The effective responses of a tourism and gaming city towards the devastating effects of pandemic: a case study of Macao

Ut Lon Im, Ching-Chi Cindia Lam and Erdan Ma

Abstract

Purpose – COVID-19 has hard-hit the global economy when the majority of developed countries could not demonstrate effective resolutions even a year after the outbreak. This study aims to present how government or policymakers could minimize the negative impacts of major incidents (pandemic) and speed up the process of recovery. It was also intended to identify effective strategies for crisis management.

Design/methodology/approach – A mixed research method was applied. Qualitative research studies of interviews were used to collect primary data from the stakeholders while archival research method of textual and documental information was used for secondary data on the pandemic facts.

Findings – The impacts of the governmental and enterprise actions with a focus on effective mega-crisis management strategies were structured based on the three themes, namely, appropriate measures, timely decisions and the role of the government. These strategies can minimize the destruction to the economy (or organization) while stabilize the emotional and psychological aspects of the people during the crisis and lead the society back on track once the crisis starts to diminish.

Originality/value – The experience of Macao in successfully responding to the crisis of pandemic provides constructive references to policymakers on the set up of timely strategic plans and business management on remedy actions, particularly to regions where the pandemic is still out of control.

Keywords CSR, Crisis management, Government policies, Pandemic, COVID-19, Timely decisions

Paper type Case study

1. Introduction

The COVID-19 novel coronavirus pandemic has changed the normal practices of the society, the industry and the perceived requisites of effective political leadership (Dietl, 2015; Winther, 2015). It has also rocked the general rituals of crisis management (Kye and Hwang, 2020; Zhou and Shin, 2017) and rooted new notions on effectual crisis strategies (Naglewski, 2006; Park, 2017). The current case study detailed how Macao, the gambling gorilla that welcomed an annual 39 million tourists (Macao Statistics and Census Service, 2020d) with only 676 thousands in population (Macao Statistics and Census Service, 2020b) before the pandemic, efficaciously put the pandemic under control in less than three months from the outbreak. The government magically kept the infected cases at two-digits with no reported death (Macao Health Bureau, 2020).

This study has organized the COVID-19 incidents and actions of Macao government into five phases according to the timeline, namely, the pre-outbreak, the first wave of the virus, resumption from the semi-lockdown, the second wave of the virus and the stage stepping into stability. The strategies employed by the government that have motivated the large enterprises to exercise their corporate social responsibilities (CSR) while stabilizing the dread of the economy were examined (Kashmiri and Brower, 2016; Moon, 2007).
The rescue measures imposed by the government on SME and the residents, together with the supportive activities of the industry were also investigated. The timely actions of the government have resulted in community unison. Nonetheless, the hard-hit on the tourism industry still resulted in devastating influences on the economy. This was deliberated through economic and societal indices.

The information and data were collected through the use of mixed-method – the primary data was collected through 32 interviews and the secondary data through archives. This case study has enriched the theoretical knowledge in crisis management. The sequential phase-by-phase interpretation on the reactions of the governing party towards a mega-crisis has illustrated the importance of effective government policies, prompt actions and transparency at resolving a crisis. These will become constructive references to policymakers on the set up of timely strategic plans. This case study also contributed to new management practices (Albach, 2015; Hermes and Mainela, 2014). Through the analysis, it is found that the new fundamentals for successful crisis management build on three core areas: timely decisions, appropriate measures and the role of the government. It elucidated the crucial impact of joint forces in crisis management and the prominent roles of CSR and civic responsibility. These will become constructive indications for places where the pandemic is still out of control and for management for preparation of crisis, the set of contingency plans and remedy actions. This case study will showcase how the understanding of government actions upon a crisis can be applied to the crisis management of an enterprise.

Following the introduction, the research methodology was discussed. The pandemic case of Macao in five phases was then illustrated, with the impacts to tourism, gaming and the society. The rescue measures of the government were then detailed, supplemented by the CSR supportive activities of the enterprises. This was followed by the discussion on managerial implications with a focus on crisis management practices. The case study concluded with the lessons learned and suggestions on future studies.

2. Literature review

The outbreak of COVID-19 is no doubt a pop exam that many government entities are still struggling to complete. The uncertain and unmanageable circumstances made this acute disorder of situation, also known as a crisis, difficult to be dealt with effectively (Caplan, 1961; Rosenthal et al., 1989; Tiong, 2004). It involves “an accumulation of adverse conditions, severe threat, uncertainty and the necessity for prompt decision making” (Rosenthal and Kouzmin, 1997). The crisis can be caused by nature, humans or a combination of both. For the case of a pandemic, widespread of virus can be led by natural causes and poor resistance or inappropriate measures of prevention. Upon encountering a mega-crisis, government are expected to be responsible and take charge. At the government level, however, they may find both the usual solving mechanisms and the previous experiences do not work (Caplan, 1961) while there is a need to intervene to provide immediate relief and eliminate potential problems.

In past literature of crisis management, researchers observed the whole crisis intervention by steps (Meng and Berger, 2008). Different scholars tried to frame the process of crisis management into a lifecycle. Fink (1986) proposed a four-stage process of crisis management, namely, the prodromal stage, the acute stage, the chronic stage and the resolution stage. The prodromal stage was before the crisis happened. In the case of social and health crisis, the government should proactively scan any possible crisis through insights from different sources. The appropriateness and timing of their decisions, especially during the prodromal stage, would bring different impacts on the severity of the acute stage, which happened when the actual crisis was triggered and caused damage to the society. For a pandemic, the severity relates to the scale, speed and seriousness of infection, the burden on the medical system, and the damage to the economy. The chronic stage happened when the lasting effect of the crisis still influenced the society while the
government was taking time to work on the repair. The last stage was the resolution stage when the crisis was identified as ended.

