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## **Contesting reproduction migration: Malaysia My Second Home (MM2H) controversies during the COVID-19 pandemic**

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### **Abstract**

The controversies surrounding the Malaysia My Second Home (MM2H) programme during the COVID-19 pandemic illustrate how stakeholders are rethinking the premise of lifestyle migration programmes. These varied contestations of the MM2H programme reveal the complexity of reproduction migration as a multifaceted phenomenon.

### **Theme**

Reproduction Migration

### **Keywords**

Reproduction migration, lifestyle migration, Malaysia My Second Home, Malaysia, COVID-19 pandemic

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“The Government of Malaysia has decided to temporarily suspend the Malaysia My Second Home Program (MM2H) to allow the Ministry of Tourism, Arts and Culture (MOTAC) and related agencies to comprehensively review and re-evaluate the MM2H program since its inception in 2002. The suspension is in line with the Government’s decision not to allow foreigners to enter Malaysia following the outbreak of COVID-19 pandemic.”<sup>3</sup>



*Figure 1: The Petronas Twin Towers in Kuala Lumpur, Malaysia. Photo by the author.*

During the COVID-19 pandemic, Malaysia’s Ministry of Tourism, Arts and Culture (MOTAC) announced the temporary suspension of the Malaysia My Second Home (MM2H) programme, one of the world’s most popular lifestyle migration programmes.<sup>4</sup> The announcement, issued on 4 August 2020, had been preceded by a series of state-led and COVID-19 related disruptions since late 2018.

Together, these disruptions sent shock waves throughout the country and globe, especially amongst lifestyle migration communities. The sudden suspension of the programme triggered shock (im)mobilities,<sup>5</sup> causing fear, outrage and disappointment amongst current and potential MM2H visa holders. These developments also unsettled MM2H consultants and the diverse industries in Malaysia that engaged with and serviced programme participants

The programme was reactivated in October 2021 with new conditions, including substantially higher financial requirements, such as a four-fold increase in the minimum monthly offshore income from RM10,000 (under pre-2021 requirements) to RM40,000.<sup>6</sup> Initially, these new conditions were also extended to existing MM2H visa holders, who had a year’s grace period to meet the

<sup>3</sup> Ministry of Tourism, Arts and Culture (MOTAC). 2020. Temporary Suspension Of Malaysia My Second Home Programme (MM2H). *Official Portal of Ministry of Tourism, Arts and Culture*. 4 October 2020. <https://www.motac.gov.my/en/media/release/temporary-suspension-of-malaysia-my-second-home-programme-mm2h>. Last accessed 13 July 2022.

<sup>4</sup> Nesheim, Christian Henrik. 2020. Malaysia’s MM2H World’s Largest Investor Visa in 2019 Following Record Year. *Investor Migration Insider*, 11 March 2020. <https://www.imidaily.com/asia-pacific/malaysias-mm2h-worlds-largest-investor-visa-in-2019-following-record-year/>. Last accessed 13 July 2022.

<sup>5</sup> Xiang, Biao. 2021. Shock mobility: convulsions in human migration are having large impacts. *MoLab*. Available online at: <https://www.eth.mpg.de/molab-inventory/shock-immobilities/shock-mobility>. Last accessed 17 July 2022.

<sup>6</sup> From about 2,220 USD to 8,880 USD. Zainudin, Faiz. 2021. Malaysia My Second Home to resume in October. *Free Malaysia Today*. 11 August 2021. Available online at: <https://www.freemalaysiatoday.com/category/nation/2021/08/11/malaysia-my-second-home-to-resume-in-october/>. Last accessed 4 May 2022.

requirements, or leave Malaysia. However, in the face of pleas and lobbying by various stakeholders, existing visa holders were eventually exempted from most of the new conditions.<sup>7</sup>

Using the case of the MM2H programme, this entry examines lifestyle migration through the lens of reproduction migration. It explores how the controversies surrounding the programme during the COVID-19 pandemic raised questions about the assumptions, operations and practices of lifestyle migration. It draws upon a pilot study conducted in 2021, involving interviews with various stakeholders, including current visa holders, aspiring applicants, and representatives of intermediary firms and organisations that deliver programme-related services.

