenda;
- e) Responsive in providing interactive communication channels to the people and positive collaboration between government agencies and the private sector/NGOs; and
- f) ICU is determined to lead the monitoring and coordination of policies, projects, and programs through the development of competent talent and leadership, the adaptation of technology and ICT and ensuring that the welfare of citizens is prioritized.

To ensure that the nation's development results and objectives are met, the SDO under the MMP also considers the country's pledges in Malaysia MADANI, Sustainable Development Goals 2030 (SDG 2030), and Malaysia's Five-Year Plan. All 17 of the SDGs 2030 headline targets are supported by the SDO, but eight of them are specifically linked to the ICU's strategic thrust: (i) no poverty; (ii) zero hunger; (iii) good health and well-being; (iv) decent jobs and economic growth; (v) industry, innovation, and infrastructure; (vi) reducing inequality; (vii) sustainable cities and communities; and (viii) partnerships for the cause (ICU, 2023).

5.0 Analysis of Financial Allocations and Poverty Eradication Programs

5.1 Poverty Eradication Program Planning and Allocation

The Malaysian government has provided a relatively high allocation for the implementation of development projects for the state of Terengganu. Table 1 below shows the projected development allocation for projects under the 12th Malaysia Plan (12MP) by year starting from the First Rolling Plan (RP1) for the year 2021 until now, where the total allocation for the state of Terengganu continues to increase. In this regard, there are various projects that will be carried out, are being carried out and have been carried out which have been monitored by the SDO. Table 2 shows the development projects carried out under RP1 to RP3.

Table 1: Allocations and Projects (RP1-RP4)

Rolling Plan (RP)	Allocations (MYR)	Total Projects
12MP RP1	725,900,000	225
12MP RP2	1,376,000,000	365
12MP RP3	1,390,000,000	407
12MP RP4	1,590,000,000	391

(Source: Sinar Harian, 11 December 2023)

Table 2: Development Projects in RP1- RP3

No.	Development Project	Allocations (MYR)
1.	Kemaman Hospital Project.	405,410,000
2.	Dungun Hospital Project	145,830,000

3.	Kuala Nerus Fire and Rescue Station Project.	5,000,000
4.	Regional sewage treatment plant project and sewerage pipe network in the southern Kuala Terengganu catchment area.	418,150,000
5.	Coastal erosion control project at Kuala Nerus Beach.	69,920,000
6.	Paka River estuary restoration project.	150,000,000
7.	Project to raise the level of Chukai to Air Putih road in Kemaman.	57,590,000
8.	Road maintenance projects, drains, community halls, mosques, suraus, temporary evacuation centres for flood victims, as well as various social amenities.	39,760,000
9.	Construction of the Ketengah Jaya Islamic Center.	11,190,000
10.	Kampung Langgar Mosque in Kuala Berang.	5,300,000
11.	Kuala Kubang Mosque in Jabi, Besut.	2,870,000

(Source: Sinar Harian, 11 December 2023)

For RP4, a total allocation of MYR3.68 million was spent on the implementation of basic facilities projects such as drains and roads to ensure that the affairs and quality of life of the people in Kuala Terengganu are at a good level. Meanwhile, an allocation of MYR2.5 million was for the implementation of several projects in Kampung Banggol Cempedak, which was declared a MADANI Adoption Village, including upgrading the surau, completing fences and waqf at the cemetery, as well as several other infrastructures such as roads and drains (Berita Harian, 09 March 2024)

In addition, there are several projects that are being implemented either as continuations or new. Examples of projects that are being implemented are the Dungun Hospital project, the Kemaman Hospital project, the bridge upgrade project across the Marang River, the river estuary conservation project in Dungun, Setiu, and Besut as well as the coastal erosion control project (Bernama, 27 April 2024). These projects are state priorities and will always be closely monitored by the ICU and SDO.

In this purpose, part of the allocation under the RP is also specifically allocated to SDOs to carry out poverty eradication programs. For RP1 to RP3, SDO has allocated MYR22 million for new construction and house repair programs, and MYR137 million is allocated for charity money for 59,145 flood victims (Bernama, 27 April 2024). Meanwhile, MYR15.05 million has been allocated for the maintenance project of 215 school toilets in collaboration with the District Office.

For RP4, MYR50 million has been allocated for the poverty eradication program in Terengganu (Berita Harian, 09 March 2024). This allocation involves a program to help repair 20 dilapidated houses as well as 45 small infrastructure projects such as road and drain construction. In addition, allocations are also allocated for small projects involving work to replace damaged house components such as rotten walls, leaky roofs, replacing wooden doors, and reinstalling electrical wiring, which involves an allocation of MYR25,000.

