

**Socio-Economic Impacts
of Covid-19
Movement Control Order (MCO)
on Women's Livelihoods
in Selangor**

Research by

**Siti Kamariah Ahmad Subki, Rusni Tajari,
Nur Hazwani Hussin, Muhammad Hafizz Dzulkifli,
Leoniek Kroneman and Lim Su Lin**

The Covid-19 pandemic is not just a health issue. It is a profound shock to our societies and economies. Women may be particularly affected by the MCO initiated on March 18, 2020. Globally, women constitute 70% of workers in the health and social sectors.¹ In addition, the majority of caregivers, at home and in our communities, constitute women.

The gendered impact of the coronavirus disease 2019 (COVID-19) has so far received limited attention in policies and public health responses to the disease outbreak. There is reason to believe that the effects of the COVID-19, and mitigating measures taken to contain the crisis, will impact women and men differently. In Malaysia, women may be particularly affected by the Movement Control Order (MCO) initiated on March 18, 2020, given their significant representation in the health workforce and social sectors, as well as their role as predominant caregivers, both at home and within communities. Recognizing this is fundamental in order to create effective and equitable policies and interventions.

Beyond issues of sickness and health, the imminent economic slowdown brought about by the COVID-19 outbreak may well have a profound and disproportionate negative effect on women and substantial implications for gender equality, both during the downturn and the subsequent recovery.² First, employment drop related to social distancing measures has a large impact on sectors with high female employment shares. Second, the closure of all schools and daycare centers to control COVID-19 transmission has massively increased childcare needs, with the consequence of limiting work and economic opportunities for working mothers.

In Malaysia, Selangor is the most affected state by the Covid-19 outbreak. As of April 8, 2020, there were 4,119 reported positive cases with 65 deaths across Malaysia. Selangor had the highest number of 800 positive cases. In addition, Selangor has a high female labour force participation rate (about 70%) compared to the national average being about 55%.³

We examined the impact of Movement Control Order (MCO) due to the Covid-19 Pandemic on Selangor women's socio-economic status and livelihoods. The study was conducted in the second week after the MCO was announced (March 27-31). On 25 March 2020 the Prime Minister Tan Sri Muhyiddin Yassin announced a further extension of the MCO amounting to 3 weeks, until April 14, 2020.

¹ World Health Organisation (WHO) (2019). Gender equity in the health workforce: Analysis of 104 countries.

² Alon, Doepke, Olmstead-Rumsey & Terlilt, 2020

³ Breaking Barriers: Toward Better Economic Opportunities for Women in Malaysia, World Bank Group (2019).

An online survey among 442 women in Selangor

We launched an online survey in Bahasa Malaysia, English, Mandarin and Tamil through various social media platforms. The survey comprised 30 questions and took 5 to 10 minutes to complete. A total of 442 women completed the survey within 4 days.

The sample was well distributed across age groups, with a larger representation coming from ethnic Bumiputera groups, households within B40 category (monthly household income below RM 6,180)⁴ and employed divorced women, as compared to publicly available population statistics from the Department of Statistics.

Impact of MCO: Lost income and businesses collapsed

A sizable percentage of respondents had lost their income source due to Covid-19. The results show that 25% of women experienced partial loss of income due to having their employment contracts terminated, being forced to shut down their business or being placed on unpaid leave. Moreover, 43% of women reported to have lost household income due to the MCO. Women from larger households, women with a lower monthly household income and those whose monthly income (partially) relied on daily wages, reported having lost household income due to the MCO more frequently compared to those earning a higher monthly income and whose income did not rely on daily wages. Loss of income was not associated with age, nor with being a single mother. Although to a lesser extent, women with a monthly household income in the M40 category are also affected, as 7% of them is either on unpaid leave or have closed their business, and 12% report having lost household income due to the MCO.

Single mothers were among the worst affected by the MCO. Single mothers, comprising 12% of the sample (55 women), are believed to be particularly vulnerable to the impact of the MCO as a result of their sole breadwinner and primary caretaker status. Results showed that 42% of single mothers had lost (part of) their household income due to having their contract terminated, closing their businesses or being placed on unpaid leave. This exacerbates pre-existing vulnerability, as one quarter of these women had a monthly household income below the poverty line index (< RM 989). About half of the single mothers (45%) reported having nobody else to care for their dependents while they were at work. When asked to evaluate their financial situation, the majority of single mothers (75%) felt that their savings would only last for a maximum of 4 weeks.

