

”Limits of State Capacity?”

Philippines under ECQ and Malaysia under MCO

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The Philippines' Response to COVID-19: Limits of State Capacity

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Keywords: Philippines COVID-19 Fiscal Stimulus Private Sector State

<https://covid-19chronicles.cseas.kyoto-u.ac.jp/>

- Limited financial response
- Slow/uneven implementation of the Social Amelioration Program
- Significant presence of the private sector in the public goods provision

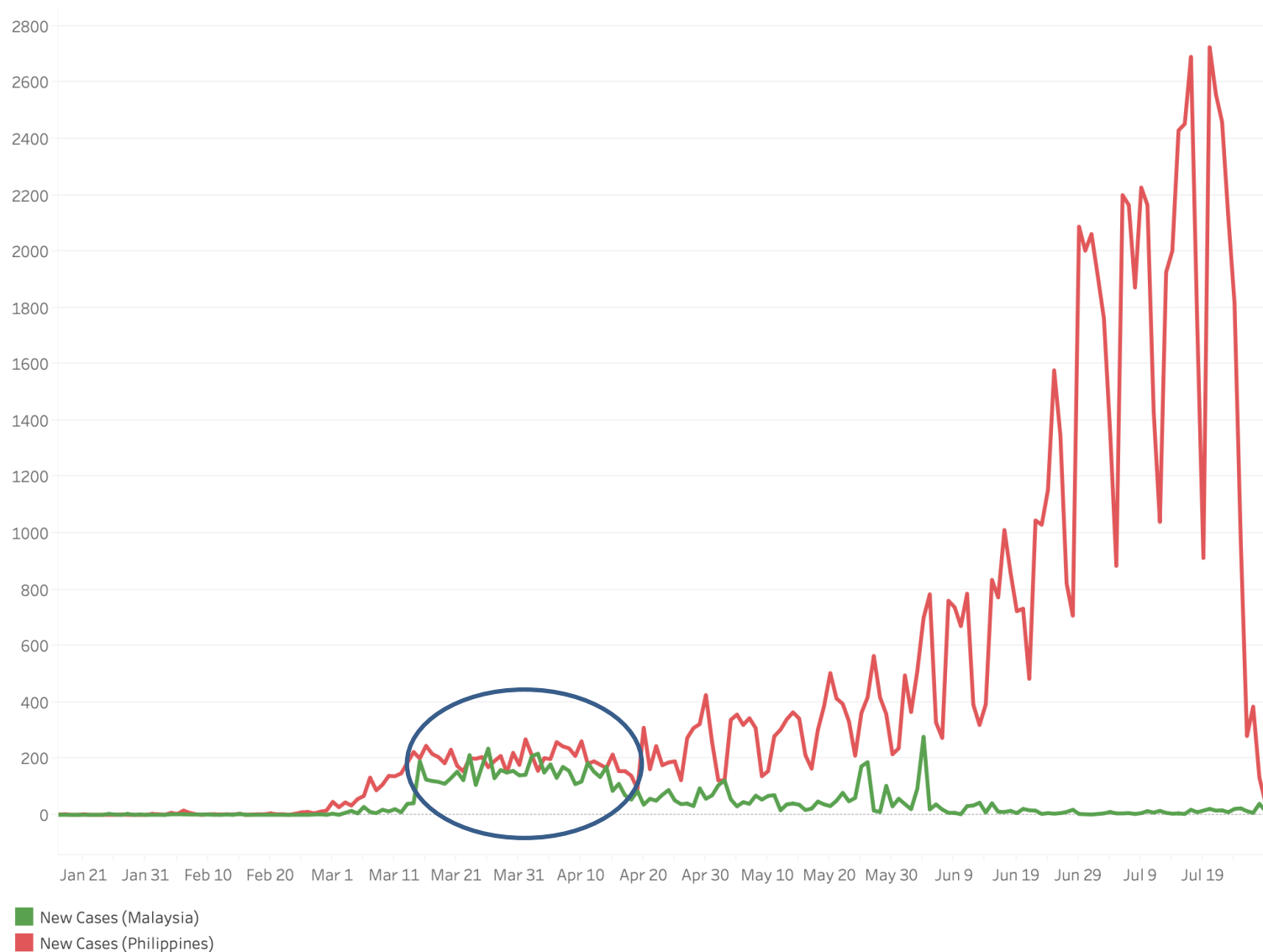
ECQ and MCO:

Philippines and Malaysia

	Enhanced Community Quarantine (ECQ), PH	Movement Control Order (MCO), MY
Duration	March 17 – May 15	March 18 – May 4
Financial provision	Bayanihan Heal as One Act (March 26)	Prihatin Rakyat Economic Stimulus Package (March 27)
Operating Sectors	Only essential services were allowed to operate	
Educational institutions	All closed	
Gathering	Prohibited except for selected reasons	
Movements	Prohibited except for selected reasons limited to one(1) person	
	-	(10 km radius, April 2-14)
Public transportation	Suspended	Limited hours of operation
Geographical scope	Entire Luzon +	Entire country

