

Chapter 2

Impact of the Coronavirus Disease Pandemic

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Chapter 2

Impact of the Coronavirus Disease Pandemic

Southeast Asia was affected early by the COVID-19 pandemic because of its close geographical proximity, business, travel, tourism, and supply chain links to China. However, relative to other regions of the world, the number of confirmed cases in the ASEAN region is much lower and the rate of increase is also slowing. As of 22 October, there were 42,138,128 confirmed COVID-19 cases worldwide (Worldometer, 2020;) and over 869,544 cases in Southeast Asia (Chua, 2020).

By October 2020, many countries in the region such as Malaysia, Singapore, Thailand, and Viet Nam, while still very cautious, had started relaxing their nationwide lockdowns or community quarantine measures, and economic activities had begun to resume. Travel restrictions and quarantine protocols for foreign visitors and incoming labourers are still being implemented.

Even prior to the COVID-19-induced crisis, Southeast Asian economies were already struggling with their growth figures for a variety of reasons, but mainly because of global trade tensions and a general economic slowdown across the continents. It is expected that the region will be severely impacted by a global recession and disruption of economic activities in several key economic sectors after the pandemic.

In response to the crisis, most governments in the region have introduced fiscal stimulus packages mobilising both fiscal and monetary measures to mitigate the economic impact, but the impact of these measures is yet to be seen. ASEAN has also called for collective action by leveraging technology and digital trade and setting up trade facilitation platforms to foster supply chain connectivity and sustainability (ASEAN, 2020a). As part of the Declaration of the Special ASEAN Summit on Coronavirus Disease 2019, AMS leaders also proposed a post-pandemic recovery plan and a COVID-19 ASEAN Response Fund (ASEAN, 2020d).

Overall, however the pan-ASEAN lockdown and curfew has rapidly transformed a public health crisis into an economic and social crisis, and to some extent a mild political crisis too. Intra-regional migrant workers were amongst the hardest hit segments of society, and faced extreme social and economic distress. The spread of COVID-19 has highlighted the weaknesses of ASEAN's national healthcare and social welfare systems, in addition to challenging the labour recruitment and employment practices implemented in region over the years. While informal labourers have become increasingly important for many different economic activities, the pandemic exposed their poor living and working conditions, and their migration status impacted their well-being during the crisis. This is discussed in greater detail below.

1. Impact on Association of Southeast Asian Nations Economies¹³

More broadly, the COVID-19 lockdown measures worsened the economic slowdown of 2018–2019. The crisis has interrupted global value chains, exacerbating the fall in global economic activity and disruption to international trade that was already weakened by the 2019 trade tensions between the US and China. Many migrants have already lost their jobs, are projected to lose their jobs, or are expected to be forced to accept lower wages due to lockdowns or oil price crashes in their destination countries. They may also be prevented from sending remittances as a result of stringent movement restrictions and the exclusion of money transfer service providers from the list of essential services. Furthermore, many intended migrants who had been preparing to depart their home countries have been forced to change their livelihood plans for the coming years. In summary of this situation, the IMF reported in 2020 that 80% of the world's total remittances flowed to low- and middle-income countries in 2019. Elaborating on this, the IOM (2020a) reasoned that the negative impacts of the COVID-19 outbreak may be more serious in developing countries whose citizens depend heavily on remittances from migrant family members. Reports published by multilateral organisations in April–May 2020 (IMF, 2020; World Bank, 2020b; Villafuerte and Takenaka, 2020) concluded that the ASEAN region may experience a decline in remittances, tourism, and foreign direct investment. However, reports in October 2020 suggest that remittances are gradually recovering in countries like the Philippines (Lopez, 2020).¹⁴ However, analysts are reluctant to accept this as a sure sign of recovery, as such positive signals may capture a short-term effect of the pandemic on remittances while the negative impact on declining income and remittances, if any, on household welfare may be more serious in the longer term. Therefore, as Murakami, Shimizutani, and Yamada (2020) suggest, it may be necessary to take a more nuanced approach to the use of data on international restrictions on travel and remittance transactions.

An online report published by the Center for Strategic and International Studies (CSIS) (2020) projected that the economic impact of COVID-19 in ASEAN will be huge, on par with the fallout of the 1997–1998 Asian financial crisis, or perhaps much greater. The IMF projects that ASEAN+5 (Indonesia, Malaysia, the Philippines, Thailand, and Viet Nam) will see their economies shrink by 0.6 percentage points in 2020, in contrast to its pre-pandemic forecast of 4.8% growth. A World Bank report (2020a) includes both a baseline and a more pessimistic scenario, with the 'worst-case' forecast projecting that the

¹³ A crisis of this nature generally leads to 'distress' sales of land and assets amongst poorer households. At present, no data are available on distress sales of land and assets by migrant worker households, if any, from labour-sending nations in the region. However, in response to COVID-19 concerns, real estate developers and architects will likely reverse the trend of densification and open-plan layouts of urban and peri-urban areas. Public health officials may begin to amend building codes to limit the risk of future pandemics, and may seek more land for built-up areas in the future. In addition, the return of poorer migrant workers to their villages may increasingly compel them to look for cash, leading to the sale of land and assets. Moreover, demand for land is likely to increase, especially in rural areas where more space is available.