### **Lifestyle migration as reproduction migration**

Lifestyle migration can be understood through the lens of ‘reproduction migration’, which is defined as “the movements of people for the purposes of maintaining, reproducing and enhancing life”.<sup>8</sup> Lifestyle migrants include retirees, families with school-going children, digital nomads and business people (especially those running regional and/or transnational operations). Lifestyle migrants are considered relatively privileged as they tend to pursue migration and transnational mobility by choice rather than necessity. Moreover, they tend to have the resources to maintain their transnational lives, such as keeping a second home in another country.<sup>9</sup>

To meet the demand and desire for lifestyle migration, some destination countries have offered lifestyle migration programmes. These programmes typically offer attractive features such as fixed-term residence, coupled with multiple-entry visas and some flexibility in the nature of the residential stay in exchange for financial investments in the country (e.g., through business ventures, the purchase of property, or simply monetary wealth). As such, lifestyle migration programmes are said to contribute to destination countries’ economic growth and productivity. Indeed, the MM2H is said to have been initially established to capture the “lucrative” international retirement migration market segment, as a development strategy for Malaysia.<sup>10</sup>

However, since early 2020, the COVID-19 pandemic has created diverging trajectories for lifestyle migration and second home industries and programmes across the globe. On the one hand, second homes have been sought for safety during the pandemic, though cultural and national contexts may differ.<sup>11</sup> On the other hand, national governments have used the COVID-19 pandemic to justify

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<sup>7</sup> Malaysiakini. 2021. Hamzah defends new MM2H rules amid royal objections. *Malaysiakini*, 24 September 2021. <https://www.malaysiakini.com/news/592695>. Last accessed 13 July 2022.

<sup>8</sup> Reproduction Migration. MoLab. Available online at: <https://www.eth.mpg.de/molab-inventory/reproduction-migration>. Last accessed 6 July 2022.

<sup>9</sup> Janoschka, Michael and Heiko Haas. 2014. Contested Spatialities of Lifestyle Migration: Approaches and Research Questions. In Michael Janoschka and Heiko Haas (eds.). *Contested Spatialities, Lifestyle Migration and Residential Tourism*. London: Routledge, pp. 1–12.

<sup>10</sup> Abdul-Aziz, Abdul-Rashid, Cheng-Lit Loh and Mastura Jaafar. 2014. Malaysia’s My Second Home (MM2H) Programme: An Examination of Malaysia as a Destination for International Retirees. *Tourism Management*, 40: 203–212; Abdul-Aziz, Abdul-Rashid, Joseph H. M. Tah, J. X. Lim and Cheng-Lit Loh. 2015. Government Initiatives to Attract Retired Migrants: An Analysis of Malaysia’s My Second Home (MM2H) Programme. *Tourism Management Perspectives*, 16: 58–66.

<sup>11</sup> Pitkänen, Kati, Olga Hannonen, Stefania Toso, Nick Gallent, Iqbal Hamiduddin, Greg Halseth, Michael C. Hall, Dieter K. Müller, Andrey Treivish and Tatiana Nefedova. 2020. Second homes during corona - safe or unsafe haven and for whom? Reflections from researchers around the world. *Matkailututkimus*, 16(2): 20–39.

changes in bordering and residency practices and policies,<sup>12</sup> as in the case of Malaysia and the MM2H programme. These recurrent changes during a global pandemic not only disrupted MM2H participants' lifestyle migration plans and experiences.