Women need greater support for their care responsibilities. The majority of women have dependents (children, elderly, disabled family members) and of these, over one third reported changes of care arrangements due to the MCO. 37% of women had no one else to take care of their

⁴ Department of Statistics, Malaysia, 2016

dependents while working and were forced to juggle professional and care duties due to schools and daycare centers being closed under the MCO. On the other hand, 30% of respondents had a partner/spouse to help take care of the dependents, while others made use of informal (17%) or formal (14%) care.

Selangor Cares Special Stimulus Package bringing relief in the short run

Despite the existence of state-funded stimulus aids, a majority of women who responded to the survey (44%) reported they were unaware of the Selangor Cares Special Stimulus Package's eligibility criteria.

Currently, many of the interventions under the Selangor Stimulus Package are structured as one-off payments. While these "one-off" stimulus instruments may provide relief in the short run, the extent of their long-term benefits must also be evaluated, given that many women are likely to suffer prolonged impacts from the MCO, in terms of job loss and indefinite business closure.

There appeared to be a high level of general optimism among respondents, in terms of their ability to overcome the crisis. However, a large majority harbored doubts over their financial resilience. Single mothers and women whose monthly household income (partially) relied on daily wages reported lower financial resilience. On the other hand, women living in households with a higher monthly income had higher levels of confidence with regards to their financial preparedness.

Access to financial services: key to financial resilience?

Only 25% of women had access to a credit card, 20% could ask for a personal loan and 9% had access to asset backed lending. Three out of five women had no access to any of these financial services. In addition, 14 women reported that either they themselves or their head of household had borrowed money from an *Ah Long* (*illegal loan shark*), while another 7 women were unsure about this. Although these women make up just 5% of the sample, the findings are concerning since such financial arrangements are risky and threaten women's financial security in the long term. Women who felt more financially prepared were those who either had longer-lasting savings, access to a credit card or access to any form of financial service.

Exploring alternative economic opportunities: the crucial value of Internet access

Access to digital business opportunities are in higher demand due to MCO. When asked what type of training they would need to mitigate the economic impact of the MCO, two fifths of women reported needing digital business opportunities training, followed by basic skills training, and job seeking training. It was concerning, however, that over half of all women (53%) reported having no Wi-Fi connection at home. Of the women without access to Wi-Fi at home, 93% fell within the B40 income bracket and 6.4% within the M40 income bracket. Looking at geographic location, the administrative districts of Hulu Selangor and Sabak Bernam had the highest proportions of no access to Wi-Fi at home, 100% and 70% respectively. Connectivity to the Internet is crucial, especially in this time of MCO with increased digitization of work and learning. Having no Wi-Fi

may also limit women's ability to network and promote their businesses on popular online peer-to-peer networking platforms such as WhatsApp, Telegram and Facebook.

Changing Faces of Poverty: Women Falling Through the COVID-19 Cracks

Based on the study results, 43% of the respondents had experienced income loss due to the restrictions of the Movement Control Order (MCO). These findings tally with a recently published survey by the Department of Statistics, which showed that almost 50% of self-employed Malaysians have lost their jobs in the wake of the Covid-19 outbreak and MCO measures to contain the disease.⁵ Taken together, the evidence from both studies reinforces the significant impact that the MCO has had on people's livelihood and socio-economic status.

The enforcement of lockdowns to promote physical distancing within populations has been widely endorsed by countries across the world, as an essential move to aid risk mitigation. However, such precautions are more challenging in developing countries. According to the World Bank, the financial impact of the Covid-19 pandemic is expected to prevent almost 24 million people from escaping poverty in East Asia and the Pacific.⁶ Limited movements also mean less potential to continue or embark upon new economic activities, especially for working women; a situation which gravely impacts their sources of income.

