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Rafizi's bet to help quash poverty: Cheap healthy food in vending machines



Economy Minister Rafizi Ramli speaks during a press conference at the Cempaka LRT station in Ampang February 26, 2023. — Picture by Firdaus Latif

PANDAN, Feb 26 — A poor household starts farming chilis on federal land. While waiting for the crop to yield, they would be given a monthly allowance of RM2,000 for up to two years.

Once the chillies grow, they are supplied to another poor household that would turn them into sambal for a packet of nasi lemak.

This nasi lemak will then be sold at RM2 in vending machines placed at strategic locations where there is demand for cheap but healthy foods, like LRT stations, for example.

On a good day when all the nasi lemak packets in the vending machines are sold, each family can earn up to RM100 a day according to estimates by Minister of Economy Rafizi Ramli.

All this encapsulates the programme called the People's Income Initiative (IPR), the ambitious project that Rafizi hopes will provide poor households with a set of specific skills that would help them attain financial independence.

"It's like giving them a fishing rod," he told reporters after launching the programme at the Cempaka LRT station in Pandan here, a predominantly low to low-middle-income housing constituency.

"We thought of it as a way that for every ringgit the government gives them, they can find a way to use the [fishing] rod," the Pandan MP added.

IPR was recently unveiled under Budget 2023 as a multipronged solution to some of the country's most pressing living cost conundrums.

Rafizi said choosing food production as the main driver of the programme would act as both a substitute to expensive food imports and address the scarcity of good-paying jobs.

Malaysia is currently a net-food importer and depends on feed brought in from countries like the US to rear its livestock, making it heavily exposed to a bullish dollar.

Malaysians spent RM55.5 billion on food imports in 2021 alone and there is expectation that last year's food import bill could be higher given the dollar's strength, which peaked against the ringgit at a level last seen during the Asian financial crisis.

Escaping poverty

Rafizi said the IPR's primary goal is to create an "ecosystem" that would enable a long-term income-generating programme for its participants that spans from retail to the entire supply chain.

The programme's three main thrusts are Intan, Insan and Ikhsan. The first will nurture agricultural entrepreneurs who would be trained to grow food. This food will then be supplied as raw ingredients for cooked food entrepreneurs trained under Insan.

Ikhsan's goal would be to train participants for in-demand work that experience labour shortage. Rafizi was less clear about this particular programme, but his ministry suggested that it could involve grooming participants to do jobs usually performed by migrant workers.

Even by a modest estimation (I don't think we need to say using previous example), the Pandan MP suggested a poor family could earn a minimum RM3,000 a month by selling 50 packets of nasi lemak each day, that's RM2,100 more than what a "hardcore poor" family would have earned.

On paper at least, this would catapult the family into the upper percentile of the “bottom 40 per cent”, helping them escape the clutches of poverty.

The Anwar Administration said it would earmark RM750 million for the programme, including RM700 acres of federal land throughout the country designated to be used for farming food. Rafizi said at the launch of IPR today that the government aims to expand the land to 5000 acres, although this will depend on state governments joining the project.

Selangor and Negeri Sembilan, now under Pakatan Harapan rule, have agreed to collaborate. PH is led by PKR, whose deputy president is Rafizi.

If successful, the programme could potentially lift some 126,000 hardcore poor families out of absolute poverty, defined as households earning RM1,900 below. It could also boost PH and Prime Minister Datuk Seri Anwar Ibrahim's standing ahead of crucial local polls in six states, including Penang, Negeri Sembilan and Selangor.

But getting the IPR to succeed will be no easy feat, Rafizi admitted.

Formulating the programme at the policy level was the easy part, he suggested, but the toughest and most important bit would be the execution.

One of the biggest hurdles would be to change a mindset that has been nurtured for decades, such as the preference for a risk-free salaried job and aversion towards the risk that comes with entrepreneurship, which could deter enrollment.

"That is why we need the whole of society to make this a success," he told attendees at the programme's launch.