As of 25 April 2024, a total of 57 house renovation projects totaling MYR1.425 million have been completed. These projects involve 18 in Kuala Terengganu, 14 in Besut, 7 in Hulu Terengganu, 6 in Setiu, 5 in Kuala Nerus, 5 in Marang, and 2 in Dungun (Bernama, 27 April 2024). Meanwhile, there are 119 house renovation projects that are still in the implementation status, worth MYR2.975 million.

5.2 SDO Poverty Eradication Policy and Program

In order to preserve the socioeconomic growth of the impoverished neighborhood, SDO has put in place a number of policies and initiatives aimed at eradicating poverty. This demonstrates SDO's dedication to fulfilling its position as the primary player in the initiative to eradicate poverty. This duty is performed in accordance with the goals and objectives of SDO's founding. The following are some of the aid initiatives that SDO has put in place for those in need.

5.2.1 Build/Repair Houses and Basic Facilities

The new construction and repair of houses and basic facilities program is one of the strategies to eradicate extreme poverty and improve the quality of life of the people. For year 2021, a total of MYR847.79 million has been allocated involving the implementation of 36,935 special projects nationwide, of which 2,682 projects are special projects for the state of Terengganu. Meanwhile, in 2022, a total of

MYR115,335,000.00 of special allocation expenditure has been recorded involving the implementation of 1,505 contributions/supplies/physical projects in Terengganu.

Most of the allocation in 2021 and 2022 has been spent on repairing houses and maintaining and building infrastructure projects based on the needs of the people, such as mosques, suraus, drains, and roads. In addition, this allocation also includes the implementation of contributions to meet the needs of the people at the grassroots level. The implementation of these projects also indirectly provides a positive impact on the social, economic, and strata of the local community's life. Among the main selection criteria for this program are projects that have a high impact and can benefit the local community.

5.2.2 People's Wellbeing Initiative

The People's Wellbeing Initiative, which includes the Didik Kasih (dKasih), Usaha Kasih (uKasih), and I Care for You (i-Care4U) programs, is an initiative that serves as a bridge for civil society to help the poor and subsequently create a society that is more aware of the plight of the underprivileged throughout Malaysia. These programs are also one of the ICU's efforts to achieve the government's mission to eliminate extreme poverty.

The dKasih program focuses on providing educational assistance and skills training to household registered with the eKasih system in producing competent graduates in various fields. The uKasih program focuses on job-matching and increasing income through sharing expertise and guidance from non-governmental organization entrepreneurs and the corporate sector. Meanwhile, the i-Care4U program is more to collaborate with private company in exercise the corporate social responsibility (CSR) to channel the aids program with the poor groups in Malaysia.

5.2.3 Back-To-School Program

The purpose of this program is to help the poor students from the low-incomes families getting a uniform and book for those in secondary and primary school. The recipients must be registered under the eKasih system and identified as extremely poor and poor. The chosen low-incomes families will be receiving MYR150 per head to buy the uniform and books as well as another MYR100 for pocket money. In year 2021, a total of 45 extremely poor and poor students have benefited from this program as conducted on 24 December 2020 until 14 January 2021. Meanwhile, in year 2022 this program series was conducted on 16 May 2022 which is a total of 30 extremely poor and poor students have benefited from this program.

5.2.4 Cakna Ramadan Program

The CAKNA Ramadan initiative aims to alleviate the financial strain on households who cannot afford to get ready for the Aidilfitri holiday. Assistance in the form of food basket gifts of MYR300.00 per beneficiary will be provided to program participants. Along with other programs, this program will also be given to selected families who have registered with the eKasih system.

For the year 2021, the CAKNA Ramadan program was held from 19 to 27 April 2021. A total of 100 poor families registered with the eKasih system were selected to receive donations in 2021. Meanwhile, in 2022, the CAKNA Ramadan program was held from 11 to 21 April 2022. A total of 80 poor family recipients were selected to receive donations in 2022.

5.2.5 Mobile Team Program

The Mobile Team visit program/activity is one of the government initiatives to prevent the drop in the distribution of aid to the needy. This program is distributed on a fast-track basis, meaning that it is distributed to the target group within three days of the aid-giving ministry or organization visiting them. ICU organizes this initiative in coordination with other government ministries and agencies that provide relief.

In 2019, out of 3,240 targeted visits throughout Malaysia, ICU has successfully coordinated Mobile Team visits 2,959 times. For 2020, out of 2,710 targeted visits throughout Malaysia, ICU has successfully coordinated Mobile Team visits 1,945 times. While for 2021, out of 3,600 targeted visits, ICU has successfully coordinated Mobile Team visits 2,767 times.