Nearly 60 percent of women around the world work in the informal economy, earning less, saving less, and are at greater risk of falling into poverty due to the ongoing Covid-19 outbreak, based on a UN policy brief on the impact of Covid-19 on gender equality and women's rights.⁷

Even under normal circumstances, women tend to be one of the most vulnerable groups in society even as they also constitute the majority of the informal economy. Now more than ever, with the ongoing health crisis, it is very likely that a majority of women will be socio-economically impacted in unprecedented ways. In the context of the Selangor state, as the study has shown, a particularly vulnerable group of women whose livelihoods have been affected by the MCO are those who had previously managed to sustain themselves and their families without aid, but are now struggling, having lost their sources of income/business. The state government should be prepared to address these emerging "new faces" of poverty, through enacting policy measures aimed at supporting specific vulnerable groups of women in their time of great need.

⁵ MCO: Almost 50% of self-employed Malaysians lost their jobs, <https://www.thestar.com.my/news/nation/2020/04/09/mco-almost-50-of-self-employed-malaysians-lost-their-jobs-survey-finds>

⁶ World Bank, 2020

⁷ https://www.un.org/sites/un2.un.org/files/policy_brief_on_covid_impact_on_women_9_apr_2020_updated.pdf

Based on the study the following policy **recommendations** are proposed.

1. Specific and targeted cash transfers to ensure different marginalized groups are covered such as single mothers and large households.

There are different facets of poverty and women certainly do not constitute a homogeneous group. To ensure that women with various intersectional needs and realities do not fall through the cracks, there is a need to identify vulnerable women groups that would require specific interventions. For example, employed women within the M40 income bracket with a large number of dependents (some with special needs) may have experienced loss of jobs or business closures due to Covid-19 and have now become vulnerable.

2. Coordinated effort across all state departments to ensure availability of gender disaggregated data for crisis response.

Moving forward, there should be a more focused and coordinated effort across all state departments to collect and ensure availability of gender disaggregated data. Understanding the differential economic impact and care burdens faced by women, for example, would require that gender disaggregated data be made available. Availability of gender-experts providing gender lens within critical departments such as Jabatan Kesihatan Negeri for example, would ensure that data related to outbreaks and the implementation of the emergency response are disaggregated for example by sex, age and disability types are provided and analyzed accordingly. This is to understand the gendered differences in exposure and treatment and to design temporary increases in Bantuan Sara Hidup (BSH) benefits for large B40 households and differential preventive measures.

3. Greater cooperation with existing networks of women-led NGOs and civil society organizations that have been actively working with on-the-ground communities and have in-depth knowledge of women's specific needs. By getting their assistance to develop and plan for COVID-19 mitigation strategies, the state would ensure that women's needs are equitably and effectively met. In the long term, this approach would also pave the way for greater equal voice for women in decision making in the response and long-term impact planning to mitigate the effects of COVID-19 and its containment measures.

4. More targeted capacity building training for women to build economic resilience.

Develop mitigation strategies that specifically target the economic impact of outbreak on women as highlighted in the study. For example, with regards to expanding opportunities for women to leverage digital business platforms and providing incentives for B40 women to have stable WIFI connections in order to embark on more serious e-business ventures. At the same time, to develop recovery solutions to support women-owned small and medium businesses that may have been negatively impacted by the outbreak. Specifically, to focus on developing programmes that build women's economic resilience to face the current outbreak and future shocks, so that they may have the resources needed for themselves and their families.

5. Boost access to financial services and financial literacy for women.

Inclusive finance strives to enhance access to and usage of financial services for all segments of society including women. Beyond having a bank account, allow open and favorable lines of credit to women entrepreneurs, such as access to credit and cash flow management tools

and credit cards, which are also useful for online business purchases. Knowing how to better manage cash flows may also contribute to building confidence and financial resilience. A more coordinated approach with other banking providers and intermediaries to develop a comprehensive offering not only for large and medium-sized enterprises, but also micro-and small businesses, where women entrepreneurs are relatively more represented.

6. Dependents' care support especially for frontliners and workers of essential services.

In the face of closure of schools and childcare facilities, there is a need to provide mechanisms to support women to continue engaging in paid work whilst providing care for children and other dependents at home. Children, elderly and the disabled are always the most vulnerable in any situation. During times of isolation and quarantine, they continue to need safe access to nutritious food, basic supplies, medicine to support their physical health and social care. It is crucial to support through paid work all health and social care workers equally and give special attention to those who provide nursing and social care services for them.

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Institut Wanita Berdaya (IWB) Selangor
D3-6-1 first floor, Dana 1 Commercial Centre
Jalan PJU A1/46, 47301 Petaling Jaya, Selangor

www.iwbselangor.org.my
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