

## Social Welfare Services in Malaysia: The Role of Government

Farrah Shameen Binti Mohamad Ashray

Graduate School of Global Governance, Meiji University, Tokyo

f.shameen@gmail.com

**Abstract.** Social welfare is the crux of the social system and development of any nation. However, in a country that aims to become a high income nation by 2020, Malaysia seems to have foregone developing and expanding its social welfare system, other than the cash assistance program. The social welfare system in Malaysia is less studied and appreciated, compared to the western welfare delivery mechanisms argueably because of the complexities of the structure and its social order. Against this background, this study seeks to gain a deeper understanding of the role of government in the social welfare services from the bureaucratic perspective. Through interviews and thematic analysis, findings reveal that perception of non-responsibility is prevalent within the actors in the government machinery. While politicians feel strongly that the society and family must be more responsible towards social welfare services instead relying on the government, many community leaders, NGOs and street-level bureaucrats who are nearer to the society feel that the society and family, especially in more vulnerable and less affluent communities are not yet capable of managing and organizing themselves what more their problems. The study concluded that the existing structure and system has not been fully entrenched to nurture the role of government in social welfare in Malaysia.

**Keywords:** Malaysia; Plural society; Social welfare; Non-responsibility; Federalism

### Introduction

Malaysia has become one of the leading economies in South East Asia, while also known as a progressive Muslim state (Hamid, 2017). With rapid growth and proclaimed success of poverty eradication, the reality is Malaysia has begun to feel the stress of demographic and increased vulnerability within groups of the society. More importantly, in the Malaysian context, the government has been encountering with structural problems, in meeting the increasing demand for social welfare services. For instance, in 2015, the state of Sarawak started requesting for negotiation for administrative and a certain level of financial devolution for certain public services from the federal government, which included social welfare, citing that the decision making and funding are made too far at central government (The Borneo Post, 2017). The rise of social media has also increased the demand for social welfare through additional ‘scrutinizing eyes’ on the services of the government, testing the system to the brink. State governments such as Selangor<sup>1</sup> and Penang, have also started increasing state-level non-means tested cash handout programs and some in-kind, on top of existing welfare payments for a broader range of recipients, including for student and death/ funeral expenses. The progress is

---

<sup>1</sup> The state of Selangor started a program called *Inisiatif Peduli Rakyat* (Caring for the People Initiative) in 2008 while the Penang State government started the Equitable Economic Agenda or *Agenda Ekonomi Saksama* (AES) and *iSejahtera* in 2008. Both state government are currently led by the opposition government (Pakatan Rakyat) to the federal government (*Barisan Nasional* or known as the National Front).

fragmented, according to states, seems more like fire-fighting, often labeled as ‘buying votes’ but remained focused on cash- handouts. Simply stated, the country has not yet established a system permanently to always be capable of expanding and dealing with the rising and varying needs of the vulnerable.

The current system cannot provide welfare services, in a stable fluid manner, at least not at par with the services offered in developed nations. At the same time, little is known about the federal-state arrangements on the area of social welfare<sup>2</sup>. This is especially important in Malaysia being a highly pluralistic and diverse society with a strong presence of Islam<sup>3</sup> even within its federal administrative system and the formalized *zakat* collection and distribution system<sup>4</sup>. This research posits that the Malaysian social welfare system other than its cash transfer has been neglected, compared to the western welfare delivery mechanisms because of the complexities of the structure and social order. These factors have also resulted in slow development and innovation since before independence compared to other development agendas such as poverty eradication, education, and industrialization. Semi-structured interviews with public sector decision makers, administrators and service providers and other professionals within the federal and state government agencies, including *zakat* agencies, as well as federal government and state government politicians, grass root leaders and NGOs were undertaken to achieve this objective.

#### Past Research on Social Welfare in Malaysia

Social welfare systems and its administrative paradigms in South East Asia are less understood, and there is a lack of academic work in this area (Midgley, 2017: 31-32). Similarly, the lack of academic debate and academic research in the field of social welfare services in Malaysia demands attention and this study intend to that fill that gap. The incessant over concentration on cash handouts and stark absence of social welfare services including social workers on the ground, which is apparent in both the academic debate and the practical condition, backed by the evident lack of political will in this field, have motivated this study. In this study, the researcher will be investigating and examining the social welfare system in Malaysia. The role of government in social welfare to the vulnerable groups is the central problematique and phenomena of this research.