5.2.6 Sejahtera Komuniti Madani (Sejati) Program

This program is a new initiative by the government which is aims to boost economic activities at the community level. The purpose of this initiative is to increase income by providing funds of up to MYR100

thousand to eligible communities. Among the community groups that are eligible to apply for this program are:

- a) Village Development and Security Committee/Village Community Management Council;
- b) Federal Village Development and Security Committee;
- c) Longhouse Community;
- d) Orang Asli Village Community;
- e) Village Community that has received confirmation from the District Office/Resident Office or Federal Territories Department or State Ministry of Ministry of Rural and Regional Development or State Economic Planning Division;
- f) Residents' Associations registered under the Malaysian Registration Department with registration status that is still active.
- g) Village Development and Security Committee;
- h) Plan Development and Security Committee;
- i) Joint Management Body;
- j) Joint Management Corporation; and
- k) People's Housing Program.

In addition, the program applied for must be a program/activity that can improve the local community's socio-economics in five main sectors and be a quick win, which is an activity that yields results in a short period of time between 3 to 6 months. The five main sectors are agriculture and food, sewing and handicrafts, herbs and health, tourism and hospitality, and green and recycling activities. The application divided into three categories, namely:

- a) Pilot – New programs/products/services created in less than a year;
- b) Improvement – Existing programs/products/services that have existed between 1 to 3 years; and
- c) Expansion – Existing programs/products/services that have existed for more than 3 years.

5.2.7 Malaysian Family Extreme Poverty Eradication Program (MFEPEP)

MFEPEP refers to the program to eradicate extreme poverty led by EPU and ICU in collaboration with various parties. The main goal of MFEPEP is to achieve the target of zero extreme poverty by the end of 2025 with a new holistic approach. This MFEPEP will focus on eradicating extreme poverty among the extreme poor heads of household and household members throughout the country by the end of 2025. In order to implement MFEPEP, a number of federal, state, and local authorities must participate, and different parties must strategically cooperate. This covers the involvement of several ministries and implementing agencies, public universities, state and local government administrations, private industry, government-affiliated businesses, civil society groups, and community-based organizations. MFEPEP's new approach in addressing extreme poverty in Malaysia is through (i) a whole-of-nation approach; (ii) a bottom-up approach (local problem, local solution); and (iii) targeted poverty solutions rather than one size fits all.

5.3 Issues and Challenges

Megatrends and worldwide economic instability are currently obstacles to creating a favorable atmosphere for sustainable national development. SDO's internal and external environments are included in national development issues and challenges. Table 3 shows four main categories of issues faced by SDO and three categories of challenges faced by SDO as summarized in Table 4.

Table 3: Four Main Issues Facing by SDOs

Category	Issue
Project monitoring and evaluation	Effectiveness of coordination of development program/project implementation
	Project interventions do not achieve outcomes for the production of balanced results
	Need for a policy evaluation framework that can be used as a single reference
Special project management	Compliance with special project implementation procedures
	Optimizing special project allocation expenditures

	Efficiency in customer management
Empowerment of native agenda	Changes in the mechanisms and approaches to implementing the native agenda
	Different jurisdictional boundaries and land affairs
	High dependence on government allocations
	Overlapping roles between agencies to empower the native agenda
People's wellbeing	Realistic poverty measurement approach
	Efficiency in coordination of assistance and more inclusive social protection
	Involvement and commitment of appropriate strategic partners

(Source: ICU, 2023)

Table 4: Three Categories of Challenges Faced by SDOs

Category	Challenge
Good governance	Implement a work culture of professionalism, accountability, and high performance.
	Cultivate the best governance and integrity
	Innovative human capital management
	Efficient financial management
	Responsive public relations
Digitalization and technology	Data intelligence adaptation
	Offering integrated and inclusive digital services
	Ensuring secure shared infrastructure services
	Digital governance
Strategic partnerships	Strategic relationships and engagement at the international level
	Strategic cooperation between ministries / agencies / divisions
	Sustainable collaboration between states and districts

6.0 CONCLUSION

Malaysia's success in reducing poverty is due to poverty eradication being part of the main objectives of development policies, poverty eradication programs, development plans, and financial allocations in Malaysia's Five-Years Plan (Hatta & Ali, 2013). The foundation of economic development, which holds the key to the potential for both eradicating poverty and restoring economic growth, is made up of development policies and development initiative programs. Current concerns are typically used to analyze the problem of poverty, particularly in the state of Terengganu. Therefore, three primary concerns—economic recession, health, and natural disasters—can be used to evaluate the link between eradicating poverty and contemporary challenges.

