

# COVID-19 Pandemic:

## A Brief Analysis of the Impacts on Employment, Government's Initial Responses and Trade Union's Actions in the Asian and Pacific Region



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### Executive Summary

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The COVID-19 pandemic has had catastrophic impacts on the world of work. An unprecedented jobs crisis calls for government's unprecedented responses. Governments in the Asian and Pacific region have implemented various measures in attempt to saving life, saving people and saving jobs and businesses from committing additional funding to the health sector, to handing cash or in-kind support to the people in need and providing employers with wage subsidies to retain jobs. This report will briefly assess in what way and to what extent the COVID-19 pandemic has impacted on the world of work in the Asia-Pacific (AP) region. It will then examine the government and trade union's initial responses to the pandemic, and to evaluate their effectiveness in protecting workers and their families' life and living. It will conclude with a discussion of what lessons can be learnt to inform trade union's future action.

A brief review of government's initial responses witnesses a significant division between the high-income countries and the low and middle-income countries (LMICs) within the region. While the developed countries have the fiscal capacity to do by any means necessary, the LMICs are facing a daunting task to protect a vast, vulnerable population with limited resources: the outcome is either the relief too little, or the coverage too narrow, or both. The deficits in social protection also impede the delivery of assistance to the people in need. Informal workers are mostly excluded from statutory health and social protection. Since they are not in the government's welfare recipient list, reaching them out is extremely difficult, if not impossible. This hassle is particularly felt by countries in South Asia and Southeast Asia, where informal employment constitutes the majority.

Trade unions have an indispensable role in securing workers and their families' lives and livelihoods, especially in a time of crisis. Regrettably, collective bargaining and tripartite mechanism has not been fully utilised in formulating and administering government's initial responses. This is not conducive to social peace and stability and will hamper an inclusive recovery after the virus is contained.

Learning from the lessons thus far, trade unions' future actions need to focus on four areas: 1) calling for greater international collaboration and cooperation to provide the low and middle-income countries with the resources to implement effective relief measures; 2) strengthening social dialogue in formulating a balanced and comprehensive recovery plan; 3) fighting for extending statutory health and social protection coverage to all informal workers; and 4) organising informal workers to get their voices heard.

This brief analysis was produced in collaboration with Mr. Fong Yeuk-Hang, Research Officer of the Institute for Labour and Social Policy (ILSP) and with the financial support of the Danish Trade Union Development Agency (DTDA).

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## 1. Impacts on the economy and employment

The COVID-19 was first identified in Wuhan, China in December 2019, and has since spread exponentially to over 200 countries or territories around the globe. As of the end of April, more than 3 million people have been infected, resulting in nearly 230,000 deaths.<sup>1</sup> Apart from human losses, the unprecedented global pandemic has also taken a heavy toll on the global economy, on an unprecedented scale. Drastic containment policies adopted to combat the contagion, such as lockdown of the whole country, bring the economy to a standstill. Economists' consensus is that COVID-19's disruption to global economic outputs will undoubtedly be greater than that of the 1997 Asian Financial Crisis or the 2008 Global Financial Crisis; they are debating whether the great lockdown will lead to the first great depression since the 1930s.<sup>2</sup>

### 1.1 Overview of ADB, World Bank, IMF and ILO's estimates

Amid the uncertainties surrounding the COVID-19 outbreak, various international and regional institutions have recently lowered their economic forecasts for the year by more than 3.5 percentage points. The Asian Development Bank (ADB) released its *Asian Development Outlook 2020* on 3 April, revealing that growth in developing Asia is expected to slow down to 2.2%,<sup>3</sup> a steep drop of 3.5 percentage points from its previous estimate 6 months ago. There are significant sub-regional differences. While South Asia is forecasted to maintain a moderate growth of 4.1% in 2020, the Pacific region is predicted to contract by 0.3%, with Southeast Asia barely grows at 1%. The ADB predicts a strong rebound of 6.2% in 2021, assuming that the pandemic is contained within this year and economic activities return to normal next year (which is a big question mark as we know too little about the coronavirus behind the COVID-19 now).