¹⁴ The post by CNN cited here suggested that remittances to the Philippines totalled \$3 billion in July 2020, despite the pandemic. Land-based Filipino workers remitted more funds than in 2019, while those working at sea remitted less. Local analysts suggested a 10%–12% decline in 2020; however, these projections were described as lacking evidence as to the likelihood of a recovery.

economies of the major developing ASEAN countries will contract by 0.5–5.0%, with the exception of Viet Nam, which has maintained positive (+1.5%) growth. The global collapse in oil prices is expected to have a sharp impact on economies dependent on fuel exports, in particular Indonesia, where coal and oil comprise nearly 25% of exports; Malaysia, where oil and gas make up about 16% of exports; and of course Brunei Darussalam, where crude and natural gas account for over 90% of all exports (Searight, 2020). The COVID-19 pandemic has also drastically reduced global demand for oil, especially in the transportation sector, and it is unclear to what degree low oil prices will impact ASEAN economies (Taghizadeh-Hesary, 2020; Arezki and Nguyen, 2020).

1.1. Supply Chains

The fallout of COVID-19 has already affected demand and supply chains in both food and non-food sectors because of the contraction of production and distribution networks, and has also impacted the service sectors and commodity exports. With around 40% of its exports relying on global value chains, and its strong linkages to multiple nodes, the region is highly exposed to supply-chain risks (United Nations Economic and Social Commission for Asia and the Pacific [UNESCAP], 2020c). Amongst the ASEAN countries, Malaysia, Singapore, and Thailand are heavily integrated into regional supply chains and have been most severely affected by reduced demand for goods produced therein (Menon, 2020). Indonesia and the Philippines, which have been increasing supply chain engagement, are similarly threatened. In Viet Nam, which has maintained a robust supply chain with China, movement restrictions from late February 2020 created severe supply disruptions that later spread to the Lao PDR, Myanmar, Thailand, and across the region (CSIS, 2020).

Although the global food supply chain remained intact until June, some reports indicate that since mid-June COVID-19 restrictions on movement and activities have affected all segments of food supply chains, simultaneously impacting farm production, food processing, transport, and logistics.¹⁵ Indonesia, Malaysia, and Thailand have reported that farm production has been afflicted by various bottlenecks, with limits on the mobility of people reducing the availability of seasonal workers for planting and harvesting. With travel restrictions continuing, there is also concern over seed and other input shortages. The supply chain disruptions are likely to exacerbate food insecurity in remote places in the Lao PDR, Myanmar, and parts of Indonesia (Food Industry Asia, 2020; Food and Agriculture Organization of the United Nations, 2020a; Kovac, 2020).

1.2. Impact on the Service Sector

In countries like Indonesia, Malaysia, Thailand, and Viet Nam, the tourism sector, which employs a large share of migrant workers, has been badly impacted. In the case of Myanmar, a post-conflict nation in transition, the IMF reasoned that its six growth engines would be affected (De and Nadeem, 2020). Since late March 2020, governments across the region have imposed restrictions on large-scale events, restaurants, and leisure activities, in addition to school closures. These curfew and lockdown measures, although

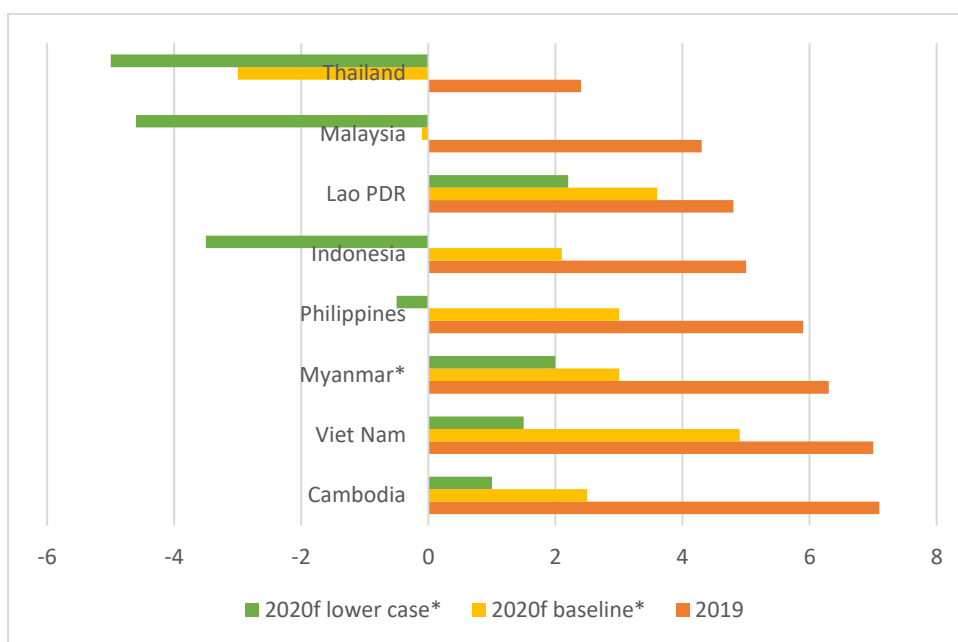
¹⁵ Some farm subsectors are dependent on seasonal labour, and certain operations, such as vegetables and fruit, are particularly labour-intensive.

differing in scale and scope across the region, have slowed or even stopped economic activities in certain sectors, and had a ripple effect on others (ASEAN, 2020m; Hayat, 2020; Agarwal, 2020). Several migrant workers from Myanmar engaged in the tourism sector in Rayong, Kanchanaburi, and Chiang Mai, Thailand reported non-payment of wages since April 2020; and social benefits, however meagre, were available to only a few (Kaicome, 2020; Sandar, 2020; O'Connor, 2020; Bangkok Post, 30 March 2020). Indonesian workers engaged in the service sector in Malaysia reported similar wage cuts in April 2020. According to reports, more than 2.8 million domestic Indonesian workers had lost their jobs by the end of April 2020, and another 1 million workers (both domestic and returning migrants) were furloughed and placed on paid or unpaid leave (Rahman, 2020).

