

# Forum on Economic Policymaking in Conditions of Uncertainty

Tuesday, 14 July 2020  
2.00 pm - 4.00 pm

# JOBS IN THE TIME OF COVID:

Understanding the impact of the pandemic on jobs and policy responses in ASEAN



**IPS Forum on Economic Policymaking in Conditions of Uncertainty, 14 July 2020**

Genevieve Lim,  
Engagement Manager, AlphaBeta  
[genevieve.lim@alphabeta.com](mailto:genevieve.lim@alphabeta.com)

# Three questions will be discussed in this presentation



## Three questions

- 1 What are the broad **impacts** of the COVID-19 pandemic on ASEAN economies and jobs?
- 2 Where in ASEAN (**sectors and communities**) are job impacts felt the most?
- 3 What have been the key **policy responses** and have they targeted the most vulnerable segments of the economy?

# Agenda

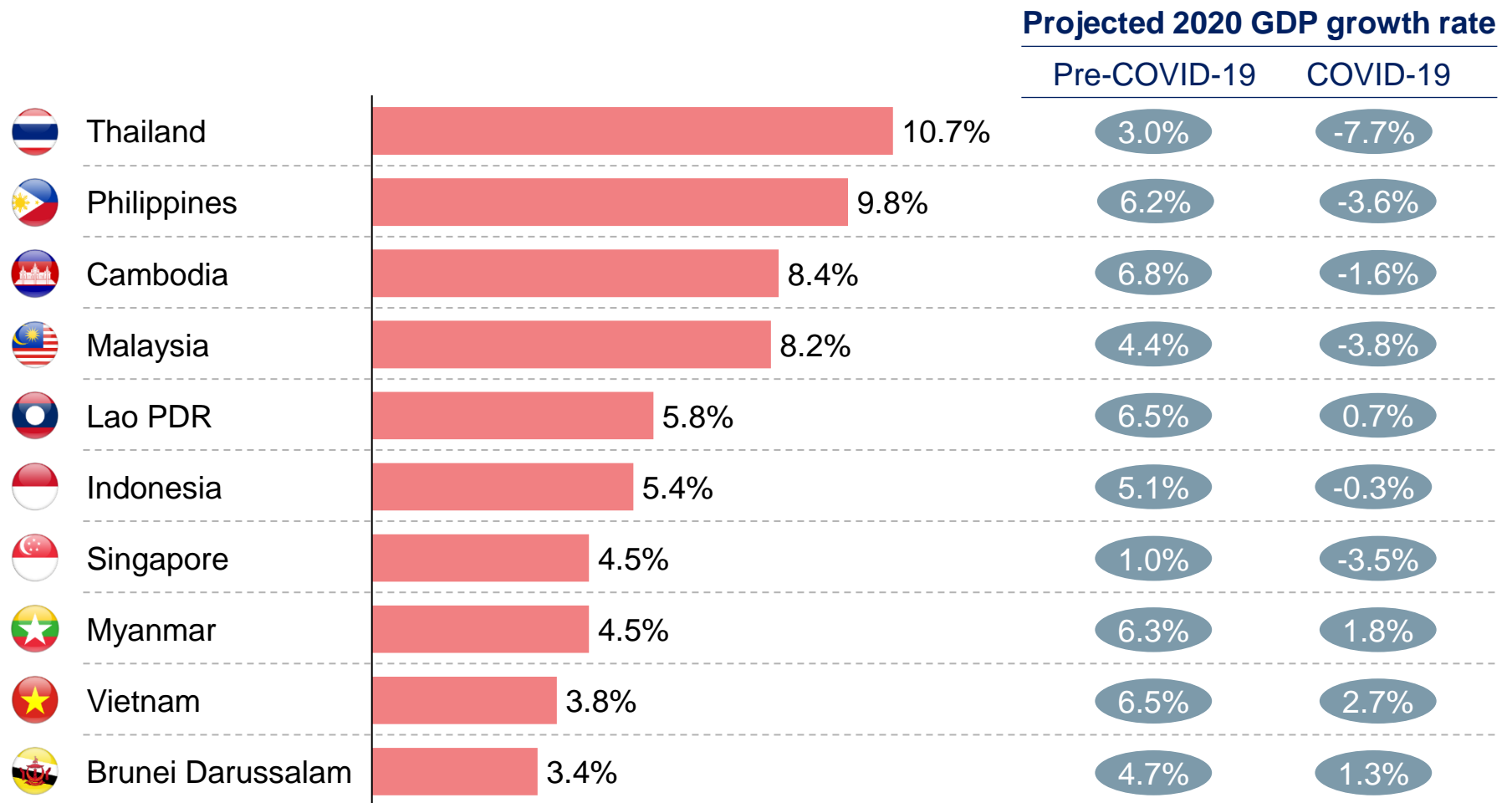
## Impacts of COVID-19 on jobs

Key sectors and communities impacted

Policy responses

# ASEAN economies could see their forecast growth rates reduced by between 3-11 percentage points due to COVID-19

Reductions to projected annual GDP growth rate for 2020 due to COVID-19 pandemic;  
Percent (%)



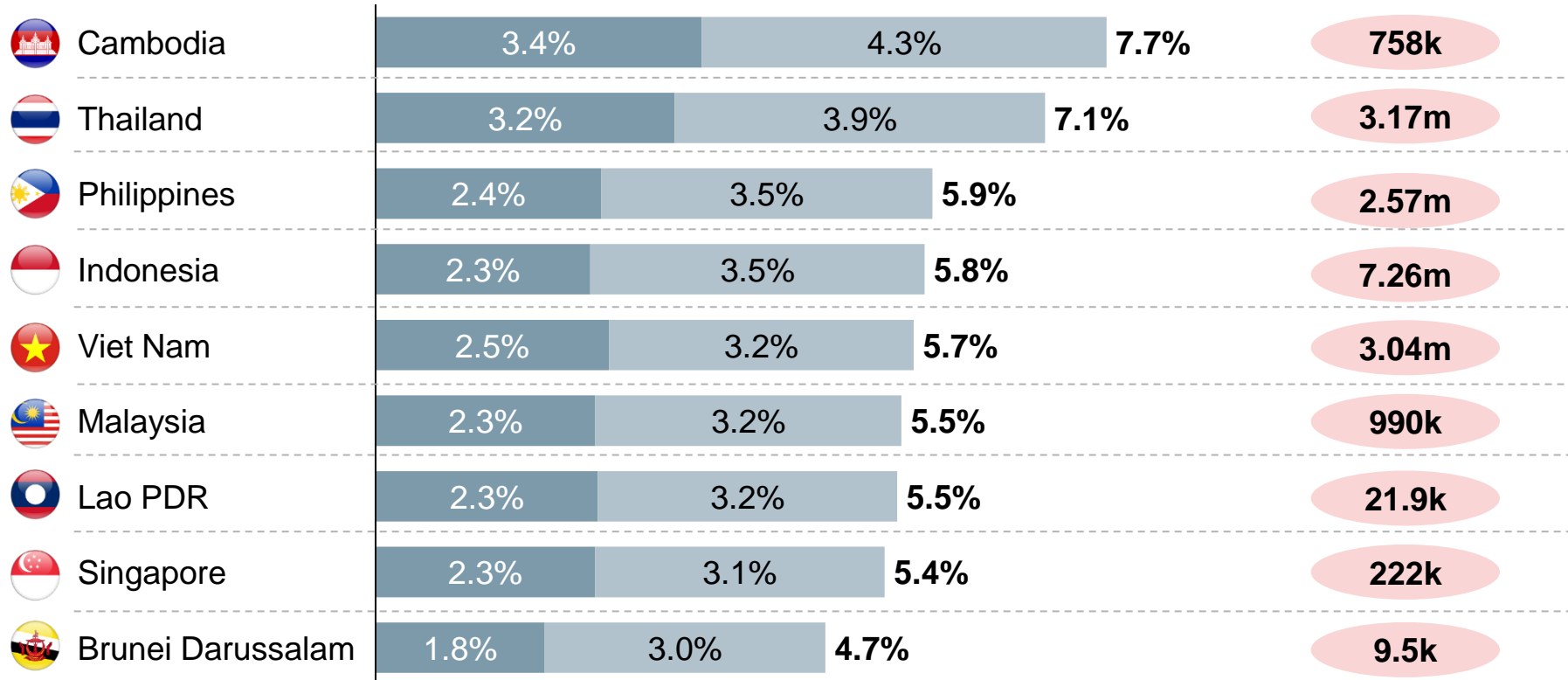
# Projected job losses in ASEAN economies as a result of the pandemic range from 5-8% of total employment

## Projected job losses due to COVID-19 pandemic in selected ASEAN economies; Share of 2018 employment (%)

■ "Shorter containment" scenario with outbreak in country

■ Additional job losses under "Longer containment" scenario with outbreak in country