The purpose of this research is to expand the understanding of the social welfare models of prosperous developing nations that are non-homogenous and pluralistic society; one with a dominant Muslim community and Islam as its official religion. To start with, the researcher has limited sources because of the lack of literature on social welfare services in Malaysia. In order to deeper understand the peculiarity of why the lack of academic debate has persisted in Malaysia, a few interviews were scheduled with senior bureaucrats, a retired minister,

<sup>2</sup> Social Welfare is listed first in the list of duties shared between the Federal Government and the state governments, provided in the Federal Constitution (Ninth Schedule – Concurrent List).

<sup>3</sup> Islam is the official religion of Malaysia, as stated in Article 3 of the Federal Constitution of Malaysia. Other religions can be freely professed and practiced.

<sup>4</sup> *Zakat* is compulsory charity that is commanded under Islam for Muslim all around the world who earn a certain level or achieve a certain threshold of yearly income. *Zakat* is unique because the beneficiaries have been pre-decided into 8 group, focusing on the poor and vulnerable group of the society. The central idea of *zakat* is that the wealthier do not own all the wealth and that the poorer cohort in the community has a right to the wealth. From that perspective, the idea is almost similar to the notion of taxation of income and also redistribution of wealth in a state which is seen as a more modern approach.

academicians and an NGO at the early stage of the research. This exercise assisted the researcher in the inception of designing the research especially in determining its research approach, methodology, and theoretical grounding. As a result, the researcher decided to adopt Weber's bureaucratic theory to critically examine the role of the government with the hope to identify why social welfare services have been neglected and understand the process and sequence of the social welfare in Malaysia.

Looking back, Malaysia has been administered by one dominant coalition party since its independence in 1957, and constantly dubbed as an authoritarian regime (Jomo, 2014). Since its independence, Malaysia has become one of the most politically stable and leading economies in South East Asia, with an aim to become a developed nation by the year 2020. In Malaysia, the Federal Constitution enshrined that social welfare is the duty to be shared by the federal and state of government, but up until now, not much is known about the organization of the social welfare services. What is known is that the third/ voluntary sector in Malaysia exist way before the independence of Malaysia and is currently offering more services in welfare institutions, and other related services while the government has concentrated on cash handouts. Although poverty seems to have been eradicated, the proliferation of cash handouts continues, on a bigger scale, not only by the Federal government but also by the state governments. On the other hand, institutional, care policy or care services, is the most critically inadequate support system for the community in Malaysia (Ministry of Women, Family and Community Development and UNDP, 2014:91). The study also pointed out that cash support on its own is not sufficient because care work for elderly, sick, disabled and children has caused women especially to exit labor force because of insufficient care support mechanisms. This is only one example of the lack of social welfare services that have impacted the livelihood, well-being and stability of families, what more low-income and the elderly.

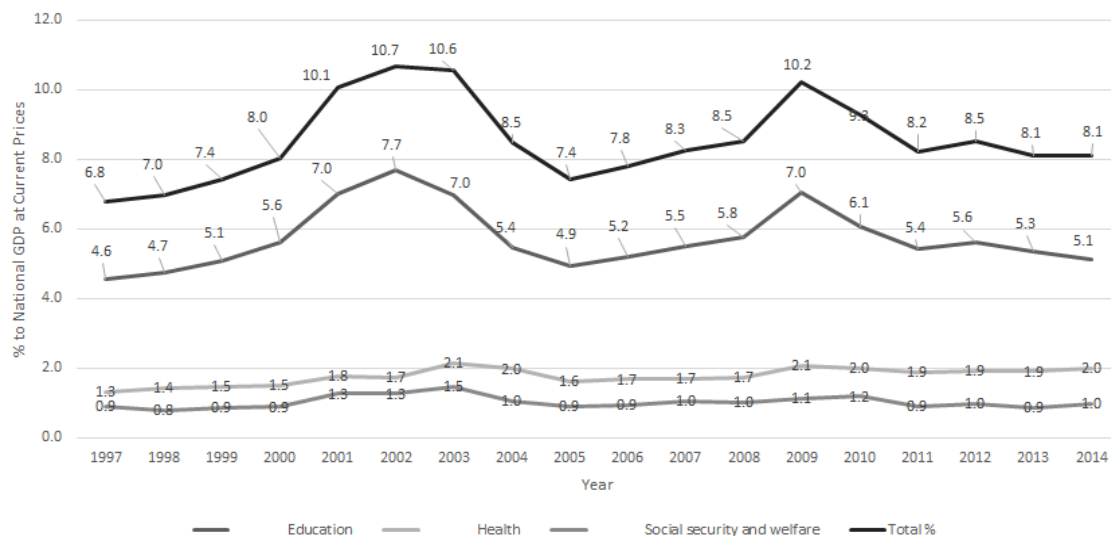
#### Capacity of public welfare institutions compared to NGOs