1.3. Manufacturing

With respect to manufacturing, MSMEs, which tend to have fewer internal resources and more limited access to information, are likely to be particularly affected. This stress is likely to impact economically vulnerable communities disproportionately, as these people are much less likely to be employed in large enterprises. Surveys suggest that roughly two-thirds of ASEAN MSMEs had less than 2 months' worth of cash reserves left in early April, and more than one-third expected to lay off over 40% of their staff (Organisation for Economic Co-operation and Development [OECD], 2020a). However, ADB has also pointed out that ASEAN's resilient nature should help the region overcome the economic impact once the pandemic is contained. ASEAN should ensure that containment measures to rejuvenate the economy cover all parts of society, including marginalised and vulnerable communities (ADB, 2020a; Fernandez, 2020; Virgil and Lie, 2020)

Figure 2.1: Estimates of Gross Domestic Product Loss in the Association of Southeast Asian Nations



Lao PDR = Lao People's Democratic Republic.

Source: World Bank (2020), *East Asia and the Pacific in the Time of COVID-19 – Regional Economic Update*. Washington, DC: World Bank. April. <http://hdl.handle.net/10986/33477> (accessed 24 May 2020).

Box 2: Association of Southeast Asian Nations Responses and Reactions

In the Association of Southeast Asian Nations (ASEAN), first responses to the coronavirus disease (COVID-19) pandemic have included scattered national policy initiatives leading to severe limitations on freedom of movement. This has also resulted in the increased concentration of power in the hands of executive branches, which have largely turned to govern by decree (or executive order) to legislate curfews and lockdowns.

However, there is considerable variation in the ways that ASEAN governments have responded to the pandemic, as they had to navigate the costs of each measure according to their domestic social, demographic, and economic realities. One major difference can be seen in the speed of response, ranging from Viet Nam's prompt action to monitor and contain the pandemic, to the Philippines and Indonesia's long 'phase of denial' (Dabla-Norris et al., 2020; Abuza, 2020; Lindsey and Mann, 2020). Another major difference has been in the aggressiveness of the response. Some countries have implemented full or partial lockdowns, such as the Philippines' lockdown of Manila, curfew in Thailand, and Malaysia's Movement Control Order. Other countries have opted for less strict measures, such as Myanmar's targeted partial lockdowns. With local economies likely to stumble, most ASEAN countries' initial instinctive reaction to the COVID-19 crisis has been to look inwards and act alone. As a result, borders were abruptly closed, supply chains disrupted, and regional activity virtually came to a halt for a period of time.

As in other parts of the world, several ASEAN governments presented their dilemma as being between stopping the spread of COVID-19 and saving jobs. In some countries, the consequences of initially excluding marginalised groups from COVID-19 response measures, or paying less attention to them, has been dire. For example, in Singapore, the second wave of the virus was linked to packed dormitories for migrant workers, who were apparently not granted access to the same degree of medical care and contact-tracing measures as the general population (Noel, 2020; Karmini, 2020; Lindsey and Mann, 2020).¹⁶ Such measures have invariably impacted migrant workers in their home and host countries in different ways.

Even where commendable ambitious national responses were implemented, it has become clear that the immediate needs of the broader economy and migrants were not addressed, and most workers were allowed to return home without adequate medical screening or advisory support. This ambiguous response from host nations led to mild discontent amongst labour-sending nations, and there is uncertainty as to whether workers will return when normalcy is reestablished.

During the pandemic's initial stages, many host governments also lacked clarity as to whether migrant workers could access health and welfare systems in their host countries (Global Forum on Migration and Development, 2020). Civil society networks were sceptical of government assurances of material support, and screening and testing, which were viewed with suspicion (ATUC, 2020). Meanwhile, police forces were deployed in several cities and along travel routes across the region to ensure 'law and order', ignoring the public health nature of the pandemic (Migrante International, 2020; Human Rights Watch, 2020b; Palatino, 2020; World Law Group, 2020). At the same time, governments in origin countries (e.g. Singapore and Thailand) also made a feeble attempt to halt migrants from returning home, ostensibly for fear of further spreading the virus (ILO, 2020f; ILO, 2020g; ILO, 2020m; Yee, 2020; Gu, 2020).¹⁷

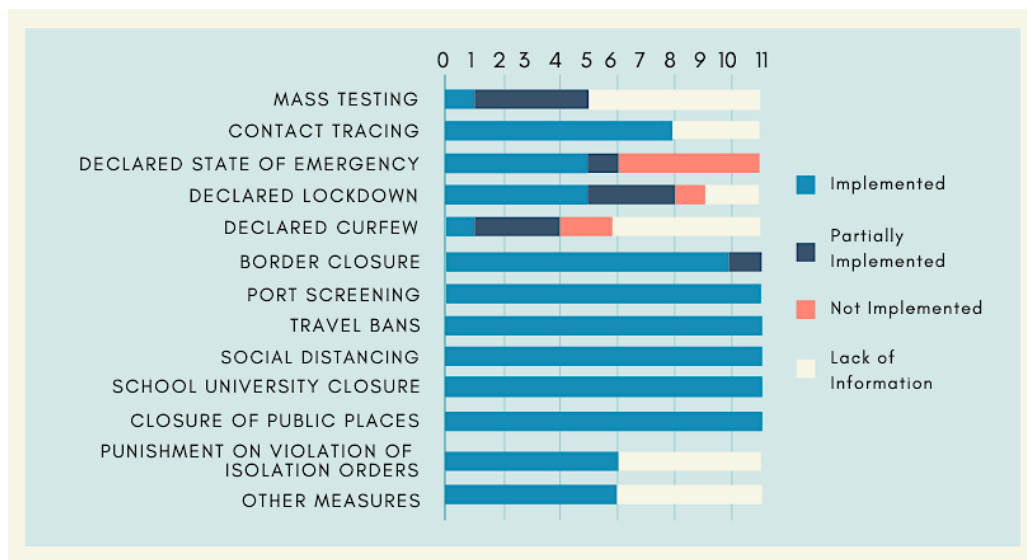
¹⁶ Although workers were paid during the lockdown, continued uncertainty regarding their jobs and the possibility of returning home affected their movement and mental health.

