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Fatimah-Salwa Abd. Hadi, Choong Foon Yin & Mohamad Azahari Ahmad

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Impact of the Covid-19 Pandemic on Food Expenditure in Perak

Fatimah-Salwa Abd. Hadi[1], Choong Foon Yin[2] & Mohamad Azahari Ahmad[3]

[1]Faculty of Management and Economics, Universiti Pendidikan Sultan Idris, 35900 Tanjung Malim, Perak, Malaysia, [2]Sekolah Jenis Kebangsaan (Cina) Chung Hwa 'P', Jalan Damai Off Jalan Ampang 55000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia, [3]Shariah Compliance Unit, National Co-operative Movement of Malaysia Wisma Ungku A. Aziz, Jalan SS6/1, 47301 Kelana Jaya, Petaling Jaya, Selangor, Malaysia
Email: fatimahsalwa@fpe.upsi.edu.my

Abstract

This study was conducted to analyze food expenditure in Perak in line with the enforcement of the Movement Control Order (MCO) due to the Covid-19 pandemic. Therefore, this paper focuses on three main objectives. The first objective: to identify the changes in income of B40, M40 and T20 groups in Perak due to pandemic, second: to identify the food purchasing options for these three groups, third: to analyze food expenditure before and during the pandemic. The questionnaire was used as a research instrument and distributed through a Google Form link. A total of 495 people were selected as respondents through the snowball sampling technique. Descriptive analysis showed that the majority of respondents consisting of B40, M40 and T20 experienced a decline in income. The findings of the study also proved that the majority of B40 preferred to buy not- ready-to-eat food, while the majority M40 and T20 chose to get ready-to-eat food as their main preferences. Meanwhile, the average monthly food expenditure for B40 and M40 showed an increase while T20 experienced a decrease during pandemic. In conclusion, food expenditure in the state of Perak has experienced changes due to the pandemic. These changes are driven by many factors including the changes in household income, the changes in household preferences, the sales of various types of food at reasonable prices especially during the pandemic. The implications of the study highlighted the importance of financial management for household specially to face economic uncertainty. This is important to ensure that the household particularly in Perak have the ability to manage their expenditure by giving the priority to get basic needs of life including food as compared to their unlimited wants.
Keywords: Covid-19 Pandemic, Food Expenditure, Ready-To-Eat Food, Not-Ready-To-Eat Food, Financial Management

Introduction

The diversity of races and cultures in Malaysia has led to the existence of various types of food which considered as an important basic need for people. In fact, food is able to unite

people and also become one of the important economic drivers in this era (Ho, 2020). According to Hamid (2018), Perak is considered as a state which has unique and various types of food in every district. These specialties are able to attract more local and international tourists to come and enjoy the food. In consequence, there are many job opportunities can be offered to the local community which directly contribute to the sustainable development. According to Mohamed (2021), various efforts are being made in order to expand the food industry after realizing its potential in Perak. These include creating a collaboration between Tourism Perak Malaysia and Belia, Sukan, Komunikasi dan Multimedia Perak (BSKM) to produce short videos themed on food in Perak, introducing food entrepreneurs and promoting their products and others. As a result, the demand and supply of food in Perak either in the form of ready-to-eat or not-ready-to-eat are increasing over time. Monthly household food expenditure is increasing substantially driven by various factors including increase in income, stable food prices, variety of food choices, promotion and others.

Nevertheless, the government of Malaysia chose to implement the Movement Control Order (MCO) due to the Covid-19 pandemic effectively started on 18 March 2020. The main purpose of MCO implementation was to increase social distancing and reduce the transmission of the virus. The MCO was extended several times depending on the current situation, switched to either the Conditional Movement Control Order (CMCO), the Recovery Movement Control Order (RMCO) or the Enhanced Movement Control Order (EMCO). At last, Malaysia has begun the transition to an end endemic phase of COVID-19 effective on 1 April 2022. Therefore, the pandemic eventually has changed the demand and supply of goods especially on food. Wan Ismail (2020) further explained that the pandemic also has affected the income of many people. Some of them might only get half wages and even worst lost their jobs.

In order to deal with this situation, Nawawi (2020) explained that the government and non-governmental organizations play the important roles to ensure that all people regardless of their income level could survive. Among initiatives given include allocating the financial assistance for the needy, distributing the basic food like rice, eggs, oil, flour, sugar and so on, giving moral support and advisory services, offering the hand to help those affected by this pandemic and many more.

