

THE CHILDCARE CENTRE SURVIVAL IN COVID-19 PANDEMIC:

Nik Syuhailah Nik Hussin¹, Zuraimi Abdul Aziz², and Nurul Ashykin Abd Aziz³

^{1,2,3}Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Abstract. The consequences of deadly pandemic on human health is not a new chapter in history as previous Severe Acute Respiratory System (SARS). However this new silent killer offer an exponential rate that shock the world. This global crisis had paralysed many nations with regard to health and economy. This paper aims to discuss the effects of COVID-19 on childcare services and outlines suggested way on the survival of this type of business. Several solutions have been offered to assist the sustainable of this fragile market. This paper had a depth review on literatures with regards to the service industries.

Keywords: pandemic, Severe Acute Respiratory System, COVID-19, childcare service

1. Introduction

The outbreak of latest coronavirus infection, COVID-19, was declared as a public health emergency of global significance by the World Health Organization (WHO) in January 2020 (World Health Organization, 2020a). Later, in March 2020, the WHO declared COVID-19 as a pandemic (World Health Organization, 2020b). The COVID-19 pandemic has profoundly affected the world at large since it began to plague in first quarter of 2020. People's norm and routines have undeniably caused an exceptional change in consequence to the COVID-19 pandemic. Even businesses are not exempted and have sensed to this killer ruthless attack. In global, the measurement of social distancing had been acknowledged to break the chain of silent enemy (Balis, 2020), which has led to the lockdown of businesses.

The Malaysia Government was compelled to enforce a more stringent action in the desperate urgency of controlling the outbreak and avoiding the collapse of the healthcare system. A restricted lock down in the form of Movement Control Order (MCO) was put into force in Malaysia from 18th March 2020 except for essential services and in the stage of Recovery Movement Control Order (RMCO) until 31st December 2020. Such steps are being taken to curb the spread of pandemic. Since the passive and adversary foe of pandemic has caused health concern to the public, thus the businesses had to transform their functionality as to keep sustainability. These measurements had created an insightful impact to Malaysian economy and business marketing activities inclusive of childcare service.

Childcare play as one of the economic driver to the country. Parents need childcare in order to obtain and retain their employment. Children need a safe place to be that promotes their healthy development while their parents are working. The number of childcare centres in Malaysia has been steadily growing, and furthermore is projected to continue to increase for the foreseeable future. This scenario aligns with the growing number of women who are joining the paid labour force in Malaysia (Omar, Abu, Sapuan, Aziz, & Nazri, 2010). This significant increase in the number of registered childcare centres is reflected in Table 1.

Table Error! No text of specified style in document. Number of Registered Childcare Centres in Malaysia

Year	Number of registered Childcare Centres
2015	3952
2016	4240
2017	4143
2018	4302
2019	4744

Source: Malaysia Department of Social Welfare (MDSW) (2018); Malaysia Ministry of Women Family and Community Development (MWFC) (2016, 2017, 2018, 2019)

Now due to COVID-19, families are experiencing additional challenges in fulfilling their work from home obligation and care for their child at home. The decreasing demand from parents on the childcare services are in relation to the enforcement of business shut down and work from home nature that caused to the minimal revenue collection. Many childcare centres are closing their services, unable to sustain operations with diminishing enrolment. Others are staying open despite the physical risk, to support the needs of working families in their community.

This causes problems to the childcare staff as no monthly wages given. The survival of childcare services is significantly retrograde. Regrettably, it occurs when parents do not see the (MCO) time to pay the fees as the children are not going to the centre. Therefore, the aim of this study is to identify the situation encountered by the childcare centre to survive in this industry. The childcare quality is essential for parents, and it heavily relied upon to be accessible, affordable, and of reasonable quality. Affordable and good-quality day childcare services may improve the reconciliation of work and family life and thus foster labour market participation and gender equality. To adapt with pandemic challenges, it is important for childcare services to nurture and produce competitiveness among children development at this early stage.

