

## INNOVATIVE APPROACHES IN REDUCING THE COST OF LIVING AMONG B40 GROUP: THE TRANSPORTATION POLICY PERSPECTIVE

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**Abstract:** In Malaysia, the rate of income growth is lower than the price increase. This income inequality contributes to the cost of living in Malaysia. In the 2014 Household Spending Survey, the three most important components of household spending are housing, food and transportation. With this rising cost of living and declining growth rate, it is surmised that low income groups, particularly those with large families in urban areas, feel the pinch. Therefore, this study explored the recent efforts of the Malaysian government through its Ministry of Transportation in reducing the cost of living among B40 group. This study employed a qualitative study where content analysis had been carried out in order to analyse efforts taken by the Ministry of Transportation in reducing the cost of living among B40 group. This study delineated four programs introduced by the Ministry of Transportation in addressing the cost of living among B40 group. It is hoped that the present study would be able to supplement the information to the existing body of knowledge with regard to efforts in mitigating the burden of the cost of living faced by B40 group.

**Keywords:** Cost of living, B40 Group, Transportation Policy, Public Transport

### Introduction

In Malaysia, increase in traffic congestion, air pollution as well as lack of parking space happen due to inadequate public transport and increase in private vehicle ownership. According to Kamba, Riza Atiq and Amirudin (2007), improving the quality of public transportation services is one of the approaches to motivate people to use public transport. They further contended that many countries such as France, Australia, and Canada have discouraged their citizens to use private vehicles by changing their citizens' perception on it.

In Malaysia, one of the reasons why the number of car ownership has risen is because of the growing urban population as well as the increase in the citizens' income (Raja Noriza and Rustam Khairi, n.d). In Klang Valley, public transportation is very essential due to the rapid growth of the socio-economy in that area. Abd Rahim and Nor Ghani (2006) highlighted that in managing the urban area, there is a need for the government to reduce the dependency on private motor vehicles. However, citizens prefer to use private vehicles than public vehicles (Rozmi et al., 2012; Jamilah, 2005; Nadiah Hanani et al., 2015). Hence, there is a need for providers of public transport to charge affordable fares, especially for feeder bus services (Lam Thye, 2017). According to Rozmi Ismail et al. (2012), sound public transportation is characterized as cheap and provide easy access to the users. Among the benefits of using public transport include lower business costs and it helps to lower the society's cost of living (Queensland Government, 2018).

### The Roles of Public Transportation in Mitigating the Cost of Living

Public transport is vital as it can reduce traffic congestion and at the same time achieving economic productivity (Wilkie, 2010). It is the role of government to encourage people to use public transport, as it can reduce the citizens' cost of living (Bernama, 2019). Cascajo et al. (2018) in their study entitled the "Impacts of the economic crisis on household transport expenditure and public transport policy: Evidence of the Spanish case" found that a good transportation policy may limit the use of private cars and at the same time reduce the people's burden of the high cost of living.

They further contended that public transport is one of the household expenditures items and the majority of them are having difficulty in bearing the transportation costs. Hence, there is a need for the government to reduce the burden of the needy by subsidizing the public transportation cost. According to Gannon and Liu (1997), subsidies for public transportation are channeled directly to the needy to reduce the burden of the poor household, especially those who are living in urban areas. In Malaysia, several initiatives were undertaken by the Ministry of Transport to reduce the burden of B40 groups such as My100 and My50 Pass, Gojek, TEKUN Mart Mobile and GoKL.

## **Research Methodology**

This paper reviews relevant literature on initiatives of the Ministry of Transport in reducing the burden of the cost of living among B40 group. Articles from academic journals, newspapers and government websites were employed to organize and elicit meaning from the data collected and to draw realistic conclusions from it.

## **Findings and Discussions**

### **My 100 and My 50 Pass**

My50 and My100 are the monthly travel passes, which provide unlimited travel on all rail and bus services provided by RapidKL. It was launched in January 2019 by the Malaysian government and it benefited more than 120,000 public transport users (2020 BUDGET SPEECH, 2019). Subscription for the passes within Klang Valley can only be done using the MyKad, MyKid and MyTentera document (Tee Ching & Hidir Reduan, 2018). RM100 Unlimited Travel Pass for 30 days is for use on all rail (MRT, LRT, Monorail), BRT, Rapid KL buses and MRT feeder buses. Meanwhile, RM50 Unlimited Travel Pass for 30 days is for use on Rapid KL buses and MRT feeder buses, excluding BRT (MyRapid, 2019).

The government has appointed ten Malaysian athletes as ambassadors of the My100 and My50 unlimited travel passes within Klang Valley since they are the role models for the younger generation, with many followers on Social Medias (Tee Ching and Hidir Reduan, 2018). These passes were introduced to encourage people to use public transport and reduce the burden of citizens due to the high cost of living. In terms of the statistics based on states, 44% of them are from Kuala Lumpur and Selangor, 11% from Perak, 7% from Perak, and 4% from Penang (Carvalho et al., 2019).