Later Mitroff (1994) developed a five-stage model of crisis management, consisting signal detection, probing and prevention, damage containment, recovery and learning. In this model Mitroff addressed the importance of proactive prevention during the pre-crisis stage, when crisis was identified but not yet happened. The stage of damage containment and recovery paralleled with the acute, chronic and resolution stage of Fink’s model. Mitroff also addressed the importance of reflection from the crisis for future preparation by identifying “learning” as an individual and last stage of the process. Given these different yet similar models of crisis management, Coombs (2014) elaborated a unified three-stage model that was inclusive of different models with additional insights. The first stage was pre-crisis stage consisting signal detection, prevention and crisis preparation. These three sub-stages included what a government did before the crisis happened. The second one is the crisis stage consisting crisis recognition, crisis containment and resumption. These includes all activities from the time the crisis happened until it was resolved. The last stage concerned future preparation and maintaining positive image to the stakeholders.

COVID-19 is still at the scale of pandemic, that means all government entities are still undergoing the ‘crisis’ stage. When different levels of impact on social health and economy were observed across different regions, this indicated the significance of preventive actions in the pre-crisis stage and the beginning of crisis stage. Other research also identified the key actions required for effective crisis management. Rosenthal and Kouzmin (1997) proposed the following four aspects to be concerned in the evaluation process of government intervention: the uncontrolled threats, administrative levels involved, the speed of intervention and the scope and strategy of intervention (p. 298–299). While it is critical to have the right strategy implemented at the right timing with the right approach, Tseng et al. (2005) also highlighted the importance of communication effectiveness and trust between the organization and the stakeholder in effective crisis management in their research about managing the crisis of severe acute respiratory symptoms (SARS). At the time of crisis, the government needs to make prompt decision, and at the same time have full engagement from the public in any type of crisis management policies (Rosenthal and Kouzmin, 1997). When the actual implementation of control measures requires the cooperation from the public, how to facilitate such cooperation becomes the key in managing crisis. Quah and Lee (2004) found that the public would follow preventive measures when they recognized the openness of communication of their government. A representative of World Health Organization commented that Singaporean government won the trust from the public and therefore successfully managed the crisis of SARS (Yan et al., 2006).

3. Methodology

3.1 Instrument and method

The case study was extensively used in social sciences as it allowed “an in-depth, multi-faceted understanding of a complex issue in its real-life context” (Crowe et al., 2011, p. 100). This research was an instrumental case study that allowed a broader understanding of the critical factors (Stake, 1995) in crisis management by studying the actions of Macao government as the subject of the case. COVID-19 is an abrupt crisis beyond the scale of a financial crisis or a transitory virus when the number of variants keeps growing and the contagion rate stands high (McFall-Johnsen and Bendix, 2020). This research has therefore applied a mixed research method, by using qualitative research studies of interviews for collection of primary data on the stakeholders and by archival research method of textual and documental information for secondary data on the pandemic facts. Due to the nature of this research, the foci of investigation were on the aspects of “how” and “why” rather than “what” and “where”, when interviews were more appropriate (Silverman, 2013). The rapport during the interview could facilitate the understanding of facts with personalized considerations (Tayie, 2005).
The interviews were carried out using the oral history method on 32 samples (Table 1), with 12 samples from the large enterprises and 20 being residents. For the 12 samples from large enterprises, six were from the gaming concessionaires and these covered all the gaming concessionaires in Macao; while the other six were non-gaming enterprises that included financial institutions, medical manufacturer, etc. The interview questions were semi-structured with six pre-set questions that were all open-ended, with focus on the perception of government actions and the crisis (Appendix). The interviews were carried out by two means, the phone and the online audio and web conferencing platform Zoom.

Upon the consent of the interviewees, all the interviews were recorded. The transcription process has followed the Interviewee Transcript Review Process and Audit (ITR) (Hagens et al., 2009), while the data was analyzed by NVivo Version 12 and Excel 2016. Based on Erlingsson and Brysiewicz (2017), the verbatim transcriptions were analyzed into codes, categories and themes. A total of 12 categories were identified, which were classified into three themes, namely, timely decisions; appropriate measures; and role of the government.

3.2 Samples

The samples were carefully chosen to bestow theoretical and practical bases (Silverman, 2006), which included the nature of the research, the sufficiency on the coverage of data and practical considerations of the pandemic situation in Macao. The background of the samples and their representativeness in society were part of the consideration criteria.

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There is a total of six gaming concessionaires in Macao and the current samples included representatives from all these concessionaires. In Macao, enterprises are grouped into Group A and Group B, when the former covered large enterprises with more than MOP 1m in capital and a taxable profit of more than MOP 500,000 for at least three years; while Group B is mostly small- and medium-enterprises (SME) or mini-enterprises (KPMG, 2018). During the pandemic, the government has summoned large enterprises to exercise CSR not to lay off their employees and support the economy during the arduous period. Therefore, the samples also included representatives from the banking industry, when financial institutions and gaming concessionaires make up the large portion of Group A companies. The current samples were representatives from four of the 27 banks in Macao that have implemented the most numbers of supportive measures to the economy during the pandemic. A total of 20 residents were also interviewed, aged 16 to 71, covering diverse segments of the society that included students, working employees, unemployed and retired. These interviewees of residents were in Macao since the outbreak of the pandemic until the time of the interview. The sample coverage was carefully chosen to ensure voices from different segments were embraced. The final data collected although was not yet saturated (Strauss et al., 1998), they provided a valuable picture and constructive insights on the effective mega-crisis management measures.