2. Literature Review

2.1 The Pandemic Outbreak

In December 2019 in Wuhan Province, China the first official COVID-19 was reported (Adhikari et al., 2020; Chakraborty & Maity, 2020). WHO coined the virus officially on 12th February 2020 as COVID-19 (Chakraborty & Maity, 2020) originally known as “Wuhan Disease” due to its proximity to the province in which it was first detected and gradually developed to pneumonia (Liu, Kuo, & Shih, 2020). The unforeseen challenges caused by COVID-19 made a significant impact in large to all nation. Researcher from all over the world were extensively addressed the impact of COVID-19 to the environment (Lokhandwala & Gautam, 2020; Singh & Chauhan, 2020), economic (Nicola et al., 2020), human health (Dai, Zhang, Looi, Su, & Li, 2020), culture (Rasmitadila et al., 2020) and financial market (Lee, Jais, & Chan, 2020). Thus it creates to major detrimental effect on global healthcare systems with increasing death cases reported daily.

To weaken this widespread, many countries have imposed border shutdown, travel restriction and lockdown in the countries that constitutes to the world economic trauma in reaction to flatten the curve. On 4th February 2020, Malaysia received the first cases of COVID-19 followed by an upward swing at the end of the month (Elengoe, 2020). The soaring number of COVID-19 infected in Malaysia after 14th March 2020 was assumed to be related to a mass religious event in Kuala Lumpur (Bernama, 2020). This religious event accounted for 65% of 673 cumulative COVID-19 cases reported in 17th March 2020 (Malaysia Ministry of Health, 2020). Ever since, the daily new COVID-19 cases have been consistently above 100 till the curve flatten in third phase of recovery. This phase create a collective success to public and Government in large. In enhancing the societies activities, many cities proclaimed self-isolated with lockdown and social distancing. As a result, Malaysia remarkably record one positive case on 1st July 2020 and have curbed the spread of infection with the effect of social distancing and widespread of lockdown.

2.2 The Inclination of Services

The outbreak of “silent enemy” COVID-19 influenced many peoples the lives and has also impacted the field of marketing in various ways (He & Harris, 2020). The marketing principles has been transformed into new norm with the pandemic influx (Jiang & Wen, 2020). The unprecedented spread of COVID-19 has globally incapacitated affecting much on service industries (Kanapathipillai, 2020; Karim, Haque, Anis, & Ulfy, 2020; Seetharaman, 2020).

Malaysian aviation had undergone such a massive changes and hardest affected in revenue since the outbreak of pandemic. Globally, there is significantly poor demand of passengers when travel restriction imposed to all countries (Mustapha, Yazid, & Shamsudin,

2020). Several airlines companies request their staffs to take voluntary unpaid leave as a measurement to reduce the management cost (Karim et al., 2020).

Another affected business such as automotive industry as it support the supply chain of downstream and upstream market. This affect to the change in customer behaviour as people tend to be more focus on needs than wants (Kanapathipillai, 2020). Retail business affected from this trauma with less consumer spending (Wasanat, Hoque, Shikha, & Anwar, 2020). Thus commercialize the product and services are prioritize in the business as to draw customer's attention. Online businesses, e-hailing services and distribution companies were booming as consumers shift from normal routine to new norm for sustainability (Ben Hassen, El Bilali, & Allahyari, 2020; Kanapathipillai, 2020; Roggeveen & Sethuraman, 2020). At nation, most of retail outlets was urged to remain closure in the situation of pandemic. The severity of the COVID-19 impact on business is unprecedented and put them into major turmoil. To restart their operation and kick start the economic activities, business need to conjointly work with the Government.

2.3 The Aftermath of Childcare Services

Many nations around the world have adopted numerous emergency plan measurement in response to the COVID-19 (Nicola et al., 2020). The first wave of interventions was to protect the public health and the second wave focusing on improving the socio economic consequences. In later stage, permission given to certain business to resume to stimulate the economic growth through the Conditional Movement Control Order (CMCO) that eased the initial MCO.

Number of services including childcare had to temporarily stopped because the parent stayed at home in exceptional for the frontlines where their expertise was in need to fight these pandemic. Compared to government childcare face less burden borne on administrative matters. Unlike the private childcare, in this MCO phase is such a calamity because every single things are self-finance and totally depending on children monthly fees. This situation caused them to operate in financial stress without the support from the relevant authorities. There are some of these calculative parents who refuse to pay the fees at this critical period though they are remoting their work at home and do not seem the importance of early educational and development of their children. They tend to believe that the childcare centre as the alternative place for the children during their nonavailability.

Suggestion proposed by one consulting firm to win against this issue was to have a modern and flexible childcare service which was mutually agreed between the childcare centre and parent as reported by multinational consulting firm, PricewaterhouseCoopers (PricewaterhouseCoopers, 2020). Apart from that, the Ministry of Women, Family, Community Development (MWFCD) played the role by submit the Standard Operating Procedure (SOP) to assess this situation by restricting the number of children at a time in the childcare centre.

