Chapter 6
Micro-Entrepreneurship, Quality of Life and Empowerment

ABSTRACT

The intervention of grassroots development initiatives embedded with microcredit programs have seen the emergence of the relationship between socio-economic development and women empowerment, thus suggesting a solid conceptual link to women's empowerment. This chapter provides a discussion on the quality of life and women empowerment among low-income households in Malaysia. The focus is on how entrepreneurial development initiatives, rolled out by both the government and microcredit/developmental organizations, impact the quality of life and women empowerment of these households.

QUALITY OF LIFE AMONG LOW-INCOME HOUSEHOLDS IN MALAYSIA

Quality of life refers to the complete spectrum of well-being experienced by an individual. This encompasses good physical and mental health, active social life, financial solvency, as well as being satisfied and happy. Also, the individual is observed to be eating well and enjoying good family ties (Kwan, Cheung, Ngan, Ng, Lau, Leung, and Chan, 2003). In a similar context, Lee (2005) conducted a study where he concluded that the major contributory

DOI: 10.4018/978-1-5225-8473-5.ch006

factors towards better quality of life are good physical and mental health, a higher level of satisfaction, problem-free financial status, good family support, and an active social life. Examining in a financial context, both Kwan et al., (2003) and Lee (2005) emphasized having a sound financial status. Yet for low-income households, meeting daily needs and expenses is already a challenge. Therefore, being financially solvent is beyond their sight. Driven by its robust economy and developed infrastructure, Malaysia is now ranked as the region's top emerging economy. Yet one major concern remains, and that is poverty. In this thriving upper middle income nation, pockets of poverty exist and persist in specific geographies and communities where rural and urban households earn less than RM1,000 and RM1,500 per month, respectively (Nor and Azhar, 2016).

Poverty rate in Malaysia is calculated by using quantitative money-metric measures in terms of the poverty line income (PLI). Since 1976, the PLI has been calculated based on the cost of basic needs. Inside the basket of basic needs are education and recreation, transportation and communication, rent, fuel and power, clothing and footwear, as well as healthcare (Zain, 2007). To measure food, the Institute of Medical Research (IMR) develops the food requirements per household, which is based on the daily requirement of calorie intake, currently at 9,910 calories per household of five members. To measure clothing and footwear, the Department of Social Welfare evaluates and provides the minimum requirement. All other items are calculated based on the findings of the Household Expenditure Survey, which assesses the minimum level of expenditure of low-income households (Economic Transformation Programme, 2015; 2018).

Given this, poverty is defined as households whose gross monthly income fall below the mean PLI. On an annual basis, the government adjusts PLI based on the Consumer Price Index (CPI). Taking into account the regional differences in the cost of living, the government provides different PLIs for Peninsular Malaysia, and East Malaysia's Sabah and Sarawak, respectively. The Economic Transformation Programme (ETP) provides two categories of poverty: poor and extreme poverty (Economic Transformation Programme, 2015). Therefore, poor is defined as households whose average monthly income is below the mean PLI: less than RM760 (Peninsular Malaysia), less than RM1,050 (Sabah), and less than RM910 (Sarawak). Whereas hardcore poverty is defined as households whose average monthly income is approximately 60 percent of the mean PLI: less than RM460 (Peninsular Malaysia), less than

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