Despite experiencing the pandemic, which group of households especially in Perak was most affected due to pandemic cannot be ascertained. Furthermore, the changes in food preferences especially during pandemic cannot be identified. In addition, the changes in food expenditure before and after pandemic was also not clearly known. Therefore, this paper focuses on three main objectives. The first objective: to identify the changes in income of bottom 40% (B40), middle 40% (M40) and top 20% (T20) groups in Perak due to pandemic, second: to identify the food purchasing options for these three groups, third: to analyze food expenditure before and during the pandemic.

Literature Review
Food is an important element for human to live. They need food not only to ensure good health, even the lack of it can cause death. In general, Yin & Abd. Hadi (2021) divided food into two: ready-to-eat and not-ready-to-eat. Ready-to-eat food refers to specific food that is ready to be eaten directly or requires only minimal process to prepare it. Meanwhile, not-ready-to-eat means the food that contains raw ingredients and needs to be cooked properly.

According to Kumar et. al (2020), there were many factors that can influence food demand. These include ethnic group, family size, age of household head, access to information such as television and telephone, remittances, household income, reading ability, having own crops and livestock, having land cultivated for agriculture, working mother, access to crop irrigation, increased wage rates, access to paved roads, house location and also population density. Religious factors also affected household demand for food (Khan & Kirmani, 2018). Although there were few studies that focus on these aspects, there were also studies that have been carried out to analyze to what extent these factors affect household expenditure. However, Aruan and Wirdania (2020) only studied to what extent the religious factor influenced the purchase of clothing.

In general, empirical studies that focus on food expenditure were few and limited even though food is considered as an important basic need of live. This includes the findings of Kirkpatrick and Tarasuk (2003) showed that low-income households spend less money on ready-to-eat food purchased from restaurants or stores than those with high income. In addition, the findings of McIntyre et al (2001) revealed that women and children with low incomes in the Atlantic Region had a low opportunity to spend on foods containing calcium, vitamins A and D and folate.

The study of Ismail et. al (2021) had analyzed food expenditure based on kifayah limits in the era of the Covid-19 pandemic. The findings of the study show that the average (daily) expenditure on food and drink is RM4.07 for breakfast, RM8.18 for lunch, RM2.06 for afternoon tea, RM6.11 for dinner and RM1.69 for late night meal (supper). Hence, total average expenditure on food and drinks to be around RM551.33 per month. That particular study only involved the pre-graduate students at Universiti Sains Islam Malaysia (USIM). Meanwhile, this study focuses on the analysis of food expenditure in Perak particularly among B40, M40 and T40 groups that are rarely given attention.

Methodology
This study used quantitative method and involved respondents who are residents of Perak which considered as the heads of household and working in any sectors. They were chosen because they have the necessary information regarding their respective household expenditures. A total of 495 people were selected as respondents which selected through the snowball sampling technique. Specifically, 169 respondents were B40, 173 were M40 and 153 wereT20. The questionnaire was used as a research instrument and distributed via Google Form link. Descriptive analysis was used to analyze the data.

Findings
Respondent Profile
A total of 495 respondents were involved in this study. The majority (93.53 percent) of respondents were male while the rest were female. A total of 15.76 percent respondents were aged between 56 to 60 years old and 22.42 percent were aged 41 to 45 years old. Furthermore, 7.28 percent of the respondents were classified as single parents since they were divorced or their spouses died. Almost 45 percent of respondents were Muslim and some of them have no religious belief but the number was small (0.41 percent).

Table 1
Profile of Respondents

Information	Category	Total	
		Frequency (n = 495)	Percentage (%)
Gender	Male	463	93.53
	Female	32	6.47
Age	41 – 45 years old	111	22.42
	46 – 50 years old	104	21.01
	51 – 55 years old	98	19.80
	56 – 60 years old	78	15.76
	61 years old and above	104	21.01
Marital Status	Married	459	92.72
	Divorced	36	7.28
Religion	Islam	222	44.85
	Buddha	121	24.44
	Hindu	141	28.48
	Christian	9	1.82
	Others	2	0.41
Highest Level of Education	SPM or equivalent	176	35.55
	STPM or equivalent	143	28.88
	Degree	156	31.51
	Master's Degree	17	3.43
	Doctor of Philosophy	3	0.63
Employment	Government	279	56.36
	Private	88	17.79
	Family	61	12.32
	Self	67	13.53
Income Category	B40	169	34.14
	M40	173	34.94
	T20	153	30.92
Dependents (persons)	3	56	11.31
	4	127	25.66
	5	183	36.97
	≥ 6	129	26.06
Residential Location	Urban	275	55.55
	Suburbs	91	18.38
	Rural	129	26.07