The World Bank updated its forecasts in April, anticipating a sharp slowdown in the AP region. Economic growth in the East Asia Pacific (EAP) region (excluding China) this year is projected to be 1.3%, down from 4.7% in 2019; real GDP in South Asia is expected to grow between 1.8% and 2.8%, the worst performance in 40 years; and the Middle East is forecasted to contract by 1.1%, after an almost stagnant growth (0.3%) last year.<sup>4</sup> The Bank warns that growth in EAP excluding China could plummet to -2.8% in a worse scenario of a deeper

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<sup>1</sup> Center for Systems Science and Engineering, Johns Hopkins University (<https://gisanddata.maps.arcgis.com/apps/opsdashboard/index.html#/bda7594740fd40299423467b48e9ecf6>) (Retrieved 3 May 2020)

<sup>2</sup> For instance, Nouriel Roubini of New York University's Stern School of Business warns that the risk of "a new Great Depression, worse than the original - a Greater Depression - is rising by the day". (<https://www.project-syndicate.org/commentary/coronavirus-greater-great-depression-by-nouriel-roubini-2020-03>) (Retrieved 3 May 2020)

<sup>3</sup> Asian Development Bank (2020) *Asian Development Outlook 2020* (<https://www.adb.org/sites/default/files/publication/575626/ado2020.pdf>) (Retrieved 3 May 2020)

<sup>4</sup> World Bank's *East Asia and Pacific Economic Update April 2020*, *Middle East and North Africa Economic Update April 2020* and *South Asia Economic Focus Spring 2020*, available at <https://openknowledge.worldbank.org/handle/10986/11863> (Retrieved 3 May 2020)

contraction followed by a sluggish recovery.

The International Monetary Fund (IMF) also paints a gloomy picture of this year's economic scene. Growth in emerging and developing Asia is expected to drop to 1%, which is the worst performance in almost 60 years, including during the Asian Financial Crisis (1.3%) and the Global Financial Crisis (4.7%). High income countries in the Asian and Pacific region suffer the most in terms of GDP decline. New Zealand and Australia are expected to contract by 7.2% and 6.7% respectively, followed by Japan (-5.2%) and Hong Kong (-4.8%). Outside the rich club, only Thailand (-6.7%), Israel (-6.3%), Fiji (-5.8%) and Turkey (-5.0%) fare as bad.<sup>5</sup>

**Table 1: Latest economic forecast of selected countries and territories**

Countries or territories	ADB	World Bank	IMF	Countries or territories	ADB	World Bank	IMF
<i>East Asia</i>				<i>Middle East</i>			
Hong Kong	-3.3	-	-4.8	Bahrain	-	-2.5	-3.6
Japan	-	-	-5.2	Israel	-	-	-6.3
Korea	1.3	-	-1.2	Jordan	-	-3.5	-3.7
Mongolia	2.1	2.4 (1.0)	-1.0	Kuwait	-	0.0	-1.1
Taiwan	1.8	-	-4.0	Oman	-	-3.5	-2.8
<i>South East Asia</i>				Palestine	-	-2.5	-
Cambodia	2.3	2.5 (1.0)	-1.6	Turkey	-	0.5	-5.0
Indonesia	2.5	2.1 (-3.5)	0.5	Yemen	-	-	-3.0
Malaysia	0.5	-0.1 (-4.6)	-1.7	<i>Pacific</i>			
Myanmar	4.2	3.0 (2.0)	1.8	Australia	-	-	-6.7
Philippines	2.0	3.0 (-0.5)	0.6	Cook Islands	-2.2	-	-
Singapore	0.2	-	-3.5	Fiji	-4.9	-4.3(-10.0)	-5.8
Thailand	-4.8	-3.0 (-5.0)	-6.7	Kiribati	1.6	-1.0	0.0
<i>South Asia</i>				New Zealand	-	-	-7.2
Afghanistan	3.0	-3.8	-3.0	Samoa	-3.0	-5.0	-3.7
Bangladesh	7.8	3.0	2.0	Tonga	0.0	0.5	-1.2
India	4.0	2.8	1.9	Vanuatu	-1.0	-8.0	-3.3
Nepal	5.3	2.8	2.5	<b>World</b>	-	-	<b>-3.0</b>
Pakistan	2.6	-1.3	-1.5	<b>Asia</b>	<b>2.4</b>	<b>2.2</b>	<b>1.0</b>
Sri Lanka	2.2	-0.5	-0.5	<b>Middle East</b>	-	<b>-1.1</b>	<b>-2.8</b>

Sources: ADB's *Asian Development Outlook 2020*; World Bank's *East Asia and Pacific Economic Update April 2020*, *Middle East and North Africa Economic Update April 2020* and *South Asia Economic Focus Spring 2020*; IMF's *World Economic Outlook April 2020*. Figures in bracket denote World Bank's lower-case scenario estimates.