4. The pandemic case in Macao

4.1 The five phases

Macao, as a tourism city and the only legal gaming destination in China, was exposed to a higher risk of contagion due to the dense population (20,600 people/km²) and the significant amount of tourist arrivals (39 million in 2019, Macao Statistics and Census Service, 2020d). However, the timely responses of the government put the pandemic under control. At the time of writing this case study, Macao has a clean record with no new cases for more than three months. There were only 46 confirmed cases, in which there was not any community infection and death. All COVID-19 patients recovered and Macao residents were resuming back to regular routines with the new normal practices. The eight-month virus-fighting period was reviewed and summarized. Some key policies implemented would be discussed in detail in the later sections.

Phase I was the pre-outbreak. The Chinese central government notified the Macao government about unknown pneumonia observed in Wuhan city of Hubei province on 31st December 2019. Macao government immediately started the preparation and set up a response team before any confirmed case found in Macao. Body temperature screening, health declaration and assisting casino operators in purchasing related screening equipment were carried out for better monitoring. Meanwhile, the government set up a dedicated response team and stockpiled related medical supplies. All suspected cases were subject to two-week quarantine. The first case was confirmed on January 22 (three days before the Chinese New Year) and triggered the Phase II – the first wave. A total of ten cases were confirmed in two weeks, which the first seven cases came from Hubei province. The government introduced different measures regarding inbound control, public awareness, individual protection supplies and crowd control. The risk reduction strategies also included the tracking of Hubei tourists in town for medical quarantine or repatriate. The public was well-informed about the current situation, for instances, the number of suspected and confirmed cases, the itinerary of the confirmed patients before admitted to the hospital and the latest prevention guideline. Meanwhile, the government ensured the availability and affordability of masks then required all passengers of public transportation to wear the mask. All organizations were encouraged to require their visitors putting on masks. Most public facilities were shut down to reduce the gathering of people. The casino operation was also suspended for two weeks in early February despite its major contribution up to
The result of different preventive measures was reflected in the number of confirmed cases. The Phase III – resumption began with a two-week of clean record after the first wave (10 cases). The government decided to partially resume the suspended businesses and facilities with measures such as reduced capacity or shortened operation time. When the situation was getting stable in Macao, it was the other way round in other countries. To reduce the risk of virus importation from other regions, mandatory quarantine was applied to arrivals from the defined outbreak regions, which the list was constantly amended as per the situation in other countries. The WHO announcement of COVID-19 as pandemic triggered the return of many Macao residents from overseas and the Phase IV – the second wave. After a month of zero record, the second wave started by mid-March. The Macao government kept extending the list of outbreak regions and eventually decided to include all countries other than China. The inbound policy was also further stiffened multiple times in a week in responding to the global outbreak. The infected patients were either intercepted or tracked since they crossed the border. The second wave added another twenty-five cases in approximately one month with no community infection and this was credited to the prompt actions in inbound control. These measures avoided any unknown infected patient walking into the community without any diagnosis.

There was one more imported case (the last case so far) confirmed in late June, yet Macao basically stepped into the current Phase V – stability from the pandemic since mid-April. All public facilities, for instance, libraries, sports facilities and even schools were resumed in operation with the continuous implementation of prevention measures – wearing the mask, checking body temperature, health declaration, reduction in capacity or operation time, etc. Meanwhile, to facilitate the interaction between Macao and nearby regions (the Greater Bay Area, hereafter GBA), the government opened the nucleic acid test to the public. As the test result would only be valid for seven days for border crossing purpose, those who need to travel between Macao and GBA would be required to take the test on routines at either GBA or Macao at a cost from RMB 77 to MOP 180 (USD11-22). Those who need to cross the border to GBA could first conduct the test, then proceed the border crossing as usual with the valid negative test result. After one-month trial with quota and specific targets, the mechanism was released to all Macao residents. Visitors from Mainland China were also required to possess a valid negative test result when entering Macao. The tourist visa application of Mainland Chinese travelling to Macao has been gradually resumed since mid-August, starting with residents of Zhuhai city, then GBA and the whole Mainland China by late September.

### 4.2 Impacts in numbers

The timely policy decisions have survived Macao from an irrepressible outbreak of the pandemic. Nonetheless, the pandemic still has a hard-hit on the city (Figure 1), when tourism and gaming were the leading industries of Macao and contributed more than 90% of the public revenue (O’Connor, 2019).

#### 4.2.1 Tourism and gaming

The tourist arrivals eventually dropped 99.68% as of April 2020 as shown in Figure 1 (Macao Statistics and Census Service, 2020d), when tourists from the top three sources, namely Mainland China, Hong Kong and Taiwan, were either prohibited from entering Macao or were required on a compulsory 14-day quarantine. This sharp drop in tourists has dragged the hotel occupancy down from 90.9% to 11.9%, comparing Quarter 2 of 2019 and 2020; while the average room rate sagged from MOP 1,237 (US$154.6) to MOP 564 (US$70.5) for the same period. The number of three to five-star hotels recorded a straight decrease from 8% (five-star) to 18% (four-star) and the number of guest houses also logged an 11% drop. During the most tragic time, a total of 29 hotels that accounted for around 12% of the hotel room inventory in Macao have
suspended the operation. The total number of full-time hotel employees also registered a slight cutback of 3% (Macao Statistics and Census Service, 2020c) (Figure 2).