In 2015, in the whole country there are only 66 public welfare institutions (for juveniles, children, elderly, and disable, destitute) directly administered by the Department of Social Welfare Malaysia (DSWM) a federal government department. The maximum capacity of the 66 institutions is 5,100 people. Not all states have these facilities. Comparatively, the total registered care centers managed by the NGOs and the private sector for elderly are 270 with 6,083 residents. While, a total of 1,200 children/orphans resides in 15 institutions of DSWM, (which are also not available in all states), NGOs have 927 establishments with a total capacity of 27,441 (Ministry of Women, Family and Community Development, 2015: 86). Out of about 7,000 welfare organizations registered with the Inland Revenue Board in 2016, only 3.6% of them (about 254 welfare related NGOs), received grants from the government through the DSWM.

#### Financial perspective

The lack of facilities, the absence of the social work service and the shortage of financial support to the third sector is just the tip of social welfare problems haunting and waiting to explode in Malaysia. To top the condition, as seen in Figure 1 the federal government has spent on average about 1% of GDP between the years 1997 to 2014 for social welfare expenditure (ADB, 2015), lowest compared to the expenditure for education and health, and much lower to

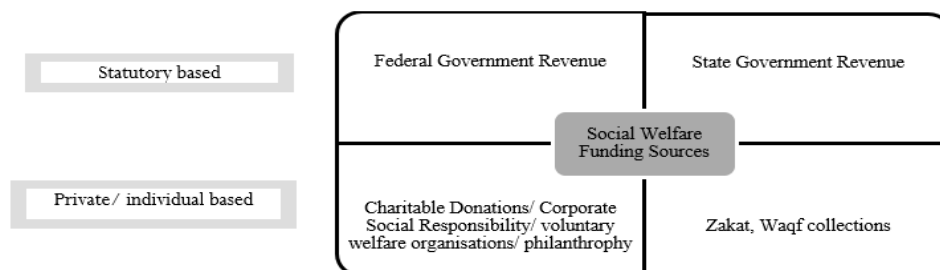
expenditure of developed nations which are about 25-30% of GDP. Even neighboring countries such as Thailand and Vietnam meet the 6% of GDP spending recommended by the ILO, at 7.2% and 6.8% allocation (ILO, 2016)



**Figure 1: Malaysian federal government expenditure for education, health and social security & welfare as percentage of GDP, 1997-2014**

Source: Asian Development Bank (2015), graph created by author

The *zakat* fund is a ‘bonus’ for a country with Muslim presence like Malaysia because other countries without *zakat* have three sources of income. The figure below shows the different sources of social welfare funding in Malaysia, highlighting a distinct addition of the *zakat* element, thus the *zakat* agency as an actor in social welfare system.



**Figure 2: Sources of social welfare funding in Malaysia**

Source: Ashray (2016)

Garland (2016) and Midgley (2016) in unison agreed social welfare in itself is a political creature because someone either benefits or lose in its cause, making politicians cautious in making related commitments. Once committed, it will be difficult to retract or repeal. Thus, social welfare is an issue of high proximity to political masters, instead of bureaucrats. The researcher wonders if that is the case in the western world, why in Malaysia the debate of social welfare and the outcry for more provision is not widespread even amongst public, what more politicians?