3. Methodology

Current study is based on from various sources are gathered to focus the effect of this outbreak on service sector including childcare. Using review of previous journals and general articles and as a means of investigating a given area of interest is to improve understanding of how specific concepts are used to convey ideas in that area. However, Xin, Tribe, and Chambers (2013) provided a thorough review on conceptual studies and argued that conceptual research does not require immediate or comprehensive empirical evidence to support its claim to expertise, especially in conceptual study.

4. Findings

The childcare centres may not contribute much to the country's economy directly but its indirect significance as a support service for working parents. However, childcare plays an important role in the development of the institution of the Malaysian family. Childhood care centre have become an essential component of life in our society, and they can have a substantial influence on children's development and growth. With regard to the current situation, the pandemic has triggered to the economy disruption include of childcare services. To minimize the economic impact of this pandemic, Malaysia has taken several actions to recover the economy. Known as the economic stimulus package or PRIHATIN Package is expected to assist the affected industry to sustain throughout this challenging period. It sees this affirmation as a win-win situation for all parties involved to boost up the shrunken economic.

Several incentives been provided to working parents and childcare centre during the CMCO period to help ease their burden with regard to childcare expenses said Prime Minister Tan Sri Muhyiddin Yassin (Malaysia Ministry of Finance, 2020). Incentives will be given to childcare centres to encourage them to comply with the new healthcare SOP by offering a one off grant RM5,000 to the registered childcare centre. Under these new strategies highlighted in PENJANA Report, the MFWCD was responsible to give the incentives in training new practitioners on early childcare education. The government will help support this group through subsidy of childcare expenses with the increase amount of income tax relief from RM2,000 to RM3,000 (Povera, Harun, & Yunus, 2020). Meanwhile Department of Social Welfare introduce an e-Voucher RM800 through website <http://ezi2care.jkm.gov.my/> which entitled the working parents to seek for registered childcare services at home (Malaysia Department of Social Welfare (MDSW), 2020). On top of that, in Selangor, the State Government allowed the childcare service to operate temporarily at workplace to cater the urgency of frontline child (Solhi, 2020).

Conclusion

Despite the key role childcare are playing in support of other essential industries during the COVID-19 crisis, the child care system as a whole is at risk of collapse due to the economic

impact. Without access to affordable care, parents can't earn a living, childcare centres can't recruit reliable workers, and children miss out on early educational opportunities. The devastating COVID-19 pandemic has exacerbated the deficiencies of the child care market. Thousands of child care providers who were already struggling to survive financially have been unable to weather the economic shock of the necessary public health restrictions. Meanwhile, enrolment is down, as some families pulled their children out of formal child care settings because of their own financial struggles and the uncertainty they face. Whilst many states have continued to pay child care subsidies, these subsidies have long failed to cover the true cost of care, especially for infants and toddlers.

The COVID-19 pandemic has highlighted opportunities to improve major structural deficiencies in the child care market. Businesses, policymakers, and families across the country are recognizing just how important a robust child care system is to the functioning of the economy. With the announcement of Malaysian Budget 2021, it is important that childcare and parents are able to use the opportunity to build back a better system, starting with ensuring that child care providers who have struggled to keep their doors open can pay their bills and have the safety equipment and materials to remain open while minimizing the risk to staff and children. In the report, the Government had allocated RM30 millions for the development of childcare centres, matching grant of RM20 millions for the private childcare and another RM20 millions offered to local communities in category of B40 in relieving their current financial assistance. The Government to address the pandemic would also allow states to put in place policies that will make child care stronger in the future and avoid the pitfalls that made this industry so vulnerable to the impact of the pandemic to begin with. However this paper offer only a review of past literatures and report of the effect COVID-19 on the childcare industry in Malaysia. It believed that through the development of theoretical framework and data analysis in the future, it will give opportunity to improvise and complete this study.

