

**RECIPIENT WELFARE EMPOWERMENT  
AND SUSTAINABLE PRODUCTIVE WELFARE IN  
THE STATE OF SELANGOR**

**JAYAMALAR JAGANATHAN**

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## **ABSTRACT**

Participation in productive welfare programmes provide opportunities to welfare recipients in Malaysia to enhance their entrepreneurial skills as a form of self-employment for individual empowerment and financial sustainability without depending on welfare aid. The challenges for the government however, lies in sustaining the awareness and interest level of welfare recipients to ensure sustainable participation in the productive welfare programmes for their empowerment and self-sufficiency. Hence, this study aims at measuring the perceived attributes namely, relative advantage, compatibility, complexity, observability and trialability as well as its effect on participation, adopter-category group and the empowerment nature of the programme participants.

A total of two hundred and sixty-six (266) productive welfare participants were selected non-randomly from all eleven districts in Selangor to assess their effect of participation in productive welfare using Roger's Model of Diffusion of Innovation (DOI). This quantitative study used SPSS for descriptive statistics and AMOS Structural Equation Model (SEM) to analyse the relationships between variables to investigate the contribution of the five dimensions of perceived attributes that influenced participation and adopter-category for the nature of empowerment outcomes among the participants. The results of this study showed that, among the unique predictors for perceived attributes, trialability is the only factor that indicated significant contribution in improving


the psychological empowerment among productive welfare participants, whereas compatibility, trialability and participation have significantly contributed in predicting economic empowerment. The adopter-category was not a moderator between perceived attributes and empowerment outcomes. Relative advantage and compatibility had a mediating effect of participation between perceived attributes and psychological empowerment whereas only relative advantage had a mediating effect on economic empowerment. Summarily, the significance of this study suggests that there is a relationship between perceived attributes, participation and adopter-category in affecting the sustainability of productive welfare. Finally, this study provides practical recommendations to programme participants, policymakers and practitioners of social work to improve the programme according to adopter-category and viable strategies that can further help increase the nature of empowerment of the participants in adding values to the governments productive welfare programme.

**Keywords:**

Productive welfare, perceived attributes, participation, adopter-category, empowerment outcomes, Roger's Model of Diffusion of Innovation (DOI)

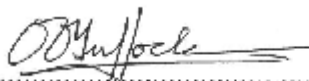
APPROVAL PAGE


I certify that I have supervised /read this study and that in my opinion it conforms to acceptable standards of scholarly presentation and is fully adequate, in quality and scope, as a thesis for the fulfilment of the requirements for the degree of Doctor of Philosophy.

  
.....  
Assoc Prof Dr Asnarulkhadi Abu Samah  
University Putra Malaysia  
Supervisor


  
.....  
Dr Haris Bin Abd Wahab  
Universiti Malaya  
External Examiner 1

  
.....  
Dr Haslindar Ibrahim  
Universiti Sains Malaysia  
External Examiner 2

  
.....  
Dr Oo Yu Hock  
Asia e University  
Internal Examiner

  
.....  
Prof. Dr Siow Heng Loke  
Asia e University  
Chairman, Examination Committee

This thesis was submitted to Asia e University and is accepted as fulfilment of the requirements for the degree of Doctor of Philosophy.

  
.....  
Assoc Prof Dr Wan Sabri Bin Wan Hussin  
Dean, School of Management

  
.....  
Prof Dr Siow Heng Loke  
Dean, School of Graduate Studies

## DECLARATION

I hereby declare that this thesis submitted in fulfilment of the PhD degree is my own work and that all contributions from other persons or sources are properly and duly cited. I further declare that the material has not been submitted either in whole or in part, for a degree at this or any other university. In making this declaration, I understand and acknowledge any breaches in this declaration constitute academic misconduct, which may result in my expulsion from the programme / or exclusion from the award of the degree.