Although the social development agenda is seen as essential in Malaysia, research pertaining social welfare has had a narrow and micro background, compared to topics in poverty, and health. A book in 1944 by Muir about social welfare in the British Colonies and Jones (1958) on social welfare in Malaya, proved to be more macro and offered broader discussions although they seem to be accounts of happenings rather than an academic discussion at that time. Shaffie (2006) in her doctoral dissertation on welfare of children and Abu Bakar Ah (2006) claimed that the Malaysian government has always taken a residual role in the provision of social welfare services. Both reasoned that the government maintained a system that was inherited from the colonial times and did not do much to expand or developed it, due to the stigma of socialism and the high cost of 'welfare state.' Shaffie found that no specific welfare model created by the British for Malaya but mainly followed the British welfare ideas by accepting the role of voluntary organisation in the government, resulting until now, government has been taking a 'residual approach' and has remained 'minimalist in welfare provision'. However, both works overlooked areas of legal, funding or institutional administrative structure in the social welfare system and the interaction with other actors.

Talib (2015) and Shaffie (2006) seemed to have the same observation regarding the 'silent' approach of the British Administration (BA). Talib (2015) added a claim that the BA only created welfare support for foreign labor because they were more valuable to the economy compared to the locals Malays. The Malays belong to a feudal system headed by monarchies or attached themselves to local religious leaders. The BA took the Malayan society for granted before the Japanese occupation, but 'wanted to redeem' it by creating the Department of Social Welfare (DSW) in 1946 (Shaffie, 2006). Parallel to claims by Shaffie and Talib, Tim (2012) in his research about the history of social welfare of Singapore, noted that although the Beveridge Report in 1946 was influential in forming the welfare foundation and services in the UK, reluctance to carry it out was evident in the British Colonies, where the public welfare services started mainly as war relief for the Burma Death-Railway victims, and wide spread malnutrition instead of a development tool. In the past decade research only focused on the effectiveness of social welfare assistance using 200 respondents in the state of Perak (Aziz, 2012), the role of social work in achieving Sustainable Development Goals (Jayasooria, 2016), advocacy role of women NGOs (Talib, 2015).

As for other actors related to social welfare services, research are abundant in Malaysia, but most discourse concentrates on the issue of management, integrity, finance, political affiliations and connections, donation, skills, and training and is focused on specific NGOs or groups of NGOs with specific objectives. Thus, even the relationship between the government and the welfare NGOs or the third sector is also much unexplored, although some NGOs in Malaysia precedes the existence of Malaysia as a country and DSWM as a government department for social welfare.

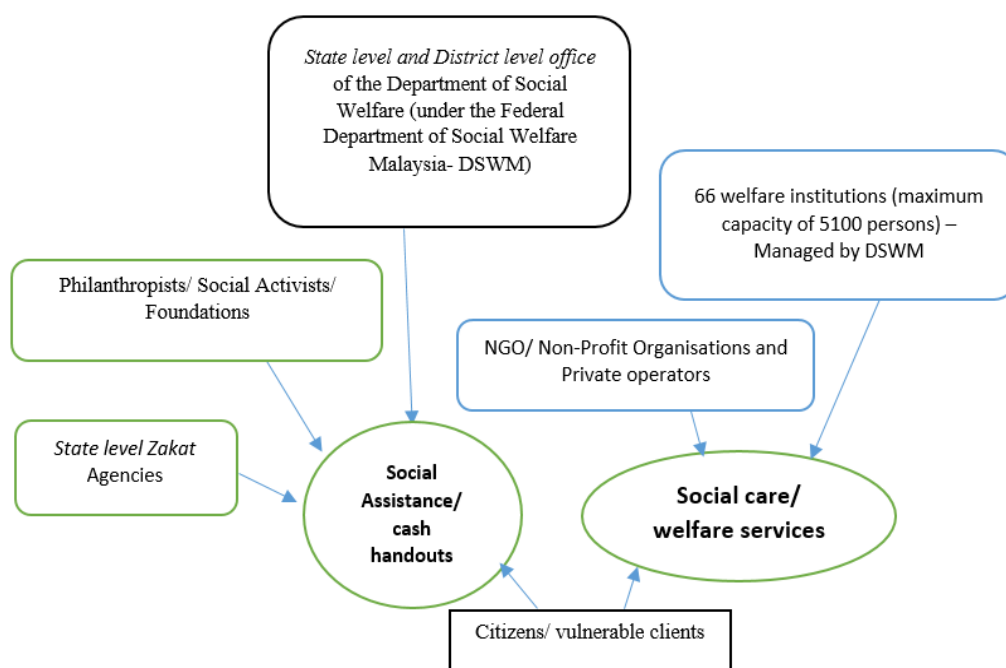
Against the background above, it is clear that the social welfare model of Malaysia is less studied and appreciated, compared to the western social welfare delivery mechanisms and system. It also reflects the importance the governments and its civil society have or put into the notion of social welfare. Social welfare has not been problematized in Malaysia. These factors have also resulted in no substantial improvement and innovation since before independence, contrary to other development agendas such as poverty eradication, education, and industrialization. At the same time, past research has indicated that the government appears to

