

# **Conflict and Cooperation: COVID-19 Policy Coordination in Malaysia**

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## **Abstract**

The COVID-19 pandemic arrived on Malaysia’s shores by surprise, as it did around the world. In Malaysia, government ministries and agencies at federal, state and local levels had to scramble over a very short period of time to manage essentially what was a national emergency. Among their immediate tasks were to manage the public health and security concerns of containing the virus spread. Managing consecutive waves of infections was next, as the public healthcare systems were put to the test across the country. Finally, disbursing economic aid to affected communities and managing the nationwide vaccination programme were among the key responsibilities that governments had to bear. All of these collectively required a tremendous amount of coordination across the large machinery of government, at both horizontal (between different federal government ministries) and vertical (chiefly, between federal and state governments) levels. This paper investigates the conflict and cooperation that ensued as a result of and amidst the very complex processes of COVID-19 policy coordination in Malaysia. It ends with a discussion on the key themes of leadership, institutional capacity and federalism that played a crucial role in how the pandemic was managed between 2020 to 2022.

## **Introduction**

As with most other countries, the COVID-19 pandemic took Malaysia by surprise. The first wave of cases came about while the country was faced with a political crisis, leading to a rapid change of government at the federal level in early March 2020 when the Pakatan Harapan administration fell and the newly-formed coalition of Perikatan Nasional (PN) – comprising Parti Pribumi Bersatu Malaysia (Bersatu), Parti Islam Se-Malaysia (PAS) and the United Malays National Organisation (UMNO) – took over. It is important to note that the PN government took over with only a very slim majority of just 113 parliamentary seats out of the total of 222. In July 2021, UMNO officially withdrew its support from the PN government, leading to an overall situation of political and policy uncertainty and instability.

Between 2020 and 2022, there were in fact two changes of the top leadership position, when once again in August 2021 the Prime Minister was replaced with another member of the same coalition – but from a different party, alongside a significant Cabinet reshuffle. This resulted in the country having three different leaders occupy the position of health minister in as many years, the person primarily

responsible for managing any public health crisis. Hence it was amidst high levels of political instability that the pandemic took hold of the country in several increasingly devastating waves.

State governments also changed, in some cases several times, over this period. In March 2020, following the change in federal government, four states (Kedah, Perak, Malacca and Johor) experienced a change in state administration. In September 2020, a Sabah state election was held following political defections from the ruling coalition, leading to another change in state government. State government changes also saw corresponding changes in leadership (Chief Minister and the state executive council members) as well as other political appointments to state-level bureaucratic institutions. Since then, three other state elections have taken place (in Malacca, Sarawak and Johor), and although these did not result in their state governments changing, the Chief Minister of Johor was replaced. Such rapid political changes over a short period of time would have been highly disruptive to policy coordination at the state level.

For a nation that had up to 2018 been led by a single dominant coalition since its independence – with some exceptions of several states – the policy coordination required to handle a national health crisis would have been a test of how robust the country's institutions were. Indeed, efficient horizontal and vertical coordination would have been required for effective pandemic management. Changes in individuals helming federal government agencies crucial to this coordination within health and socioeconomic spheres also meant interrupted administration.

Although Malaysia is a constitutional federation, law- and policy-making has been historically highly centralised. The twin pandemic and political crises between 2020 and 2022 saw the federal government behaving similarly, adopting top-down approaches to managing COVID-19 through the implementation of federal laws and regulations. In several cases, there were federal-state infractions when there were disagreements and the lack of meaningful prior consultation.

Given this backdrop of turbulent political and administrative uncertainty in Malaysia, how did policy coordination unfold? How did the federal government coordinate itself across ministries and agencies, in gathering and sharing data? How did the central health and economic authorities make decisions and coordinate with each other? How coordinated were responses to unemployment and labour-related issues of job protection and migrant workers? Further, how did the federal and state governments cooperate, especially given the oppositional nature of several states? Was there devolution of decision-making on lockdowns and social assistance? Did conflict arise and how was this resolved? This chapter aims to analyse the efficacy of horizontal and vertical policy coordination in how COVID-19 was managed in Malaysia from 2020 to 2022.

### **Background: An Overview of COVID-19 in Malaysia**

As written by Yeoh (2021), the first Malaysian case of COVID-19 was confirmed on 4 February 2020, after a Malaysian had returned from Singapore (Elengoe, 2020). Thus began the first wave of COVID-19 cases, but this ended fairly quickly with very low numbers. The second wave of infections broke out in late February 2020 and grew rapidly in the following three weeks.

After having been sworn in as the new Prime Minister on 1 March, Muhyiddin Yassin publicly banned mass gatherings on 13 March. The federal National Security Council (NSC) mobilised a national response with technical guidance from the Ministry of Health (Ministry of Health, 2020).

Up to the end of this second wave, which is estimated to have concluded at the end of September, there were a total of 10,167 people who tested positive (Malaysiakini, 2020). Between February and September, the number of cases reached a peak on 4 June, when a total of 277 new cases were recorded in a single day. National testing capacity increased from 1,000 tests per day in January 2020 to over 38,000 tests per day in September 2020; selected government hospitals were converted into “full or partial COVID-19 hospitals,” and quarantine centres such as training institutes and nursing dormitories were made available (Ministry of Health, 2020).

A third wave of COVID-19 infections started from late September to early October 2020, following the return of politicians to Peninsular Malaysia who had travelled to Sabah in East Malaysia for their election campaigns in the lead-up to the 26 September state election (Yeoh, 2021). Escalating exponentially from an average of 400 new daily cases in early October to a peak of 2525 new cases on 31 December 2020<sup>2</sup>, the COVID-19 situation was further exacerbated by the fact that state borders were opened throughout December, resulting in many Malaysians travelling across the country for the end-of-year holidays. The Malaysian government’s relaxed measures may also be attributed to pressure from players within the tourism industry, and more generally, to economic pressure (lockdown coordination is covered below).

In January 2022, the number of daily new infections averaged at 3000 but a fourth wave arose rapidly from February to April, peaking on 5 March at 33,406 new cases. Where the third wave had been more lethal given that most individuals were not yet vaccinated, this fourth wave, assumed to be the result of the Omicron variant, was more infectious but produced less severe symptoms. A total of 35,745 Malaysians are estimated to have died as a result of contracting COVID-19, or from complications related to it, as at the time of writing.

## **Institutional Framework**

### *Constitutional and Legal Framework of the Three Levels of Government*

Article 1 of the 1957 Federal Constitution of Malaysia describes the country as a federation of 13 states and three territories. However, state powers have gradually eroded, giving rise to greater central powers within the federal government. That process began when local council elections were abolished in 1965. Federal emergency measures were further introduced in 1969 and state economic development corporations (SEDCs) were used to spearhead the nationwide New Economic Policy in 1971. Over the following decades, other institutional mechanisms were introduced that further strengthened the federal government’s hold over states.

On the surface, there appears to be a clear demarcation of powers between the federal and state governments. The Ninth Schedule of the Federal Constitution recognizes the semi-autonomous nature of states, which have some “constitutionally entrenched division of powers in the legislative, executive, judicial and financial fields” (Shad 2019, p. 74).

In practice, there has been ample scope for the solidification of a powerful central government. For example, Article 71(3) allows the federal government to amend a state constitution if there is non-compliance by a state with the federal constitution. Article 75 provides that the federal law shall prevail when any state law is inconsistent with a federal law, while Article 76 allows the federal government to make laws pertaining to state matters if it promotes the uniformity of laws or if it is requested to do so by states. Article 76A permits parliament to delegate its powers to the states. Article 81 of the Federal Constitution states that the executive authority of every state is to be exercised to ensure compliance with federal law, and should not impede or prejudice the exercise of the federal government.

The Federal Constitution recognizes three levels of government: federal, state, and local. Article 150 of the Federal Constitution provides authority to the King to proclaim emergency measures (the King acts upon the advice of the Prime Minister). The federal government can also utilize emergency provisions to suspend state rights under the same Article. The Ninth Schedule, which spells out the jurisdiction of the federal and state governments, identifies “public health, sanitation and prevention of infectious diseases” in the Concurrent List, where both federal and state governments have joint control. However, “medicine and health” fall under the Federal List, therefore assigning the federal government ultimate control over the funding and administration of the Ministry of Health, alongside all state health departments, public hospitals, and community clinics throughout the country.