¹⁷ For example, the Government of Myanmar initially resisted opening checkpoints for workers to return home from Bangkok.

While the ASEAN nations all provided relief packages to mitigate the negative impact of the pandemic, the delivery and impact of such efforts remains to be seen. The relief packages were provided independently, without much coordination across the ASEAN countries to ensure that they mitigated the sufferings of migrant workers. If there had been more coordination in the earlier stages of the pandemic, the relief packages could have been better targeted to mitigate the pandemic’s negative effects, both within and across countries. Kimura et al. (2020) reason that a coordinated policy response would have been best. However, as Djalante et al. (2020) highlighted, such an effort requires political will to an extent that remains challenging. Bilateral and multilateral diplomacy was instituted late in Southeast Asia: ASEAN ministers only began to confer virtually in mid-April 2020, and ASEAN leaders held a summit in June 2020 to provide a framework for coordinated action (‘ASEAN Holds Special Summit’, 2020, 2020; ASEAN, 2020k). Prior to this, coordination amongst ASEAN governments remained elusive and was frequently scattered, impacting supply chains, migrants, and the regional economy.

Source: Authors.

Figure 2.2: Coronavirus Disease Containment and Mitigation Measures in Southeast Asia



Source: United Nations Economic and Social Commission for Asia and the Pacific (2020), *Policy Brief: Impact of COVID-19 on Southeast Asia*. July. Bangkok: United Nations Economic and Social Commission for Asia and the Pacific.

2. Immediate Impact on Migrant Workers¹⁸

In the early days of the pandemic, particularly between March and mid-June 2020, the shutdown of economic activities and curfew imposed on the movement of persons left migrant workers with the choice of either starving in the countries where they had been working, with no job or money and unpredictable access to healthcare and welfare systems; or return to their home countries (United Nations Capital Development Fund, 2020).¹⁹ Despite facing the same poverty that compelled them to leave in the first place,

¹⁸ The ASEAN Trade Union Council periodically disseminates information through its website on the status of migrant workers in the region (www.aseantuc.org).

¹⁹ Before the onset of COVID-19, the major destination countries for Myanmar’s migrants were China, Japan,

media reports and various government statements suggest that many believed they would have a better chance of survival amongst familiar surroundings and familial networks in their countries of origin. Highlighting the plight of refugees, who are also mostly irregular migrant workers in their host countries, analysts argued that ‘services dealing with migration, both governmental and non-governmental, are currently heavily stretched in terms of money, manpower and facilities leaving not only migrants but also refugees scrambling for advice on the pandemic and immigration services’.²⁰

2.1. Closed Borders

When Thailand announced measures in March to close their land borders temporarily, thousands of jobless migrant workers streamed over the borders to their homes. However, for some of these, ‘home’ means one of nine camps along the Thai–Myanmar border that shelter more than 90,000 people (Nanthini, 2020; Engblom, Lephilibert, and Baruah, 2020; Asadullah, 2020; Bismonte, 2020). Current border control measures have limited their freedom of movement across the border and left them unable to travel for informal labour or to return home (to Myanmar, in this case), while political uncertainty persists. This has eroded their income and left them almost entirely dependent on external humanitarian assistance. Not satisfied with living in the refugee camps for long, they will often take up jobs below their skill level in their host countries. Thus, despite their credentials, they are unable to integrate easily into their host countries.

The suspension of public transport services and restrictions placed on the movement of private vehicles drove tens of thousands of migrant workers to return to their hometowns on foot. Others decided to travel by road using local vehicles, such as cargo vans, and crossed international checkpoints in small groups. Thailand reported large movements of migrants out of Bangkok and other metropolitan areas into Cambodia, the Lao PDR, Myanmar, and other provinces during the first week of April (ILO, 2020a).

2.2. Rising Xenophobia

The lack of coronavirus testing during the early stages of the pandemic and the virus’s long incubation period made it difficult to estimate how many migrant workers left their host countries (e.g. Brunei Darussalam, Malaysia, Singapore, or Thailand) carrying the COVID-19 virus. What is known, however, is that after the migrant workers returned to Myanmar, the Lao PDR, and Cambodia, those countries experienced spikes in COVID-19 cases, exacerbating the strain on their limited health resources. As a result, local media and governments claimed that they had kept their countries safe from the pandemic, but that returning migrants ‘brought the virus and spread it’ (Nyein, 2020; Weng, 2020; Htet, 2020). To address this, precautionary quarantine measures were implemented, but little

Korea, Malaysia, Saudi Arabia, Singapore, and Thailand. At least 71,000 migrants are thought to have returned to Myanmar by the end of May 2020, primarily from Thailand and China. However, the final figure is uncertain because there were many informal returnees. Returning migrants are required to quarantine for 21 days in community-based quarantine facilities, and a further 7 days at home before they can rejoin their communities.

²⁰ Although refugees are in a different category from migrants, they tend to work in their host countries, as in Thailand, often without formal documentation.

effort was made to support workers returning home or to prevent the spread of wrong or exaggerated information on the spread of virus via returning workers. This led to occasional acts of violence and discrimination linked to the virus and migrant workers. Acknowledging this situation, in May 2020, the UN Secretary General issued a statement appealing to governments to prevent the spread of the 'virus of hate' (Human Rights Watch, 2020a).