be more residual in its approach in social welfare services and have relied on the other actors especially the third sector in delivering welfare-related services. These factors point to a potential area of study. Furthermore, the Federal Constitution enshrined that social welfare is the duty to be shared by the federal and state of governments, but how the welfare system is being organized between these two levels of government along-side, the other actors have been overlooked until today.

Role of religious related agencies at the state level such as the *zakat* have also been neglected in the mainstream discussion of social welfare in Malaysia (Ashray, 2016). Therefore, the administrative structure, philosophy, funding, legal framework and the institutional arrangements about the social welfare area in Malaysia is unknown. A thorough appreciation of its system cannot be left with only micro and segmented research of such an important social agenda (Peters and Pierre, 2016). This research will take on the challenge to expand the discourse of the social welfare system in Malaysia by exploring the role of the government and its interaction with the other actors in Malaysia.

#### Institutional and bureaucratic arrangements

In the Federal Constitution of Malaysia, 'social welfare' is a duty listed in the Concurrent List, making it a responsibility shared between the federal government and the state government, unlike for health and education where they are the duties of the federal government. Since 2004, the DSWM is a department placed under the Ministry of Women, Family and Community Development (MWFCDD) at the federal level with functions to provide social welfares services. The services include cash assistance, social work services and counselling, home help services, community service, over 300 community-based rehabilitation centres for the persons with disabilities, 66 institutions such as old folk's homes, orphanages, correctional schools for juveniles throughout the country, regulating child care centers, day care centers and care centers as well as overseeing laws and regulation pertaining to welfare and community development (DSWM, 2016). At the state level, each government establishes their own State Department of Social Welfare (SDSW) and District Welfare offices (PKMD), but the social workers/ officers are dispatched from the DSW (a federal department at the headquarters) with enumeration paid by the state governments except in certain special districts. Support staffs are appointed directly and paid by state governments. This to a certain degree illustrates the administrative and cost-sharing relationship between the two levels of government, reflecting the spirit of the Concurrent List, in the Federal Constitution, where 'social welfare' is both the duty of the state and the federal government. These state departments and district offices, therefore, are accountable to two heads while managing federal budgets for federal government welfare assistance and programs as well as the state government's general welfare programs (mainly cash base instead of services) (Figure 3).



**Figure 3: Current structure of social welfare assistance and care under the welfare programme**

*Source: Figure created by author*

### Methodology and analysis

To understand the realities and the notion of social welfare in Malaysia, the study utilizes the qualitative research design. The intent of the qualitative method is to obtain an in-depth understanding of the subject of the research with emphasis on the analysis of the existing contents and the individual views by interviewing actors in the field. This approach allows the researcher to investigate and comprehend the phenomenon in its natural settings with real realities, based on the meanings people bring to them. The trends in policy concentration and focus 'is composed by the ideas and beliefs of the social actors' (Frederickson, et al, 2012: 9). To interpret the reality, interpretive social sciences includes interpretation of the past (history), interpretation of events, and decisions and actions of participants' (Frederickson, et al, 2012: 9). This method also allows the researcher to investigate the intricacies, complexities and other unspoken issues. Semi-structured interviews were conducted with 32 elite respondents encompassing five groups from four levels of governments (politicians, national bureaucrats, state officials and street level bureaucrats (SLB)) and six welfare related NGOs. The data were analyzed using thematic categorizations.