Name of Candidate: Jayamalar Jaganathan

Signature of candidate:

Date:



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## TABLE OF CONTENTS

	<b>Page</b>
<b>ABSTRACT</b>	<b>ii</b>
<b>APPROVAL PAGE</b>	<b>iv</b>
<b>DECLARATION PAGE</b>	<b>v</b>
<b>ACKNOWLEDGMENT</b>	<b>vii</b>
<b>LIST OF TABLES</b>	<b>xiii</b>
<b>LIST OF FIGURES</b>	<b>xv</b>
<b>ABBREVIATIONS</b>	<b>xvii</b>
<b>CHAPTER</b>	
<b>1.0 INTRODUCTION</b>	
1.1 Introduction	1
1.2 Research Background	1
1.3 Problem Statement	8
1.4 Research Objectives	16
1.5 Research Questions	17
1.6 Research Hypothesis	18
1.7 Significance of Research	19
1.8 Operational Definitions of Terms	
1.8.1 Perceived Attributes	23
1.8.2 Adopter-Category	25
1.8.3 Participation	26
1.8.4 Psychological Empowerment	27
1.8.5 Economic Empowerment	28
1.9 Scope and Limitations of Study	29
1.10 Organisation of Thesis	31



	<b>Page</b>
<b>2.0 LITERATURE REVIEW</b>	
2.1 Introduction	33
2.2 Concept of Productive Welfare in Malaysia	34
2.3 Theoretical Perspectives of Welfare Reform	40
2.3.1 The Social Democratic Perspective	44
2.3.2 The New Right Perspective	50
2.3.3 The Third Way Perspective	56
2.4 Emergence of Welfare Reform Models in Selected Countries	63
2.4.1 Euro-American Welfare Model	64
2.4.2 East Asian Welfare Model	70
2.5 Development of Social Innovation for Behaviour Change	73
2.6 Social Innovation in the Public Sector	80
2.7 Productive Welfare as a Process of Individual Behavioural Change	83
2.8 Theories on Behavioural Change for Welfare Reform	86
2.8.1 Social Cognitive Theory	89
2.8.2 Theory of Reasoned Action and Theory of Planned Behaviour	93
2.8.3 Rogers Diffusion of Innovation (DOI) Theory	101
2.8.3.1 Process of Diffusion and Adoption	102
2.8.3.2 Factors Influencing Adoption of Innovation	103
2.8.3.3 Category of Adopters	109
2.8.3.4 Innovation-decision Process	114
2.8.3.5 Limitations of DOI Theory	129
2.9 Participation as a Medium of Empowerment	131
2.10 Individual Empowerment as an Outcome of Participation	138
2.10.1 Individual Psychological Empowerment	145
2.10.2 Individual Economic Empowerment	150

	<b>Page</b>	
2.11	Challenges to Conceptualising and Evaluating Empowerment	153
2.11.1	Empowerment as a Process	154
2.11.2	Empowerment as Context-specific	158
2.12	Summary of Gaps in Literature	159
2.13	Conceptual Framework of Study	165
2.14	Summary	172
<b>3.0</b>	<b>METHODOLOGY</b>	
3.1	Introduction	173
3.2	Research Design	173
3.3	Population and Location of Study	176
3.4	Sample Size	178
3.5	Instrument Development	181
3.5.1	Measuring Perceived Attributes	187
3.5.2	Measuring Participation	189
3.5.3	Measuring Empowerment Outcomes	
3.5.3.1	Psychological Empowerment	190
3.5.3.2	Economic Empowerment	190
3.5.4	Measuring Adopter-Category	192
3.6	Pilot Study	193
3.7	Exploratory Factor Analysis (EFA)	195
3.8	Field Study	204
3.9	Ethics Consideration	206
3.10	Confirmatory Factor Analysis (CFA)	208
3.10.1	Unidimensionality	218
3.10.2	Convergent Validity	220
3.10.3	Construct Reliability	220
3.11	Measurement Model	224