<sup>5</sup> International Monetary Fund (2020) World Economic Outlook April 2020 (<https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020>) (Retrieved 3 May 2020)

Table 1 summarises the three institutions' latest economic forecast for the 34 countries and territories where the International Trade Union Confederation - Asia Pacific (ITUC-AP) has its member organisations (hereafter "member countries and territories").

The enormous economic shocks caused by the COVID-19 pandemic will inevitably hit hard the world of work. The International Labour Organization (ILO) observes that employment adjustment typically follows economic contraction with some delay; but in the current crisis, employment has been impacted directly as a result of lockdown measures, affecting almost 2.7 billion workers, or 81% of the world's workforce on 1 April. The ILO estimates that working hours in the second quarter will decline by around 10.5% globally, which is equivalent to a loss of 305 million full-time jobs (assuming a 48-hour working week); the drop in the AP region will be around 10%, or 170 million jobs.<sup>6</sup> The ILO warns that the rise in global unemployment will be significantly greater than its initial projection of 25 million.

While the COVID-19's unprecedented shocks to the economy and employment affect every corner of the globe, individual countries may feel very differently, depending on their economic and labour market structure, and their exposure to different channels of impact. The most immediate and significant channel is the containment policies adopted to combat the contagion. A strict lockdown halts all but essential economic activities. Softer versions of social distancing hamper demand in the retail, restaurant, entertainment and transport sectors. Travel bans and border closures wipe out inbound and domestic tourism. These containment policies also induce serious ripple effects on the economy and employment, which include disruption in supply chains, reduction in migrant worker remittances, drop in oil and commodity prices, and decline in domestic and global demands. The duration and magnitude of these spill over effects could be much greater than that of the containment measures.

The followings will outline in what way and to what extent these channels have impacted on the Asian and Pacific region and identify the most affected sectors and categories of workers.

## 1.2 Lockdowns

As of the end of April, 30 "member countries and territories" have or had enforced various forms of lockdown, which include declaration of state of emergency and imposition of curfew order, in an attempt to slow the spread of the COVID-19.<sup>7</sup> The four exceptions are Cook Islands, Hong Kong, Korea and Taiwan, where softer measures of social distancing have been adopted. While lockdown is effective in flattening the infection curve, it also unavoidably flattens the economy. In March, Japan's Purchasing Managers' Index fell to 44.8; Korea at

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<sup>6</sup> International Labour Organization (2020) *ILO Monitor 3rd edition* ([https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/briefingnote/wcms\\_743146.pdf](https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/briefingnote/wcms_743146.pdf)) (Retrieved 3 May 2020)

<sup>7</sup> Information of lockdown measures are mainly drawn from IMF Policy Responses to COVID-19 Policy Tracker (<https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>) and Wikipedia ([https://en.wikipedia.org/wiki/Curfews\\_and\\_lockdowns\\_related\\_to\\_the\\_2019-20\\_coronavirus\\_pandemic](https://en.wikipedia.org/wiki/Curfews_and_lockdowns_related_to_the_2019-20_coronavirus_pandemic)). (Retrieved 3 May 2020)

44.2 (the worst in 11 years), Thailand at 46.7 (all-time lows); and the Philippines at 39.7.<sup>8</sup> In each case, the readings pointed to a sharp decline in economic output.



The online drivers (motorcycle taxi) for GOJEK in Jakarta and waiting for orders. Due to the implementation of large-scale social restriction in Jakarta aimed to cutting the spread of Covid-19 infection the drivers lost their income significantly by 70-80%, although they still permitted to transport goods (Photo credited to KSPI Indonesia).