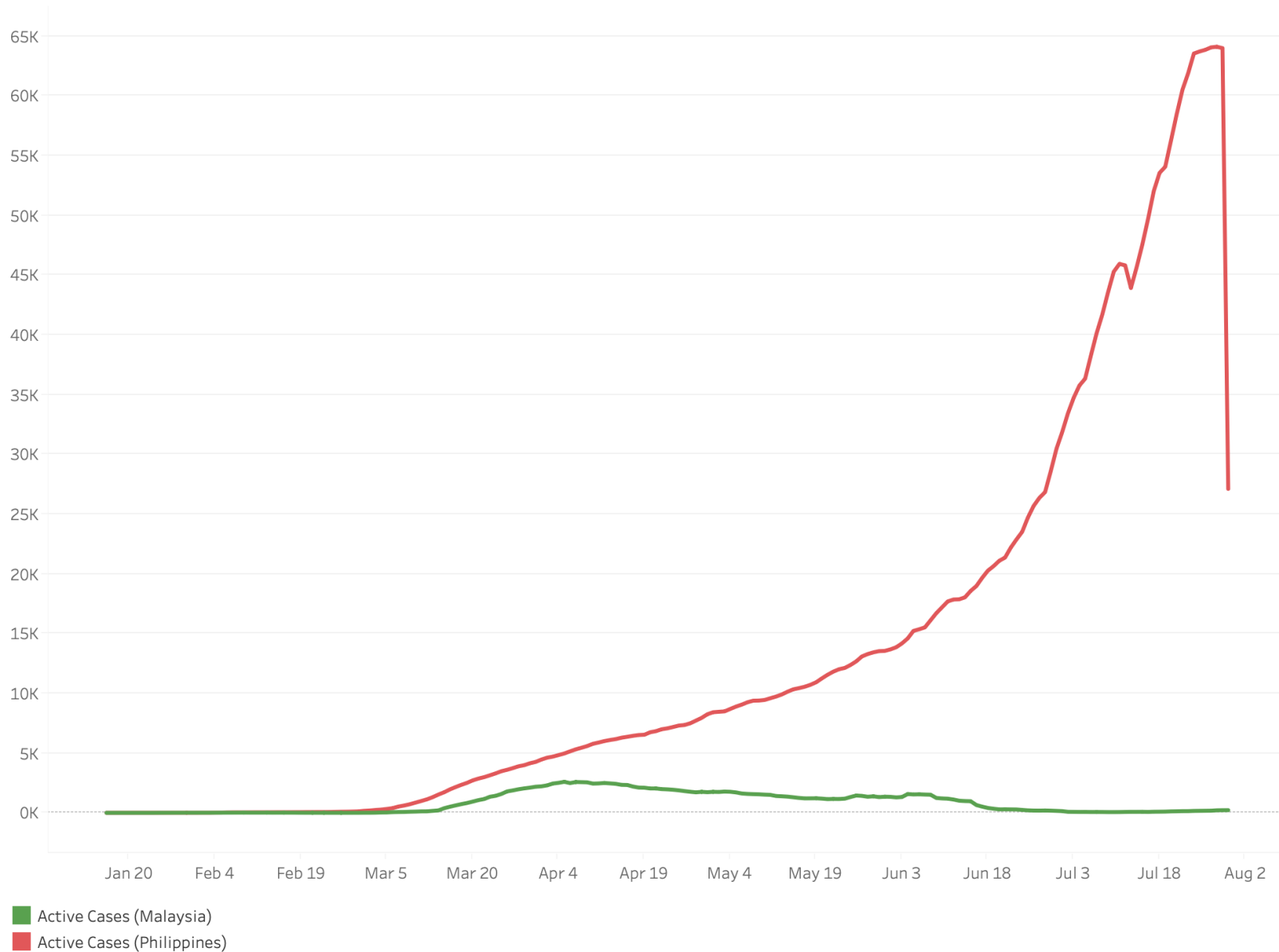
Different Trajectories

Number of New Cases, Philippines and Malaysia



Different Trajectories

Active Number of Cases, Philippines and Malaysia



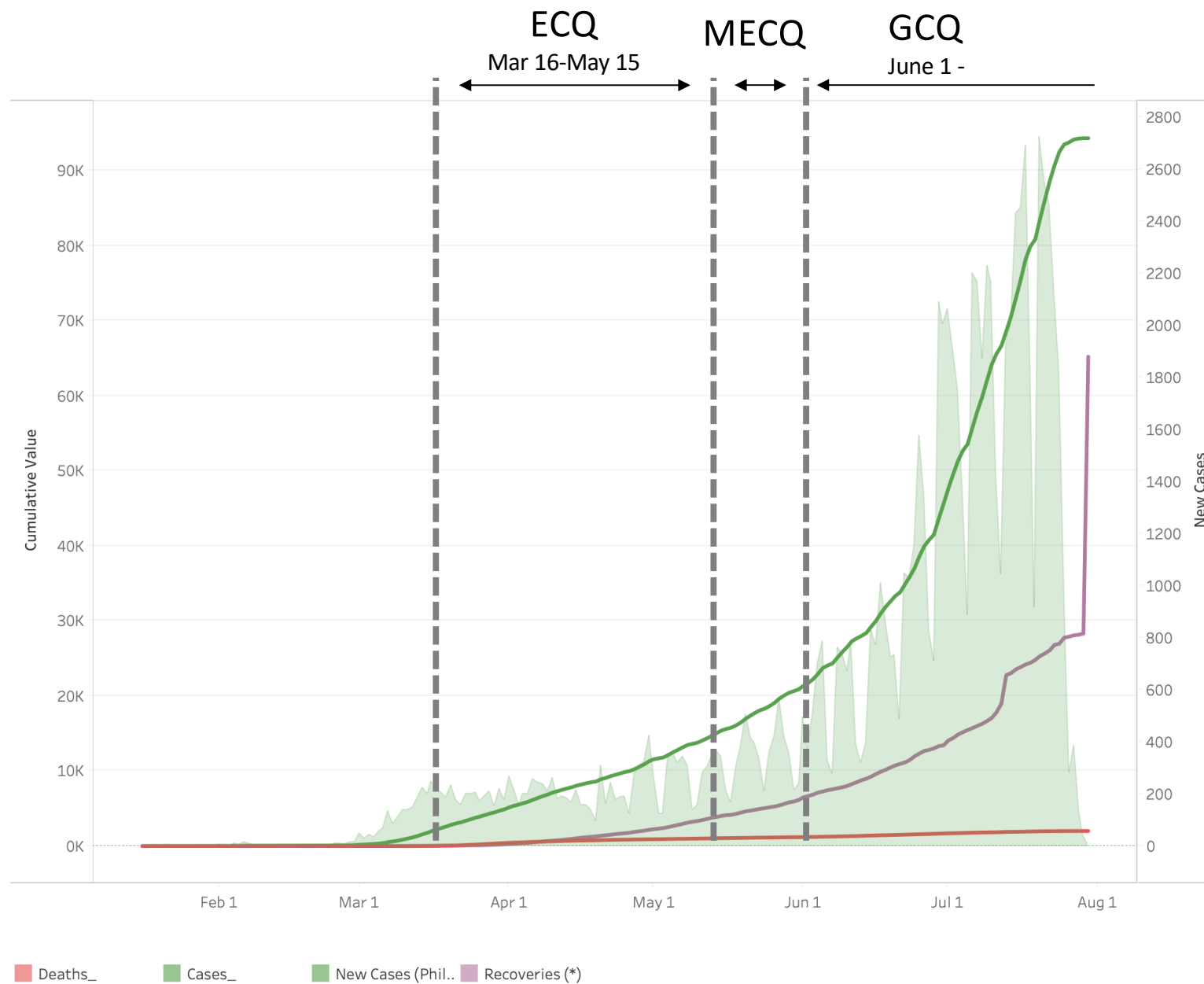
Different Consequences so far (as of Aug1)