Likewise, gross gaming revenue experienced a violent strike. Compared to Quarter 2 of 2019, the gaming revenue has dropped by around 96%, from MOP 73.4bn (US$9.17bn) to MOP 3.23bn (US$404m). The number of gaming tables also slumped from 17,009 by end of 2019 to 7,595 in Quarter 2 of 2020, with less than half in operation (Macao Gaming Inspection and Coordination Bureau, 2020). Most casinos have encouraged employees to

![Figure 1 Changes in percentage during the pandemic period](image1)

![Figure 2 Tourist Arrivals to Macao and Gaming Gross Revenue by Month](image2)
clear the annual leave and take no-paid leave or arranged them on internal transfer from departments with excessive manpower. Companies were having headcount freeze and expatriates with expiring contracts were mostly not renewed (Allin Media, 2020), most gaming and hotel establishments also downsized by natural attrition.

Alongside the series of travel restrictions, the passenger traffic has documented nearly an absolute vanishment of 99.8%, at 3,722 passengers for Quarter 2, 2020; while the number of aircraft movement also dropped by 91.3% (Macau International Airport Co Ltd, 2020). Ferry trips were more startled, with a dive of 100% when all ferry trips were suspended. In Quarter 2 of 2019, the total inbound and outbound ferry trips were 28,486 (Macao Statistics and Census Service, 2020b).

4.2.2 The society. The unemployment rate of residents surged to 3.5% compared to 2.3% before the outbreak of the coronavirus in December 2019, and this was accompanied by a drop of 12% in overall median salary (Macao Statistics and Census Service, 2020a). During this period, the gross domestic product has shrunk by 49% (Bloomberg, 2020), but the consumption index inflated to 102.92 compared to 102.78 by the last quarter of 2019. Government expenditure in turn ascent by 38% to MOP 32bn (US$4bn) as of Quarter 2 of 2020. By the same period in 2019, the government expenditure was only MOP 23.45bn (US$2.93bn).

4.3 The reaction of society

The government announced different new policies according to the COVID-19 situation in other regions and Macao. Some policies were amended or tightened soon after they were first announced. This was a sign of quick responses to the rapidly changing situation of the global pandemic. Macao Polling Research Association conducted an internet survey in early February to learn about the residents’ disease prevention behaviour and satisfaction towards the government policies in fighting COVID-19 (Macao Daily, 2020b). Among 1,926 respondents, the Guarantee Masks Supply scheme and expeditious action of the government were rated the best policy and performance. In addition, 97% of the respondents wore masks when they went out or stayed with others; 92% washed their hands more frequently; and 62% did not leave home except work in the past two weeks. Meanwhile, 85% of them believed the government could put the disease under control. These results demonstrated a sign of confidence in the government’s endeavour in fighting the disease. Meanwhile, the residents were aware of the preventive measures and followed accordingly.

Another survey about residents’ satisfaction towards the performance of government in fighting the disease was conducted in late March (Macao Daily, 2020c). The survey presented a similar result. About 85% of the respondents appreciated how the government reacted to the pandemic with an overall rating of 8.4 out of 10. The Guarantee Masks Supply Scheme was recognized as the key effective measure in controlling the situation by 95% of the respondents, while a majority also agreed on the supportive measures in the specific fund. Although these surveys did not investigate any correlations between the suitability of government policies, residents’ confidence in government and residents’ disease prevention behaviour, it seems that the government arranged what was needed to prevent spreading of disease in the community, while these were done in a timely manner that assured residents’ confidence in the policies and therefore a better adherence to the guidelines of preventive measures.

5. The rescue measures

To salvage the collapsed economy, aside from implementing policies to obstruct the import of coronavirus and community contagion, the government has also executed emergency measures to settle the nerves of the society from the pressing hygienic and economic predicaments. These included immediate preventive measures that covered medical
supplies, crowd control, entry restrictions, quarantine controls and transparency of information; mid-term supportive measures such as stabilizing the supply of food and utilities, financial assistance and tax reduction; as well as long-term measures that focus on recovery, such as employment support. The number of infected cases in Macao was kept within two-digits at 46 as of September 2020 with no case of death. The measures have also proved to stabilize the economy that enables the government to focus her resources to confront the pandemic while earning the support of the people on her policies. A stitch in time saves nine.

5.1 Government measures

5.1.1 Guaranteed mask supply scheme. One of the immense challenges of the COVID-19 pandemic was the inadequate supply of medical masks, which was found to be an effective means to avoid contagion and this has led to panic buying in many parts of the world. During the first wave of the outbreak in Macao, the government rapidly launched the Guaranteed Mask Supply Scheme, when residents can purchase medical masks from local pharmacies at an affordable fixed price of only MOP 0.8 each (USD 10 cents). The government has guaranteed the continuity of the scheme which is still on-going and is expected to last until the pandemic is over:

*We have masks! We are so lucky; we never need to experience the panic buying for masks.*
(Interviewee 22)

*Everyone must wear masks. I will not visit other places, staying in Macao is the safest.*
(Interviewee 13)

5.1.2 Crowd control policy. Early preventive measures were imposed even before the first wave of the outbreak at the import borders, including the Macao-China port, the Hong Kong-Macao and Inner Harbour ferry terminals and at the international airport (Sing Tao Daily, 2020). An isolation area was arranged for suspected cases of infection, with fever or symptoms. Internally, flow and crowd controls were executed at the major touristic areas to avoid visitor crowding and locals were encouraged to stay at home and avoid paying visits to family and friends, which is a common custom for the Chinese New Year that fell right after the first wave of coronavirus outbreak.