	<b>Page</b>	
3.12	Assessing Normality	228
3.13	Testing Moderation Effect	230
3.14	Testing Mediation Effect	232
3.15	Summary	234
<b>4.0</b>	<b>RESULTS</b>	
4.1	Introduction	235
4.2	Profile of Respondents	236
4.3	Descriptive Analysis on Level of Individual Items of Constructs For Perceived Attributes	240
4.4	Group Analysis on Level of Perceived Attributes, Participation, Adopter-Category and Empowerment Outcomes	253
4.5	ANOVA Analysis	270
4.6	Correlation Analysis	275
4.7	Regression Analysis	280
4.8	Structural Equation Modelling – Moderating Effect	289
4.9	Structural Equation Modelling – Mediating Effect	297
4.9.1	Mediating Effects of Participation between Perceived Attributes and Psychological Empowerment	289
4.9.2	Mediating Effects of Participation between Perceived Attributes and Economic Empowerment	303
4.10	Findings of Study	308
4.11	Summary	313
<b>5.0</b>	<b>SUMMARY, CONCLUSIONS AND IMPLICATIONS</b>	
5.1	Introduction	315
5.2	Summary	315
5.3	Discussion of Main Findings	318

	<b>Page</b>	
5.4	Significant Implications of Study	
5.4.1	Theory and Concept	327
5.4.1.1	Concept of Empowerment	327
5.4.1.2	Concept of Participation	330
5.4.1.3	Concept of Adopter-Category	332
5.4.1.4	Concept of Perceived Attributes	334
5.4.2	Managerial Practice	336
5.4.2.1	Increasing Levels of Self-efficacy of Welfare Clients	337
5.4.2.2	Implementation of Microcredit Financing and Microenterprise Programmes	341
5.4.2.3	Sensitizing Case Workers of Individual Empowerment as a process	347
5.4.2.4	Sensitising Case Workers of Individual Empowerment as an Outcome	350
5.4.2.5	Enhancing the Role of Case Workers as Facilitators	354
5.4.2.6	Effective Monitoring of Change Practices	359
5.5	Lessons Learnt and Recommendations	
5.5.1	Selection of Participants for the Programme	366
5.5.2	Duration of Programme	366
5.5.3	On-Going Evaluation of Programme	367
5.5.4	Networking with NGO's, Inter-governmental Agencies And Microfinance Organisations	369
5.6	Shortcomings of Study	372
5.7	Signpost for Future Research	374
5.8	Conclusion	376

## **REFERENCES**

## **APPENDICES**

## LIST OF TABLES

<b>Table</b>	<b>Page</b>	
2.1	Summary of the Different Theoretical Model	43
2.2	Difference between Two Main Adopter-Categories	113
2.3	Comparative Analysis: Participation as Means vs. End	137
3.1	Study Population of Productive Welfare Participants in Selangor	178
3.2	Recommended Sample Size by Hair (2010)	181
3.3	Cronbach Alpha Level Achieved for Pilot Test	195
3.4	Number of Items and Cronbach Alpha Pre/Post Pilot Test	204
3.5	Fitness Index Category and Criteria for Fit Indexes	219
3.6	Confirmatory Factor Analysis (CFA), AVE and CR for Construct Validity	222
3.7	Assessment of Normality	229
4.1	Profile of Respondents for Study	239
4.2	Level of Relative Advantage	242
4.3	Level of Compatibility	243
4.4	Level of Trialability	244
4.5	Level of Complexity	245
4.6	Level Of Observability	246
4.7	Level of Participation	248
4.8	Level of Psychological Empowerment	250
4.9	Level of Economic Empowerment	252
4.10	Level of Relative Advantage	255
4.11	Level of Compatibility	257
4.12	Level of Trialability	258
4.13	Level of Complexity	260
4.14	Level of Observability	262
4.15	Level of Participation	264
4.16	Level of Psychological Empowerment	266
4.17	Level of Economic Empowerment	268

<b>Table</b>	<b>Page</b>
4.18 Frequency Score of Adopter-categories	270
4.19 ANOVA Test in Adopter-category on Perceived Attributes	274
4.20 Relationship between Independent Variables and Dimensions of Empowerment	280
4.21 Unstandardised and Standardised Regression Weight in the Hypothesised Path Model	283
4.22 Results of Moderation Test of Adopter-Categories on the Relationship between Predictors and Psychological Empowerment	294
4.23 Results of Moderation Test of Adopter-Categories on Relationship between Predictors and Economic Empowerment	295
4.24 Standardised Regression Weights for <i>a</i> and <i>b</i> Paths for Psychological Empowerment	300
4.25 Results of the Indirect Effect of Test of Significance Based on Bootstrap Bias-corrected 95% Confidence Interval for Psychological Empowerment	300
4.26 Standardised Regression Weights for <i>a</i> and <i>b</i> Paths for Economic Empowerment	305
4.27 Results of the Indirect Effect of Test of Significance Based on Bootstrap Bias-corrected 95% Confidence Interval for Economic Empowerment	305
4.28 Summary Results of Hypothesis Testing	309
5.1 Causes of Poverty and Potential Welfare Reforms	317