Number of COVID-19 Cases

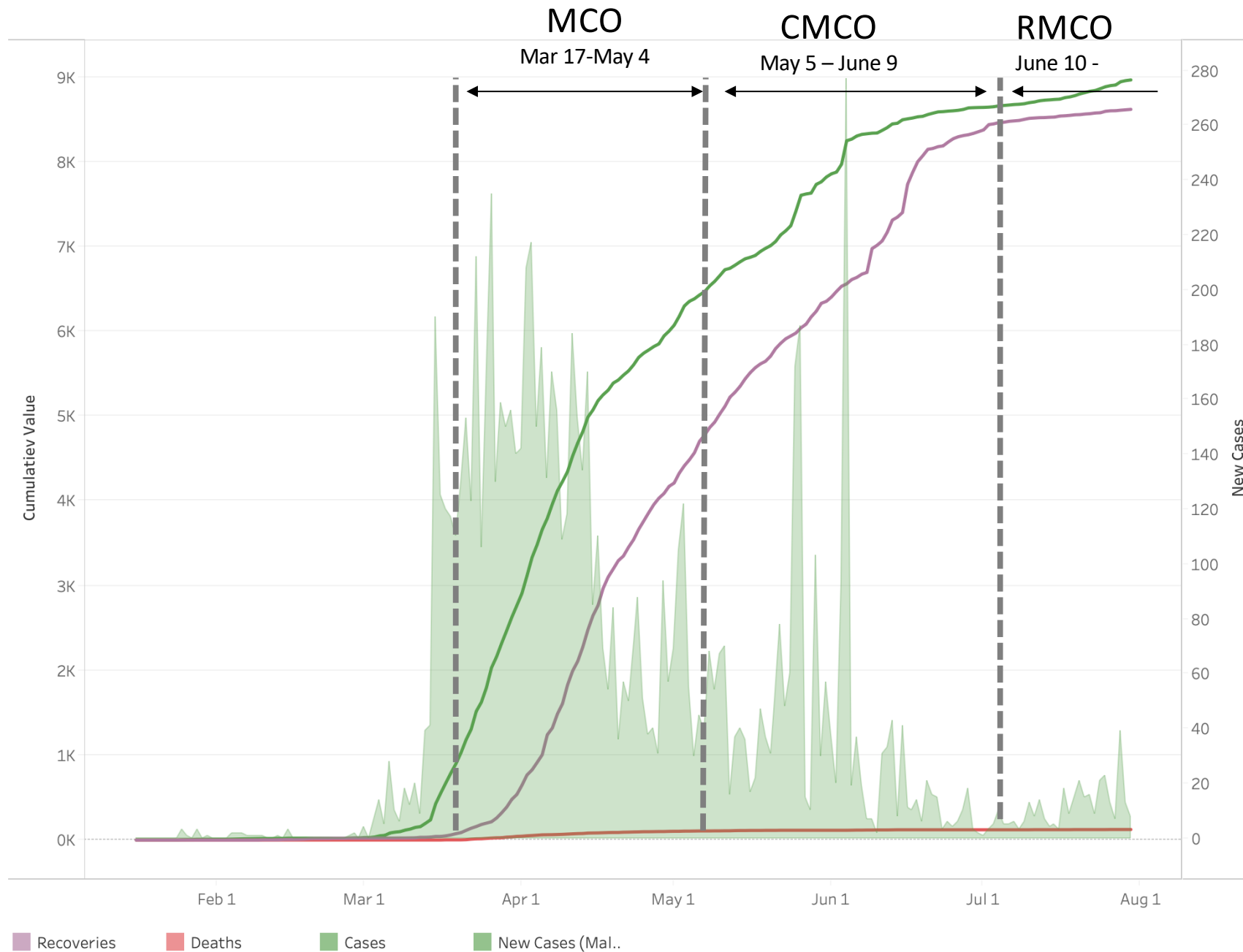
	Philippines	Malaysia
New Cases	4,963	12
Total Cases	98,232	8976
Total Recoveries (recovery rate)	65,265 (66.4%)	8644 (96.3%)
Total Deaths (death rate)	2,023 (2.06%)	125 (1.39%)
Active Case	30,928	207

Source (same for slide 4-7):

- DOH, *Covid-19 Tracker* (<http://www.doh.gov.ph/covid19tracker>)
- MOH, *Situasi Semasa Pandemik COVID-19 Di Malaysia* (<http://covid-19.moh.gov.my/terkini/072020/situasi-terkini-31-julai-2020>)



Cumulative Cases, Recoveries, Deaths and New Cases, Philippines



Cumulative Cases, Recoveries, Deaths and New Cases, Malaysia

Different Consequences (so far)