### **The MM2H programme and reproduction migration**

The programme has its origins in the Silver Hair Programme (SHP) established in 1987 under the purview of the Immigration Department. The SHP was initially created to attract foreign pensioners aged 50 and above. It offered a one-year social visit pass renewable annually for up to five years. The programme further evolved as follows:

- In March 2002, the SHP was rebranded the Malaysia My Second Home (MM2H). The programme was expanded to include applicants aged 18 to 49.
- In 2006, management of the programme was transferred to MOTAC. Participants were offered a ten-year multiple entry social visit pass which included guaranteed renewal for another ten-years, provided holders did not violate Malaysian laws. MOTAC organised international roadshows promoting the MM2H, often with the participation of property developers and international schools in Malaysia.<sup>13</sup>
- In 2009, the programme underwent a revamp. Fresh inducements were introduced, including allowing MM2H visa holders aged 50 and above to work under certain conditions (e.g. not more than 20 hours a week). Other incentives included investment and business participation opportunities, and the relaxation of conditions relating to spouses and children.

The programme had remained competitive and popular by maintaining relatively low financial barriers – a monthly offshore income of RM7,000-10,000 (1550-2223 USD) and fixed deposits of RM100,000-300,000 (22,230-66,695 USD) –, and the possibility for visa holders to enjoy a relatively affluent lifestyle in Malaysia. Since its initial launch in 2002, the programme has been utilised by diverse individuals looking to fulfil various aspirations.

Indeed, in our interviews, desk research and literature review, we have encountered those using the programme for their children's international education, business objectives, property acquisition, tax evasion, and political asylum, amongst others.<sup>14</sup> The majority of these reasons and motivations can arguably be encompassed under the concept of reproduction migration, as MM2H participants utilise the programme as a means to actualise geographic arbitrage.<sup>15</sup> In other words, through participating in the MM2H programme, they make use of the geoeconomic differentials between Malaysia and their country of origin to maximise their spending power, socioeconomic status, and capacities to

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<sup>12</sup> Koh, Sin Yee. 2022. Emergent Bordering Tactics, Logics of Injustice, and the New Hierarchies of Mobility Deservingness. In: Hyun Bang Shin, Murray Mckenzie and Do Young Oh (eds.). *COVID-19 in Southeast Asia: Insights for a Post-Pandemic World*. London: LSE Press, pp. 183–192. <https://press.lse.ac.uk/site/books/e/10.31389/lsepsscov/>

<sup>13</sup> Azman, Nur Hanani. 2021. Let MOTAC manage MM2H again, says former minister. 23 September 2021. Available online at: <https://themalaysianreserve.com/2021/09/23/let-motac-manage-mm2h-again-says-former-minister/>. Last accessed 19 August 2022.

<sup>14</sup> See Chew, Rachel. 2020. Hongkongers looking at Malaysia as ‘back-up’ home. *EdgeProp*. 26 June 2020. Available online at: <https://www.edgeprop.my/content/1702580/hongkongers-looking-malaysia-back-home>. Last accessed 4 May 2022.

<sup>15</sup> Hayes, Michael. 2014. ‘We Gained A Lot Over What We Would Have Had’: The Geographic Arbitrage of North American Lifestyle Migrants to Cuenca, Ecuador. *Journal of Ethnic and Migration Studies*, 40:12, 1953–1971.

accumulate and convert capital. In doing so, they are maintaining, reproducing and enhancing their lives transnationally.



*Figure 2: Beautiful beaches in Malaysia are attracting foreigners to migrate. Photo by the author.*

Despite its popularity and success over the past two decades, the MM2H programme suffered a series of government-led and COVID-19-related disruptions from late 2018 onward:

- In October 2018, the Malaysian cabinet reportedly suspended the programme (though there was no formal announcement to this effect), following then Prime Minister Mahathir Mohamad's dissatisfaction about the purported issuance of MM2H visas to foreign homebuyers of Forest City, a large-scale mixed-use development by a mainland Chinese developer in the state of Johor.<sup>16</sup>
- Just before the onset of the pandemic, applications submitted during the last quarter of 2019 received an abnormal 90 per cent rejection rate, catching MM2H intermediaries and their clients by surprise.<sup>17</sup>
- After Malaysia closed its international borders in March 2020 due to the COVID-19 pandemic, some MM2H visa holders were left stranded overseas and denied entry into Malaysia. After the borders were reopened, visa holders found that other categories of residents in Malaysia (including foreigners with employment passes) had priority over them in terms of receiving official approval for returning to Malaysia.<sup>18</sup>
- In August 2020, the programme was suspended (see quote in introduction) – no applications were accepted.

