



## **Invitation to Submit a Proposal**

### **ERIA Research on COVID-19 and Regional Economic Integration**

The Economic Research Institute for ASEAN and East Asia (ERIA) invites submission of proposals for an ERIA study on COVID-19 and its implications for the regional economy.

Research proposals should be submitted by email to Taizo Hara ([taizo.hara@eria.org](mailto:taizo.hara@eria.org)), Dionisius Narjoko ([dion.narjoko@eria.org](mailto:dion.narjoko@eria.org)) or Rahmasari Istiandari ([rahmasari.istiandari@eria.org](mailto:rahmasari.istiandari@eria.org)), no later than **24 August 2020**. Early submission is encouraged. The authors will be notified of the decision about the proposal selection process in several weeks.

ERIA provides financial support up to maximum of US\$ 9,000 per study for selected proposals, depending on type or nature of research proposed (e.g. policy discussion paper or empirical study based on quantitative approach, etc.). All studies are expected to be fully completed by December 2020, with varying dates of submission depending on the type or nature of the study.

#### **■ Background and Objective**

The COVID-19 pandemic has had serious economic consequences. The global economy is predicted to experience a deep contraction as the result of the temporary closure of production units and a drop in demand due to social distancing occurring at the same time. In the context of the regional economy, especially in East Asia and Southeast Asia, there has been disruption in supply chain performance and there have been predictions of a more costly network of production in the period after the pandemic. The pandemic may accelerate the adoption of more advanced technology by multinationals to substitute labour-intensive operations or to reorganise their production units between countries within the region. Looking from a country perspective, a challenge shared by many countries is to keep the production side alive while demand has not yet fully recovered. But there is a real risk here if the drop in demand is prolonged and does not fully recover to level of the pre-pandemic period.

ERIA's research on COVID-19 and regional economic integration examines various issues relevant to maintaining or protecting the elements, mechanisms, or objectives of regional economic integration in East and Southeast Asia. Such a study can address issues at the country or regional level, as long as it contributes to a greater understanding and achieve the objective. Such study could also discuss policy initiatives or utilise most recent data to examine particular issues.

To help us assess if the issues or research questions are relevant to the topic of the research, it is useful for us to refer to the matrix of the policy framework for overcoming COVID-19 pandemic

presented in Table 1, adapted from Kimura (2020).<sup>1</sup> The scope of a particular proposal could then be set by elements of this framework and research questions could be defined to follow the logic underlying the framework. The scope of proposals can be expanded to cover more issues on demand side of an economy as well as those of development more generally, such as household behaviour or people’s life in the ‘new normal’ after the pandemic, human capital/labour issues, social protection and inclusiveness, etc. Scope of the research therefore covers wide area of research, but the research questions shall converge to fulfilling the objective of the research.

**Table 1. Policy Framework for Overcoming COVID-19**

	Emergency responses	Exit policies	Policies for the new normal
Health policy	<ul style="list-style-type: none"> <li>Conduct social distancing</li> <li>Provide testing</li> <li>Keep medical treatments within capacity</li> </ul>	<ul style="list-style-type: none"> <li>Carefully remove social distancing</li> <li>Set medical services back to normal</li> <li>Develop international collaboration to exit (medical supply, vaccines, quarantine)</li> </ul>	<ul style="list-style-type: none"> <li>Establish long-term healthcare system</li> <li>Disseminate health insurance</li> <li>Develop International cooperation for pandemic prevention</li> </ul>
Macroeconomic policy	<ul style="list-style-type: none"> <li>Stabilise exchange rates and avoid a collapse of asset markets</li> <li>Provide mitigation to help businesses and people at risk</li> </ul>	<ul style="list-style-type: none"> <li>Provide macroeconomic stimulus (monetary, fiscal)</li> <li>Develop international macro policy coordination</li> </ul>	<ul style="list-style-type: none"> <li>Resume fiscal health and accelerate inclusion to improve resilience</li> <li>Develop macro policy coordination framework</li> </ul>
Policies for IPNs	<ul style="list-style-type: none"> <li>Keep IPNs and related industries alive with human distancing</li> </ul>	<ul style="list-style-type: none"> <li>Keep IPNs and related industries alive with worldwide recession and some restriction on people’s movements</li> <li>Strengthen location advantages and reduce service link costs (connectivity, trade and investment liberalisation/facilitation)</li> </ul>	<ul style="list-style-type: none"> <li>Better position in IPNs with competitive location advantages (human capital, infrastructure, institutions) and reduced service link costs</li> <li>Make ASEAN as a competitive region to attract innovative PNs</li> </ul>
Policies for digital economy	<ul style="list-style-type: none"> <li>Remove bottlenecks for teleworking and other digital connectivity</li> </ul>	<ul style="list-style-type: none"> <li>Utilise IT and CT to strengthen international competitiveness in IPNs</li> <li>Apply IT and CT in traditional industries</li> <li>Encourage digital-related businesses</li> <li>Promote e-government</li> <li>Establish domestic and international policy discipline for the free flow of data and data-related businesses</li> </ul>	<ul style="list-style-type: none"> <li>Effectively utilize IT and CT for development</li> <li>Develop innovation hubs to promote the application of IT and CT</li> <li>Establish a secure policy environment for free flow of data</li> <li>Further develop the ASEAN Digital Integration Framework, E-commerce Agreement, and other initiatives</li> </ul>
Economic situation	<ul style="list-style-type: none"> <li>Forced halting of economic activities for social distancing</li> </ul>	<ul style="list-style-type: none"> <li>Prolonged recession in the world</li> <li>Slow recovery of the cross-border movement of people</li> </ul>	<ul style="list-style-type: none"> <li>The new normal</li> <li>More efficient/thick value-added PNs</li> <li>More penetration of digital technology</li> </ul>

Notes: Elements in red are intended for international initiatives for ASEAN and East Asia. IPN = international production networks, IT = information technology, CT = communications technology.

Source: adopted from Kimura (2020).

## ■ Proposals

Proposals for the study should be concise (two pages maximum) and cover the following:

Research question(s), background and objective, brief data description and methodology, expected value added, policy relevance, and references.

The study should be an original one. The completed study may be posted as an ERIA policy brief or ERIA discussion paper.

<sup>1</sup>Explanation about the framework is provided by Kimura (2020). Applicants are encouraged to read this publication, as well as another one recently published by ERIA, i.e. ERIA (2020).



## References

Economic Research Institute for ASEAN and East Asia (ERIA) (2020), 'COVID-19 and Southeast and East Asian Economic Integration: Understanding the Consequences for the Future', ERIA Policy Brief, No. 2020-01 (April)( <https://www.eria.org/uploads/media/policy-brief/COVID-19-and-Southeast-and-East-Asian-Economic-Integration.pdf>).

Kimura, F. (2020), 'Exit Strategies for ASEAN Member States: Keep Production Networks Alive Despite the Impending Demand Shock', ERIA Policy Brief, No. 2020-03 (May) (<https://www.eria.org/uploads/media/policy-brief/Exit-Strategy-for-AMS-Keeping-Production-Networks.pdf>).