In the middle of May 2020, a surprising second wave of coronavirus infections emerged in several ASEAN countries, and continued for a while. In September 2020, Viet Nam reported around 2,000 new infections in Danang province, indicating a sudden spike; meanwhile, the Philippines reported around 1,800 new cases per day (on average) while Indonesia reported 1,400. In contrast, in the same month Singapore only witnessed around 533 new infections, of which about 400 occurred in migrant dormitories (Singapore Ministry of Health, 2020). Following the political turmoil in Thailand and Malaysia in September–October, a higher number of new infections was reported: Sabah in Malaysia reported 2,600 new infections, second only to Kuala Lumpur. Periodic spikes in Thailand, Malaysia, and Singapore were attributed to the conditions of migrant worker dormitories, a fact that was overlooked in the initial stages. For example, while Singapore was originally hailed for its quick COVID-19 response, by May–June blind spots had emerged in its execution (Bismonte, 2020; Ng, 2020; Minter, 2020). As of June 2020, the country had more than 1,351,800 foreign workers in a population of 5.6 million, with low-skilled migrant workers making up roughly 40% of the total (Singapore Ministry of Manpower, 2020). Most COVID-19 cases occurred amongst these low-skilled migrant workers living in crowded foreign worker dormitories (Koh, 2020).

On 18 March, Malaysia issued a Movement Control Order, which restricted the movement of people. While some relaxations were allowed in May 2020, several trade unions have criticised this order for placing migrant workers in a precarious situation involving not only job losses but also the inability to move, making their futures uncertain. The ILO (2020o; see also ILO, 2020j) reported that, as of June, almost 50,000 Thai and 100,000 Indonesian workers had been repatriated from Malaysia. The Malaysian Trade Union Congress reported that in March–June 2020 there were instances of unfair termination of employment, unpaid wages, workers forced to live in poor conditions, employers forcing workers to continue working in nonessential jobs, and uncertainty surrounding workers' employment status, as governments frequently modified their migration policies. Commentators and civil society organisations (CSOs) feared that migrant workers would be overlooked in COVID-19 response programmes supporting people's access to spaces for isolation and decent housing and living conditions, such as dormitories. On this subject, the Malaysian Bar, a coalition of 62 local CSOs and many other groups issued statements following the large-scale arrests of irregular migrant workers on 1 May 2020. In addition, a statement issued by the UN Resident Representatives' Office in Malaysia noted that fear of arrest and detention may drive migrant groups further into hiding and prevent them from seeking treatment ('Sacked and Abandoned', 2020; Sri Priya, 2020; Thomas, 2020; Bismonte, 2020).

2.3. Chaotic Exodus

This situation suggests that, although Malaysia, Singapore, and Thailand (the main worker-receiving countries in the region) have robust domestic welfare and health care systems owing to their investment in social protection and health security over the years, their quick shutdown and restrictive migration policies have led to a sudden movement of large numbers of people and contributed to the spike in COVID-19 cases in the region (Yayboke, 2020). This precipitous flight also caused tremendous economic stress to the already traumatised migrant population, depriving them of the economic resources they would have had if given more time to evacuate, and making them even more susceptible to COVID-19. While the banning of cross-border travel across all countries in the region may have served domestic ends, it harmed the greater ASEAN region, particularly in its execution, by displacing thousands of migrant workers who hurriedly returned home without adequate testing, health protection (such as face masks), or food support, triggering concern in their home countries as well (Taskforce on ASEAN Migrant Workers, 2020).

3. Medium and Long-Term Impact on Migrant Workers

Several studies that investigated the impacts of the COVID-19 outbreak on regional migrant workers generally examined the prevalence of migrant workers in two types of jobs: (i) jobs in essential industries and occupations where workers are unlikely to lose their jobs but are more likely to face health risks; and (ii) jobs in nonessential industries and occupations that cannot be done from home in which workers are more likely to lose their jobs (Djalante et al., 2020; ILO, 2020i; OECD, 2020b; ILO 2020q).²¹

Although regional migrant workers have supported local businesses for decades by filling domestic labour shortages, they were amongst the first to lose their jobs as employers downsized their work forces. Initial projections suggested that close to one-third of those in the construction sector and more than 50% of those in the tourism sector temporarily lost their jobs during March–June. The lockdowns also impacted the domestic labour market. Country-level assessments (e.g. ILO, 2020g on Malaysia dated 8 May 2020; ILO, 2020l on Myanmar dated 22 June 2020; ILO, 2020o on Thailand dated 3 July 2020) and regional reviews (CSIS, 2020) highlighted that the construction and tourism sectors in ASEAN were massively hit during March–June, and most regional migrant workers were unsure whether their employment would continue.

²¹ ADB (April 2020) estimated that employment in Asia and the Pacific will fall by as much as 167 million jobs in 2020 should containment measures last 6 months from when the outbreak first intensified in the region. In turn, wage incomes in the region are projected to fall from \$359 billion to \$550 billion. Migrant workers, many of whom have limited job security and access to social assistances, are amongst the hardest hit groups as workplace closures and border control restrictions are being put in place to abate further outbreaks. The crucial remittances they send home to their families are expected to decline dramatically. In understanding job and income losses in ASEAN (estimated to be around \$300 billion and 90 million jobs lost between February and December 2020), a proportional estimate for the region will be helpful. The ILO's initial assessment in May 2020 indicated that close to one in six young people is likely to lose their job due to COVID-19 (ILO Newsroom, 2020). This estimate was marginally revised in September 2020 but job losses on a broader scale were retained.