References

- Adhikari, S. P., Meng, S., Wu, Y.-J., Mao, Y.-P., Ye, R.-X., Wang, Q.-Z., . . . Zhou, H. (2020). Epidemiology, causes, clinical manifestation and diagnosis, prevention and control of coronavirus disease (COVID-19) during the early outbreak period: a scoping review. *Infect Diseases of Poverty*, 9(1), 1-12.
- Balis, J. (2020). Brand Marketing Through the Coronavirus Crisis. Retrieved from <https://hbr.org/2020/04/brand-marketing-through-the-coronavirus-crisis>
- Ben Hassen, T., El Bilali, H., & Allahyari, M. S. (2020). Impact of COVID-19 on Food Behavior and Consumption in Qatar. *Journal of Sustainability*, 12(17), 1-18.
- Bernama. (2020). *COVID-19 Chronology in Malaysia*. Retrieved from https://www.bernama.com/en/general/news_covid-19.php?id=1821902
- Chakraborty, I., & Maity, P. (2020). COVID-19 outbreak: Migration, effects on society, global environment and prevention. *Science of the Total Environment*, 728.
- Dai, H., Zhang, S. X., Looi, K. H., Su, R., & Li, J. (2020). Perception of Health Conditions and Test Availability as Predictors of Adults' Mental Health during the COVID-19 Pandemic: A Survey Study of Adults in Malaysia. *International Journal of Environmental Research and Public Health*, 17(15), 1-10.
- Elengoe, A. (2020). COVID-19 Outbreak in Malaysia. *Osong Public Health and Research Perspectives*, 11(3), 93-100.
- He, H., & Harris, L. (2020). The impact of Covid-19 pandemic on corporate social responsibility and marketing philosophy. *Journal of Business Research*, 116, 176-182.

- Jiang, Y., & Wen, J. (2020). Effects of COVID-19 on hotel marketing and management: a perspective article. *International Journal of Contemporary Hospitality Management*, 32(8), 2563-2573.
- Kanapathipillai, K. (2020). The impact of the silent enemy (COVID 19 Pandemic) on the marketing efforts undertaken by the automotive industries in Malaysia. *European Journal of Management and Marketing Studies*, 5(4), 1-21.
- Karim, W., Haque, A., Anis, Z., & Ulfi, M. A. (2020). The Movement Control Order (MCO) for COVID-19 Crisis and its impact on tourism and hospitality sector in Malaysia. *International Tourism and Hospitality Journal*, 3(2), 1-7.
- Lee, K. Y.-M., Jais, M., & Chan, C.-W. (2020). Impact of COVID 19: Evidence from Malaysian Stock Market. *International Journal of Business and Society*, 21(2), 607-628.
- Liu, Y.-C., Kuo, R.-L., & Shih, S.-R. (2020). COVID-19: The first documented coronavirus pandemic in history. *Biomed J*, 43(4), 328-333.
- Lokhandwala, S., & Gautam, P. (2020). Indirect impact of COVID-19 on environment: A brief study in Indian context. *Environmental Research*, 188.
- Malaysia Department of Social Welfare (MDSW). (2018). Laporan statistik Jabatan Kebajikan Masyarakat (JKM) 2017.
- Malaysia Department of Social Welfare (MDSW). (2020). Bantuan Khas Kepada Pengusaha Taman Asuhan Kanak Kanak (TASKA) yang Terkesan Dengan Perintah Kawalan Pergerakan (PKP). Retrieved from http://www.jkm.gov.my/jkm/index.php?r=portal/full2&id=bGFpUVNBcXcxciZlITldUNmR6SDcyUT09&menu_id=aGtGMVVTS1NGYzZoc3dwUXZocXdDZz09
- Malaysia Ministry of Finance. (2020). *PENJANA: Bersama Menjana Ekonomi*. Retrieved from <https://penjana.treasury.gov.my/pdf/PENJANA-Booklet-Bm.pdf>
- Malaysia Ministry of Health. (2020). Situasi Semasa COVID19 Malaysia. Retrieved from <http://covid-19.moh.gov.my/>
- Malaysia Ministry of Women Family and Community Development (MWFC). (2016). Statistics on women, family and community Malaysia 2015. Retrieved from <https://www.kpwkm.gov.my/kpwkm/uploads/files/Penerbitan/Buku%20statistik/BUKU%20STATISTIK%202015%20KPWKM.pdf>
- Malaysia Ministry of Women Family and Community Development (MWFC). (2017). Statistics on women, family and community Malaysia 2016. Retrieved from <https://www.kpwkm.gov.my/kpwkm/uploads/files/Penerbitan/Buku%20Perangkaan/Perangkaan%202016.pdf>
- Malaysia Ministry of Women Family and Community Development (MWFC). (2018). Teks ucapan Timbalan Perdana Menteri. Retrieved from [http://www.jkm.gov.my/jkm/uploads/files/TEKS%20UCAPAN%20YBM%20HARI%20TASKA%202018%20FINAL%20\(1\).pdf](http://www.jkm.gov.my/jkm/uploads/files/TEKS%20UCAPAN%20YBM%20HARI%20TASKA%202018%20FINAL%20(1).pdf)
- Malaysia Ministry of Women Family and Community Development (MWFC). (2019). Program galakan pendaftaran taman asuhan kanak-kanak (Taska) dengan Jabatan Kebajikan Masyarakat (JKM) melalui pemberian diskaun bil elektrik sebanyak 20 peratus. Retrieved from <https://www.kpwkm.gov.my/kpwkm/uploads/files/KenyataanMedia/2019/KENYATAAN%20MEDIA%20-%20PROGRAM%20GALAKAN%20PENDAFTARAN%20TASKA%20JKM%20MELALUI%20PEMBERIAN%20DISKAUN%20BIL%20ELEKTRIK%20TNB-%20KPWKM%20C%20.pdf>
- Mustapha, N. N. S. N., Yazid, M. F. M., & Shamsudin, M. F. (2020). How airline industry may rise post covid-19 pandemic. *Journal of Postgraduate* 1(1), 1-4.
- Nicola, M., Alsafi, Z., Sohrabi, C., Kerwan, A., Al-Jabir, A., Iosifidis, C., . . . Agha, R. (2020). The socio-economic implications of the coronavirus pandemic (COVID-19): A review. *International Journal of Surgery*, 78, 185-193.
- Omar, N. A., Abu, N. K., Sapuan, D. A., Aziz, N. A., & Nazri, M. A. (2010). Service quality and value affecting parents' satisfaction and behavioral intentions in a childcare centre using a structural approach. *Australian Journal of Basic and Applied Sciences*, 4(9), 4440-4447.
- Povera, A., Harun, H. N., & Yunus, A. (2020). Government announces incentives for working parents. *New Straits Times*. Retrieved from <https://www.nst.com.my/news/nation/2020/06/598209/government-announces-incentives-working-parents>
- PricewaterhouseCoopers. (2020). *Restart Malaysia*. Retrieved from <https://www.pwc.com/my/en/assets/publications/2020/pwc-restart-malaysia.pdf>
- Rasmitadila, Aliyyah, R. R., Rachmadtullah, R., Samsudin, A., Syaodih, E., Nurtanto, M., & Tambunan, A. R. S. (2020). The Perceptions of Primary School Teachers of Online Learning during the COVID-19 Pandemic Period: A Case Study in Indonesia. *Journal of Ethnic and Cultural Studies*, 7(2), 90-109.
- Roggeveen, A. L., & Sethuraman, R. (2020). How the COVID-19 Pandemic May Change the World of Retailing. *Journal of Retailing*, 96(2), 169-171.