**Total absolute number  
of projected job losses**

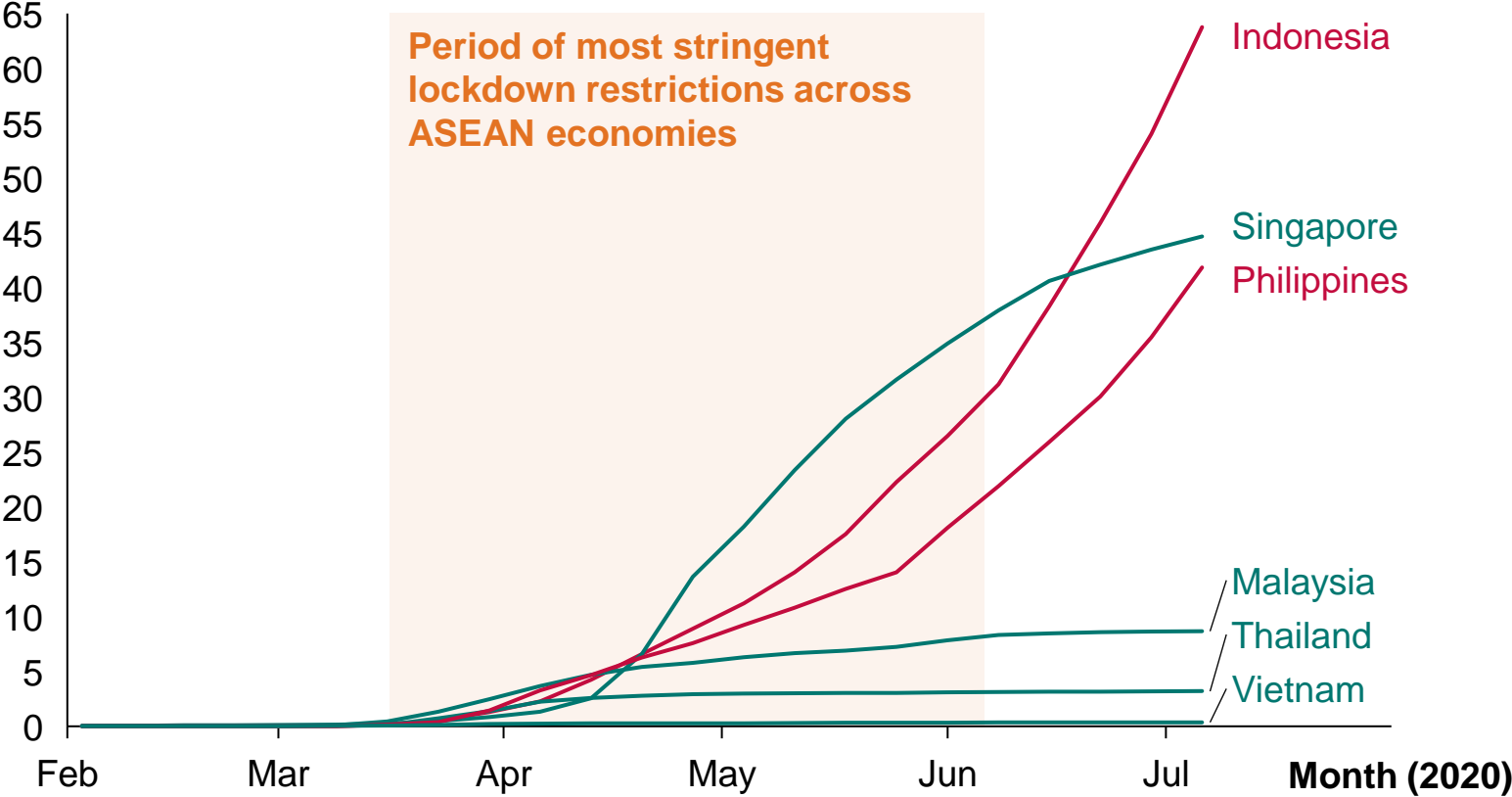


# “Stops and starts” to economies could occur, particularly in countries where the infection appears not to have eased

Total confirmed COVID-19 cases between 3 February and 6 July 2020 by country;  
Number of cases (cumulative)

- Countries which appear to have yet arrived at their peak as of 6 July 2020
- Countries which appear to have passed their peak as of 6 July 2020