**Table 1: Division of Responsibilities between the Federal and State Governments**

<b>Federal List</b>	<b>Concurrent List<sup>3</sup></b>	<b>State List<sup>4</sup></b>
External affairs	Social welfare	Islamic law and Malay customs
Defence	Scholarships	Land matters
Internal security	Protection of wild animals and wild birds and national parks	Agriculture and forestry
Civil and criminal law and procedure and the administration of justice	Animal husbandry	Local government
Federal citizenship and naturalisation	Town and country planning	Other services <sup>5</sup>
Machinery of government	Vagrancy and itinerant hawkers	State works and water <sup>6</sup>
Finance	Public health and sanitation	Machinery of the state government
Trade, commerce and industry	Drainage and irrigation	State holidays
Shipping, navigation and fisheries	Rehabilitation of mining land and land with erosion	Creation of offences on state matters
Communications and transport	Fire safety measures	Inquiries for state purposes
Federal works and power	Culture and sports	Indemnity for state matters
Surveys, inquiries and research	Housing	Turtles and riverine fishing
Education	Water supplies and services	Libraries, museums, ancient and historical monuments and records and archaeological sites and remains
Medicine and health	Preservation of heritage	
Labour and social security		
Welfare of the aborigines		
Professional occupations		
Holidays other than state holidays		
Unincorporated societies		

Control of agricultural pests Newspapers, publications, publishers, printing and printing presses Censorship Theatres, cinemas, films (subject to state list) Co-operative societies Tourism		
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*Source: Federal Constitution, Ninth Schedule*

Despite the highly centralised nature of Malaysia’s federation in which the central government controls most policy matters leaving less substantive areas to the states, state governments do have some policy autonomy (over land, religion, local councils, raw water). More importantly, there have historically existed political tensions whenever state governments have been controlled by the opposition parties, where the latter has attempted to push boundaries of their policy jurisdiction, or where there were conflicting decisions especially over what lies within the Concurrent List (where there was to be shared decision-making), and when the federal government has attempted to destabilise opposition state governments by a range of means including withholding developmental funds. Some of these tensions would again arise in the midst of managing the pandemic.

Local government falls under state government purview, but it is important to note that there also exists the National Council on Local Governments (NCLG), which is chaired by the Prime Minister, a further sign of centralization tendencies. Despite these trends, the 1976 Local Government Act does empower local governments and grants them amongst other powers, the ability to preserve public health and prevent the outbreak and spread of diseases, and to regulate and enforce quarantine, the disinfection of persons, and the disinfection of places and things. In practice, most local governments work closely with state governments, in many instances even receiving instructions from the latter for the operationalizing of certain state policies.

### *Governing Laws and Regulations*

While federal and state levels of government have joint jurisdiction over public health, the 1988 Prevention and Control of Infectious Disease Act (the law that was used to enforce Malaysia’s Movement Control Order) is a federal law. Further, the related 2020 Prevention and Control of Infectious Diseases (Declaration of Infected Local Areas) Order defined the “infected area” to include all states and three federal territories in Malaysia. This became a point of legal contention when the federal government chose to open the economy more quickly, whereas states wanted to retain stricter lockdown measures. This Act sets out which authorities are permitted to act and under what circumstances, during an outbreak. Related to this was the Prevention and Control of Infectious Diseases Regulations and Orders that were enforced from 2020 onwards, spelling out what was permitted under the MCO.

The National Security Act 2016 provides for the establishment of the National Security Council (NSC), the declaration of security areas, and the special powers of the Security Forces to act. Other related laws and policies that were significant in the COVID-19 response included the Ministry of Health Disaster Management Plan and the Malaysia Strategy for Emerging Diseases and Public Health Emergencies

(MySED) II Workplan (2017-2021) (Ministry of Health 2020), all of which fall under the purview of the federal government. The Declaration of Quarantine Stations (No. 2) 2020 listed 409 institutions as quarantine stations, which was a measure of precaution, where in the end not all institutions were utilised.

The government also had to introduce legislation to enable COVID-related stimulus package aid, namely the Temporary Measures for Government Financing Act 2020 (Coronavirus Disease 2019), which raised the ceiling of the COVID-19 Fund to RM65 billion. This was to fund the stimulus package, aid and for future vaccine procurement, the latter of which only came later. This Act also raised the debt statutory limit from 55% to 60% of GDP temporarily until the end of 2022; this self-imposed limit is a crucial measure of fiscal discipline and many have cautioned against continually raising it, from amongst the academic and think tank community.

In January 2021, the federal government passed the Emergency (Essential Powers) Ordinance 2021, which secured the then governments in place (at both federal and state levels) and prevented an election from taking place. This national emergency was put into place on the basis of COVID-19, but it provided excessively unfettered powers to the federal government without the corresponding institutional checks and balances, since Parliament and state legislative assemblies were suspended. Under the law, the armed forces were given additional powers, and the federal government was enabled to take temporary possession of land, buildings or movable property. It also enabled the government to demand the use of human resources, facilities, utilities and assets.

Between February and April 2021, a further series of emergency-related ordinances were also passed into law, amongst the key ones of which made illegal the distribution of “fake news” (Emergency (Essential Powers) (No. 2) Ordinance 2021), allowed state Chief Ministers to withdraw funds during the emergency (Emergency (Essential Powers) (Amendment) Ordinance 2021), and allowed the withdrawal of funds from the National Trust Fund (*Kumpulan Wang Amanah Negara, KWAN*) for vaccination procurement and related expenses.

Although the Emergency was justified by the federal government on the basis of the pandemic, in reality there was widespread criticism that this was implemented to secure the PN government’s position given its razor-thin majority, thereby effectively avoiding any general election. There were unprecedented public disputes with the Palace regarding the revocation of the Emergency, and in June 2021 the Malaysian king (Agong) called on the Prime Minister to reconvene the country’s parliament as soon as possible.

## **Main Government Bodies**

There were multiple government bodies given a range of responsibilities for the extensive amount of work involved in managing a national pandemic. From healthcare and vaccinations to security and economic matters, the sections below outline the key government bodies in charge of three distinct areas: movement control, standard operating procedures (SOPs), and the economy; public health and vaccinations; and budgets and stimulus packages.

**Table 2: Main ministries and committees responsible for national response to COVID-19 for movement control, SOPs and the economy**

<b>Ministry/Agency</b>	<b>Functions/Responsibilities</b>	<b>Remarks</b>
National Security Council (NSC)	Formulate SOPs in response to COVID-19	Chaired by the Prime Minister. Executive members include: Deputy Prime Minister, Director General of NSC, Minister of Defence, Minister of Home Affairs, Minister of Communications and Multimedia, Chief Secretary to Government, Chief of Defence Forces, Inspector-General of Police
National Recovery Council (NRC)	Ensure smooth implementation of the National Recovery Plan	Joint administrator of agencies under Ministry of Finance and the Economic Stimulus Implementation and Coordination Unit Between National Agencies (LAKSANA); Also set up NRC SOP Expert Panel
Ministry of International Trade and Industry (MITI)	Defines the list of “essential services” and businesses allowed to operate	MITI was tasked to approve businesses allowed to operate throughout MCO periods, certified with a MITI letter.
Police Force (PDRM) - under the Home Ministry	Ensure public’s adherence to SOPs, maintain roadblocks, approve cross-states travel on case-by-case basis	
Malaysian Armed Forces ( <i>Angkatan Tentera Malaysia</i> )	Tasked to help the police to implement Movement Control Orders (MCO)	Based on Section 5 of the Prevention and Control of Infectious Diseases Act 1988 that authorizes Minister to confer power on any agency to enforce the law.

The very first government body tasked with the responsibility of overseeing the pandemic was the National Action Council whose role is to monitor national development, chaired by the Prime Minister and whose members consist of the federal Cabinet members. Although state governments were invited to attend the National Action Council, its first meeting to discuss COVID-19 mitigation plans excluded

the heads of state governments controlled by the opposition coalition. The Federal government later reversed this decision and invited the subnational leaders to subsequent meetings.