## LIST OF FIGURES

<b>Figure</b>	<b>Page</b>
2.1 The Three Phases of Individual Transition	84
2.2 Lewin's Driving and Restraining Forces for Behavioural Change	85
2.3 Reciprocal Determinism of Human Behaviour Change	91
2.4 The Behavioural Process in the Theory of Reasoned Action	95
2.5 Psychological Variables that Influence Individual Behaviour Theory of Planned Behaviour (TPB)	96
2.6 Summation of SCT and TPB in Relation to Individual Behaviour Process of Change	98
2.7 Decomposed Theory of Planned Behaviour (DTPB)	100
2.8 Factors Affecting the Innovation Diffusion or Adoption Process	106
2.9 The Diffusion of Innovation Adoption Curve	108
2.10 Hypothesised Distribution of Adopter-categories Within a Typical Typical Population	111
2.11 Five Stages of Rogers Innovation-Decision Process Model	115
2.12 Simplified Version of Rogers Stages in Innovation- decision	116
2.13 The Bass Forecasting Model Used in Diffusion Research	125
2.14 A Framework to Measure Economic Empowerment	152
2.15 Gaps in the Literature	159
2.16(a) Conceptual Framework of Study Based on Dimensions Identified	166
2.16(b) Theoretical Framework Based on Literature Review	167
3.1 Conceptual Difference between Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA)	198
3.2 Hypothesised Framework and Path Diagram After Exploratory Factor Analysis	214
3.3 Two-Stage Model Used in This Study	215

<b>Figure</b>	<b>Page</b>
3.4 First Order Constructs for Perceived Attributes	217
3.5 Measurement Model of Study	227
3.6 Moderator Model	230
3.7 Moderation Relationship Between Variables	232
3.8 The Statistical Representation of the Indirect Model	233
4.1 Structural Model to Explain the Level of Prediction of Empowerment Constructs by Dimensions of Perceived Attributes and Participation Constructs	282
4.2 Structural Model to Explain Moderation Effect on the Relationship between Predictor Variables and Empowerment Outcomes	290
4.3 Structural Model to Explain Mediation Effect on the Relationship between Predictor Variables and Psychological Empowerment	299
4.4 Structural Model to Explain Mediation Effect on the Relationship between Predictor Variables and Economic Empowerment	304
5.1 The ADKAR Model of Change	349
5.2 Hiatt's Phases of Change for Individuals	351
5.3 The Change Acceleration Process Model	362
5.4 Threat versus Opportunity Matrix	363
5.5 Concept of Networking with Interrelated Agencies and NGOs	371



## ABBREVIATIONS

AVE	-	Average Variance Extracted
CB	-	Compatibility
CFA	-	Confirmatory Factor Analysis
CI	-	Confidence Interval
CR	-	Construct Reliability
CX	-	Complexity
DOI	-	Diffusion of Innovation Theory
DTPB	-	Decomposed Theory of Planned Behaviour
EC	-	Economic Empowerment
EFA	-	Exploratory Factor Analysis
ETP	-	Economic Transformation Programme
FA	-	Factor Analysis
GTP	-	Government Transformation Programme
KPI	-	Key Performance Index
LIH	-	Low Income Household
Ministry	-	Ministry of Women Affairs Family and Community Development
NEM	-	New Economic Model
NKRA LIH	-	National Key Results Areas- Low Income Household Programme
NKRA	-	National Key Results Area
OB	-	Observability
PBC	-	Perceived Behaviour Control
PCA	-	Principle Component Analysis
PLI	-	Poverty Income Line
PE	-	Psychological Empowerment
PRWORA	-	Personal Responsibility and Work Opportunity Reconciliation Act 1996
PT	-	Participation
RA	-	Relative Advantage