### Preliminary findings and discussion

Preliminary findings reveal that (1) perception of non-responsibility is prevalent within the government machinery. While politicians feel strongly that the society and family must be more responsible towards social welfare services instead relying on the government, many community leaders, NGOs and SLB who are nearer to the community feel that the society and family, especially in more vulnerable and less affluent communities are not yet capable of managing and organizing themselves what more their problems. (2) Public servants at state

level felt there exists strong resistance to reform from an existing system to more service-oriented system coupled with weak inter-governmental and intra-governmental cooperation. They felt that the federal government do not understand the complexities and the burden of their job on the ground, being mainly desk bound in Putrajaya. Naturally, blame-game exist between this two levels of governments and within the levels of government. (3) Bureaucratic infighting and intra-fighting combined with unclear national social welfare philosophy are the causes of great stress and pose significant challenges. Additionally, (4) despite different political affiliations between the federal government and several states, the attitude and stance on the role of the state remain similar: cash handouts and one-off programs are constant choices instead of actual services. (5) NGOs feel that the government cannot be depended upon for financial support. Therefore, they try to raise funds, although the NGOs hope the government will be more supportive because the NGOs are providing the services that the government 'should be providing'. The NGOs and the grass-root leaders agree that they do not get access to any platforms to discuss issues of social welfare or demands of the people on the ground/ in their areas.

Five explanations were derived and summarised as: firstly, the DSWM has been transferred from one ministry to another, demoted to the level of department and reorganized 10 times in the cause of almost 70 years, thus there has been no stability and sustainability, resulting in the lack of robustness in the development of social welfare policies; secondly, DSWM has been a 'closed service' department served by a group of civil servants known as 'social welfare officers', mainly trained as social workers or related fields. This seems to have caused in-keeping of issues / closed-ranks to avoid a bad image, criticism or loss of trust on the credibility of the welfare officers and its organizations. Change is also hard because of the embedded ties to political patronage, especially at the grass root levels. Thus, sub-consciously, a 'fiefdom' exist. Thirdly, over concentration has been given to the cash transfer programme. This is then reflected in the micro concentration of the scholarly work. Fourth, the political masters have repeatedly indicated that every individual, families and community are responsible for social welfare support, and that the government is not. Surprisingly, federal government public servants parroted the same words. The terms '*government is the last resort*', '*responsibility of the community*' and '*collective responsibility*' kept being repeated. This might be practical in a demographically thriving country but for a country like Malaysia that is already suffering from all sorts of developed nation issues such as aging population and below replacement fertility rate, the belief system that exist pertaining to this issue is rather perplexing.

Lastly, since most of the hands-on social work and welfare casework are implemented by the SLBs at the state and district levels, they are 'too far' from the highly centralized policy making, decision making and 'deskbound' welfare officers at the federal level. The 'distance' is seen to have kept the area of social welfare in Malaysia highly separated, invisible and polarized from other mainstreamed developmental policies, unlike in most developed nations. The exploration has directed and pointed towards a dominant picture of the shortcoming of institutional structure and political will within the country towards the notion, importance and practice of social welfare in Malaysia.

## Conclusion

The governments, both at the federal and state levels should play the linking and mediator role to quickly put in place a more responsive and modern system of social welfare for ensuring equality and reducing vulnerability by capitalizing on the strength of all resources and institutionalizing financial funds like *zakat* and welfare donations. The study is expected to able to provide firstly, the broader picture of the social welfare service system in Malaysia. Secondly, the role of the government in this area could be established explicitly by the integration of actors such as the politicians, state governments, the district office, the NGOs, the SLBs and grass root leaders. Also, the incorporation of state government will bring in for the first time the discussion of actual aspiration of the federal constitution and the *zakat* institution into the discussion of a comprehensive, unique social welfare system in Malaysia. This research will also contribute to the expansion of discussion about social welfare systems in federal type countries with large presence of Muslims.