Also chaired by the Prime Minister, the National Security Council (NSC) was appointed to lead in formulating standard operating procedures (SOPs) in response to COVID-19. Hence, NSC’s Telegram channel (see section on Information and Communication for more) was one of two channels that the public could obtain daily updates regarding COVID-19 from.

The Police Force was deployed to help ensure the public’s adherence to SOPs, maintain roadblocks, approve cross-state travel on a case-by-case basis. On the night before the first MCO was implemented, there were extremely long queues at numerous police stations across the country, applying for approvals to travel out of town. Such scenes were similarly observed throughout the last two years, prior to each MCO. The Malaysian Armed Forces was also tasked to help the police in implementing the MCOs, both law enforcement agencies reporting to the Home Ministry.

During the pandemic, it was the Ministry of International Trade and Industry (MITI) that was most aggressive in calling for lockdowns to ease, as businesses started to feel the aftermath of an economic shutdown. State governments generally took a position of greater caution (this is discussed in greater detail in the section on lockdowns below). It was MITI’s responsibility to define what “essential services” entailed, in determining which businesses were allowed to operate during the series of successive MCOs. MITI would also provide approval letters for these businesses, but that would prove complicated to administer (see section on Lockdown Implementation below).

The National Recovery Council (NRC) was set up in July 2021, and after the government signed a historic memorandum with the opposition coalition PH, four PH MPs joined the NRC in October 2021<sup>7</sup> (Malay Mail, 15 October 2021). Representatives from the private sector and NGOs were also appointed on board the council whose task was to ensure smooth implementation of the National Recovery Plan. The NRC is also joint administrator of agencies under the Ministry of Finance and the Economic Stimulus Implementation and Coordination Unit between National Agencies (LAKSANA). The NRC also set up a NRC SOP Expert Panel, responsible for formulating a new set of SOPs as the nation moved towards national recovery.

### *Public Health and Vaccinations*

**Table 3: Main ministries and committees responsible for national response to COVID-19 for public health and vaccinations**

<b>Ministry/Agency</b>	<b>Functions/Responsibilities</b>	<b>Remarks</b>
National Crisis Preparedness and Response Centre (CPRC)	Monitor the development of COVID-19 and oversee medical response and preparedness for outbreak	Placed under the Surveillance Section of the Disease Control Division, Ministry of Health Malaysia
The Special Committee For Ensuring Access To COVID-19 Vaccine Supply (JKJAV)	Plan, implement and monitor the national vaccination programme	Co-chaired by Ministry of Health and Ministry of Science, Technology and Innovation

COVID-19 Immunisation Action Body (CITF)	Support the implementation of the national vaccination programme	<ul style="list-style-type: none"> <li>- Established on 20 January 2021</li> <li>- Placed under JKJAV, led by MOSTI</li> </ul>
Greater Klang Valley Task Force (GKVTF)	Assist MOH in COVID-19 measures in Greater Klang Valley, particularly in oxygen tanks supply and corpses management	Established by the Malaysian Army on 6 August 2021 at the height of fourth wave, consisting of 1000 members
Ministry of Science, Technology and Innovation (MOSTI)	Coordinate the national vaccination programme from non-health services aspects, develop local vaccine production	Minister of MOSTI is also the Coordinating Minister for the national vaccination programme
Ministry of Health (MOH)	Prepare guidelines for health providers and hospitals, provide COVID-19-related information to the public	Focus on matters related to health services

The National Crisis Preparedness and Response Centre (CPRC), placed under the surveillance section of the Disease Control Division at the Ministry of Health, monitored the development of COVID-19 and oversaw medical response and preparedness for outbreak.

The Special Committee for Ensuring Access to COVID-19 Vaccine Supply (JKJAV) was a unique committee jointly chaired by the Minister of Health and Minister of Science, Technology and Innovation (MOSTI), which was responsible for planning, implementing and monitoring the national vaccination programme. Under this, the COVID-19 Immunisation Action Body (CITF) was established in January 2021, but which was led by MOSTI to support the implementation of the national vaccination programme.

It was largely believed that this unique joint co-ordination between the two ministries was due to the fact that the Minister of Health was not as capable of delivering on this nationwide exercise compared to the more competent Minister of MOSTI, UMNO's Khairy Jamaluddin. When the Prime Minister stepped down in August 2021 and the Cabinet reshuffled, it was only apt that Khairy was appointed as Minister of Health instead. From then on, vaccination co-ordination was managed by MOH primarily without the involvement of MOSTI.

Nevertheless, before he moved to MOH, Khairy at MOSTI led and approved the use of the national mobile contact tracing application MySejahtera, which was mandatory for Malaysians' use while 'checking in' at locations using individualised QR codes. The application was also utilised for vaccination purposes, where Malaysians and residents would obtain their registrations for vaccinations and appointment sessions within the app itself.

Although the MySejahtera application has been generally well-received, there were concerns expressed regarding the data privacy of Malaysians using the app. The fact that it was a legal requirement for all residents of the country to use the application to enter premises was believed by some to be an unnecessary enforcement. Sure enough, in March 2022, it was revealed that the company contracted by the Malaysian government to develop MySejahtera had done so on a corporate social responsibility (CSR) basis, with no payment from the government.

This revelation sparked confusion and concerns about the lack of transparency regarding the ownership of the app and more importantly, the protection of private data of more than 38 million users nationwide. While Khairy as Health Minister clarified that the ownership of all data and information obtained through the app usage remained the absolute and whole property of the Malaysian government, sources contradicted each other since there was a government plan to sell MySejahtera to a private firm via a direct tender (The Edge Malaysia, 27 April 2022). The company that initially developed MySejahtera in March 2020 was KPISoft Malaysia, which later changed its name to Entomo Malaysia Sdn Bhd, which entered into an agreement with MySJ (a special vehicle for the commercialisation of the app).

At the height of the fourth wave in 2021, the Greater Klang Valley Task Force (GKVTF) was established by the Malaysian Army to assist the MOH in COVID-19 measures within the greater Klang Valley, given that the Klang Valley had the most acute needs at the time, particularly in oxygen tanks supply and corpses management.

*Budgets and Stimulus Packages*

**Table 4: Main ministries and committees responsible for national response to COVID-19 for budgets and stimulus packages**

Ministry/Agency	Functions/Responsibilities	Remarks
Ministry of Finance	Allocate fiscal resources for economic stimulus packages	Set up LAKSANA (Economic Stimulus Implementation and Coordination Unit Between National Agencies) to monitor disbursement of COVID-19 Stimulus Packages on 16 March 2020.  Objectives of LAKSANA: <ul style="list-style-type: none"> <li>● Tracking and monitoring through publishing weekly reports (document and video format);</li> <li>● Ensuring economic stimulus packages are delivered to and benefit all levels of society.</li> </ul>

Bank Negara Malaysia (BNM)	Establish funds for assistance to targeted sectors and regulate banks in loan moratoriums.	Established a fund for SMEs with a range of different facilities targeting different sectors. Also responsible for regulating loan repayment assistance.
Employees Provident Fund (EPF)	Implement EPF withdrawal from account holders' accounts.	Three schemes were launched in total, namely i-Lestari, i-Sinar and i-Citra.
Individual State Governments	Allocate fiscal resources for individual state economic stimulus packages	State governments took the initiative to inject additional funds to aid frontliners, B40 households, provide rental waivers, etc.

The Ministry of Finance was the main ministry in charge of allocating the necessary fiscal resources for the series of economic stimulus packages from 2020 to 2021. Chiefly, it set up LAKSANA (the Economic Stimulus Implementation and Coordination Unit Between National Agencies) on 16 March 2020 to monitor the disbursement of COVID-19 stimulus packages, with the dual objectives of tracking and monitoring through weekly reports (document and video format) and ensuring the stimulus packages were delivered.

Malaysia's Central Bank (Bank Negara Malaysia, or BNM) was responsible for several measures to address COVID-19 impact. First, it established a fund specifically for small and medium enterprises (SMEs), with a total available funds as at September 2021 to RM11.2 billion. Amongst the available facilities are the Targeted Relief and Recovery Facility, High Tech and Green Facility, SME Automation and Digitisation Facility, Agrofood Facility, Business Recapitalisation Facility, Low Carbon Transition Facility, Micro Enterprises Facility, All Economic Sectors Facility and PENJANA Tourism Financing.

