



SARDINES A LUXURY? SEAFIC'S "URBAN SQUEEZE" STUDY HIGHLIGHTS HOUSEHOLD CHALLENGES AND PROPOSED POLICY ENHANCEMENTS TO ADDRESS HIDDEN, URBAN COST-OF-LIVING PRESSURES

Malaysia has made real progress: hardcore poverty has fallen to 0.09% and formal-sector wages continue to rise. A new joint study by the Southeast Asian Futures Initiative Centre (SEAFIC) and the **MySDG Centre for Social Inclusion (MySDG-CSI)** finds **many Klang Valley households still living one bad month away from crisis, and** the next crucial task is to ensure progress is felt by urban households in the Klang Valley.

The Urban Squeeze: Raising the Floor for Economic Security and Mobility in Malaysia draws on a closed-door focus group with 15 B40 and M40 residents. They **were fresh graduates, heads of household, working single mothers, gig workers and senior citizens.**

The study finds that **unpredictable costs weigh on households as much as high ones.** Rent and loan repayments can be planned for, but **fluctuating transport, utility and food bills** are harder to manage. Where public transport is less reliable, workers take on the cost of running a vehicle, and some younger workers use Buy-Now-Pay-Later schemes to smooth their cash flow. These are **gaps that joined-up housing and transport planning can narrow.**

Participants also described a gap between qualifications and jobs. Fresh graduates reported salaries of RM2,000–RM2,500, often outside their field, and said certifications costing RM5,000–RM20,000 were out of reach. **Many rely on gig work, and earnings that vary day to day make it harder to show steady income for a home loan.** Both issues can be addressed with **the right credit and skills policies.**

On food, the challenge is less about hunger than about eating well. Participants said sardines and mackerel have become harder to afford, and some drivers go long stretches between meals during their shifts. **Existing aid such as SARA and Jualan Rahmah provides a strong base to build on.**

The study, however, qualified that **these pressures are regional.** For example, in **Manila**, only about a third of urban residents have convenient access to public transport, and college graduates make up nearly 38% of the Philippines' unemployed. In **Bangkok**, median condominium prices are around 21 times



annual household income. In **Indonesia**, informal work has become a long-term reality rather than a stepping stone.

The SEAFIC Urban Squeeze report for Malaysia points to **four priorities**:

- **Credit-scoring rules** that recognise the earnings of gig and flexible workers;
- **Affordable routes to professional certification**, with fairer terms on training bonds;
- **Food aid designed for nutrition**, including fresh produce and wet-market purchases;
- **Housing and transport are planned together**, so affordable homes are built where reliable transit runs.

Participants also asked that policies be tested with the communities they affect before rollout.

SEAFIC Chairman, Tengku Datuk Seri Utama Zafrul Aziz said, “Malaysia has undertaken the difficult work of nearly eradicating hardcore poverty. **The next test is ensuring that every Malaysian family that strives can plan confidently for the month ahead, not merely endure the present one.** What emerges from these testimonies is clear: our people are not asking for handouts. They are asking for **systems that can support the realities of their daily lives** — a bank that can recognise a gig worker’s income, assistance that enables them to buy fresh produce, and public transport they can depend on. These are reasonable expectations of a modern economy. They remind us that **effective policy begins with listening, and with designing institutions around how Malaysians actually earn, travel and live.** SEAFIC will continue this engagement so that policymaking becomes more responsive, more grounded, and more aligned with the lived experience of Malaysian households.”

The focus group was co-convened in August 2026 by SEAFIC and the MySDG Centre for Social Inclusion (MySDG-CSI), the policy think tank of the All-Party Parliamentary Group Malaysia for Sustainable Development Goals (APPGM-SDG).

The synthesis report is a **qualitative diagnostic, not a population-wide survey. It complements quantitative indicators by uncovering mechanisms and trade-offs often hidden in national averages.** Using purposive sampling, facilitated discussions, dot-voting and thematic analysis under the Chatham



House Rule, the study highlights policy areas for further possible policy improvements, including **modernising credit scoring for flexible earners, expanding skills pathways for underemployed youth, reducing administrative barriers to food assistance, and better aligning housing and transport policies** to ease unavoidable living costs.

The findings also suggest a broader regional research agenda. As urbanisation reshapes housing, employment and mobility pressures across Southeast Asia, SEAFIC views the Malaysia study as a foundation for applying the same qualitative methodology in cities such as Jakarta, Bangkok, Manila and Ho Chi Minh City. This would help distinguish shared ASEAN challenges from location-specific pressures.

The full synthesis report, *The Urban Squeeze: Raising the Floor for Economic Security and Mobility in Malaysia*, is available on the SEAFIC website at [SEAFIC Research Report #2 - The Urban Squeeze \(ENG\) - Southeast Asia Futures Initiative Centre -SEAFIC](#)

SOUTHEAST ASIAN FUTURES INITIATIVE CENTRE
30 September 2026

About SEAFIC

Headquartered in Malaysia, the Southeast Asian Futures Initiative Centre (SEAFIC) is a pioneering think tank dedicated to advancing economic development, international trade and investment, as well as international cooperation in the ASEAN region. With a futurist outlook, Southeast Asian Futures Initiative Centre (SEAFIC) provides high quality, demand-driven research to address contemporary and emerging regional challenges. The Southeast Asian Futures Initiative Centre (SEAFIC) also acts as a catalyst for informed decision-making, policy formulation, and business strategy development. SEAFIC: seafic.org

About MySDG Centre for Social Inclusion (MySDG-CSI)

MySDG Centre for Social Inclusion (MySDG-CSI) is a policy think tank under the All-Party Parliamentary Group on Sustainable Development Goals (APPGM-SDG) that focuses on advancing research, policy alignment, and community inclusion for Malaysia's sustainable development agenda.