SCT	-	Social Cognitive Theory
SEM	-	Structural Equation Modelling
SOP	-	Standard Operating Procedure
SWD	-	Social Welfare Department
TANF	-	Temporary Assistance to Needy Families
TB	-	Trialability
TPB	-	Theory of Planned Behaviour
TRA	-	Theory of Reasoned Action

# **CHAPTER 1**

## **INTRODUCTION**

### **1.1 Introduction**

This chapter provides an introduction to the scope of this thesis. It is divided into ten sub-sections. Following the introduction section in (1.1), section (1.2) presents issues related to the research background, section (1.3) specifies the problem statement, section (1.4) outlines the research objectives, section (1.5) identifies the research questions formulated to achieve the research objectives and the research hypothesis are presented in section (1.6). The significance of this research is described in section (1.7) while section (1.8) outlines the operational definitions of terms used. Section (1.9) briefly discusses the scope and limitations of this study while section (1.10) outlines the overall structure of the chapter by summarising the organisation of this thesis.

### **1.2 Research Background**

The development and on-going welfare reforms initiated by governments particularly in industrialised countries have created serious debates among social scientists, policymakers and citizens as to whether social-welfare policies actually help to reduce poverty. There are two views to the polemic of social welfare provisions. The conventional view supports social welfare provision as it is believed to reduce poverty and empower recipients economically. The more radical view on the other hand, claims that such programmes create a culture of dependence on the state and disempowers the recipients in the long run. However, the research findings of a cross-national assessment

conducted by Lane Kenworthy of East Carolina University in September 1998 across fifteen affluent industrialised nations in Europe over the period 1960-1991 strongly supported the conventional view that social-welfare programmes indeed do help in reducing poverty. In fact, nations with more generous social-welfare policies since 1960s tended to have lower rates of poverty by the early 1990s (Kenworthy, 1999).

The evolution of welfare reforms in modern social welfare services have undergone three distinctive periods in history (Pierson, 1996). In the early and mid-nineteenth century during this era of liberal and democratic idealism particularly in North America, western and central Europe, states provided a variety of social insurance schemes mainly pensions for the aged, developed various institutions to care for the mentally ill, disabled, promoted public health to ward off epidemics and expanded public education to improve the quality of life of the poor. In the second phase between 1870s and the 1920s, the United States together with Great Britain, Germany, Sweden, Denmark, Austria and France introduced various liberal reforms emphasising on public health, issues of health and safety in workplaces, protection of child labour as well as social insurance schemes to cover industrial accidents, unemployment, illness and disabilities. The third phase began with the Great Depression of 1930s, when 'The New Deal' programme focused on "3Rs" which concentrated on relief, recovery and reforming of the economy and financial system by which the government was the largest provider of employment. This reform was later adopted by most western and central Europe in the wake of World War 2 (1939-1945). However, in late 1990s and early 2000s, with the growing ageing population in the developed nations who were less able

to contribute to the development of the state, some critiques of the welfare state suggested that another phase of modern social welfare history is imminent (Theda, 1995). This evolution of the new phase in welfare reforms in the developed countries were classified by scholars into three main theoretical perspectives.

The first perspective, The Social Democrats viewed poverty as the result of persistent or intergenerational poverty due to the lack of the state's commitment to provide the minimum standard of living and social support to the poor. The predicaments faced by the poor are not their own doing but due to the defects in the economic and social structure existing in the society such as lack of opportunities and experiences of repetitive failures (Glass, 1982). Thus it is the obligation of the state to hand-out welfare aid to guarantee an individual or families with minimum income to narrow the disparities between the poor and rich and to meet certain contingencies such as sickness, old age and unemployment that can contribute to family crises (Briggs, 1961; Lowe, 1993; Giddens, 1998; Handler, 1995; Street, 1998).

The second perspective, The New Right views that redistributive programmes of providing monthly financial aid foster dependency on benefits from the government and creates a 'culture of dependency' which in some cases leads to intergenerational poverty that discourages people from leaving the welfare roll to seek employment or indulge in business ventures (Anderson, 1978; Butler and Kondratas, 1987; Lee, 1987; Mead 1986 and Murray, 1984). They oppose government's human capital development as they believe there is little evidence that training programmes provide the necessary skills to

ensure financial sustainability to welfare clients. Governments should focus on work ethics and mandatory work-first programmes (Smith, 1998; Kaus, 1995; Musgrave, 1991).