5.1.3 Community-based pandemic prevention and control. All the official festive celebrations were cancelled, and governmental events were delayed (Moura, 2020). Public venues were shut down, including schools, museums, libraries, theatres and sports facilities. The casinos were instructed to close for two weeks starting from February 5, the first time in the history of Macao. Aside from emergency and critical services, all civil services were closed after the Chinese New Year holidays to avoid crowd gathering and to minimize the risk of contagion:

*Never imagine the government will close down the casino. I know it (the situation) must be deadly once they (the government) close them down.* (Interviewee 19)

*They can even close the casinos, what else I can’t do? We’re in war!* (Interviewee 32)

;*We work at home since the Chinese New Year holidays were over. This is a great help; I can take care of my kids at home and do not need to worry about them.* (Interviewee 15)

5.1.4 Entry restrictions and prohibition. Visitors from outbreak areas were prohibited from entry into Macao or being repatriated (Travel State Gov, 2020). For residents who returned from overseas were required to undergo compulsory quarantine. The ferry service between Macao and Hong Kong was suspended and through mutual discussions with Mainland China, tourist visas to Macao were suspended:
A bit worry, you see, all those (infected cases) are brought into Macao. Luckily, we block them (identify these infected cases) at the border, if not, it will be deadly. (Interviewee 17)

Yes, worry but I believe the government will manage […] […] as long as we do not allow people to come (to Macao), there will not be any problem. (Interviewee 25)

5.1.5 Quarantine hotels. Starting from March 16, the government has decided that all incomers to Macao who have been to COVID-19 high-risk areas have to undergo the quarantine at one of the health bureau’s quarantine facilities or at the government-designated hotels, to ensure centralized control to minimize the risk of potential contagion in the community (Macau News, 2020). Macau residents were free to stay in these designated venues for the quarantine, while non-residents had to pay. At the peak period, there were a total of twelve hotels volunteered to be quarantine hotels.

5.1.6 Information and transparency. To allow residents to be well-informed on the latest situation of COVID-19 and the policies of the government, right before the first infected case, the Macao SAR Government set up the Novel Coronavirus Emergency Coordination Center on January 21 and a news channel on Telegram by January 26 (Imprensa Official, 2020). The government held daily press conferences to deliver the latest number of infected cases, the situation of COVID-19 in Macao and the vicinity and updates on newest government policies, these included the discussions with neighbouring cities, entry policy, public services opening period, school arrangement, crowding policy and alike). Besides, information on the availability of resources in the society, for instance, food, rice, vegetables, daily supplies, tissues and alike, was reported to the public. The press conferences were broadcasted on both television and online, while summarized information will be posted on Telegram, government website and social media platforms, such as Facebook. The residents were well-informed on the situation and upon such official information that there were adequate resources, while the government have effective plans to counteract the pandemic, the puzzles and panic buying were automatically disentangled:

[…] […] manage your own feet (管好自己對腳) that’s what the government asks us to do! They manage the control of the pandemic; we manage our own feet. (Interviewee 21)

5.1.7 Stabilizing the market prices. During the early days of the coronavirus outbreak, there have been widespread rumours on a shortage of food and daily supplies. This has led to panic buying and raised the price to a few folds. To halt enterprises at fishing in troubled waters that might bring further disturbance to the chaotic pandemic situation, the government disclosed the inventory of daily goods that was sufficient for at least 6 months, proactively checked the market prices and set up the “Macau Price Information” app (Macao Government Consumer Council, 2020). This application platform allows people to check the prices at supermarkets, local traditional markets and fuel stations, which are all updated on daily basis. Furthermore, enterprises that were found to loot a burning house were removed from the list of “Certified Shops” (of reputation and integrity):

[…] very satisfy with the government […] I will support their policies. (Interviewee 31)

5.1.8 Financial aids to residents. An emergency fund of US$1.7bn was set up to support the living of residents and local economy (Macao Daily, 2020a). Measures that benefited residents included the three-month exemption on water and electricity fees; professional tax refund and remiss of up to 70% of the personal income tax paid; early distribution of the wealth partaking scheme at MOP 10,000 (US$1,250) for each permanent resident; and subsidy to qualified local employees MOP 15,000 (US$1,875). The government also launched the e-voucher consumption smartcard, when every resident was given MOP 3,000 (US$375) for local spending within the months of May to July 2020. The government tried to sustain the local economy by encouraging continuous local consumption. To ensure the continuity of the result, the second round of the e-voucher consumption scheme this
consumption was carried out from August to December with an additional amount of MOP 5,000 (US$625) for each resident:

I was layoff in March, now waiting for some interview results [...] [...] not too worry, I got around (MOP) 25,000 subsidies from the government. (Interviewee 29)

5.1.9 Financial aids to business segments. Local firms were granted a tax deduction of up to MOP 300,000 (US$37,500) in net profit tax and being exempted from paying tourism tax; a subsidy was provided based on the number of employees recruited and at a ceiling of MOP 200,000 (US$25,000); commenced the SME assistance scheme; waived the rents charged to firms located in the public buildings; worked with banks at offering the interest subsidized scheme that included an interest-free loan of up to MOP 600,000 (US$75,000) and 70% guarantee on bank loans (Macao Financial Services Bureau, 2020a). These measures supported the survival of the business and lowered the possibility of layoff. There was also an early start on government capital projects with the creation of infrastructure business opportunities and job positions:

[...] with the support of the government, we have the courage to continue [...] through the multimedia platform (offered by the government), we are now being made known to a wider public. (Interviewee 27)

Business dropped nearly to none. No way, no one wants (this to happen). (Interviewee 26)

It’s challenging but I found the opportunity to develop cross-border electronic commerce. (Interviewee 22)

5.1.10 Employment support scheme. Paid-training programs were established to help those who have lost their jobs or working in industries that have been hit hard during the pandemic (Macao Labour Affairs Bureau, 2020). The programs provided training on a wide range of skills and will recommend graduates to match vacancies at collaborating enterprises. During the training, participants were entitled to a subsidy of maximum MOP 6,656 (US$832):

I have lost the job for two months and now joining the funded training programs (of the government), getting around MOP6,000 (USD750) [...] [...] at least as a temporary relieve. (Interviewee 30)

5.1.11 Collaboration with tourism segments. The Macao Government Tourism Office has set up a digital platform “Macao Ready Go!” that featured shopping deals, dining and entertainment discounts, as well as hotel and resort staycation. It aimed to support the community to ride out from the economic slump (Macao Government Tourism Office, 2020). The government also collaborated with the resorts and local travel agencies to establish a list of local tours and subsidized each resident on two of the trips. The tours were classified into two categories, leisure and community. The leisure itineraries toured the special and grand activities at the large resorts, which included dining at the Michelin restaurants of Macao. The community itineraries toured around the local community of Macao, with special focus on the “old” and traditional shops, offering food and beverage coupons at local small restaurants:

I’m so happy at the Team Lab! We are not able to travel for so long [...] even we can, I won’t (travel)! It’s so dangerous! It’s good to tour in Macao. (Interviewee 14)

The government has done a lot to help the people, no matter on the old markets or to support the SME. (Interviewee 23)
5.2 Enterprises supportive activities

During the most exigent times, the government has reminded the large enterprises on their need to exercise corporate social responsibilities, adhered to the labour law, rode through the hard times together with their employees and helped the society to tide over the crisis. These have received positive responses:

- *We visit and discuss with the associations to understand their needs and design appropriate assistance policies.* (Interviewee 7)

- *…know that the government has no means at bottling (the alcohol for sterilization), so we assist them. We have the machines; we help to bottle the alcohol for hospitals and clinics.* (Interviewee 11)

- *People (residents) can use the APP to do sports and watch different types of videos on the platform. We also reported the positive stories (of the local businesses) to encourage the people.* (Interviewee 12)

The large enterprises have taken proactive roles to approach the local enterprises to understand their needs. The medical manufacturers have provided support to the government in the provision of clinical masks, sanitizers and even helped to bottle the disinfection alcohol for hospitals and clinics that the government has purchased in large tanks. The media firms have set up social media platforms and mobile apps, on which residents can learn how to do exercises, cooking and updated with health precautions. They have filmed stories on the transformation of local enterprises to electronic commerce owing to the pandemic and documentaries about local traditional firms:

- *We have exempted the retail shops at our establishments on half of the rental fees […] […]*. (Interviewee 4)

- *We prepaid our orders to increase their cash flow* (Interviewee 1).

- *[…] especially purchased our products and materials from local companies […]*. (Interviewee 3)

- *[...] have sent sterilizing products to our suppliers and social enterprises. We worry that they may not have adequate*. (Interviewee 6).

To support the local SMEs, some gaming concessionaires have imposed new measures to source and purchase goods and services locally as much as possible. One has set up an online platform to allow local suppliers at recommending their products. Another concessionaire has waived half of the rental fees of those SMEs that were in their establishments. Moreover, one has taken the initiative to prepaid the SMEs on the goods and services that were supposed to deliver and provide only months later, under the program “Advance payment plan for SMEs (中企預付貨;款計劃)”. Some of the gaming concessionaires have sent their staffs to suppliers and help to sterilize their offices, storage areas, shops and even delivery vans. These services have even extended to social enterprises when they also donated surgical masks and disinfection products. Some of them made donations directly to the government in terms of both money and masks.

In addition, some have used their expertise and delivered talks to local university students, sharing with them the insights of the industries and how they confronted the pandemic. They have also collaborated with local associations, such as “Macao Young Entrepreneur Incubation Centre (澳門青年創業孵化中心)” to support the online courses that were developed by the locals. At the same time, the gaming concessionaires also cooperated with the government by joining in teaching and working experiences program for youngsters:
We know local SMEs are facing great difficulties, they need to pay rent, pay utilities, pay salary but with no customer (revenue stream). (Interviewee 8)

As of March, we have already approved MOP 400 million of loans to large enterprises, to SMEs and mini-enterprises. (Interviewee 9)

[... ] we have issued bonds to support the SMEs in regard to medical health [...]. (Interviewee 10)

[... ] [... ] taken up the responsibility on the management of online cross-border accounts and work with third-party payment platforms. (Interviewee 7)

Based on pragmatic requirements, financial institutions have tailored made financial packages for local enterprises. They have established special loan approval procedures to speed up the applications, while some have even exempted the requirements on collateral. Some banks have issued bonds that were used to support the SMEs in regard to medical health practices, the manufacture of medical equipment and facilities, as well as the monitoring and control of the pandemic, one of which is the “Special social responsibility bond for pandemic prevention and control of small and medium enterprises (中小企專項疫情防控社會責任債券)".