In terms of education, all respondents received formal education at various levels. 35.55 percent of them have an education level at the Sijil Pelajaran Malaysia (SPM) or equivalent and 31.51 percent have their Bachelor's Degree. There were also respondents who have Master's Degrees (3.43 percent) and Doctorate of Philosophy (0.63 percent) even though the

number was small. In addition, all respondents were working in several employment sectors. While the majority of respondents work in the government sector (56.36 percent), there were also respondents who work in the private sector (17.79 percent), engaged in family business (12.32 percent) or self-employed (13.53 percent).

In this study, respondents were classified into three income categories, namely income of bottom 40% (B40), middle 40% (M40) and top 20% (T20). Those respondents who categorized in the B40 category were those who have a total monthly household income RM4,850 and below. While M40 had a total monthly household income of RM4,851 up to RM10,970. Meanwhile, households that have a total monthly income more than RM10,971 and were categorized as T20. Based on that categorization, as many as 34.14 percent are categorized as B40, 34.94 percent as M40 and 30.92 percent as T20.

Income Changes
The implementation of Movement Control Order (MCO) considered as an appropriate strategy taken by the Malaysian government to control the movement of the public in order to prevent Covid-19 virus from spreading. Despite, this kind of strategy carried direct and indirect effects to the people including income generation of household. The descriptive analysis proved that the income of respondents changed in line with MCO order issued by the government due to pandemic.

Table 2
Income Changes for B40, M40 and T20 Groups

Income Changes	B40 (n = 169)	M40 (n = 173)	T20 (n = 153)
Increase	11 (6.51%)	25 (14.45%)	3 (1.96%)
Decrease	155 (91.72%)	121 (69.94%)	145 (94.77%)
No changes	3 (1.77%)	27 (15.61%)	5 (3.27%)

For the B40 group, the pandemic has caused 91.72 percent of respondents to experience a decrease in total household income. Meanwhile, 6.51 percent were able to increase their total household income and only 1.77 percent did not experience any change. In contrast to the M40 group, 14.45 percent experienced an increase in income, 69.94 percent decreased and 15.61 percent had no change. The majority of T20 also experienced a decrease in total household income (94.77 percent) and only a small number experienced an increase in income (1.96 percent) and no change (3.27 percent).

Surprisingly, many respondents who managed to increase their income during the pandemic were involved in business in various industries like food. Various efforts have been made by respondents especially for those who never been involved in the business before. These include involving family members to produce varieties food and sell them to the customers either through online or offline. For respondents who have been run the business before the pandemic, they tried to find the suitable alternatives to sell their products since their premises or stalls were ordered to close due to MCO. Among them were; producing the high demand products especially during pandemic, promoting their products in several platforms like Facebook, finding new customers in get larger market and so on.

Due to pandemic, the demand for delivery services were increasing significantly especially for food delivery. The respondents used these opportunities to generate extra income. Those who offered this kind of services have their own reasons why they get involved in that kind of work. Some of them were fired, received only half salaries from their employer, had extra time and no work to do and many more.

The pandemic also caused decreasing income for certain respondents. Some of them lost their job and had to find new job with lower wages. There were also respondents who were not fired from their existing jobs, but the number of working hours were reduced subsequently and affected the wages received. In addition, there were also public and private employees who receive a fixed amount of monthly income. However, sources of secondary income for these group of people like rented houses or shops, homestays and others were also affected due to pandemic and resulted a decrease in total household income.

Although the pandemic brought changes particularly to the total household income for some respondents, some of them did not experience any change. There are several reasons for this situation. This includes receiving a fixed monthly salary with no additional or reduction in income. In some cases, in fact, they experienced a decrease in income during pandemic. However, they managed to find other sources of income that giving them extra. At the end, there were no change in income since the extra amount of income they received was exactly the same with the value of income reduction.