- Seetharaman, P. (2020). Business models shifts: Impact of Covid-19. *International Journal of Information Management*, 54, 1-4.
- Singh, R. P., & Chauhan, A. (2020). Impact of lockdown on air quality in India during COVID-19 pandemic. *Air Quality, Atmosphere and Health*, 13, 1-8.
- Solhi, F. (2020). Selangor Government launches childcare assistance for frontliners. *New Straits Times*. Retrieved from <https://www.nst.com.my/news/nation/2020/10/632781/selangor-govt-launches-childcare-assistance-frontliners>
- Wasanat, M. W., Hoque, A., Shikha, F. A., & Anwar, M. (2020). The Impact of Coronavirus (Covid-19) on E-Business in Malaysia. *Asian Journal of Multidisciplinary Studies*, 3(1), 85-90.
- World Health Organization. (2020a). *Mental health and psychosocial considerations during the COVID-19 outbreak*. Retrieved from <https://www.who.int/docs/default-source/coronaviruse/mental-health-considerations.pdf>
- World Health Organization. (2020b). *WHO Director-General's opening remarks at the media briefing on COVID-19* Retrieved from <https://www.who.int/director-general/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020#:~:text=WHO%20has%20been%20assessing%20this,be%20characterized%20as%20a%20pandemic>.
- Xin, S., Tribe, J., & Chambers, D. (2013). Conceptual research in tourism. *Annals of Tourism Research*, 41, 66-88.