## References

- Abu Bakar Ah, S.H. (2006). *Kebajikan sosial: Aplikasi dalam perkhidmatan manusia* (Social Welfare: Application in Human Services) in Malay Language, Kuala Lumpur: University Malaya Press.
- Ahmad, A.S., Mansor, N., & Ahmad, A.K. (2003). *The Malaysian bureaucracy: Four decades of development*, Kuala Lumpur: Prentice Hall.
- Ashray, F.S. (2016). Social Welfare Funding: The Unique Role of Zakat Fund in Malaysia, *Journal of Urban Management and Local Government Research*, 32(2).
- DiNitto, D.M. (2007) *Social welfare: Politics and public policy*. Boston: Allyn and Bacon.
- Frederickson, H. G., Smith K. B., Larimer, C. W., & Licari, M. J. (1996). *The Public Administration Theory Premier*. United States: Western View Press
- Gamble, A. (2016). *Can the welfare state survive?*, Cambridge, Malden: Polity Press.
- Garland, D. (2016). *The welfare state: A very short introduction*. Oxford: Oxford University Press.
- Hamid, S. (2017). What's different about Islam in Malaysia and Indonesia?. Brookings Institute. Retrieved from: [www.brookings.edu](http://www.brookings.edu)
- Jayasooria, D. (2016). Sustainable Development Goals and social work: Opportunities and challenges for Social work practice in Malaysia, *Journal of Human Rights and Social Work*, 1(1), 19-26
- Jones, K. (1958). *Social welfare in Malaya*, Singapore: Donald Moore, Ltd.
- Kickert, J.M.W., & Van de Meer, Frans-Bauke. (2011). Small, slow and gradual reform: What can historical institutional teach us? *International Journal of Public Administration*, 34:475-485
- Mair, L.P. (1944). *Welfare in the British Colonies*. London: Oxford University Press
- Merriam, S.B., & Tisdell, E. J. (2016). *Qualitative research: A guide to design and implementation*. 4<sup>th</sup> Ed., Jossey-Bass
- Midgley, J. (2017). *Social welfare for global era: International perspectives on policy and practice*. California; London; New Delhi; Singapore: Sage Publications.

- Ministry of Women, Family and Community Development & UNDP. (2014). *Study to support the development of national policies and programmes to increase and retain women in the Malaysian labour force: Key findings and recommendations*. Putrajaya: Ministry of Women, Family and Community Development. Retrieved from: <http://www.my.undp.org/>
- Muhammed. A. K. (2014). *The colour of inequality: Ethnicity, class and wealth in Malaysia*. Petaling Jaya: MPH Publishing
- Peters, B. G. (1995). *The politics of bureaucracy: An introduction to comparative public Administration*. 6th Ed., Routledge; London and New York
- Peters, B. G., & Pierre, J. (2016). Two roads to nowhere: Appraising 30 years of public administration research. *Governance*, 0(0). <http://doi.org/10.1111/gove.12229>
- Peters, B., Pierre, J., & King, D. S. (2005). The politics of path dependency: political conflict in Historical institutionalism, *The Journal of Politics*, Vol. 67, No. 4, 1275-1300
- Presthus, R.V. (1961). Weberian and welfare bureaucracy in traditional society, *Administrative Science Quarterly*, Vol. 6, No. 1 (Jun., 1961), pp. 1-24; Sage Publications. <http://www.jstor.org/stable/2390738>
- Shaffie, F. (2006). British Colonial Policy on Social Welfare in Malaya: Child Welfare Services 1946-1957. Ph.D. Dissertation, The University of Warwick, Warwick. Retrieved from: <http://go.warwick.ac.uk/wrap>
- Talib, K. A. (2016). Social Welfare in Malaysia: Provision and Limitation. In Y. Wang, S. Beatrix, K.-R. Ursula, & S.-L. Alexandra (Eds.), *Transnational Social Work and Social Welfare: Challenges for Social Work* (100-108). Oxon; New York: Routledge.
- The Borneo Post (2017). Welfare included in talks on devolution of power. Retrieved from <http://www.theborneopost.com/2017/02/07/welfare-included-in-talks-on-devolution-of-power-fatimah/>
- Tim, H.C. (2012). The origins of social welfare in colonial Singapore. Paper presented at the 7<sup>th</sup> Asian Graduate Forum on Southeast Asian Studies, National University of Singapore, 16-20<sup>th</sup> July 2012 (Unpublished)
- Van Thiel, S. (2014). *Research methods in public administration and public management: An introduction*. London; New York: Routledge Taylor & Francis.