The third perspective, The Third Way perspective believes that in exchange for public assistance, the government should impose demands on welfare recipients like time limits for welfare aids as well as firmly guide them towards responsibility and active participation in work force or self-employment through entrepreneurial programmes for long term self-sufficiency and financial sustainability (Friedman and Friedman 1980; Browning and Johnson, 1984; Lee, 1987; Lindbeck, Molander, Perrson and Thygesan, 1994; Okun 1975; Tullock 1991; Alesina and Perotti, 1997). This model proposes that the state should function as an 'enabling state' and invest in human capital and social support services (Giddens, 1998; Gilbert, 1995; Gutmann and Thompson, 1996; Midgley, 1999).

Although the debate on the benefits of social-welfare policies has been on-going since the last thirty years, recent studies on welfare reforms in developed countries prove that there is a positive outcome in welfare provisions as they empower individuals to become self-sufficient, increase positive empowerment outcomes and improve the quality of life and subjective well-being (Diener and Biswas-Diener, 2005; Narayan, 2005). Such experiences through the implementation of social innovations in the form of new empowerment programmes serve as a positive change agent and foster resilience in individual welfare recipients as they work to meet and overcome unfamiliar and difficult

challenges, often resulting in personal growth. Therefore, increased attention has to be paid by the government to promote positive developmental programmes that can enhance empowerment of the poor to improve their quality of life (World Bank, 2004).

Malaysia, like other developing countries, is experiencing a demographic transformation which will impact on the lifestyle, family and community structures. In line with the current debate on efficacy of social welfare aid in empowering the poor to improve their quality of life, Malaysia has adopted the Third Way perspective and embarked on its mission to attain Vision 2020 to become a developed country by creating a framework to reduce incidence of poverty from 3.8% in 2009 to 2.0% in 2015 and improve income inequalities by reducing the Gini coefficient from 0.441 in 2009 to 0.420 in 2015 (UNDP Country Report for Malaysia 2013-2015 dated 27 July 2012). As a way forward, various development policies and strategies have been formulated and translated into programmes and activities to ensure that the poor has access to these development programmes and enjoy a better quality of life. In response to this transformation, the government has put in place the national social policy and its plan of action gearing towards a balanced and holistic approach in enhancing societal development. One of Malaysia's main strategies for the poor is enhancing lifelong empowerment of the individual, strengthening social support systems and promoting social inclusion and integration into society as proposed by The Third Way Model.

The Social Welfare Department (SWD), an agency under the Ministry of Women, Family and Community Development (Ministry), was given the mandate to

improve the quality of life of welfare recipients through empowerment programmes. SWD in its efforts to reform the welfare system had introduced productive welfare as a social innovation (new idea) in 2008 as an entrepreneurship or self-employment programme to improve the quality of life of welfare recipients. The initial programme included the disbursement of grants amounting to RM2,700 per client to welfare recipients on an individual basis or in community groups for entrepreneurial activities as a form of self-employment. In 2010, these productive welfare programmes were further expanded by incorporating 1 AZAM programme which provides business equipment to individual welfare clients to venture into entrepreneurship activities. These new welfare reform strategies introduced in 2010 known as the Government Transformation Programme (GTP) was deeply rooted in the motto of 1 Malaysia “People First, Performance Now’. The GTP outlines six strategies or National Key Results Areas (NKRA) which includes raising living standards of Low Income Households (LIH); strategic economic reforms via the New Economic Model (NEM); the 12 Key Economic Areas of the Economic Transformation Programme (ETP) and the Tenth Malaysia Plan (2011-2015). These economic pillars were aimed at propelling Malaysia to advanced nation status emphasising inclusiveness and sustainability (Ministry of Women, Family and Community Development, 2011). This NKRA-LIH is a transformation programme to eradicate extreme poverty and lift the poor from the cycle of poverty to financial self-sufficiency (Economic Planning Unit, Prime Minister’s Office, 2011).

Welfare services in Malaysia are provided by the SWD currently under the Ministry of Women, Family and Community Development (Ministry). The main target