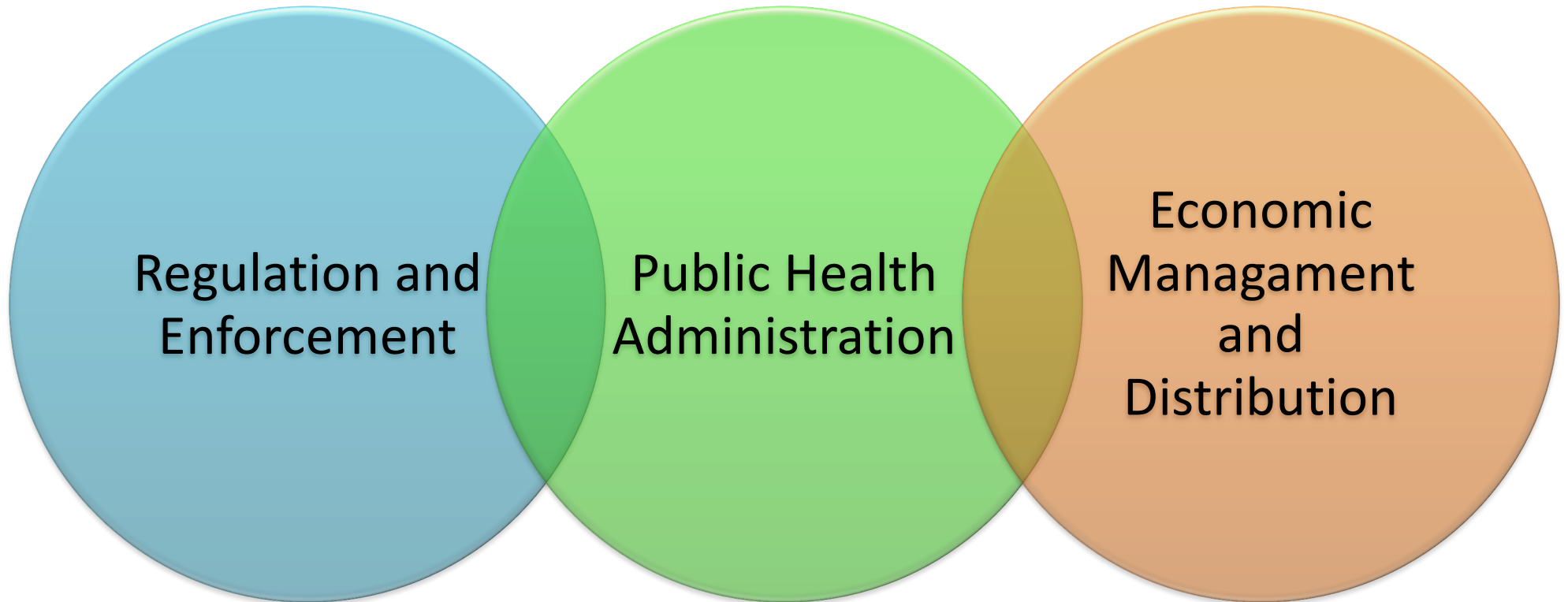
Economic Indicators

	Philippines	Malaysia
2020 Q1 GDP Growth	-0.2%	0.7%
Production	<ul style="list-style-type: none"> • Service: 1.4% • Agriculture, Forestry and Fishery: -0.4% • Industry: -0.4% 	<ul style="list-style-type: none"> • Service: 3.1% • Manufacturing: 1.5% • Mining & Quarring: -2.0% • Construction : -7.9% • Agriculture: -8.7%
Expenditure	<ul style="list-style-type: none"> • Private Consumption: 0.2% • Government Consumption: 7.1% • GCF: -18.3% • Exports: -3.0% • Imports: -9.0% 	<ul style="list-style-type: none"> • Private Consumption: 6.7% • Government Consumption: 5.0% • GCF: -4.6% • Exports: -7.1% • Imports: -2.5%
Unemployment rate, (before ECQ)	17.7% in April 2020 (5.1% in January 2020)	5.3% in May 2020 (3.3% in February 2020)

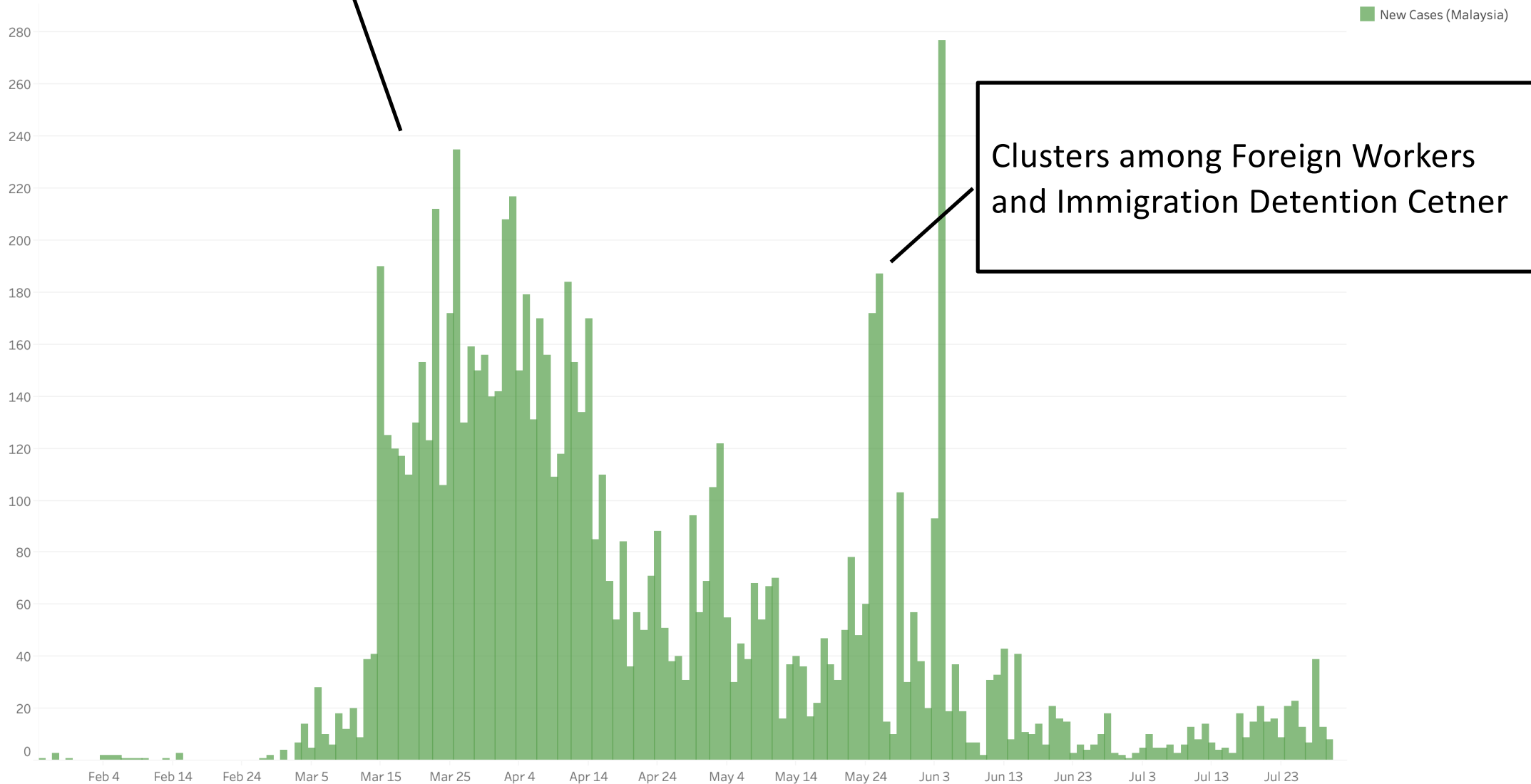
Source:

- Philippines Statistics Authority (<http://www.psa.gov.ph/>)
- Department of Statistics Malaysia (<https://www.dosm.gov.my/v1/index.php>)

Similar response, different trajectory?



Tabligh / Sri Petaling cluster,
3,375 cases
(mid-March – early July)

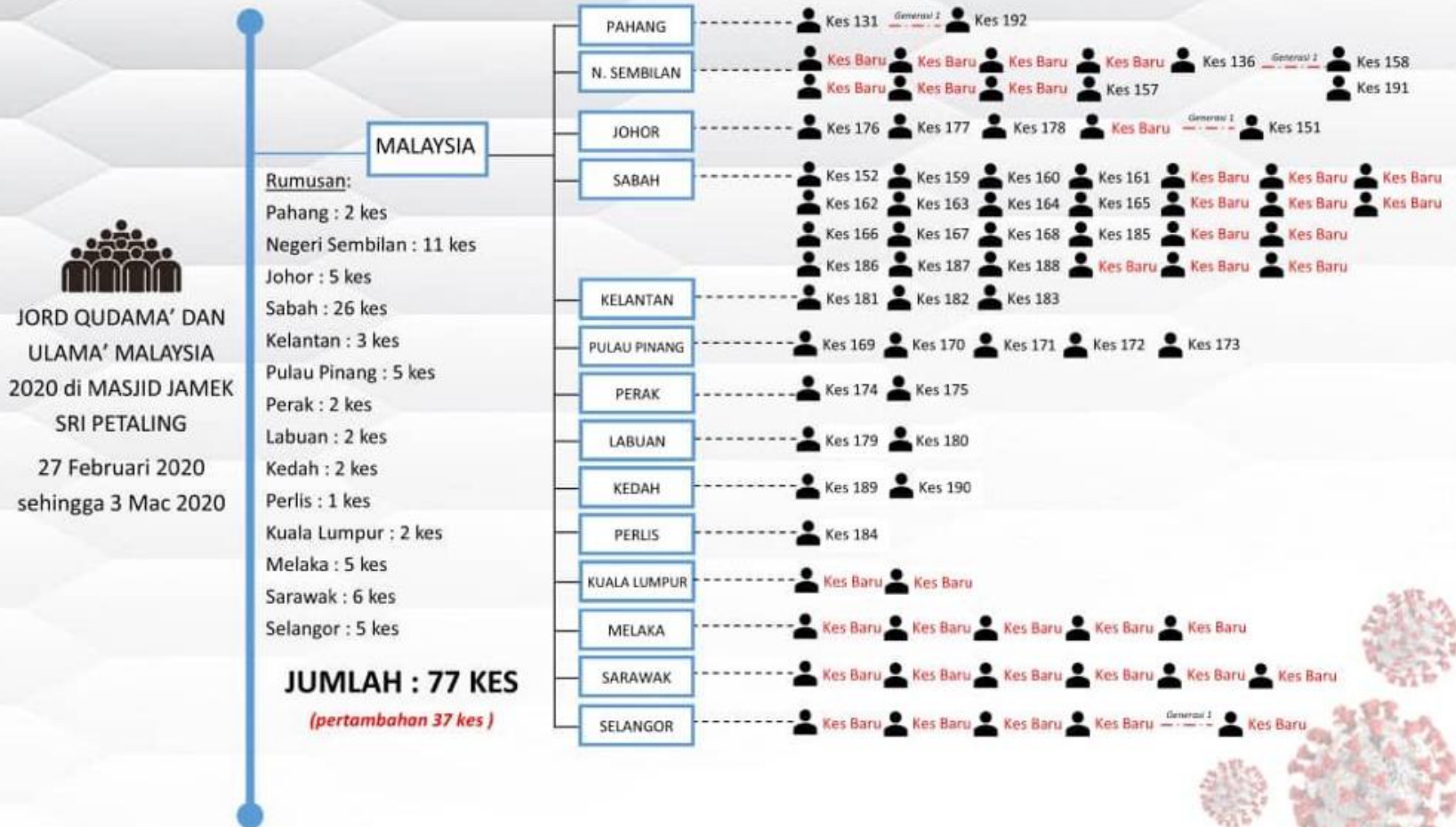


The plot of New Cases (Malaysia) for Dates Day. Color shows details about New Cases (Malaysia).