In advanced economies, some of the work, such as administrative, clerical, legal, financial and other professional or business services, can be done remotely at home. In low- and middle-income countries (LMICs), where factory and construction workers, drivers and couriers, street vendors and cleaners make up the bulk of non-agricultural employment, teleworking is simply not an option. To most workers in LMICs, closure of workplaces means the loss of their jobs and incomes. For instance, the Pakistan Institute of Development Economics estimates that between 12.3 million and 18.5 million people in various sectors may lose their jobs, and according to Pakistan Workers' Federation, as of 28 March, more than half a million textile and garment workers had been dismissed in Punjab province alone.<sup>9</sup>

Informal workers, who account for over 60% of the Asian and Pacific region's workforce, are particularly vulnerable. They are often engaged on a daily or casual basis and can lose their jobs overnight without any compensations. Very few of them can afford to survive more than a week without work and wages. In Bangladesh, Cambodia, India, Indonesia, Myanmar, Nepal, Pakistan and Sri Lanka, where the informality rates are over 70% (Figure 1)<sup>10</sup> and lockdown

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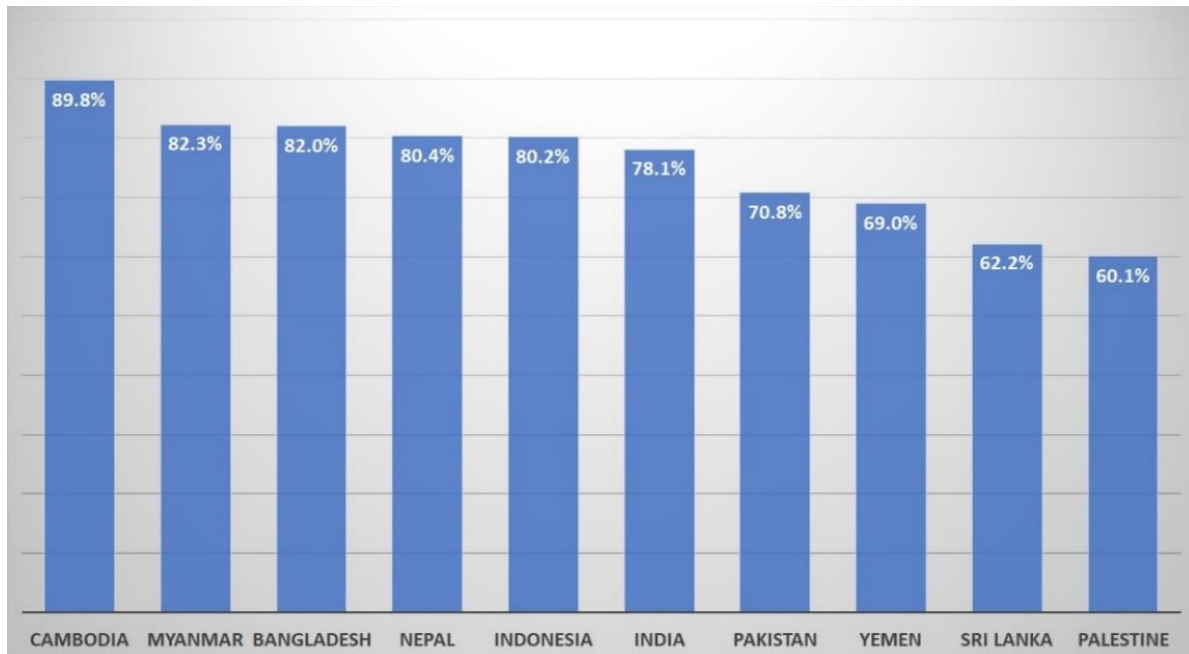
<sup>8</sup> <https://www.ft.com/content/4dead9e8-3dfb-4e35-bd6e-3c3d93f5d2e7> (Retrieved 3 May 2020)

<sup>9</sup> <https://www.hrw.org/news/2020/04/01/pakistan-workers-face-health-economic-risks> (Retrieved 3 May 2020)

<sup>10</sup> ILO (2018) Women and men in the informal economy: A statistical picture 3rd edition (<https://www.ilo.org/wcmstp5/groups/public/---dgreports/--->

measures are more stringent, many workers are facing a choice between going hungry or getting sick (and sometimes beaten up) if they dare go out to work.

**Figure 1: Informal employment as % of total non-agricultural employment**



Source: See footnote 10.

Migrant workers are another noticeable victim. Mainly engaged in the informal sectors, migrants are among the first to go in the wake of economic downturn. India's nationwide lockdown and suspension of all transport services starting on 25 March turned more than 40 million migrant workers across the country into refugees overnight. Several million of them tried to return to their home villages on foot, but much more were trapped in the cities where they used to work. On 14 April, migrant workers gathered at Mumbai's Bandra Railway station to protest against the extension of lockdown and were eventually dispersed by baton-wielding police<sup>11</sup>. In Singapore, infection cases have risen exponentially since 1 April, from 1,000 to beyond 16,000,<sup>12</sup> more than anywhere else in Southeast Asia. Over 90% of the new cases are low-paid migrant workers from Bangladesh, India and other Asian countries, who live in overcrowded dormitories, making preventative measures like social distancing difficult. In response to the outbreak, Singapore decided to impose a 4-week lockdown (the circuit breaker) starting 7 April, with an extension to 1 June announced on 21 April.