<sup>16</sup> 苏俊翔. 2018. ‘马内阁冻结第二家园计划 = (Malaysia’s Cabinet Suspends MM2H). 联合早报 = Lianhe Zaobao, 1 October 2018. <https://www.zaobao.com.sg/realtimeworld/story20181001-895618>. Last accessed 23 May 2022.

<sup>17</sup> Bedi, Rashvinjeet S. 2020. More than 90% of MM2H applications from Sept-Nov 2019 rejected, claims association. *The Star*. 2 July 2020. Available online at: <https://www.thestar.com.my/news/nation/2020/07/02/more-than-90-of-mm2h-applications-from-sep-nov-2019-rejected-claims-agents-association>. Last accessed 4 May 2022.

<sup>18</sup> Chiu, Vivian. 2021. ‘It’s our only home’: Malaysia’s changes to MM2H visa scheme throw expats’ plans into chaos. *South China Morning Post*, 18 August 2021. <https://www.scmp.com/week-asia/politics/article/3145410/its-our-only-home-malaysias-changes-mm2h-visa-scheme-threw>. Last accessed 14 July 2022.

- In August 2021, the government announced new conditions to the “enhanced” MM2H programme.
- In October 2021, the “enhanced” programme was activated. In August 2022, it was reported that the programme had received 267 new applications and 1,461 withdrawals.<sup>19</sup>

The next three sections detail how stakeholders – the state, intermediaries, applicants and current participants – reacted to the series of disruptions. Through their varied reactions, we see how they are contesting the premise of reproduction migration.

### **Contesting reproduction migration: The state’s perspective**

Under the re-launched MM2H scheme, management of the programme was moved from MOTAC to the Ministry of Home Affairs (MoHA). This suggests that the current government is taking an *immigration defensive* stance towards new MM2H visa holders, rather than the *tourism promotional* stance that MOTAC previously undertook. According to the Home Minister, some MM2H participants had used Malaysia as a transit country for undesirable activities.<sup>20</sup> To mitigate those activities, which posed a national security threat, MoHA had introduced “enhancements” to the programme. These would “ensure that every single new MM2H applicant who wishes to reside in Malaysia is genuine, of ‘a high quality’ (with at least RM one million; 222,000 USD), and able to contribute to the country’s economic growth”.<sup>21</sup>

This shift suggests that the current government is now questioning the use of the MM2H programme as a means of facilitating reproduction migration. Between 2002 and 2017, when MOTAC oversaw the programme, an average of 2,433 applications were approved annually<sup>22</sup> (38,832 total approved principal applicants). Interviews with MM2H intermediaries revealed that when MoHA became involved in application approvals in 2018, processing times became significantly longer:

“Basically, after the 2018 election, they shunned [the MM2H programme] for reasons which were quite obscure. I don’t know whether...it was just the government that decided they needed to set up another layer of approval for all MM2H applicants. So, they...said that the Minister of Home Affairs would take over and do another review. So after the existing committee reviewed the applications, it was then passed to the Ministry of Home Affairs, which wouldn’t have been a big deal if they could process them quickly, but they couldn’t. They took forever, and they would not accept any questions. [The applications] basically were parked there; you couldn’t ask why it was taking months and months and months. So, as a result, [it] went from three months... to one year to get approved. So that creates a lot of bad feelings among applicants –

<sup>19</sup> Carvalho, Martin, Tarrence Tan and Ragananthini Vethasalam. 2022. MM2H: 267 New Applications, 1,461 Withdrawals Since September 2021, Says Hamzah. *The Star*. 4 August 2022. Available online at: <https://www.thestar.com.my/news/nation/2022/08/04/mm2h-267-new-applications-1461-withdrawals-since-september-2021-says-hamzah>. Last accessed 19 September 2022.