The Government of Malaysia estimated that every 10 new migrant workers helped create five new jobs for locals and increased GDP by 1.1%. Without these migrant workers, many MSMEs – particularly in the plantation, construction, and service sectors – were likely to face long closures (Asadullah, 2020).

Since April 2020, the ILO has published several country briefing notes, a regional briefing report, and country reports documenting the experiences of migrant labourers during the ongoing crisis. These reports indicate that the consequences of the crisis on intra-ASEAN migrant workers have been harshest in Malaysia, Singapore, and Thailand where those employed in construction, services, and manufacturing were the first to lose their jobs. Countries like Indonesia, Myanmar, and the Philippines, which supply migrant workers for sectors such as fishing and shipping, have also been affected, with boats and vessels being grounded in early April 2020 (Engblom, Lephilibert, and Baruah, 2020; Manlangit, 2020).²²

The Migrant Working Group, a member-based organisation that advocates for the rights of migrant workers in Thailand, estimates that as many as 700,000 migrants had lost their jobs by the end of March ('Migrant Workers on Virus Front Line', 2020; Knight, 2020). These workers were reportedly in a very grim situation by May as they had difficulty finding new jobs, limited options to return home, and very little access to government aid in Thailand. Many of these workers were women employed in either the domestic or tourism sectors. Later reports estimated that almost 30% of the 21 million migrant workers had lost their jobs since March 2020, and may have been unable to return to work until at least the end of 2020 (Fernandez, 2020).

The impact of the COVID-19 crisis has been greater on certain sub-groups of migrant workers, such as women, indigenous peoples, older people, and irregular migrants, all of whom face systemic barriers to integrating themselves into the formal labour market. One in every five young people in the ASEAN region is expected to be unemployed in 2020, twice the overall rate and three times the adult rate (Fernandez, 2020). In addition, 20% of young people aged 15–24 are neither studying nor working. This proportion is even higher for women, at nearly 30%. More than 80% of women in the domestic sector are employed informally, and many women are exposed to gender-based violence as a result of the confinement measures (UNESCAP, 2020c; ILO, 2020j).

Many of those fortunate enough to remain employed during the crisis across the region have reported employment-related problems. A rapid assessment interviewing migrant workers in several countries, including Thailand, during April–May 2020 found that 32% reported work-related problems or abuses such as arbitrary wage-cuts, inability to refuse work during lockdown, being pushed to take unpaid leave, having their personal documents kept by employers, being threatened with the termination of their contracts, or other forms of harassment and violence. Anecdotal reports indicate that most used their meagre savings to survive during the lockdown period. Most of the respondents in this assessment were women (ILO, 2020n; Thubchumpon, 2020).

²² It is estimated that approximately 350,000 Filipino overseas workers had returned home by 1 May 2020.

Even before the pandemic, migrant workers in ASEAN already faced many challenges, including employment-related and human rights abuses. The absence of more effective, timely, and coordinated government responses to contain the pandemic and a lack of measures to protect the rights of migrant workers and their families has obviously exacerbated their precarious condition (Thubchumpon, 2020). According to the Task Force on ASEAN Migrant Workers (TF-AMW), 'The COVID-19 pandemic exposed the existing discrimination, inequality in access to decent work, health care, and better job opportunities. ASEAN's vulnerable people, migrant workers, are at higher risk of contracting COVID-19, as they are on the front lines, workers in low-wage, high-contact, essential jobs in sectors such as health care, retail, and government services. In addition, they may be less likely to have access to medical testing' (2020: para. 3). The ASEAN ministers acknowledged the lack of adequate coordination amongst AMS as a challenge in meetings held in April and June 2020.

In the past, CSOs and trade unions have demanded absolute protection and promotion of the rights and welfare of migrant workers, having outlined more than 140 recommendations (TF-AMW, 2018). Key strategic recommendations include the protection of human and labour rights, a complaint mechanism, pre-departure and post-arrival training, the reintegration of returnees, monitoring recruitment agencies, social protections for migrant workers, labour inspection and work safety, and the promotion of decent work for all, including migrant domestic workers (Serrano, Marasigan, and Pupos, 2014).

Persistently depressed economic conditions could lower demand for migrant workers and lessen support for cross-border migrant workers and permissive migration policies. For example, in construction and entertainment (major sectors that absorb migrant labour), lower demand for migrant workers is reportedly emerging in Thailand where no new construction work has taken place, and hotels and entertainment places closed in March 2020 (National Geographic, 2020).²³ Although ongoing construction projects have resumed and hotels reopened in June 2020, there is little hope for a 'return to normal', resulting in a lessened demand for labour. Moreover, the Government of Thailand has imposed additional scrutiny measures for the recruitment of migrant workers by contractors, creating further hurdles and possibly incentivising the illegal deployment of migrant workers ('Bangkok Tightens Scrutiny', 2020). Yusof, Muuti, and Ariffin (2020) and other media reports suggest that growing negative social attitudes towards migrants are already evident in some settings.²⁴ There is also widespread concern that prolonged travel restrictions across national borders may lead to labour shortages and speed up the mechanisation of sectors like agriculture, further lowering demand for migrant workers in the future.

²³ According to National Geographic, 'The unemployment rate reached 9.6% in May for the greater Bangkok area and 8.4 million workers across the country are at risk of losing their jobs, according to one government estimate. More people are homeless because they can't afford to pay rent' (2020).

²⁴ See earlier discussions on reported discrimination of migrant workers in Malaysia, Singapore, and Thailand.