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dcomm/documents/publication/wcms\_626831.pdf) (Retrieved 3 May 2020)

<sup>11</sup> <https://www.ft.com/content/f3751e84-9280-4021-bb30-5f51139bb7ec> (Retrieved 3 May 2020)

<sup>12</sup> <https://www.gov.sg/article/covid-19-cases-in-singapore> (Retrieved 3 May 2020)

### 1.3 Supply chain disruptions

When China sneezes, the rest of the world catches a cold. In some countries, the dire impact of COVID-19 pandemic had been felt even before the first infection case was detected. China's lockdown in late January, resulting in drastic drop in industrial output and export, has severely disrupted the global supply chain within a month. From aluminium to garment buttons to smartphones, China's supply of raw materials, intermediates and consumer goods plays a crucial role in many economies. For instance, China's total volume of containers to the Philippines fell by 62.5% in the first 18 days of February. The Supply Chain Management Association reveals that "a good percentage of the Philippines' raw materials and imported goods came from China, and that there would be a significant impact on manufacturers, distributors and retailers".<sup>13</sup>

Other Asian and Pacific countries also suffer from disruptions at the other end of the supply chain. Just when China resumed production, the European Union (EU) and the United States started imposing their stay-at-home orders. By the end of March, garment factories in Myanmar no longer had problems with the supply of raw materials but left with huge inventory due to cancelled orders from the EU. According to the Ministry of Labour, Immigration and Population of Myanmar, 38 cut-make-pack factories have shut down since January and others reduced the number of workers.<sup>14</sup> New clothes were also piling up at Cambodia's factories as US brands cancelled orders. The Garment Manufacturers Association in Cambodia (GMAC) estimates more than half of Cambodia's 500 garment factories will suspend operations by the end of April. About 100 have already closed their doors.<sup>15</sup> An online survey of 319 garment factory owners in Bangladesh conducted by Penn State University's Center for Global Workers' Rights in March finds that more than half of the respondents have had their order cancelled. Over one million (which is equivalent to a quarter of) garment workers have already been furloughed or dismissed because of order cancellations, 70 – 80% of them returned home without pay or compensation. The study also reveals that, when cancelling orders, nearly all buyers refused to pay the suppliers for raw materials and production costs, or to contribute to dismissed workers' severance compensation.<sup>16</sup>

### 1.4 Travel bans and border closure

All 34 "member countries and territories" have imposed travel bans amid the COVID-19 outbreak. Foreign visitors from affected areas are either denied entry or required to quarantine. Tourism and aviation industries are the obvious victims, and the Pacific islands will be

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<sup>13</sup> <https://www.scmp.com/week-asia/economics/article/3052943/coronavirus-southeast-asian-supply-chains-feel-squeeze-covid-19> (Retrieved 3 May 2020)

<sup>14</sup> <https://www.mmTimes.com/news/more-woes-myanmar-garment-industry-eu-cancels-orders.html> (Retrieved 3 May 2020)

<sup>15</sup> <https://www.latimes.com/world-nation/story/2020-04-15/coronavirus-cambodia-garment-industry> (Retrieved 3 May 2020)

<sup>16</sup> <http://www.workersrights.org/wp-content/uploads/2020/03/Abandoned-Penn-State-WRC-Report-March-27-2020.pdf> (Retrieved 3 May 2020)



particularly hardest hit.