BNM was also responsible in regulating the loan repayment assistance, where borrowers would have to contact their respective banks to arrange for loan repayment aid. The loan moratoriums, for example, would be facilitated by individual banks, but BNM had oversight over the process – and also had valuable data regarding the impact of the loan moratorium on the overall economy. BNM also has a financial management and resilience programme to assist vulnerable borrowers impacted by COVID-19 who experience cash flow difficulties. Other assistance packages included seed capital for micro-entrepreneurs (iTEKAD), protection for the bottom 40% of households (Perlindungan Tenang) and assistance by insurers providers to policyholders adversely affected by COVID-19 (Bank Negara Malaysia, 2022). The emphasis for BNM seems to be on assisting SMEs, which were badly impacted by the pandemic.

The Employees' Provident Fund (EPF) was depended upon heavily throughout the COVID-19 period, where the federal government approved, controversially, withdrawals from individuals' EPF accounts in several rounds starting from March 2020. The first scheme, called i-Lestari, allowed account holders

to withdraw up to RM500 per month for a 12-month period. The second and third schemes, i-Sinar and i-Citra, allowed contributors to access funds specifically from their retirement fund account (Account 1), which had previously only been reserved for after retirement. Finally, a one-off application to withdraw RM10,000 from their EPF account was announced in April 2022. A total of 7.34 million members had withdrawn RM101.1 billion under the three earlier rounds, while an additional RM40.1 billion was expected to be withdrawn under the final scheme (The Edge Markets, 16 April 2022). The criticisms against these schemes centre on the concerns that Malaysians will have depleted their funds by the time they retire and will therefore not have the means to support themselves in their old age.

## **Policy Coordination**

The policy coordination section of this paper is categorised into four areas, namely information and communication; lockdown implementation; distribution of economic aid and the vaccination roll-out. More emphasis will be given to the areas of lockdown implementation and vaccinations, as another chapter in this volume will cover at length the distribution of economic aid.

## **Information and Communication**

The Ministry of Health was the primary actor in providing information to the public. Its Director General, Noor Hishamuddin Abdullah, took over the MOH's daily press conferences after the health minister Adham Baba's public faux pas, suggesting in a widely shared TV interview that drinking warm water would prevent COVID-19 infection in March 2020 (The Star, 20 March 2020). Before he was appointed Prime Minister, Senior Minister Ismail Sabri (under the security cluster) gave regular press briefings on SOP and MCO enforcement. It was only from May 2021 onwards that there were joint press conferences by the MOH Director General and Defence Minister, indicating that there was some level of improved coordination between the two ministries.

In addition, public communication was carried out using government platforms including websites, social media, and messaging applications. As mentioned above, the NSC Telegram channel was extremely active, alongside the MOH's CPRC, both of which shared daily COVID-19 case numbers. However, the information that was disseminated was typically already incorporated into an infographic, as opposed to providing more granular data that could be downloaded for reference. The national contact tracing app MySejahtera mentioned above was also used as a communication platform, where updates were uploaded daily, which included information on the numbers of new cases, hospitalisation rates, and providing reminders to users to maintain their practices of hygiene and social distancing.

In May 2021, Khairy Jamaluddin who was then still MOSTI Minister rolled out rather haphazardly a COVID-19-driven system called the Hotspots Identification for Dynamic Engagement (HIDE) system, which was meant to be an early warning system to identify potential risk locations. While such a system had indeed been called for, there had been no engagement with the public or industry players prior to its announcement, HIDE itself having only been announced on 4 May by Khairy to enable "pre-emptive intervention and appropriate action to be taken by the authorities, owners of premises and the public" (Bernama, 4 May 2021). However, just four days later on 8 May, the Prime Minister was reported saying that 151 premises listed under the HIDE system would be ordered to close for three days effective immediately, which included major shopping malls. This prompted several shopping mall and

retail advocate groups to issue a joint statement, stating that they were being unfairly penalised as they had been in compliance with national SOPs.

After Khairy Jamaluddin was appointed as Health Minister, data was reported in a more disaggregated format, captured within a new website called “COVID Now” in September 2021<sup>8</sup>. Prior to the existence of this website, the public could only view such detailed historical data on a range of themes from a popular media website, Malaysiakini’s COVID Tracker<sup>9</sup>, which stopped tracking cases in the same month COVID Now was launched due to the lack of funding.

Apart from the national-level mobile application MySejahtera, several state governments also developed their own contact tracing applications such as Penang (PGCare), Selangor (SELangkah), Sabah (Sabah Trace), Sarawak (CovidTrace and Qmunity), Terengganu (Masuk.la) and Johor (Jejak Johor) (Welsh, 2020). Penang and Sarawak provided particularly regular updates to their constituents, whilst Penang opened 24-hour hotlines and its own COVID-19 website (Welsh, 2020). State governments actively took the opportunity to provide increased public communication at the state-level, which was highly necessary given that public health conditions differed drastically from state to state.

However, in October 2020, Dr. Dzulkefly Ahmad (former Health Minister under the Pakatan Harapan administration) who was appointed by the Selangor state government as Chairman of the Selangor Task Force for COVID-19 (STFC) took the federal government to task for being unwilling to share data that he claimed had previously been done through the close co-operation between the Health Ministry, National Security Council and the operation centres of the Selangor state government. According to him, the MOH had stopped sharing data with the state, and the latter’s calls for data integration, which would have allowed greater coordination in pandemic management – it had opened access to its own application SELangkah to all MOH personnel in Selangor and Kuala Lumpur – had fallen on deaf ears (Dzulkefly, 2020).

In Malaysia, communication regarding the pandemic was done primarily by the federal government, coordinated across ministries, chiefly via the Health Ministry, the NSC and MOSTI (the latter was more actively involved in informing the public about the vaccination rollout, as spelled out in greater detail below). While initially sketchy and inconsistent, the daily press conferences especially as led by the Health Ministry (and later jointly with the NSC) were helpful in providing regular data to Malaysians. This data was also communicated via the MySejahtera app. There was less coordination when it came to providing consistent information between federal and state governments, where state governments that took a more proactive approach to informing their constituents about the local situation would share relevant information at the state level. This way, information dissemination was decentralised.

### **Lockdown Implementation**

The government implemented a Movement Control Order (MCO) which began on 18 March 2020 and which was initially tightened as the numbers of cases rose steadily. Under the MCO, only industries within a strictly defined list of “essential goods and services” would be permitted to operate, and even those would have to apply and receive confirmation from the Ministry of International Trade and Industry (MITI). Cross-state travel was allowed only upon police approval, and individuals were not

allowed to travel beyond 10 km of their residence. These rules were eventually gradually loosened, as the public health risks fell alongside the number of daily new infections.

The coordination of the various MCOs was poorly managed, with little learning from each subsequent MCO. Ahead of the first MCO announcement, the Health Minister on 15 March 2020 stated that the government would meet the next day to introduce further measures on COVID-19, which caused people to start panic-buying groceries; supermarkets were extremely crowded as a result. Prime Minister Muhyiddin's announcement the following day to state that the public should wait for the big news announcement that night contributed to even further panic and tension.

The announcements themselves were also constantly vague enough to lead to confusion. For example, after the first MCO announcement, it was unclear whether Malaysians with work permits in Singapore would be allowed to cross Malaysian borders to enter Singapore. This was only confirmed at 12.40pm of the following day (17 March) by the Immigration Director General, when the night before there was a massive exodus of Malaysians to Singapore, causing tremendous human traffic at the borders, where some Malaysians even physically ran across the causeway. Second, the Frequently Asked Questions (FAQs) were issued relatively late on the afternoon of 17 March, and had three different versions with some inconsistent statements. The first version had said that the Malay *nikah* ceremony was advised against, whereas the final version said it was banned). Similarly, the first version had said all public and private university students were to return to their hometowns, whereas the third version said that they had the option of staying on campus, but this had already sparked a student exodus to their hometowns in other states – and a day later, students were again asked to return to their hometowns. Finally, the Inspector General of Police (IGP) announced that all inter-state travellers needed to notify their nearest police station, leading to long queues at police stations, only to rescind this requirement several hours later. These policy flip-flops caused a great amount of tension and confusion to people already unsure about what COVID-19 entailed, during those early weeks.