### **Gojek**

The Malaysian government intended to allow Indonesia's popular motorcycle e-hailing service, Gojek, to operate in Malaysia. Entrepreneur Development Minister Datuk Seri Mohd Redzuan Yusof contends that specific legislation on governing the e-hailing service needs to be delineated and devised before introducing the service. Countries like Thailand, Vietnam and Indonesia made two-wheel transportation networks a platform to spur the digital economy in their countries. Besides, the two-wheel transportation service should be seen in a wider scope with diversified offerings like food and parcel deliveries and expanded to the digital economy overall (Bernama, 2019). However, the majority of netizen disagree with the government's decision to introduce GoJek. According to polls conducted on BH's Twitter and Facebook pages, 59.5 percent or 8,093 out of 12,651 respondents rejected the idea of implementing the transportation system (Luqman Arif, 2019). It deals with the aspects of security; legal system conflicts, population demographics, industrial disputes and environmental impacts, and some people believed that GoJek is not suitable in Malaysia as it is not in line with the rapid development of Malaysia (Luqman Arif, 2019).

In Kuching, the proposal to bring Gojek to Malaysia brings mixed feelings among local people. Women, especially, want the terms and conditions to be tightened, as they are worried about their safety when using the service (David, 2019). However, consumers have other options if they think motorcycle ride-hailing services like GoJek are not safe (Prime Minister's Office of Malaysia, 2019). In Indonesia, the Gojek riders have threatened to organize a demonstration at the Malaysian Embassy in Jakarta, in protest of an alleged insult to the profession by the founders and advisers of a Malaysian taxi company. According to a viral video in Indonesia, Big Blue Taxi Facilities Sdn Bhd founder and advisor Datuk

Shamsubahrin Ismail made a statement that allegedly mocked Gojek's drivers and Indonesia (Bernama, 2019).

### **TEKUN Mart Mobile**

The Ministry of Entrepreneur Development has launched the TEKUN Mart Mobile to enable people to get daily essentials at 10 to 15 percent lower than market prices. Among the items being sold are like rice, cooking oil, chicken, meat, fish and frozen items. It also represents 40 percent of TEKUN Nasional's products, distributors and marketing agents and the rest are other essential products in the market. TEKUN Mart Mobile can reduce the cost of running a business, as there is no rent for the premises. Besides that, the business locations also can be changed and located in a potential location for sale. TEKUN Mart Mobile will operate by using one and three-ton trucks, operating around Putrajaya and it will be expanded to Bangi, Serdang, Kajang, Kuala Lumpur and Puchong including in the Public Housing Program (PPR) and government offices. The objective is double barrels, which is to help entrepreneurs to sell their products and at the same time reducing the cost of living, especially for B40 group (Suhaila, 2019). However, a Federal Agricultural Marketing Authority (FAMA) had already introduced a similar kind of program to reduce the cost of living. The mart-on-wheels brings essential goods directly to the low and middle income consumers to stave off price increases (New Straits Times, 2014). There were 200 types of products, all of which were from local businesses.

### **GoKL**

GoKL is a free feeder bus service offering a reasonable and economical transport for commuters to travel within the Kuala Lumpur Central Business District (CBD) area. The bus service provides last-mile connectivity by consolidating with other types of public transport (APAD, 2019). The service offers several benefits to users as it can address the problem of traffic congestion and indirectly lowering the cost of living for city folk. These routes target high population density areas, especially the B40 income group (Lim, 2019).

Besides, the Federal Territories Ministry is going to launch more GoKL bus routes to serve high-density areas. At present, five GoKL routes are operating for free in the Klang Valley which are the Green Route (KLCC-Bukit Bintang), Purple Route (Pasar Seni-Bukit Bintang), Red Route (Titiwangsa-KL Sentral Hub), Blue Route (Titiwangsa-Bukit Bintang Hub) and Orange Route (Titiwangsa-Mindef Hub). In order to mitigate the problem of traffic congestion, the government has allocated RM 3 million annually for each bus route. Up until now, about 8450 people had benefited daily from the bus service (New Straits Times, 2019).

The Transport Ministry is in discussion with the Federal Territories Ministry for Kuala Lumpur City Hall (DBKL) to take over the GoKL free bus service to enable the resources to fund public transportation services in other states. GoKL has an average daily ridership of 65,000 passengers with 40 buses servicing its four lines. Based on a survey last year, 60 percent of GoKL users are locals while the remaining 40 percent are foreign workers and tourists (Rosli, 2018).

### **Conclusion**

In the 2014 Household Spending Survey, transportation is one of the three most important components of household spending. B40 group of income has the lowest purchasing power and the majority of them are using public transport in their daily lives. Hence, it is suggested that the government expand its existing initiatives in the public transport sector to reduce the cost of living. The unlimited travel pass should continue as it has a positive impact, especially in reducing the cost of living. It would be better if such facilities were extended to other cities around the country so that more people could feel the government's effort and at the same time will elevate the number of public transport users. Other than that, it is suggested that the government rationalize the subsidy for public transport users by giving benefits to only Malaysians rather than allowing foreigners to enjoy the same privilege.

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