<sup>20</sup> Ariff, Imran. 2021. New MM2H rules to ensure applicants are genuine, of high quality. 14 September 2021. Available online at: <https://www.freemalaysiatoday.com/category/nation/2021/09/14/new-mm2h-rules-to-ensure-applicants-are-genuine-of-high-quality/>. Last accessed 19 August 2022.

<sup>21</sup> Dewan Rakyat Malaysia. 2021. LANGSUNG: Persidangan Dewan Rakyat 14 September 2021 | Sesi Pagi = LIVE: Parliament Sitting 14 September 2021 | Morning Session. Available online at: <https://youtu.be/78j1s-NEBlo>. Last accessed 24 May 2022.

<sup>22</sup> Calculated from MM2H statistics.

“you told me it would be 90 days” – which was what the government had told us was the official operating procedure. [And now] they were saying a year.”

This unexpected shift led to grievances on the part of intermediaries.

### **Contesting reproduction migration: intermediaries’ perspectives**

With the SHP/MM2H programme over the past three decades, an established network of intermediaries has developed. This includes for-profit agents helping applicants and participants with various programme-related applications, as well as the MM2H Consultants Association (MM2HCA) that represents licensed agents. Yet in the programme review, none of the intermediaries we interviewed had been consulted or invited to take part. As one MM2HCA representative commented:

“Personally, I think the review is good for the industry. We don’t object. But...once the review is completed, we should have a cooling off period. We can then review the recommendations, and during this cooling off period applicants can submit their applications. Then, we have some preparation to implement the new changes. But we did not have any of these consultative or preparatory processes. It was cut off suddenly.”

This comment suggests that industry stakeholders are open and receptive to state-led changes to lifestyle migration programmes. However, the devil is in the details – especially in the transition and implementation phases, when new changes to the programme are being rolled out. The exclusion of industry stakeholders from the process led to an embarrassing situation in which intermediaries were as clueless as their clients. This situation was a complete reversal to that prior to 2018, when intermediaries had worked quite closely with MOTAC, and constituted a key component of the MM2H reproduction migration ecosystem.

Moreover, the allegations by the Home Minister that programme participants had misused their visas, which formed the official and primary justification for the policy change, were challenged. In mid-December 2021, the Public Accounts Committee, a bipartisan parliamentary committee, reported that MM2H participants did not pose a national security threat.<sup>23</sup> Venting their frustrations, intermediaries and associated business representatives voiced their concerns about the “crisis of confidence”<sup>24</sup> caused by government changes. These had negatively impacted on the programme and on Malaysia’s image in the international community. The common sentiment amongst the intermediaries we interviewed was that, if visa misappropriation was an issue, it could have been addressed through more stringent security checks, rather than an across-the-board suspension of the programme during the pandemic. As one intermediary said,

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<sup>23</sup> Carvalho, Martin, and Rahimy Rahim. 2021. ‘MM2H participants not a security threat to the nation, says PAC’. *The Star*, 16 December 2021. Available online at: <https://www.thestar.com.my/news/nation/2021/12/16/mm2h-participants-not-a-security-threat-to-the-nation-says-pac>. Last accessed 24 May 2022.

<sup>24</sup> Chew, Rachel. 2021. ‘VPEx 2021 webinar EP 1: Urgent need to solve crisis of confidence of MM2H visa holders and applicants’. *Edgeprop*, 21 September 2021. Available online at: <https://www.edgeprop.my/content/1899780/vpex-2021-webinar-ep-1-urgent-need-solve-crisis-confidence-mm2h-visa-holders-and-applicants>. Last accessed 24 May 2022.

“The gist of what I hear is [that] Immigration has got concerns about security. What concerns there are, I’m not sure...If there are concerns, I wish they would be...put up front for discussion, so that we know they are genuine concerns, and we can give opinions.”

Excluded from the decision-making process, industry stakeholders were caught between an uncertain business future on the one hand, and angry and anxious clients and on the other.