Box 3: Association of Southeast Asian Nations Stimulus Packages

To deal with the fallout of the coronavirus disease pandemic, Association of Southeast Asian Nations (ASEAN) governments and central banks have announced fiscal and monetary policy packages on an unprecedented scale. Monetary policies adopted by several ASEAN member countries were meant 'to ensure adequate liquidity and boost confidence in the economy when initial concerns on broken supply chains and travel cancellations emerged' (Zulhibri and Sinay, 2020: 4). Okamura, Nguyen, and Doi (2020) noted that governments in the region eased interest rates and provided government guarantees on select bank lending activities, market interventions to improve temporary credit lines, purchases of corporate bonds, and even temporary relaxation of regulatory measures for financial institutions.

Some measures to ensure monetary stability were at the regional level, building on financial cooperation initiatives first adopted in 2000 after the Asian financial crisis. Finance ministries and central banks of ASEAN, together with those from China, Japan, and the Republic of Korea (ASEAN+3) established the Chiang Mai Initiative, a network of bilateral swap agreements designed to protect member countries against future crises. In 2010, this was revamped as the Chiang Mai Initiative Multilateralisation (CMIM), and a corpus of \$240 billion was set up to provide dollar liquidity support to reduce vulnerability to short-term external shocks.

In response to the coronavirus disease pandemic, ASEAN+3 finance ministers and central bank governors reached agreements to enhance the CMIM further, making it more effective and operationally ready for countries in need. These included institutionalising the use of local currencies in addition to the dollar for CMIM financing, broadening financing options for members in times of need.

Fiscal policy measures in the region have been mostly aimed at encouraging household consumption and helping companies survive the severe economic downturn. Governments implemented fiscal stimuli to boost the capacity of the health sector and cushion the impact on the broader economy, particularly in hard-hit sectors such as tourism and micro, small, and medium-sized enterprises.

Sources: Okamura, K., N. Thi Hong, and T. Doi (2020), 'Boosting ASEAN+3's Economic Resilience and Recovery during COVID-19', *Nikkei Asia*. <https://asia.nikkei.com/Opinion/Boosting-ASEAN-3-s-economic-resilience-and-recovery-during-COVID-19> (accessed 29 October 2020); and Zulhibri, M. and J.B. Sinay (2020), 'Assessing ASEAN Economy Policy Responses in a Pandemic', *ASEAN Policy Brief*, No. 2. 28 May. https://asean.org/storage/2020/06/ASEAN-Policy-Brief-02_31-May-2020.pdf (accessed 28 October 2020).

The sizes of the stimulus packages have ranged from 10% of GDP to 40% of GDP. Collectively, fiscal packages adopted by AMS amount to a \$318.2 billion, equivalent to 10.1% of regional GDP in 2019. Thailand has the largest total stimulus package with three instalments reaching \$88.8 billion, followed by Indonesia with \$81.8 billion.

While the fiscal stimulus packages adopted by AMS are primarily aimed at helping affected industries, a significant part of the measures are for the health sector and subsidies to households, including cash allowances, electricity subsidies, and subsidies for social security contributions and pensions. These subsidies are crucial for the daily needs of workers and their households, especially those in the low-income and vulnerable categories.

In most countries in the region, food packages have also been provided to those in need. For example, the Philippines announced the reallocation of around \$3.9 billion for subsidies in cash and basic needs to 18 million low-income households over 2 months. In Singapore, citizens aged 21 and older will each be given S\$900 (\$634.90), while self-

employed persons will be paid S\$3,000 (roughly \$2,116.20) in three tranches to supplement their incomes. Innovative measures such as the ‘rice ATMs’ in Indonesia and Viet Nam, or pay-it-forward food coupons in Thailand, were also introduced. Beyond support for basic needs, other subsidies, such as for electricity, fuel, pensions, and social security contributions have helped lessen the financial burden on households. However, despite such short-term measures, for most migrant workers, maintaining their livelihoods during the COVID-19 crisis and coping amidst vulnerabilities and marginalisation remains a challenge.

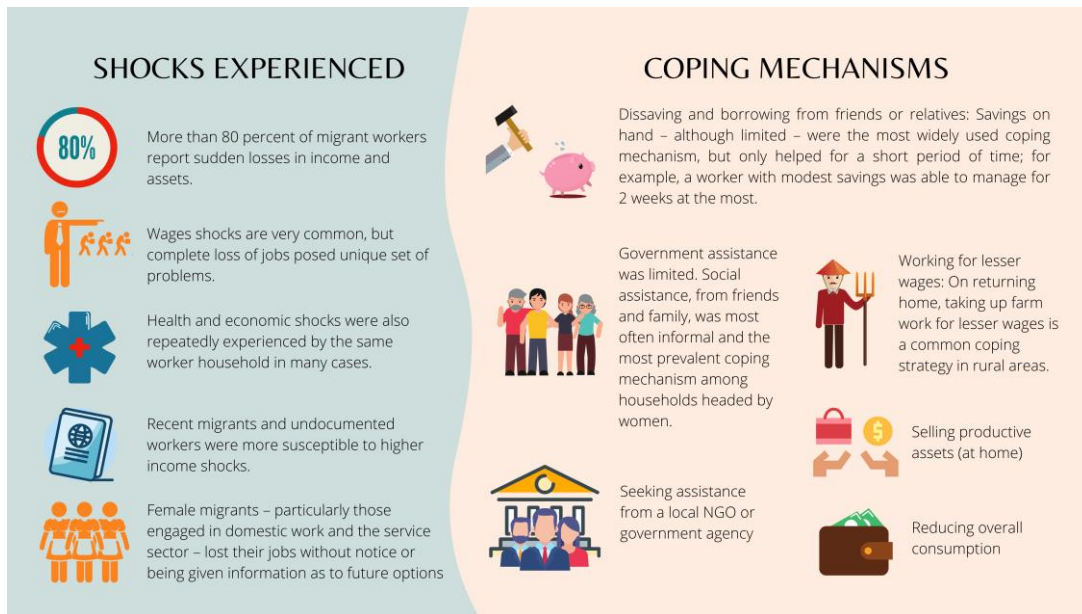
4. Coping Strategies of Migrant Workers After Job Losses: The Case of Myanmar