According to the World Travel and Tourism Council (WTTC), tourism directly accounts for 3.3% of the GDB and 4.6% of the workforce in 30 countries and territories<sup>17</sup>; if indirect (related sectors like retail) and induced (extra spending resulting from tourism incomes) effects are included, its contribution to the total economy and employment will rise to over 9%. In Vanuatu, tourism and travel contribute to 48.2% of GDP and 41.2% of employment; the figures for Fiji are 40.0% and 36.3% respectively (Table 2). The WTTC estimates that the pandemic is likely to put 63 million jobs in the AP region at risk, resulting in a loss of over US\$ 1 trillion to its GDP.<sup>18</sup> The International Air Transport Association also explains that every airline job supports another 24 in the value chain, and estimates that more than the 50% contraction in air travel projected in 2020 will put 11.6 million jobs at risk in 16 “member countries and territories”.<sup>19</sup>

**Table 2: Contributions of tourism and travel to GDP and employment (%) (2019)**

<b>Countries or territories</b>	<b>Employment (direct)</b>	<b>Employment (total)</b>	<b>GDP (direct)</b>	<b>GDP (total)</b>
Vanuatu	14.4	41.2	18.3	48.2
Fiji	13.0	36.3	14.4	40.0
Cambodia	15.3	32.5	14.4	32.7
Philippines	13.2	26.3	12.3	24.6
New Zealand	9.5	22.9	6.0	18.3
Tonga	7.7	21.9	7.7	20.6
Jordan	7.1	19.3	5.4	19.8
Thailand	6.5	16.2	9.7	21.9
Kiribati	6.5	15.8	8.1	19.0
Hong Kong	5.1	15.4	4.7	17.6
<b>ITUC-AP (30)</b>	<b>4.6</b>	<b>9.1</b>	<b>3.3</b>	<b>9.0</b>
<b>Asia-Pacific</b>	<b>4.1</b>	<b>9.5</b>	<b>3.1</b>	<b>10.0</b>
<b>World</b>	<b>3.9</b>	<b>10.1</b>	<b>3.3</b>	<b>10.4</b>

Source: <https://knoema.com/WTTC2019/world-travel-and-tourism-council-data> (Retrieved 3 May 2020). Countries or territories are arranged in descending order of contribution to total employment.

Travel restriction will also impact the supply of labour. An owner of mining and smelting assets in Indonesian reveals the entry ban on Chinese workers could cost him a few months' losses, because only they had been trained to use his ore smelters.<sup>20</sup> Australia and New Zealand's

<sup>17</sup> Information on Afghanistan, Cook Islands, Palestine and Samoa is not available.

<sup>18</sup> <https://wtcc.org/en-gb/COVID-19/Member-Hub> (Retrieved 3 May 2020)

<sup>19</sup> <https://www.iata.org/en/pressroom/pr/2020-04-24-01> (Retrieved 3 May 2020). The 16 countries are Australia, Bangladesh, Cambodia, Fiji, India, Indonesia, Japan, Korea, Malaysia, Myanmar, New Zealand, Pakistan, Philippines, Singapore, Sri Lanka and Thailand.

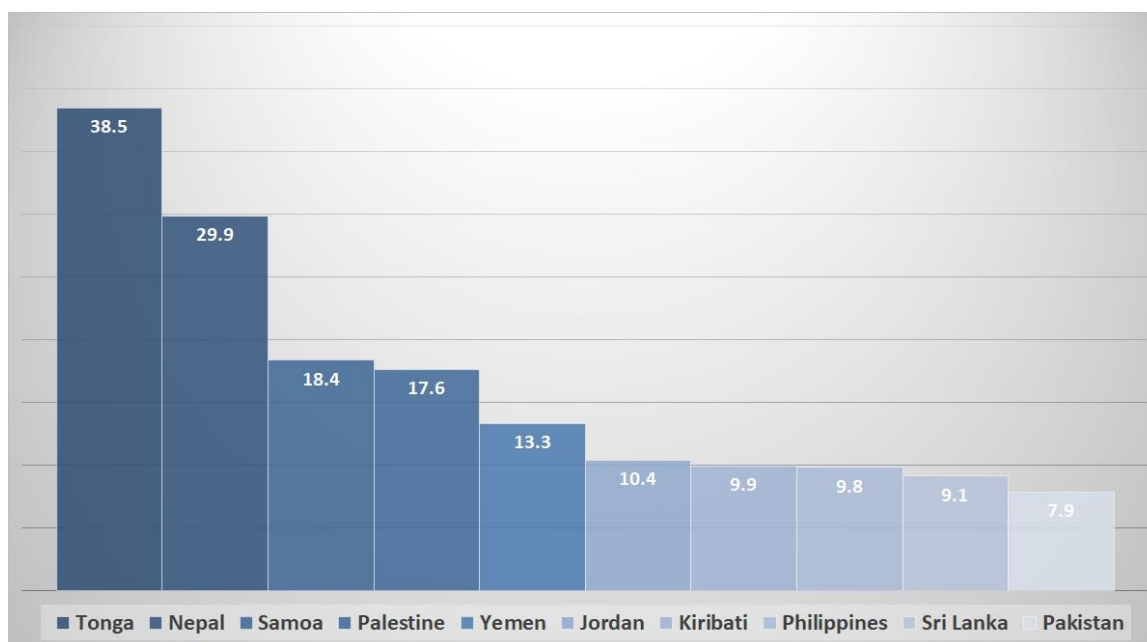
<sup>20</sup> <https://www.scmp.com/week-asia/economics/article/3052943/coronavirus-southeast-asian-supply-chains-feel-squeeze-covid-19> (Retrieved 3 May 2020)