Most ministries in fact did not release their FAQs until 22 March 2020, and there were multiple changes made to these FAQs. The FAQs on the Home Ministry website did not tally with the ones posted on the Home Ministry Telegram channel, which added to the confusion.

The lockdown implementation itself was inconsistent, in that the government eventually was heavily criticised for having applied different measures to different categories of people. This led to intense public criticism, claiming there were double standards, or “*antara dua darjat*”. By the end of 2020, a total of five people who breached quarantine orders had been charged in court and were convicted, with three of them fined with a total of RM13,000 and two more fined a total of RM20,000 and imprisonment (Lim, 2020). This is contrasted against how Ministers were treated. For example, Plantation Industries and Commodities Minister Khairuddin Aman Razali was fined only RM1,000 for failing to observe quarantine SOPs after his trip to Turkey in August 2020 (Amir, 9 February 2021).

Many high profile individuals were publicly seen as disregarding rules. Former Prime Minister Najib Razak was issued two RM1,500 fines for failing to record his temperature and failing to register his entry to a chicken rice restaurant, while the owner of the restaurant was fined RM10,000 for not enforcing the SOP. Malaysian television host Neelofah's wedding in March 2020 saw hundreds of guests flouting mask and social distancing rules (Chin, 8 May 2021). Finally, a new federal gazette

issued in February 2021 allowed Ministers returning from official visits to undergo a three-day quarantine period instead of the standard 10 days, again causing public outcry.

The government eventually rolled out several versions of the MCO. After the first four phases of the MCO from 18 March 2020 to 3 May 2020, a Conditional MCO (CMCO) was implemented from 4 May 2020 to 9 June 2020. This was followed by a Recovery MCO (RMCO) from 10 June 2020 to 31 March 2021. From 13 January 2021 to 31 May 2021, different states switched between MCO, CMCO, RMCO, Enhanced MCO (EMCO) and a semi-EMCO depending on the condition within each state. A full lockdown was once again implemented from 1 June 2021 to 28 June 2021, and the nation was placed under a new National Recovery Plan from 15 June 2021 to 31 December 2021. Under the CMCO, the only restrictions were that there would be no interstate travel and no social gatherings, with most other restrictions lifted. Under the RMCO, social gatherings were allowed but not interstate travel.

### *Industries allowed to operate*

A large part of the coordination had to do with the government determining which industries were allowed to operate, defined as “essential services”. The Ministry of International Trade and Industry (MITI) was the entity identified to make these approvals, and there were a number of complications that arose in this regard. Defining what constituted as “essential” was complicated, as emerged to be the case, given that the economy is highly integrated. Some industries that were not deemed as essential were actually supplying crucial parts and components to other essential goods industries, thereby causing supply shortages. Further, some sectors that were initially classified as essential were later reversed. On 6 April, the government changed its decision, previously allowing alcohol company Heineken to resume limited operations. This was clearly in response to religious voices within the coalition, and was a fair question as to what constituted “essential”, but was clearly an example of poor decision-making.

Companies were required to submit applications online, but the MITI website itself received such overwhelming response that it crashed within several hours on 13 April 2020 as more than 100,000 businesses applied for approval. The website was eventually restored, but the website crash experience was something that recurred each time the government imposed a new lockdown subsequently. Some companies reported never having received responses to their applications, or receiving approvals only close to the end of the MCO period in question, therefore requiring fresh applications for the new version of the MCO that followed (with late responses once again, leading to overall economic slowdown since they could not legally operate).

Logistics and transport services were only allowed for manufacturers that had received MITI permission to operate, which caused tremendous confusion. In fact, further, on 19 March 2020, on top of the requirement to obtain MITI permission to operate, MITI imposed the requirement of only 50% of operations for all manufacturers. While this was based on the public health concern, this caused massive supply problems for key industries such as glove manufacturers and food suppliers, which represented sectors that were crucial in meeting increasing demand during the pandemic.

A new requirement was announced for food supply, e-commerce and personal care companies requiring certification from the Ministry of Domestic Trade and Consumer Affairs (MDTCA), which was not

previously communicated to companies. It was only on 24 March 2020, more than a week after the MCO announcement, that a taskforce was formed, comprising MITI, MDTCA, and the Ministry of Agriculture to handle food supply chain issues. By this time, many companies were confused and unable to obtain any official response.

As part of phase 3 of the MCO, some businesses were allowed to operate, with hairdressers on the list. However, it later turned out that this was the case only for those within green zones. Then Senior Minister Ismail Sabri then stated that the original announcement by MITI was not final, as it was still to be decided. The Director General of the Health Ministry also stated that the government should have consulted the health authorities first before making this list available. Eventually, the government announced that barber shops, hair salons and opticians were not allowed to reopen as previously was allowed for (The Star, 14 April 2020).

### *Reopening of the economy*

In May 2020, the federal government abruptly announced that the MCO would ease, giving only three days' notice. Nine state governments in total reacted immediately by saying they were either not following (Kedah, Sabah, Pahang, Penang, Kelantan and Sarawak) or not fully complying (Selangor, Perak and Negeri Sembilan) with the easing of the COVID-19 control measures concerning economic activity, otherwise known as the CMCO.

They believed that the reopening of all sectors and industries was too abrupt, arguing that buffer time was needed to allow state governments and companies to adopt new standard operating procedures (SOPs) to ensure hygiene and public health. Interestingly, four out of these nine states were politically aligned with the federal government, where previously, federally-aligned states would typically adhere to the center's instructions without protest.

Many of the states' Chief Ministers felt that there should have been proper consultation with the states beforehand, stating that they would have been the ones implementing the decisions, and that the federal government should have assessed the situation and capacity of the states prior to making decisions (Fong, 2020). The federal government responded harshly with a statement saying that companies may possibly sue state governments if they refused to reopen. This was rebutted by the Penang state government, which stated that it was prepared to face legal challenges from industry players if that is the repercussion for protecting its people from the pandemic. A Controlled Movement Control Order (CMCO) was thus implemented on 4 May 2020, followed by a Recovery Movement Control Order (RMCO) on 10 June the same year.

Some experts cited Article 81 to argue that states must adhere to the federal law of the 1988 Prevention and Control of Infectious Diseases Act, since all states had in 1989 agreed to promulgate a uniform law to prevent and control infectious diseases in Malaysia, enforceable throughout the country. There is, however, an alternative, and equally compelling, view advanced by other experts that states have the right to defy the federal government's law on the grounds that the Federal Constitution places "public health, sanitation, and prevention of infectious diseases" within the Concurrent List in the Ninth Schedule. It is also bolstered by the provisions of the Local Government Act as described above. Since

all laws must adhere to the supremacy of the Federal Constitution, this means that both federal and state governments are to jointly decide on issues pertaining to these areas with equal weight.

Because the Constitution is vague on how “joint decisions” are to be made, it has never been clear whether state legislative assemblies need to vote on a particular matter of concurrent interest – and further, pass state-level legislation to that end – or whether mere ‘consultation’ is all that is required. Although the federal government’s decision was ultimately adhered to by all states, this was an interesting case study on whether the states could exercise their joint rights over public health.

As a result of the third wave, the number of confirmed cases in the country reached a cumulative number of infections of 113,010 by the end of December 2020 (The Star 2020). In this respect, the government resorted to announcing a Controlled Movement Control Order (CMCO) in Sabah, Selangor, Kuala Lumpur and Putrajaya in October, which was later extended to January 2021. The federal government announced a CMCO in several states following the third wave of COVID-19 in the last quarter of the year, namely in Sabah, Selangor, Kuala Lumpur, and Putrajaya.