COVID-19 created a crisis within a crisis, that is, a health crisis led to an economic and survival crisis amongst migrant workers returning from different parts of the ASEAN region. In the case of Myanmar, reports indicate that around 250,000 workers, both domestic and abroad, have lost their jobs since March 2020 following the closure of microenterprises, tourism sites, and restaurants and hotels (Zaw Zaw Htwe, 2020).²⁵ Migrant workers from Myanmar typically work as temporary labourers in Thailand (and therefore lack the flexibility to switch jobs), and job loss often means a loss of work and residence permits, pushing them into irregular status without protection. There are serious obstacles barring them from accessing food supplies and health services in Thailand (for example, a Thai bank account is needed to access social protections). Several banks in Yangon reported an approximately 40% decline in external remittances during April–June 2020.

In interviews, migrant workers returning from Thailand to their homes in Myanmar’s Ayeyarwaddy region reported that the most stressful types of situations they had experienced since March 2020 were related to health, jobs, economic conditions (of the family and self), social and emotional issues, and the death of a friend or relative.

²⁵ This subsection is based on interviews and discussions with CSOs in Myanmar held on 21 July 2020. Some of the findings were validated by the ILO report of 2 June 2020 on Myanmar (ILO, 2020j).

Figure 2.3: Impacts of Job Loss on Migrant Workers from Myanmar



NGO = nongovernment agency.

Sources: Zaw Zaw Htwe (2020), 'Quarter of a Million Myanmar Workers Left Jobless Due to COVID-19', *The Irrawaddy*, 26 June. <https://www.irrawaddy.com/news/burma/quarter-million-myanmar-workers-left-jobless-due-covid-19.html> (accessed 20 July 2020); and authors' personal communication with local civil society organisations on 21 July 2020.

In Myanmar, those migrating from interior rural areas to Thailand, Malaysia, or Singapore experienced more income shocks than those coming from other regions, as agriculture and related activities had stagnated in these areas long before, and could offer the returnees little (ILO, 2020I). For many households, loss of income in their villages pushed members to Thailand for work. Job opportunities for informal workers within Myanmar have also declined. For example, since the onset of the pandemic, several garment factories in the country slowed production and retrenched workers.²⁶ There are reports that major importers like Korea and Europe have cancelled their orders. Myanmar's Garment Manufacturers Association issued a media statement to this effect in early July 2020 (Myo Pa Pa San, 2020). This has left those returning home with fewer options for survival.

²⁶ As of December 2019, garment factories in Myanmar were estimated to employ around 100,000 workers, with a profit of around \$4.5 billion.

Box 4: Civil Society Organisation Response to the Coronavirus Disease Pandemic

Following widespread national lockdowns and curfews across the region, many migrant workers and daily wage earners found themselves stranded without money, food, or advance payment from their employers. They also faced a lack of information on the possibility of travelling and their migration status if they were to return home. Many CSOs directed their efforts towards addressing these immediate concerns, which dominated the discourse in the weeks following the lockdowns and curfews. The civil society response was varied, ranging from the provision of immediate relief to advice on managing the crisis and connecting people to various government schemes and facilities arranged by CSOs.

At the start of the pandemic, maintaining hygiene and safety was promoted as a precautionary measure: people were encouraged to remain safe, maintain physical distancing, and use masks and sanitisers. Families were provided with health kits consisting of masks and sanitisers and/or soap.

This was followed by the dissemination of coronavirus disease information in several different languages adapted to the context in which migrants were living and working, and hotlines were later provided to track gender-based violence and harassment, offer legal services and advice on migration procedures for migrant workers desiring to return home, and monitor human rights (largely related to curfew and movement control orders in Malaysia and Singapore). By June 2020, many CSOs were offering mental health support, training, advocacy, and campaign support. They have created solidarity networks and provide support to migrants, including food, water, essential medicines, shelter, personal protective equipment, and economic assistance. They have also established relief funds for farm workers, domestic workers, and others who have lost their livelihoods as a result of the pandemic. Worker and employer organisations are promoting equal treatment, decent work, and respect for fundamental principles and rights at work through social dialogue and in coordination with local authorities. CSOs and other stakeholders are also working to include migrants in the planning of policy responses to the pandemic. The concerted action of governments and stakeholders in developing coronavirus disease policy responses is key to ensure that migrants' rights and contributions are addressed and fostered.

Source: United Nations Network on Migration (2020), *Standing in Solidarity with Migrants*. 8 July. Vienna: United Nations Office on Drugs and Crime.
https://www.unodc.org/documents/press/releases/2020/July/NW_Statement_for_CSOs_final_version.pdf (accessed 25 August 2020).

Given the extent and scale of the disruptions that have occurred since March 2020, the impact of COVID-19 is likely to be much worse than that of the 1997 Asian financial crisis or the global financial crisis of 2008–2009. While these previous economic crises led to job losses and considerable distress amongst migrant workers, this proved to be temporary, as remittances and influxes of migrants have subsequently risen steadily (Abubakar, 2002; Abella and Ducanes, 2009). The long-term economic impact of the COVID-19 pandemic is not yet clear. While there are some grounds for optimism that ASEAN economies could recover quickly once the pandemic has ended, there is much uncertainty about how long the crisis itself is likely to last. Meanwhile, it is critical that governments focus on alleviating the economic and other suffering of their own citizens as well as that of migrant workers, who are amongst the most vulnerable sections of the region's population.