Other banks have launched loans that were particularly for the payment of salary, rental expenses or operation products. Some attended to precise industry segments, like construction and engineering, with a substantial number of employees but had no option to work at home or online. For those that focused on supporting the real estate enterprises, the low-interest rate on housing loans was offered to their customers. The banks have also consented on flexible loan repayment plans by extending the repayment period and by collaborating with the government. For the collaboration, the government would subsidize the SMEs on 4% of their loan interest for a maximum amount of MOP 2m (US$250,000), under the “SME loan interest subsidy program (中小企業貸款利息補貼計劃)".

In view on the closing of physical outlets to avoid crowding during the pandemic, some banks have set up or upgraded their online platforms to serve the loan applications and accelerate the approval processes. New online shopping platforms were also established by some financial institutions to support SMEs to continue their operation online. The bank not only provided the infrastructure of the online platform but also took the responsibility on the logistics and costs to Mainland China, to ensure that the SMEs could sell their products to China with minimal efforts. For other platforms, they allowed tourist to identify attractions and F&B options in Macao, which served as a marketing channel. Some of the platforms even targeted at the Greater Bay Area, helping not only on logistics but also on the management of cross-border accounts and transactions.

6. Managerial implications

The rescue measures of the government and the supportive activities of the large business enterprises have led Macao through the traumatic period of the pandemic. The most common term identified from the interviewees was “lucky”, which was mentioned by more than 90% of them. Different from most other places, the interviewees though showed to worry about the pandemic but held the strong belief that the government could put the situation under control. The impacts of the governmental and enterprise actions with a focus on effective mega-crisis management strategies were structured based on the three themes resulted from the resident interviews, namely, appropriate measures, timely decisions and the role of the government. These have rooted the new fundamentals for successful crisis management.
6.1 Timely decisions

The quick responses and effective measures of the government have imposed decisive effects. Before the outbreak in the city, based on the situation of the vicinity, the government has decided to impose strict entry restrictions and quarantine measures, this has successfully limited the extent of imported threats. Simultaneously, the government timely sourced masks and disinfectant alcohol from available sources. These were the crucial medical supplies that fell short nearly over the globe once the outbreak happened. The policy imposed by the government when all Macao residents and expatriates were allowed to purchase ten masks in every ten days at an affordable price of only MOP 0.8 (10 cents) each has effectively avoided panic buying and settled the nerves of the people in the city, with the belief that there were adequate preventive measures. In this case, the government had effective foresight and astutely allocate the resources. The people were not given the masks for free but at an affordable price, so they would cherish as these were purchased supplies. The guarantee scheme ensured a steady and adequate supply of masks throughout the entire period of the pandemic. This has prevented social problems that may have worsened the desperate situation, such as elderlies, disableds and disadvantaged sectors could share similar resources as anyone in the society, speculation on the medical supplies has been circumvented and panic buying being avoided.

During the early days of the pandemic, there were cases on the shortage of daily necessities that included food and tissues. Right on the day after these incidents, the government reported the total reserve on food, oil and tissues in the city that could serve the need for at least half a year. The shortage of supply was merely due to the shortage of delivery labour who were on Chinese New Year holiday leave. This commendably put a halt on the rumours and further settled the nerves of the people. Together with the establishment of a mechanism that checked the prices of goods and supplies at local markets and supermarkets on daily basis, when the information was uploaded online, the government has efficiently stopped the situation of panic buying.

The outbreak happened right before the Chinese New Year holiday, which was one of the most important festivals in the city. The government has decided not to hold any celebrations to avoid crowd gathering and has arranged the majority of civil servants at non-emergency departments to work at home while suspending all physical classes of kindergarten, primary, secondary and even higher education studies. This has meritoriously avoided crowd gathering, minimizing the changes on both spread and infection of the virus and also worked as a vital example for the industry.

6.2 Appropriate measures

The greatest horror normally comes from the feeling of “unknown”. The government of Macao has set up effective communication channels since the early days of the outbreak. They have arranged daily press conferences to communicate the latest news of the pandemic, actions and counter-actions of the government. The press conferences were broadcasted on televisions, posted on social media and summarized information was delivered through online APPs. This was to ensure the greatest reach of information by all sectors of the society, disregard their technical literacy and personal habits. The transparency of information has efficiently eschewed the spread of incorrect information and rumours that will lead to societal chaos, annihilate the stability of the city and the confidence of the people.

Macao is a tourism city with more than 80% of the public revenue coming from tourism and gaming. Despite this, the government decided to suspend the operation of the casinos by early February. This was the first time in the history of Macao that the casinos were closed down when they used to operate even under Typhoon Signal 10, the strongest typhoon signal in the city. This decision of the government has delivered a clear and distinct message on the seriousness of the pandemic that has effectively alarmed the city.
While alerting the city on the seriousness of the situation and the importance of individual safety precautions, the government tried to augment the transparency of information and also implemented a series of monetary relieve measures to alleviate the financial difficulties of the people. These measures provided effective means to assuage the immediate financial problems of the people that settled their nerves and offered instantaneous solutions that excited them to practice civic responsibilities.