However, this announcement was not well-received by the Selangor state government, who claimed that the federal government had not consulted Selangor beforehand. The Selangor Chief Minister was “shocked by the announcement” but was not surprised as this had happened previously. In fact, a few days prior to that, the federal government had announced a CMCO for one of the districts within Selangor that was more severely affected by COVID-19, without consulting the state government (Free Malaysia Today, 2020). It was only after the state government expressed dismay at not having been consulted that the National Security Council (NSC) met with the Selangor Chief Minister, and the latter announced that the NSC would provide the CMCO details of Klang, and that the state government would work with all agencies accordingly.

Sabah, Penang and Selangor were the only state governments that expressed disappointment over not having been consulted on various occasions, including when the federal government first decided to open up the economy in May 2020, and later when it unilaterally implemented the CMCO in Selangor. These public expressions were likely led by opposition coalitions. In short, the political coalitions that are not aligned with the center made their views publicly and vehemently known. The other states that chose not to comply with the opening of the economy also expressed their disappointment but were less vocal about their decisions and actions. By the time the October CMCO was announced, the Sabah state government had already changed hands from an opposition-aligned coalition to one that was supportive and aligned with the ruling coalition at the center.

In July 2021, most parts of Selangor were announced to be under EMCO between 3 to 16 July, where restrictions were tightest in nature, including no exiting from homes, all businesses to be shut down, all roads to the areas would be blocked and a medical base would be established within the area while food supplies would be provided. Several Selangor parliamentarians opposed this announcement, while the Selangor Chief Minister himself stated that insufficient notice had been given, and that its state COVID-19 taskforce views had not been taken into consideration. He also cited 80% of clusters in the state coming from factories, which MITI has authority to close down but had not (Free Malaysia Today, 1 July 2021). However, an opposing view to this is that because the Local Government Act 1976 grants local governments the ability to preserve public health and prevent the outbreak and spread of diseases,

as well as the authority to issue operating licenses and regulate premises' opening hours, local governments – under the purview of state governments – may have had the authority to supersede MITI letters. This, however, was never tested in reality.

Management of the lockdowns was extremely centralised, as the basis of the law and regulations that these were being implemented upon were federal in nature. These decisions were largely made by the NSC, and announced by the Home Ministry. State governments were largely not consulted when it came to decisions over lockdowns, as well as the decisions over when to end them. As illustrated above, this often resulted in confusion as state governments were not informed beforehand and attempted to oppose these, but in vain. Ultimately, lockdown implementation did not offer any new opportunities for state or local government levels to participate in the decision-making process.

### **Distribution of Economic Aid**

While the government emerged with an array of economic stimulus packages totalling USD68.7 billion in the initial outlay, including, among other programmes in its PENJANA Short-Term Economic Recovery Plan, a six-month loan moratorium and wage subsidies, small businesses may yet not be able to weather the storm. Low-wage earners were already vulnerable; a large proportion of those living in low-cost flats work as informal labourers such as petty traders, tailors, and freelancers and therefore lack the social security that formal workers enjoy (Puteri and Kunasekaran 2020).

Since many of the poorest households are not equipped with the necessary infrastructure to work from home, not going to work would have meant a significant loss of income (Puteri and Kunasekaran 2020). The number of poor households increased from 405,400 in 2019 to 639,800 in 2020, and the Household Income Estimates and Incidence of Poverty Report showed the incidence of absolute poverty increasing from 5.6% in 2019 to 8.4% in 2020. Kelantan recorded the most significant increase in poverty by 8.8%, followed by Terengganu, both East Coast states on Peninsular Malaysia (Department of Statistics Malaysia, 2020). These findings were based on a COVID-19 impact study on household income for the year 2020. Data on household income and poverty is centralised under the federal government's Department of Statistics, while a separate eKasih system is a separate database system meant to serve six ministries. However, the database on poor households is not shared with state governments.

The 2021 Budget that was tabled and passed in Parliament in November also contained an array of offerings, including tax relief measures, cash aid programmes, extension of existing wage subsidy programmes and other handouts aimed at assisting the economy. It is expected that the government will be forced to emerge with new measures in the coming year, given that more lockdowns have been imposed following the third wave of COVID-19 cases, and that the economy has not been able to recover.

On 24 March 2020, BNM announced an automatic moratorium on mortgages and hire purchase loans, as well as the option to convert credit card balances to term loans. This was greeted positively, but upon closer inspection, it was found that this was not in fact a full moratorium as the interest would still accumulate. This led to public confusion and uproar, leading to BNM needing to release a FAQ list the following day.

Although Malaysia has a robust public healthcare system with universal access to healthcare, private citizens and communities contributed to the control and prevention of the virus spread. A “Whole of Government, Whole of Society” approach was adopted to respond to the crisis (Ministry of Health 2020). Communities rallied together under a *#kitajagakita* tagline, which is also the name used for a website that connects non-governmental organizations (NGOs) with communities in need to raise funds and provide food, goods and services.

Some fundamental problems included the shortage of medical equipment: In an online survey conducted by a group of Malaysian doctors, of the respondents working in Ministry of Health hospitals, 77 percent of respondents said they had experienced shortage of personal protective equipment (PPEs), and 58 percent said they had to resort to “do-it-yourself” (DIY) PPEs, and make their own non-medical masks and other protective equipment (Lim 2020). As a result of these shortcomings throughout the MCO period, private citizens were roped into donating funds and even assembling PPEs.

Despite the shortage of goods and services, the government unfortunately made the decision to ban NGOs from distributing food to communities. However, several days later on 30 March 2020, the government selectively placed 12 NGOs on a list that were allowed to distribute food, which would last only until 31 March. On that day, another new list was released that qualified what NGOs should do if they wanted to distribute aid, including getting the Malaysian Volunteers Department (RELA) and the Army to accompany them. This resulted in confusion, and many communities not receiving the food aid as intended. The Malaysian Welfare Department that was supposed to coordinate this in fact had its offices closed throughout this period, and some NGOs shared that they had received direct messages from the Welfare Department asking them for food.

Individual state governments also took the initiative to inject additional funds to aid frontliners, B40 households and provided rental waivers. State governments were able to complement the federal government’s social assistance packages by reallocating additional budgets to further aid affected communities. The two largest budgets specific to COVID-19 assistance packages were from the East Malaysia states of Sarawak and Sabah, followed by the highly developed Selangor and Penang (both of which are opposition-controlled). Other states that provided funds to assist communities included Perak, Pahang, Kelantan, Negeri Sembilan, Johor, Terengganu, Malacca, and Perlis. Among the assistance provided was cash aid to medical frontliners, rent relief and food aid (this paragraph’s analysis is based on a table within Welsh’s (2020) piece).

## **Vaccinations**

As pointed out above, the JKJAV was a joint committee between MOSTI and MOH, but there was a significant vaccine procurement delay which lasted throughout 2020. It was only in late 2020 that there were reports on the potential purchases of the vaccines, leading to suspicion that there was possible tension between the two ministries. As of August 2021, the federal government had procured 87.9 million vaccine doses of Pfizer-BioNTech, Sinovac, AstraZeneca-Oxford, the global COVAX facility, CanSino, and Sputnik V (Ngio, 25 August 2021).

Eventually, it was the MOSTI minister (at the time, Khairy Jamaludin) who led the National Immunisation Programme as the ‘Coordinating Minister’. The public perception of the Minister of

Health had at the time spiralled downward, resulting in MOSTI being given greater limelight in the vaccination roll-out. In fact, when Khairy was appointed as Health Minister in August 2021 in the change in federal administration, he continued to lead the national vaccination roll-out. By early 2021, it was possible for the priority groups (elderly and those suffering from serious health conditions) to register themselves for vaccination on the MySejahtera application.

Local Muslims initially expressed concerns about the vaccinations not being *halal* (containing substances forbidden by Islam), but these fears were eventually allayed after several key individuals stated publicly that the vaccine was safe. After a Special Muzakarah Committee of the National Council for Malaysian Islamic Affairs met on 3 December 2020 to determine whether or not the vaccine could be administered to Muslims, Perlis mufti Mohd Asri Zainul Abidin stated that “even if there is an ingredient which is not permissible, the chemical transformation will make it clean and halal” (The Straits Times, 10 December 2020).