Preferences of Getting Food
Basically, there are two options for respondents to get food: ready-to-eat and not- ready-to-eat. The former essentially could be eaten directly or required minimal process before consumed and the latter contained raw ingredients and need to cook appropriately. For B40, almost 60 percent opted to buy not-ready-to-eat food as their preferences in getting food during pandemic. To them, buying not-ready-to-eat food could save their money, more hygienic and delicious.

Table 3
Respondents' Preferences of Getting Food during Pandemic

Kind of Food	B40 (n = 169)	M40 (n = 173)	T20 (n = 153)
Ready-to-eat food	69 (40.83%)	95 (54.91%)	98 (64.05%)
Not-ready-to-eat food	100 (59.17%)	78 (45.09%)	55 (35.95%)

Meanwhile, the M40 (almost 55 percent) and T20 (64.05 percent) groups chose ready-to-eat food as their preferences. There were several reasons behind for this kind of preferences. Besides saving the time, they could get the ready-to-eat food at reasonable prices and have been offered by the suppliers of food the variety of menus. Some of them were undeniably busy doing their jobs from home and other responsibilities. Therefore, ready-to-eat food considered as their preferences of getting food especially during pandemic.

Food Expenditure
The finding of the study showed that there was a changed in estimated monthly food expenditure of the B40, M40 and T20 groups before and during the pandemic. For B40, food

expenditure had experienced an increase during pandemic. Previously, they spent on average a total of RM822.50 per month to buy food, specifically RM328.50 to buy ready-to-eat food and RM599.40 for not-ready-to-eat food. Due to pandemic, average total food expenditure (RM1,014.72), ready-to-eat food (RM422.80) and not-ready-to-eat food (RM715.91) have shown a significant increase. Among other factors which contributed to that situation including having more family members gathered at home during pandemic. Other than that, the diversity of food offered by the food sellers especially in online market has driven this increase. In addition, many financial supports were channeled to B40 by various parties including government like Bantuan Sara Hidup (BSH) also contributed to the increase in food expenditure.

Meanwhile, M40 also experienced an increase on the average total food expenditure, particularly on ready-to-eat and not-ready-to-eat food during pandemic. However, the percentage increase on average expenditure for not-ready-to-eat food was the highest (34.16 percent) followed by the average total expenditure (24 percent) and average expenditure on ready-to-eat food (19 percent). The stability of income especially among the M40 contributed to the increase in food spending.

Table 4
Food Expenditure of Respondents Before and During Pandemic

Information	B40		M40		T20	
	Before Pandemic	During Pandemic	Before Pandemic	During Pandemic	Before Pandemic	During Pandemic
Food (average total expenditure)	RM822.50	RM1,014.72	RM1,212.00	RM1,513.84	RM2,730.00	RM2,114.89
Ready-to-eat food	RM328.50	RM422.80	RM818.50	RM979.05	RM2,112.00	RM1263.50
Not-ready-to-eat food	RM599.40	RM715.91	RM444.00	RM595.70	RM879.50	RM888.50

Surprisingly, T20 experienced the decrease on average total food expenditure and ready-to-eat food during pandemic. The average total food expenditure, decreased from RM2,730.00 before the pandemic to RM2,114.89 during pandemic. Meanwhile, the average expenditure on ready-to-eat food also reduced from RM2,112.00 before the pandemic to RM1263.50 during pandemic. Many reasons contributed to this pattern of food spending. One of it, the respondents which categorized in T20 were no longer buy the food from any expensive restaurants since it had been closed due to pandemic and therefore their expenditure on food reducing simultaneously. In addition, although the average expenditure on not-ready-to-eat food were increasing as compared to previous time before pandemic, the increase just involves the small change at 1.02 percent.

Conclusion

In a nutshell, the Covid-19 pandemic led to the change in income, expenditure and preferences of household in Perak. Majority B40, M40 and T20 experienced a decrease in total households' income. Besides that, during pandemic, M40 and T20 chose ready-to-eat food while B40 opted not ready-to-eat food as their preferences. In addition to that, food expenditure for B40 and M40 were increased during pandemic and T20 was slightly reduced especially on ready-to-eat food. Various factors have been identified which contributed to that situation including income changes, variety of food offered at reasonable prices, restriction for dine-in services to the food sellers in order to reduce the spread of disease and so on. The implication of the study highlighted the importance of financial management for household specially to face any economic uncertainty. In addition to that, household heads must have the appropriate skills to manage family expenses by giving the priority to the necessities as compared to their wants.

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