## Number of cases (cumulative), thousands



SOURCE: Our World in Data (data retrieved 13 July 2020); AlphaBeta analysis

# Agenda

Impacts of COVID-19 on jobs

**Key sectors and communities impacted**

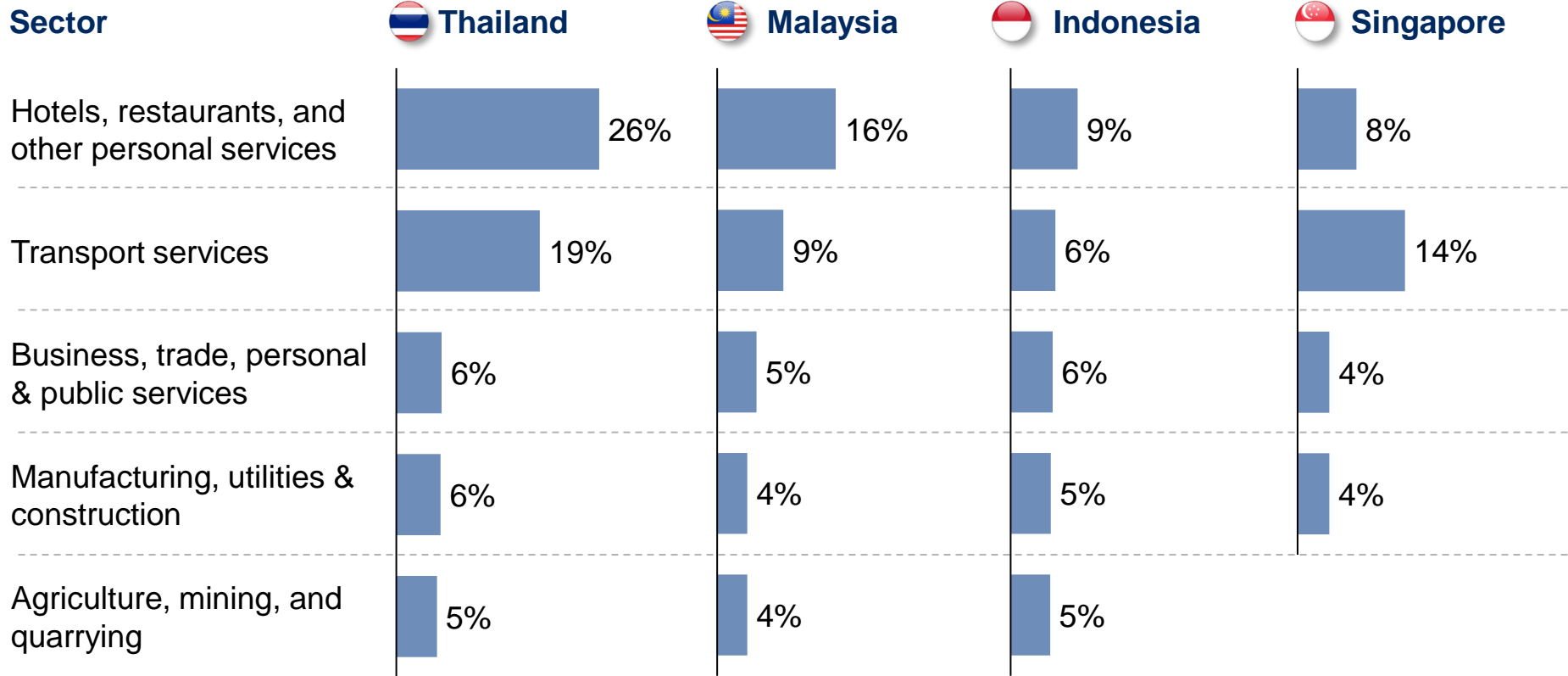
Policy responses



# While it is unsurprising that the pandemic would impact jobs in the hotels, restaurants and transport sectors, other sectors are unlikely to be spared

**Projected job losses in 4 ASEAN economies due to COVID-19 pandemic by sector;**  
Share of total employment in 2018 (%)

■ "Longer containment" scenario with outbreak in country



# In the region, five groups of workers are bearing a disproportionate share of job losses due to COVID-19

## Community at risk

## Findings

### Youth



With the number of job postings and companies actively hiring declining by **75%** and **50%** respectively in April 2020 as compared to March 2020, fresh graduates in Indonesia face difficulties securing employment during the pandemic – this is amidst the already high youth unemployment rate of **16%** pre-crisis, as compared to the national rate of 5% as of February 2020