Rumours also initially circulated about blood clots as a potential side-effect of the AstraZeneca vaccination, which resulted in thousands within the elderly target group rejecting the vaccine. Khairy Jamaluddin activated an opt-in facility, which allowed for people within any age group to choose to be vaccinated with the AstraZeneca vaccine. This proved to be an extremely successful case study of nudging the public to sign up for vaccinations – as the initial opt-in individuals began to share their vaccination photos and stories on social media platforms, and with their friends and families, more people began to feel incentivised to register for their vaccinations, allaying fears of lethal side effects.

By July 2021, Malaysia’s daily COVID-19 vaccine doses administered reached a peak of more than 500,000. By June 2022, 71.2 million doses had been given, with 27.3 million Malaysians fully vaccinated and 84.2% of the population fully vaccinated.

A Public-Private Partnership COVID-19 Industry Immunisation Programme (PIKAS) was launched in June 2021 to accelerate the vaccination rate amongst the public by increasing vaccination uptake among the workforce. Companies – specifically targeting the manufacturing sector – would be able to apply for PIKAS to provide faster vaccination for their employees, for free but requiring approval from the CITF, MOSTI and MITI. By the end of July 2021, there were already 17,053 companies with 1.3 million workers nationwide registered under the programme, with 298,306 workers having received their first dose and 28,596 having completed both doses (MIDA, 25 July 2021).

Two other programmes were also initiated for specific sectors as well, namely the Agrofood Industry Vaccination Programme (AiVAC) for companies within the agrofood sector, implemented by the Ministry of Agriculture and Food Industries (New Straits Times, 6 August 2021). The Retail Industry Vaccination Programme (RiVAC), led by the Ministry of Domestic Trade and Consumer Affairs to expedite vaccination for the retail sector frontliners, started operations in the Klang Valley with centres located in five major shopping malls, which was then implemented in other states. The goal was RiVAC was to enable the retail sector to reopen and fully operate earlier under the National Recovery Plan (The Malaysian Reserve, 28 July 2021).

Later on, in November 2021, a Vaccination Centre (PPV) Outreach Programme was launched, which replaced the various industry-led immunisation programmes (PIKAS, AiVAC and RiVAC). Under this

new programme, companies or associations could request private medical practitioners and health NGOs that were registered with a private company ProtectHealth Corporation Sdn. Bhd. to arrange for vaccinations for their employees or members. The government would bear the costs of the vaccine, and ProtectHealth would pay the private medical practitioner or the health NGO for each vaccination given.

This was an interesting collaboration with the private sector. ProtectHealth had already been appointed by the Ministry of Health several months earlier in May 2021 as the implementer for private medical practitioners and NGOs' participation in the National COVID-19 Immunisation Programme to accelerate and expand vaccination access nationwide. Its role included to develop an in-house proprietary software to connect all private medical practitioners for registration, management, training materials, reporting and other functions, as well as to monitor vaccination activities, investigate incident reports, training, performing audits, and facilitating assistance at vaccination centres throughout the country (Anas, 24 December 2021). As at 9 January 2022, ProtectHealth reported that it had contributed 49.5% of the total vaccination throughout Malaysia, equivalent to 29.35 million doses, as well as 72.1% of the total booster dose vaccinations, equivalent to 5.63 million doses.

In what steadily became a race towards vaccinations, the opposition-led state government of Penang tried to capitalise on this competition. In May 2021, its Chief Minister Chow Kon Yeow claimed that the Health Ministry had failed to approve two million Sinovac vaccine doses sponsored by a private firm from China. However, in an immediate response, National COVID-19 Immunisation Programme coordinating minister Khairy Jamaluddin said that upon inspection, this offer had been made by a company that did not exist (The Malaysian Reserve, 19 May 2021). Chow then stated that Penang would use its own funds to procure additional vaccines directly from the supplier or the vaccine manufacturer.

Similarly, another opposition state government, Selangor, had pushed to procure vaccines directly, thereby bypassing the federal government vaccination route (through the National Immunisation Programme and via MySejahtera). negotiated directly with Pharmaniaga to sell Sinovac vaccines to them, and an initial supply of 80,000 doses were made available. Like Penang, Selangor – both states are run by the opposition coalition Pakatan Harapan – had political interest in demonstrating that they were being proactive and providing valuable services to its constituents, and able to therefore compete with the federal government. Selangor launched its SelVAX programme, to be rolled out under its state-linked company SelCare, and by the end of 2021, more than 30,000 had received their booster doses under this programme (Berita Harian, 16 December 2021).

As COVID-19 hit its peak in July and August 2021, it was felt that greater efforts were needed to hasten the speed of vaccinations especially within the Klang Valley, as the majority of cases nationwide was concentrated within this area. By the end of July 2021, the Klang Valley – comprising Selangor, Kuala Lumpur and Putrajaya, contributed 58.1% of new daily cases. Given the high population density within this area, the Klang Valley also recorded the highest hospitalisations in the country.

As such, hospitals within the Klang Valley reached “the brink of collapse”, with healthcare workers working around the clock, hospitals running out of beds and medical equipment (The Malaysian Reserve, 8 July 2021). A local NGO initiative (run by IDEAS Community Projects and Projek Bangsa Malaysia) raised more than RM1 million in their Hospital Emergency Fund and purchased hospital equipment and medical facilities for Klang Valley hospitals. Efforts to raise funds and supply medical

equipment, however, faced hostility as the Selangor health department issued a letter banning hospitals from officially requesting aid from external parties. This was, apparently, in order to prevent the Malaysian public from having a bad impression of a failing public healthcare system – and one the Ministry could not provide for.

As such, Operation Surge Capacity (OSC) was launched in July 2021 as an effort to ensure every adult resident of Selangor and Kuala Lumpur received at least one dose of vaccine by August the same year. Under the OSC, the daily vaccination capacity for Selangor and Kuala Lumpur was increased to speed up the vaccination efforts. DAP Member of Parliament Ong Kian Ming was appointed to coordinate between the Selangor state government, MITI and MOH (as well as the COVID-19 Immunisation Taskforce). This was a particularly interesting appointment given that it would have capitalised on Ong's previous experience as Deputy Minister at MITI, as well as his affiliation with the PH coalition, in opposition at the federal level but government within the state of Selangor. Such coordination efforts would have required trust and cordial relationships across the different levels of government and political coalitions.

### **Discussion**

The above sections have dissected various aspects of Malaysia's COVID-19 coordination at both horizontal and vertical levels, specifically within the areas of information and communication; lockdown implementation; distribution of economic aid; and vaccinations. This section's objective is to synthesise preceding narratives and analyse several key factors that shaped the way in which coordination took place in Malaysia over this period.

The leadership at the federal government level was particularly weak when COVID-19 hit the nation. While the Pakatan Harapan administration had laid out some initial COVID-19 plans, the intense waves of the pandemic came about just as the new Perikatan Nasional government was sworn in. As a new government, with relatively new Cabinet ministers, there was very little time to coalesce and the newly appointed leaders had to hit the ground running.

Health Minister Adham Baba portrayed himself as someone who was particularly ill-equipped to manage the public health crisis. Amidst the fall-out from his faux-pas (as pointed out above), the Director-General Noor Hisham Abdullah was someone who rose prominently to the occasion, and through his daily press conferences built up a strong reputation amongst a public that was hungry for information. Khairy Jamaluddin was one of the PN leaders who demonstrated strong leadership as Minister of MOSTI, and then later on as Minister of Health, given his ability to steer the nationwide immunisation programme so successfully. Azmin Ali as MITI Minister also had the opportunity to lead the opening up of the economy well, but given the earlier coordination problems of approving businesses, he has unfortunately not emerged out of the COVID-19 crisis as well as he could have.

The fact that COVID-19 took place simultaneously with political change would have affected the way in which policies were implemented, especially at the state level. The fact that there were deep political contestations that continued to take place throughout the period between the PN-led federal government and opposition-led state governments (continued to be held by Pakatan Harapan in Selangor, Penang and Negeri Sembilan) meant that there would be underlying tensions between them. This was evidenced

by the way in which lockdowns were implemented, as well as how the states of Selangor and Penang attempted (and succeeded, in the case of Selangor) to emerge with their own vaccination plans.