*Figure 3: Rooftop view in Kuala Lumpur, Malaysia. Source: pexels.com*

### **Contesting reproduction migration: MM2H participants' perspectives**

As mentioned earlier, participants would join the programme to achieve various reproduction migration objectives. While the majority of the respondents we interviewed cited fairly standard objectives, such as a better quality of life, we also came across other considerations. For example, aspiring applicant Ibrahim's Muslim identity, and the abuse and injustices he faced in his home country, had influenced his interest in the programme. His perception of a high level of 'tolerance' between ethnic communities in Malaysia convinced him that it offered a safe and friendly environment for his family, though the plan to relocate was not an easy one:

“I can face the struggles [of systemic discrimination here]...but then this is not a place for my children so...that was a determinant...a decision taken in very difficult times.”

Although officially a second home programme that does not offer permanent residence, some participants viewed Malaysia as their primary or even their only home.<sup>25</sup>

For example, Lisa and her husband had purchased a heritage home and spent significant time and effort refurbishing it. Having lived in Malaysia for over a decade, they had integrated well into the

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<sup>25</sup> Chu, Vivan. 2021. “‘It’s our only home’: Malaysia’s changes to MM2H visa scheme throw expats’ plans into chaos’. *South China Morning Post*, 18 August 2021. Available online at: <https://www.scmp.com/week-asia/politics/article/3145410/its-our-only-home-malaysias-changes-mm2h-visa-scheme-throw>. Last accessed 27 August 2022.

community and become regular contributors to the local arts and culture scene. However, the government's change in stance had given Lisa second thoughts about staying in Malaysia.

"You know, I would hate to leave Penang. I love this place. But I don't want to be living in a place where I feel as though I'm not wanted, right?"

Indeed, the change from MOTAC to MoHA did not go unnoticed on the part of existing and aspiring participants. As aspiring participant Matthew observed:

"I think a lot of people who are applying feel that there is no champion [for the MM2H programme]. They feel that...they (i.e. MOTAC) want people to come in and do (i.e. participate in) the programme. They feel Immigration wants to stop people from coming in. Immigration is looking for reasons not to let people in. And MOTAC's job is to encourage people."

During the early stages of the pandemic, MM2H visa holders stranded overseas were not allowed to return to Malaysia. This government move signalled to MM2H migrants that, despite "My Second Home" being the programme's name and branding, they were not – when push comes to shove – considered residents of Malaysia. In the eyes of one programme participant we spoke to, this move was "punitive". With the government not upholding its commitment to existing programme participants, another said that he may not renew his visa:

"I'm assuming that my visa will still be valid, given that it's already been issued. But..if they scrapped the old scheme and invited us to apply for a new scheme, I think I might not apply on principle, on the grounds that, you know, you gave me a 10-year visa and...you've broken your commitment, and I don't respect that."

These examples illustrate two points regarding reproduction migration. First, participants use the programme as a means to achieve reproduction migration in their myriad interpretations and based on their own specific circumstances. Second, programme participants are reconsidering their reproduction migration projects in response to the changes and their treatment by the Malaysian government. The participants' shifting interpretations of reproduction migration would presumably result in new manifestations of their individual lifestyle migration projects in the future. Both points attest to the *multifaceted nature of reproduction migration*.

## **Conclusion**

The current Malaysian government (notably MoHA) has used the COVID-19 pandemic to justify changes to an established lifestyle migration programme, MM2H. MoHA used unsubstantiated claims, including that participants posed a national security threat, as its primary justification for transforming the programme into one that equated wealth to "quality". Moreover, MoHA excluded industry stakeholders who are central figures in this reproduction migration ecosystem from its policy-making decisions. In doing so, its interventions in the programme during a global pandemic disrupted participants' lifestyle migration plans and experiences, as well as industry players'

financial livelihoods and the reputations of their businesses. The state's transformations of the programme and its defensive stance towards other constitutive actors in the reproduction migration ecosystem suggest that it's rethinking the premise of its lifestyle migration programme. As a result, intermediaries, as well as current and aspiring participants, have also been pushed to reconsider their reproduction migration practices and strategies.