Rigorous Contact Tracing

PENGESANAN KLUSTER KES COVID - 19 DI MALAYSIA

Sehingga 14 Mac 2020



Sumber : Bilik Gerakan COVID-19, CPRC KKM

Active Case Detection / Surveillance

- Religious Schools
- Detention Centres
- Foreign Workers (construction site)
- Enhanced Movement Control Order (EMCO) areas
- ILI / SARS patients screening medical frontliners



Bureaucrats in Charge

Dates	Signature
2020-02-14	Dato' Seri Dr. Wan Azizah Dr. Wan Ismail
2020-02-15	Dato' Seri Dr. Wan Azizah Dr. Wan Ismail
2020-02-16	Agensi Pengurusan Bencana Negara
2020-02-17	Datuk Seri Dr. Dzulkefly Ahmad, Menteri Kesihatan Malaysia/Datuk Dr. Noor Hisham
2020-02-18	Datuk Seri Dr. Dzulkefly Ahmad, Menteri Kesihatan Malaysia/Datuk Dr. Noor Hisham
2020-02-19	Datuk Seri Dr. Dzulkefly Ahmad, Menteri Kesihatan Malaysia/Datuk Dr. Noor Hisham
2020-02-20	Datuk Seri Dr. Dzulkefly Ahmad, Menteri Kesihatan Malaysia/Datuk Dr. Noor Hisham
2020-02-21	Dato' Seri Dr. Wan Azizah Dr. Wan Ismail
2020-02-22	Datuk Dr. Noor Hisham
2020-02-23	Datuk Dr. Noor Hisham
2020-02-24	Datuk Seri Dr. Dzulkefly Ahmad, Menteri Kesihatan Malaysia/Datuk Dr. Noor Hisham
2020-02-25	Datuk Dr. Noor Hisham
2020-02-26	Datuk Dr. Noor Hisham
2020-02-27	Datuk Dr. Noor Hisham
2020-02-28	Datuk Dr. Noor Hisham
2020-02-29	Datuk Dr. Noor Hisham
2020-03-01	Datuk Dr. Noor Hisham
2020-03-02	Datuk Dr. Noor Hisham
2020-03-03	Datuk Dr. Noor Hisham
2020-03-04	Datuk Dr. Noor Hisham
2020-03-05	Datuk Dr. Noor Hisham
2020-03-06	Datuk Dr. Noor Hisham
2020-03-07	Datuk Dr. Noor Hisham
2020-03-08	Datuk Dr. Noor Hisham
2020-03-09	Datuk Dr. Noor Hisham
2020-03-10	PMO
2020-03-11	Datuk Dr. Noor Hisham
2020-03-12	Datuk Dr. Noor Hisham
2020-03-13	Datuk Dr. Noor Hisham
2020-03-14	Datuk Dr. Noor Hisham
2020-03-15	Dato' Seri Adham Baba, Menteri Kesihatan Malaysia
2020-03-16	Dato' Seri Adham Baba, Menteri Kesihatan Malaysia
2020-03-17	Dato' Seri Adham Baba, Menteri Kesihatan Malaysia
2020-03-18	Dato' Seri Adham Baba, Menteri Kesihatan Malaysia
2020-03-19	Dato' Seri Adham Baba, Menteri Kesihatan Malaysia
2020-03-20	Datuk Dr. Noor Hisham
2020-03-21	Datuk Dr. Noor Hisham
2020-03-22	Datuk Dr. Noor Hisham
2020-03-23	Datuk Dr. Noor Hisham
2020-03-24	Datuk Dr. Noor Hisham
2020-03-25	Datuk Dr. Noor Hisham
2020-03-26	Datuk Dr. Noor Hisham
2020-03-27	Datuk Dr. Noor Hisham
2020-03-28	Datuk Dr. Noor Hisham
2020-03-29	Datuk Dr. Noor Hisham

- Technical Working Committee for COVID-19 Cluster Meeting among several agencies
- Virtual Health Advisory
- Singapore-Malaysia Joint Working Group



Source: MOH, *Kenyata Akhbar*

Space created by a political vacuum



Feb 23: Sheraton Move



**March 1:
PM Muhyiddin sworn in**

**Feb 24:
PM Mahathir resigned**

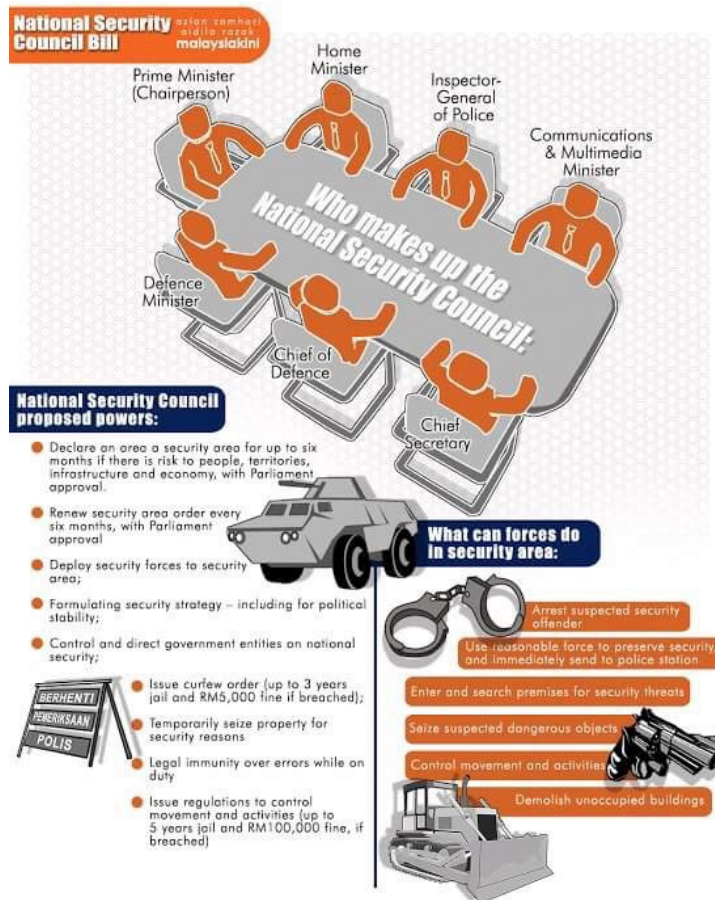


**March 10:
New Health Minister was
Appointed**



Regulation and Enforcement

• Directives by National Security Council (NSC)