First, the effects of inflation on major countries have begun to spread throughout the world, including Malaysia. Inflation is an increase in the price of goods and services over a certain period of time. Although the momentum of economic recovery continues slowly, the global economy is tested by major problems such as disrupted global supply chains and high inflation (Ekonomi Rakyat, 2023). Statistics on the average monthly household consumption expenditure in Malaysia as a whole have increased to MYR5,150.00 in 2022 from MYR4,609.00 in 2019 due to rising prices of goods (DOSM, 2022).

Meanwhile, the average monthly household consumption expenditure in Terengganu has increased to MYR4,796.00 in 2022 from MYR4,345.00 in 2019 (DOSM, 2022). In addition, geopolitical tensions between Russia and Ukraine, which caused a sharp increase in global oil prices, have worsened the situation, coupled with movement and economic restrictions in the world's second largest economy, China, which has worsened the country's supply chain.

Secondly, health issues such as COVID-19 that have occurred have left a certain impact on the population. The main impact of COVID-19 on the population is the loss of income and affected health. When COVID-19 struck, 81% of the population was worried about losing their source of income (Fareez, 2021). In fact, since COVID-19 hit, 800,000 residents have lost their source of income (Mohd Nasaruddin & Luqman Arif, 2020). Furthermore, the use of income on health has also increased. Based on DOSM statistics (2022), the average monthly household expenditure on health has increased from

7.8% in 2019 to 12.9% in 2022 because the pandemic era has changed the pattern of public spending directed towards health.

Third, the issue of natural disasters, especially floods, has had many negative effects, including having an impact on poverty. The issue of floods is no longer foreign to Malaysia. In fact, for the state of Terengganu, floods can be said to occur every year, and usually the floods that occur are river floods (Noor Aznida, 2015). This is due to the geology of Terengganu, which has many rivers and is a coastal state. When heavy rains occur continuously, the river water level will rise rapidly (Bernama, 09 December 2022). In fact, floods have occurred twice in 2022, such as the one that hit the residents of Kampung La, Besut (Hafizi, 2022). In this regard, the floods that occurred in Terengganu in 2022 recorded an estimated loss of MYR38.2 million (Zaid, 2023).

In resolving these three issues, SDO has carried out several initiatives to assist heads of households in need. Among the initiatives taken is the Kasih Prihatin Program, which is cash vouchers and food basket donations given to selected heads of household. In addition, exhibitions from agencies and talk sessions were also held to provide input to participants involved in terms of health, job opportunities, and types of assistance offered, as well as open interviews to fill vacancies by SOCSO. This program was jointly organized by ICU, the Social Welfare Department (SWD), the Terengganu Islamic Religious and Malay Customs Council (MAIDAM), Sekretariat Tabung Darul Iman, the Yayasan Pembangunan Ekonomi Islam Malaysia (YaPEIM), and several other agencies (ICU, 2023).

In addition, SDO also conducted a mobile team visit program for selected heads of households. Various appropriate assistance was provided to selected heads of households, including child assistance, general monthly state assistance, assistance for the care of homeless patients or disabled, assistance for workers with disabilities (EPOKU), subsistence assistance, house rental assistance, assistance for the rays of love, assistance for prosthetic devices/support devices (false legs), assistance for house repairs, and assistance for building new houses (ICU, 2023). All of these programs are collaborative programs between ICU, MAIDAM, SWD, YaPEIM, Sekretariat Tabung Darul Iman, and several other agencies.

To help heads of households affected by disasters such as fires, storms, and floods, ICU has conducted the i-Care4U Program, which is a contribution of welfare and disaster assistance. This is one of the SDO initiatives to comfort and then deliver contributions to those in need, especially those affected by disasters. This program is also a collaborative program between ICU, the Malaysian Civil Defense Force, District Offices, The People's Volunteer Corps, the Royal Malaysia Police, and the Malayan Information Agency Terengganu.

Nevertheless, the actions done are not all-encompassing. Assistance programs for specific family heads are the only ones being implemented. As a result, the program is not available to all heads of households that are extremely impoverished. Additionally, the activities are conducted in cooperation with other organizations, which results in the public paying less attention to SDO and ICU's efforts to eradicate poverty. As a result, the efforts that have been implemented do not demonstrate the function and efficacy of SDO, ICU. Overall, despite ICU's efforts to eradicate poverty in Terengganu, there are still a lot of areas that might be improved in order to fully eradicate poverty in Terengganu.

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