However, despite very public disagreements as to how lockdowns were rolled out (or eased), eventually there was very little that state governments could ultimately do to stop the federal government from enforcing central decisions. This is because enforcement agencies fall under the jurisdiction of the federal government, including the police and armed forces, and state governments – even with local governments under their watch – would not have been able to strongly oppose these. The Emergency, for example, was something that the state governments had to eventually accept, given that the Federal Constitution is clear in determining the federal government having the right to do so.

Hence, Malaysia's highly centralised form of federalism was prominently displayed throughout the COVID-19 period. Economic policy-making and distribution of economic aid, as well as the formation of LAKSANA to monitor the disbursement, were collectively highly centralised. However, a policy paper by IDEAS (2021) found that some of the information that was reported by LAKSANA was not entirely reflective of the actual aid provided. For instance, government contributed only about half to the total amount of economic stimulus packages, the rest being made up by 'ecosystem' resources including government-linked companies. In fact, nearly half of the RM530 billion value of economic stimulus packages were contributed by the estimated value of the loan moratorium programmes, which were not direct aid per se – and involving the private, not public sector.

Nevertheless, the aid did reach intended targets, with 16.79% of the total amount of direct expenditure comprising targeted measures for vulnerable groups. In addition, of the RM162.5 billion specifically allocated to businesses, the largest specific targeted allocation was RM6.5 billion to small scale construction for G1-G4 Bumiputera contractors, which is a fascinating finding that demonstrates the priority focus area of the government. LAKSANA reporting also had some gaps, where it failed to disclose an estimated fiscal impact for all programmes announced in each of the stimulus packages, it did not identify clearly the source of funding for these programmes, and the type of reported information was inconsistent throughout the report, with more than half of the programmes not being reported on (IDEAS, 2021).

Through COVID-19, Malaysia's institutions and state capacity were put to the test. The Ministry of Health's vast bureaucracy eventually demonstrated that it had the capacity to deal with the COVID-19 crisis – but only just. As the crisis deepened, hundreds of contract doctors conducted a strike to demand for fairer treatment; only 789 out of 23,077 contract physicians had received permanent placements, most of whom were depended upon when dealing with COVID-19; the country's healthcare system relies on 60% contract medical workers with no job security (AP News, 26 July 2021). This situation has not yet been resolved.

State governments did attempt to emerge with their own COVID-19 management, the most prominent of which (as pointed out above) being Sarawak, Selangor and Penang. In both East Malaysian states, which have more autonomy compared to states in Peninsular Malaysia, this was an opportunity to stand their ground, especially on issues related to immigration. Economic aid and stimulus packages, contact tracing applications, limited vaccination programmes (only in the state of Selangor) and the creation of state COVID-19 taskforces, however, were the only areas that the state governments could realistically

mobilise in efforts to manage the pandemic. Although public health and sanitation fall under the concurrent list of the Constitution's Ninth Schedule, in reality the fact that medicine and health is placed under the federal government prevailed – hospitals, health clinics and medical facilities are administered by the Ministry of Health and their corresponding state and district health offices throughout the country.

## **Conclusion**

COVID-19 caught all countries off-guard as they had to grapple with a new and unknown virus, the resulting public health crisis of which is still at large as more variants of concern continue to emerge. Over a particularly long-drawn period, countries have had to strike a difficult and delicate balance between maintaining an open economy and limit the transmission of COVID-19. The public health and economic needs were oftentimes pitted against the other in the debate over which should take precedence; in reality, both were equally important.

While the economy continues to undergo recovery, there are many lessons that can be learnt from Malaysia's case of managing the public health crisis. Both conflict and cooperation took place, between ministries and between federal and state governments.

First, public healthcare systems must be prepared for an abrupt health crisis; although this coronavirus was novel, Malaysia – as other countries – has had to deal with previous health crises such as SARS in the past. Financial allocations must therefore be sufficient in ensuring state capacity in both hardware (equipment, hospital facilities) and software (coordination between hospital needs and the procurement at the Ministry of Health, as well as resolving outstanding matters with regards to the medical workers).

Although Malaysia's public service and the corresponding public servants have been able to demonstrate stellar performance over the COVID-19 period, it is the institutions that have failed in ensuring the right support is provided. At the peak of the pandemic in July and August 2021, public health workers spoke anonymously to Projek Bangsa Malaysia (in a video that went viral) to share about the lack of support provided by the ministry, many of whom were starting to face severe mental and emotional challenges given the long hours and lack of available human resources (Projek Bangsa Malaysia, 2021). As stated above, doctors and hospital personnel were discouraged from sharing the specific equipment needs for fear that this would reflect badly on the Ministry of Health's inability to provide for the hospital needs.

Second, coordination between ministries at the federal level – early and quickly – is imperative to ensure effective outcomes. In Malaysia, such coordination did eventually come about, but it took several months for the government to get a proper system going. In the intervening months, during which SOPs were revamped multiple times, inconsistent rules were announced, and regulations were reversed, this left businesses especially stranded with little to no recourse available. At the highest of levels, this was the purpose of establishing a National Action Council and a National Recovery Council. However, apart from coordinated press conferences, the resultant SOPs were often in disarray. It was only after the National Recovery Council finally implemented a new set of SOPs, consolidating SOPs such that they were not written in fine detail for every different sector, that industries had an easier time in obtaining the information they needed.

Third, the twin crises of political turbulence and the COVID-19 pandemic have embedded centralisation trends even further. However, states have also used the pandemic as an opportunity to push for a greater role in decision-making, with some successes in creating some autonomy. Ultimately, both structurally (in terms of laws and institutions) and politically (decisions over resource allocation, both horizontally and vertically downward), the centre still wields the most power. COVID-19 has given the country an opportunity to revisit policy domains of each level of government, where if the administration of healthcare is decentralised to state and local governments, this could conceivably allow for greater coordination – and resolve some of the coordination complications pointed out above. The principle of subsidiarity states that a central authority should have a subsidiary function, performing only those tasks which cannot be performed at a more local level – this is something Malaysia could certainly explore.

As COVID-19 eventually eases into an endemic, with high vaccination rates and mild symptoms, there is only a very low possibility of lockdowns resuming. Nevertheless, countries should take the experience of the last two and a half years and reflect thoroughly on how they can improve on their policy coordination and implementation, for the sake of their communities. Malaysia is no exception.

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<sup>2</sup> The cases continued to climb steadily to reaching daily averages of between 3000 and 4000 new cases at the end of January 2021.

<sup>3</sup> Supplement to Concurrent List for States of Sabah and Sarawak: Personal law relating to marriage, divorce, guardianship, maintenance, adoption, legitimacy, family law, gifts or succession, testate or intestate, adulteration of foodstuffs and other goods, shipping under 15 registered tons, maritime and estuarine fishing and fisheries, the production, distribution and supply of water power and of electricity generated by water power, agricultural and forestry research, control of agricultural pests, and prevention of plant diseases, charities and charitable trusts and institutions in the State, theatres, cinemas, cinematograph films, places of public amusement, elections to the State Assembly held during the period of indirect elections.

<sup>4</sup> Supplement to State List for States of Sabah and Sarawak: Native law and custom, incorporation of authorities and other bodies set up by State law, Ports and harbours (other than those declared to be federal), regulation of traffic by water in ports and harbours or on rivers wholly within the state, except traffic in federal ports or harbours, foreshores, Cadastral land surveys, In Sabah, the Sabah Railway, and subject to the Federal list, water supplies and services.

<sup>5</sup> Boarding houses and lodging houses, burial and cremation grounds, pounds and cattle trespass, markets and fairs, and licensing of theatres, cinemas and places of public amusement.

<sup>6</sup> Includes rivers and canals, excludes water supplies and services; Control of silt and riparian rights.

<sup>7</sup> The four opposition Parliamentarians are Wong Chen (PKR), Chong Chieng Jen (DAP), Dzulkefly Ahmad (Amanah) and Bernard Dompok (UPKO) (Malay Mail, 15 October 2021).

<sup>8</sup> The Malaysian COVID Now website was set up only after Khairy Jamaluddin became Minister of Health: <https://covidnow.moh.gov.my/>

<sup>9</sup> Malaysiakini set up its own Covid-19 in Malaysia website to track cases: <https://newslab.malaysiakini.com/covid-19/en>