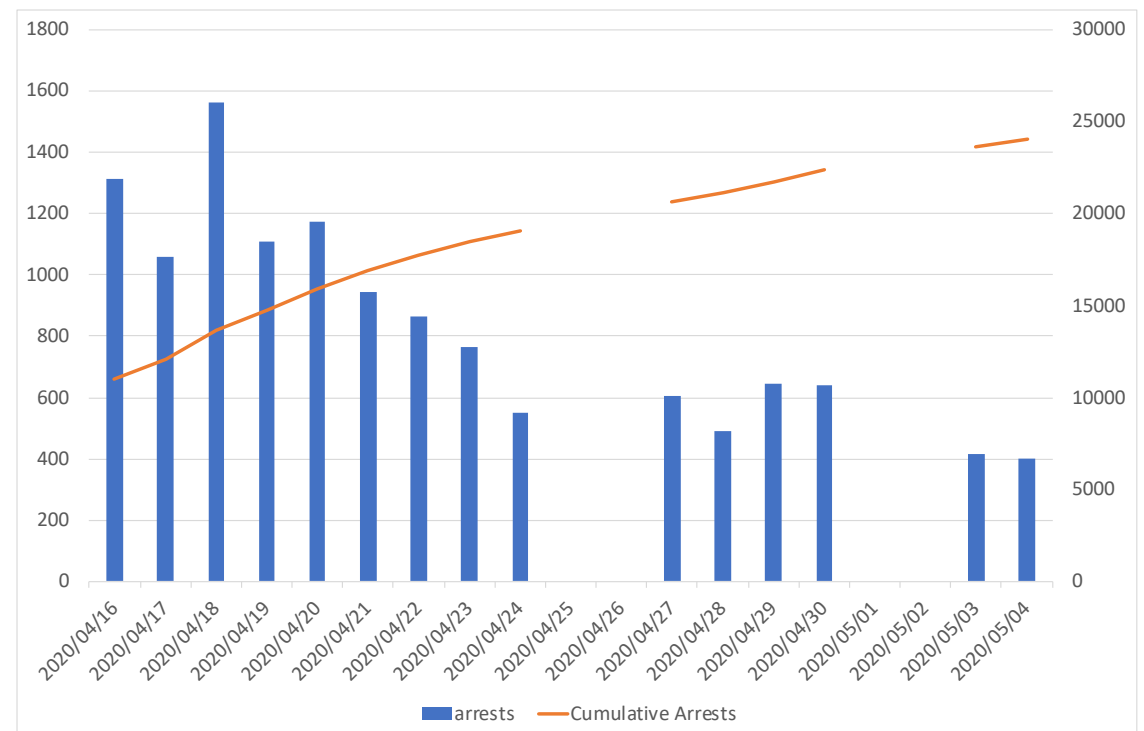


- “to formulate policies and strategic measures on national security, including sovereignty, territorial integrity, defence, socio-political stability, economic stability, strategic resources, antional unity and other interets relating to national security;”
- “Any member of the Security Forces may, without warrant, arrest any person found committing, alleged to have committed or reasonably suspected of having committed any offence under any written laws in the security area.”

National Security Act 2015

Regulation and Enforcement

- Media Updates on Enforcement by the Senior Minister (Security Cluster)



Fair Application of Rules



Economic Management and Distribution



2020 Economic Stimulus Package

- RM20 billion (\$4.7 billion)



Prihatin Rakyat Economic Stimulus Package

- RM250 billion (\$59.0 billion)



Prihatin Package for SMEs

- RM10 billion (\$2.4 billion)



National Economic Recovery Plan (PENJANA)

RM35 billion (\$8.3 billion)

RM295 billion (\$69.6 billion)

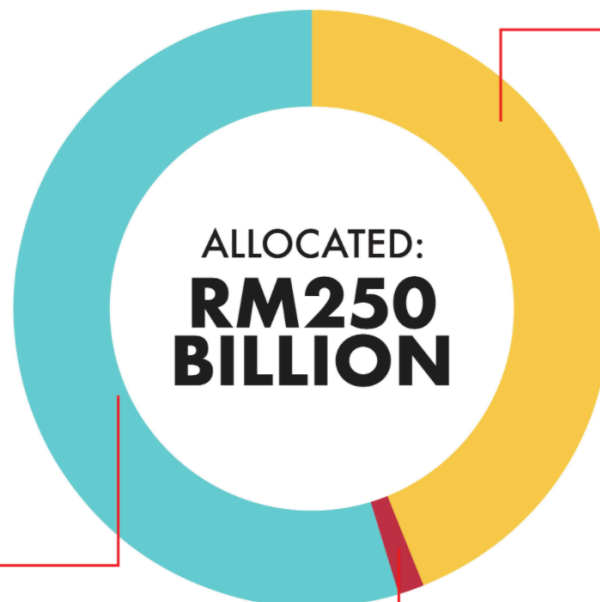
2020 'PRIHATIN RAKYAT' ECONOMIC STIMULUS PACKAGE

"NO ONE WILL BE LEFT BEHIND"



TO PROTECT PEOPLE'S
WELFARE:

RM128 BILLION (\$30.2 billion)