6.3 Role of the government

The government has played a crucial role in the cohesion of different societal sectors, which was paramount on the success to protect the city against the pandemic. To support the business sector, especially the SMEs to get through the tough times, the government took the initiative to collaborate with the banks by providing interest support on loans and recommend the financial institutions to lengthen the payback period. These relieved the immediate financial burden of the enterprises on the shortage of cash flow upon the gigantic drop in business, so they could maintain operation while the economy took up the pace to recovery. This has also avoided extensive layoff that would further affect the economy and society.

For the gaming concessionaires, though have experienced hard-hit on business with a drop in gaming revenue of more than 96%, they were willing to comply with the recommendations of the government to exercise corporate social responsibilities (CSR) and imposed supportive measures to support the SMEs out from deep water. The changing measures and practices have imposed not only temporary but also long-term effects. They have generated new relationships and business bonding between the large and small enterprises, such bonding can improve the revenue stream of the SMEs and become sustainable upon good product and service qualities.

CSR is one of the essentials on the renewal of the gaming licenses and this is believed to be a reason to incite the endeavours of the gaming enterprises. This pandemic illustrated the importance for the government to set carefully planned terms and requirements on the concessionaire contracts when they would be an important pillar to drive the economy back to the road of recovery during a crisis. The terms and requirements should incorporate the essence for the continuous growth of the society, not only in terms of gross domestic products but also with regard to sustainability.

The active involvement of the non-gaming large enterprises as a response to the call of the government has shown their willingness to practicing social responsibility. Majority of them have used their strength and expertise to provide support and contribution in diverse ways, which were found to be carefully designed that target on the practical need of the economy, such as the supply of masks and sanitizers, as well as the bottling of the disinfection alcohol. These were vital supplies during the pandemic. The large enterprises have not fished in troubled waters and took the opportunity to make a profit but instead have provided the supplies at affordable prices, with the core objective that an abundant supply of these products could stabilize the society as it relieved the emotional stress of the people. For other enterprises, they tried to contribute within their expertise, such as helping the government to bottle the disinfection alcohol that was in tanks. This was an obvious example of the effective coordination between the government and the business enterprises. In addition, the social media platforms and videos developed by the media have effectively comforted the emotions of the people and alleviated their boring moments, when they were suggested to stay at home to avoid being infected and to effectively control the spread of the virus. These illustrated the strong bonding within the business segment of Macao. The role of the government has an important impact in this healthy bonding, which is crucial for the sustainable development of the city.

Aside from initiating an active involvement of the large enterprises, the government has imposed intelligent strategies that, in turn, support the business segments, while benefiting the residents. Through the Macau Ready Go and the local inbound tours, the government
purposed to support different aspects of the hard-hit tourism industry by generating business for travel agencies and local small restaurants, providing job opportunities for tour guides and tour bus drivers, as well as customer flow and business for both local shops and large shopping malls. In unison, the tours were also designed with the intent to bring the locals to places that were used to be visited and occupied by tourists. This deepened the view of the locals on the attractions of Macao, while simulated the sensation of real travels that eased the emotional stress of the residents under the global travel restrictions. This was an obvious example of money wisely spent.

7. Conclusion and future research

With the involvement of the government, business segments actively provided supportive actions. This illustrated the important role of the government. The government may not need loads of money and extensive efforts at all times, but instead employing effective efforts and strategies are important to agglomerate the strengths of the society, which is crucial to lead the economy through difficult times and back on the road of recovery.

Grounded on the case of Macao, policymakers or decision leaders should set up wise immediate, short, mid and long-term strategies for crisis management. For the immediate period, strategies should focus to stabilize the economy and settle the nerves of the people and society. Moreover, the transparency of news and information is vital. The use of technology can effectively support this regard but the existence of different societal segments who are having various technical literacy must be considered. People with well-informed information will not prompt to get panic and this can also avoid destructive rumours that may rock the economy. The capability to make timely decisions is crucial. The success of crisis management always depends on how capable the management is at forecasting and competing with time.

In the short run, measures should attend to the foremost concerns of the society, which at most times are related to financial aspects. For the case of Macao, the government has imposed financial relieve measures on both taxation and public utilities, while providing subsidies on daily necessities. Measures were also executed to stabilize the market prices of consumer goods. Moreover, through the emphasis of CSR, the government was able to avoid massive lay-off actions. These stabilized the panic of the people, as they perceived the government would help them to control and monitor. In turn, they were then available to confront the pandemic.

For mid-term strategies, the government should restore the confidence of the people and lead the economy to recovery. In this phase, the Macao government speeded up the process of infrastructure projects to create employment opportunities. In parallel, the government collaborated with the banks at offering financial support plans to relieve the burden of the business enterprises. At the same time they employed smart strategies on the provision of creative inbound tours, which assisted the tourism segment to recover, provided business to travel agencies, shopping malls, retail shops and restaurants, created jobs to travel guides and tour shuttle bus drivers; subsidized relieving tours to residents creating a happy atmosphere in the society. In the long run, policymakers must set up strategies that will strengthen the importance of corporate social responsibilities by business enterprises and civic responsibilities of the residents. In the real world, crises are unavoidable. Policymakers should stay alert and strengthen the relationship with the vicinity. The focus is not the avoidance of crisis but rather the building up of an economy of strong cohesion and bonding.

References


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Appendix

Semi-structured questions of the interview:

- What are your comments on COVID-19?
- How do you think about the work of the government?
- What kind of preventive measures do you think we need to take and are you willing to put into practice?
- What are the things/happenings that you remember most clearly during this pandemic?
- How is your work and life during this period?
- What should we do if similar crisis happens in the future?

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