wineries and farms will also be short-staffed, as hundreds of thousands of backpackers and seasonal workers may be denied entry to pick fruit and prune grape vines<sup>21</sup>.

### 1.5 Reduction in remittance

Remittance plays a significant role in alleviating poverty in many LMICs. It enables disadvantaged households to spend more on food, healthcare and education. In some LMICs, the pay checks migrant workers sent home even surpass foreign direct investment. The World Bank warns that global remittances will decline sharply by 20% this year due to the COVID-19 pandemic.<sup>22</sup> Migrant remittances to South Asia from the US, the EU, and Gulf countries are projected to drop by 22% because of the global shutdown, entry ban and falling oil prices. Middle East and North Africa will also see remittance inflows decrease by nearly 20%, with East Asia and Pacific by 13%. Tonga and Nepal are extremely vulnerable, where remittances last year account for nearly 40% and 30% of their GDP respectively (Figure 2).

**Figure 2: Remittance as a share of GDP in 2019 (%)**



Source: [https://www.knomad.org/sites/default/files/2019-10/Remittance%20Inflows%20October%202019\\_0.xlsx](https://www.knomad.org/sites/default/files/2019-10/Remittance%20Inflows%20October%202019_0.xlsx) (Retrieved 3 May 2020)

Table 3 summarises how ITUC-AP countries or territories are hit by COVID-19 pandemic through different channels of impact.

<sup>21</sup> <https://www.economist.com/asia/2020/04/23/what-next-for-countries-that-are-nearly-covid-free>

<sup>22</sup> <https://www.worldbank.org/en/news/press-release/2020/04/22/world-bank-predicts-sharpest-decline-of-remittances-in-recent-history> (Retrieved 3 May 2020)

**Table 3: Channels of impact, affected sectors and hardest hit countries**

<b>Channels of impact</b>	<b>Most affected sectors</b>	<b>Hardest hit countries or territories</b>
<b>Lockdown and social distancing</b>	Across the board, except essential services	Across the board, depending on duration and stringency
<b>Supply chain disruptions</b>	Manufacturing (and to a lesser extent wholesale and retail)	Bangladesh, Cambodia, India, Indonesia, Japan, Korea, Malaysia, Myanmar, Philippines, Singapore, Sri Lanka and Thailand (countries with a larger manufacturing sector and greater integration to the global supply chain)
<b>Travel ban and boarder closure</b>	Tourism related sectors, including accommodation and food services, aviation and retail	Cambodia, Fiji, Hong Kong, Jordan, Kiribati, New Zealand, Philippines, Thailand, Tonga and Vanuatu (where tourism contributes over 15% of employment)
<b>Reduction in remittance</b>	Not applicable	Jordan, Kiribati, Nepal, Pakistan, Palestine, Philippines, Samoa, Sri Lanka, Tonga and Yemen

## **2. Government's Initial Policy Responses**

The unprecedented scale of the COVID-19 pandemic's human and economic tolls demands government's policy responses on an unprecedented level. Information collected by the ILO, the IMF, the ITUC-AP and its affiliated trade unions show that all "member countries and territories" have announced policies in response to the outbreak.<sup>23</sup> These measures can be roughly divided into three categories: saving life (healthcare and occupational health), saving people (social protection), saving jobs and businesses (labour market, monetary and fiscal). The followings will present an overview of government's initial responses and a brief examination of their effectiveness in protecting people's lives and livelihoods.

### **2.1 Saving life**

In the wake of the pandemic, government's most important role is saving people's lives first.