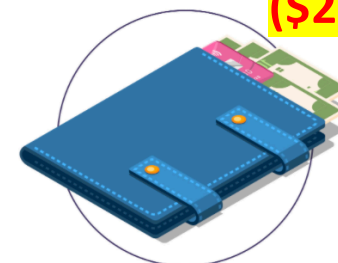


ALLOCATED:
**RM250
BILLION**



TO SUPPORT BUSINESSES:
RM100 BILLION

(\$23.6 billion)



TO STRENGTHEN THE ECONOMY:
RM2 BILLION

(\$0.5 billion)

INCLUDES RM20 BILLION ANNOUNCED IN FIRST ECONOMIC STIMULUS PACKAGE

Source: Prime Minister of Malaysia, Tan Sri Muhyiddin Yassin

Bernama Infographics

2020 'PRIHATIN RAKYAT' ECONOMIC STIMULUS PACKAGE: PROVISIONS

Selected Items in Prihatin

Cash Assistance

Benefieries (programs)	Amount
B40; M40 (Bantuan Prihatin Nasional)	RM1,600 for household income \geq RM4,000 RM1,000 for household income RM4,000 – RM 8,000
B40 (Bantuan Sara Hidup)	RM 600 for househodl income \geq RM4,000 ...
Taxi drivers; Tour bus drivers; E-hailing drivers; tour guides; students of higher instion	RM 600 for taxi drivers RM 500 for e-hailing drivers RM 200 for students...
Vulnerable groups	
Income replanacement for B40 COVID-19 patients	RM 50 per day, maximum 14 days
Civil servants (including retired)	RM 500

Allowance

Special allowance for the medical personnel	RM400-600 per month
Special allowance for non-medical frontliners	RM 300 per month

Selected Items in Prihatin

Rental Waiver, Deferment of loan, Utility Subsidy, Food security

6 month Exemption and postponement of housing and business premise rentals for B40 in public housing
6 month lease exemption on Federal Government Premises
Deferment of students loan for 6 months
Electricity bill discounts, ranging from 15-50% (depends on the usage)
Free internet services during MCO
RM 100 billion into food storage and distribution upgrading

Wage Subsidy Program

RM600/m for three months to every employee earning less than RM4,000, with employers experiencing more than 50% decrease in their income since January 2020. Employers must ensure there are no retrenchments.
Estimated to benefit 3.3million workers with an allocation of RM 5.9billion.

Selected Items in Prihatin

SMEs

Low interest-rate / soft loans / credits for SMEs
Postponement of income tax installment for three months
Private Banks to offer 6-months moratorium
Special loan for the B40 entrepreneurs

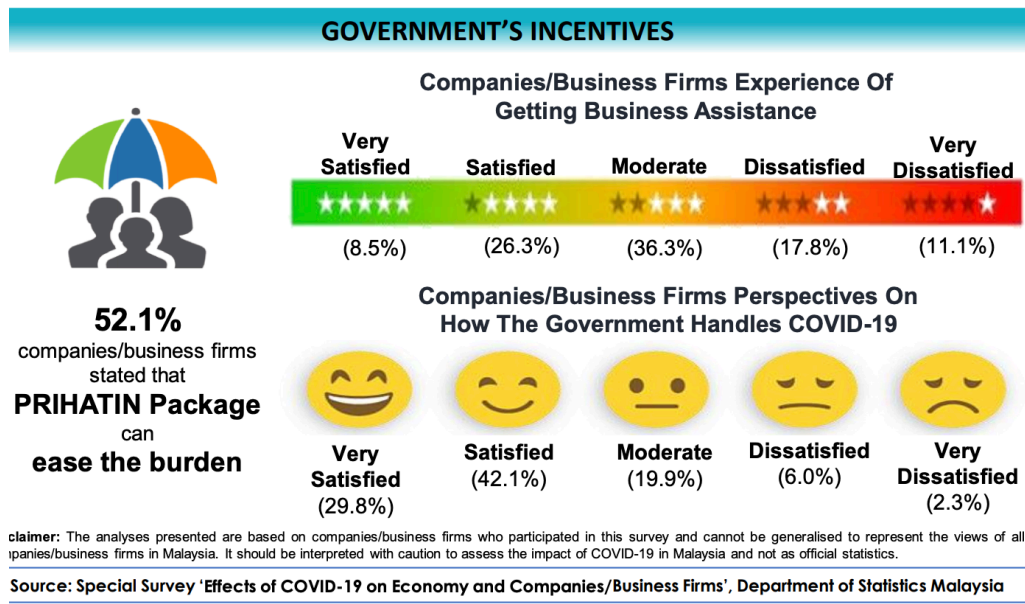
Boosting Domestic Investment

Small infrastructural projects
Mega infractructual projects (ECRAL, MRT2)

“The government will give attention to everyone, whether they are small traders, taxi drivers, farmers, fishermen, livestock breeders, factory workers, private sector employees or civil servants.”

Muhyddin Yassin, Prime Minister of Malaysia
March 23, 2020

Reaction of the Public



- 68.2% received three (3) forms of assistance;
- 13.9% received two (2);
- 17.9% received one (1)
- 70.1% found Prihatin as effective;
- 9.1% found it highly effective

Special Survey: Effects of COVID-19 on Economy and Companies/Business Firms (ROUND1)

April 10-May 1, 4,094 firms

Special Survey: Effects of COVID-19 on the Economy and Individual (ROUND2)

April 10-24, 2020; 41,286 respondents

<https://www.dosm.gov.my/v1/uploads/files/covid-19/Infographic.pdf>

https://www.dosm.gov.my/v1/index.php?r=column/cfour&menu_id=b1d2TmwvM3VUcHRVYk53cFVycm1wZz09&bul_id=RjRPUHZzVml0NXI2anNNb1RBcnIxQT09

Institutional capacities matter



- Institutional Capacities:
 - ✓ Strictly and fairly enforce rules
 - ✓ Secure public health
 - ✓ Mobilize resources for economic relief and stimulus