### Freelance workers



Over **2,800** freelance workers in Singapore's creative industry reported a total income loss of over **SGD 30 million**, and the loss of **9,000** projects in May 2020



A survey in March 2020 revealed that **almost half** of self-employed people in Malaysia lost their incomes entirely, while **95%** suffered income losses

### Informal workers

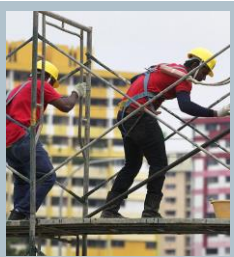


Between March and April 2020, **~538,000 informal workers from over 30,000 businesses** were reported to have lost their jobs



Informal workers in Thailand, who account for more than half of the employed workforce at about **21.2 million** workers, are especially subject to income shocks and the loss of livelihoods during the pandemic

### Foreign workers



Low-skilled foreign workers account for **over 90%** of all COVID-19 cases as of May 2020 – this group has had to stop work entirely during the country's "circuit breaker" period, and face heightened job insecurities



Many of the estimated **3 million** foreign workers in Thailand have lost their jobs and as a result, their legal status in the country. Since the start of 2020, over **100,000** foreign workers have left for their home countries

### Women



Constituting a disproportionately high share of informal workers (particularly in domestic services such as cleaning and childcare), women form a substantial share of low-income workers whose jobs have been affected











# Agenda

Impacts of COVID-19 on jobs

Key sectors and communities impacted





**Policy responses**

# Five key policy levers have been adopted in ASEAN economies to address the job impacts of COVID-19

#	Policy response	Examples of policies adopted in ASEAN economies	
1	<b>Wage support scheme</b>		“Employment-related measures” under the COVID-19 pandemic budget package ( <i>Perppu</i> )
			Income support scheme; stipend for informal workers
			Jobs Support Scheme; Enhanced Wage Credit Scheme
2	<b>Training relief package or subsidy</b>		Kartu Pra Kerja (“pre-employment card” scheme)
			Subsidies for training courses for one month
			SGUnited Skills Programme
3	<b>Financial assistance for unemployed individuals</b>		COVID-19 Support Grant
			Job Search and Training Allowances
4	<b>Temporary employment scheme</b>		SGUnited Jobs Package
5	<b>Increased training provision</b>		MYR 2-billion fund to reskill and upskill youth

# However, a review of the scope of policy responses reveal key gaps in their coverage of impacted communities

Focus of policy responses<sup>1</sup> | ■ Strong ■ Moderate ■ Limited ■ Limited applicability in country's context

Impacted community	Focus of policies on impacted communities			
				
Youth	Limited	Limited	Strong	Strong
Foreign workers	Limited	Moderate	Moderate	Moderate
Informal workers	Limited	Strong	Moderate	Limited applicability in country's context
Freelance workers	Moderate	Moderate	Moderate	Strong
Women	Moderate	Moderate	Moderate	Moderate

1. A "strong" rating has been assigned to communities where there are policies that explicitly target them. A "moderate" rating means that policy responses do not specifically target but could include the community. A "limited" rating is assigned to communities for which policies completely exclude them  
 SOURCE: AlphaBeta analysis. Assessed in June 2020

### 3 “thought-starters” for more robust policy responses for jobs going forward

- 1. Better targeting of those who require support.** While some communities are already relatively well addressed by policies in some countries, it would be important to ensure adequate coverage for others. Specific needs should be identified and targeted – e.g. informal workers who have lost their daily livelihoods could potentially benefit from temporary job opportunities in mitigating the crisis’s impacts; women who face larger barriers to labor force participation during the lockdown could benefit from increased support
- 2. Focus on the long term.** Given the likely prolonged nature of the pandemic, there would need to be a shift away from temporary stop-gap measures (e.g., wage support schemes) towards skilling for the long-term. This should also include providing enterprises and individuals with the support they require to digitize their business processes for continuity moving forward
- 3. Develop mechanisms for the workforce to adapt to the “new normal”.** With some industries likely to confront long-term changes post-pandemic (e.g., brick-and-mortar retail), it would be critical to map out new job pathways and identify transferrable as well as critical skills needed for individuals to transition from heavily-impacted sectors towards more resilient ones

# THANK YOU

CONFIDENTIAL AND PROPRIETARY

Any use of this material without specific permission of Microsoft or alphaBeta is strictly prohibited