<sup>23</sup> *ILO COVID-19 and the world of work - Country policy responses* (<https://www.ilo.org/global/topics/coronavirus/country-responses/lang--en/index.htm>), *ILO Social Protection Platform - Social Protection Responses to COVID-19 Crisis around the World* (<https://www.social-protection.org/gimi/ShowWiki.action?id=3417&lang=EN>), *IMF Policy Tracker Policy Responses to COVID-19* (<https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>), *ITUC COVID-19 Pandemic: News from unions* (<https://www.ituc-csi.org/covid-19-responses>). (Retrieved 3 May 2020) Information presented in this analysis are drawn from the above sources unless stated otherwise.

Five areas are identified in government’s health-related policy, namely additional funding to the healthcare sector, free (or low-cost) treatments to COVID-19 patients, occupational health and safety (OHS) measures, paid sick leaves and quarantine leaves. Table 4 summarises initial health-related responses of “member countries and territories”.

At least 28 “member countries and territories” have injected additional funding to the healthcare sector to raise hospital capacity, set up testing facilities and procure necessary medical and personal protective equipment (PPE). In most cases, the initial injection is in the range of 0.1 – 0.5% of GDP, which is obviously inadequate in many LMICs (like Afghanistan, Myanmar, Palestine and Yemen) where the health system had already been overwhelmed prior to the outbreak.

17 “member countries and territories” have free or at low-cost universal (or near- universal) healthcare coverage in place before the outbreak, another 9 countries where existing healthcare insurance coverage is low to mid (like Cambodia and Korea), the government has pledged to temporally extend free treatments to all infected citizens (and in some cases including foreigners).<sup>24</sup> In Bangladesh, India and Palestine where healthcare insurance covers a tiny proportion of population, no information is available to confirm whether they have extended coverage to all COVID-19 patients.

**Table 4: ITUC-AP Countries or Territories’ Initial Health-Related Responses**

Countries or territories	Additional funding	Free treatment	OHS measures	Paid sick leave	Paid quarantine leave
<b><i>East Asia</i></b>					
Hong Kong	Y	E	Y	E	N
Japan	Y	A	Y	E	New
Korea	Y	A	Y	New	New
Mongolia	Y	E	Y	E	N
Taiwan	Y	E	Y	E	New
<b><i>Southeast Asia</i></b>					
Cambodia	Y	A	Y	E/-	N
Indonesia	Y	A	Y	E/-	N
Malaysia	Y	A	Y	E	New/-
Myanmar	Y	N	Y	E/-	New/-
Philippines	Y	A	Y	E/-	A/-
Singapore	Y	E	Y	E	New
Thailand	Y	A	Y	E	N
<b><i>South Asia</i></b>					
Afghanistan	Y	?	Y	E/-	N

<sup>24</sup> [http://overseas.mofa.go.kr/us-houston-en/brd/m\\_5573/view.do?seq=759755](http://overseas.mofa.go.kr/us-houston-en/brd/m_5573/view.do?seq=759755) (Retrieved 3 May 2020)

<b>Bangladesh</b>	Y	E/-	Y	E/-	N
<b>India</b>	Y	E/-	Y	E/-	N
<b>Nepal</b>	Y	A	Y	E/-	N
<b>Pakistan</b>	Y	A	Y	E/-	N
<b>Sri Lanka</b>	Y	E	Y	E/-	N
<b><i>Middle East</i></b>					
<b>Bahrain</b>	?	E	?	E	New/-
<b>Israel</b>	Y	E	?	E	N
<b>Jordan</b>	?	E	Y	E/-	N
<b>Kuwait</b>	?	E	?	E	N
<b>Oman</b>	?	E	?	E	N
<b>Palestine</b>	Y	E/-	Y	E/-	N
<b>Turkey</b>	Y	E	Y	E	N
<b>Yemen</b>	Y	?	Y	?	N
<b><i>Pacific</i></b>					
<b>Australia</b>	Y	E	Y	E	N
<b>Cook Islands</b>	?	E	?	E	New
<b>Fiji</b>	Y	E	Y	New	N
<b>Kiribati</b>	?	?	?	?	N
<b>New Zealand</b>	Y	E	Y	New	New
<b>Samoa</b>	Y	N	?	E	N
<b>Tonga</b>	Y	E	?	?	N
<b>Vanuatu</b>	Y	N	Y	E	N

Y: yes; E: existing measure; A: adjustment of existing measure by temporarily extending coverage; New: new measure; N: no measure; ?: no information or conflicting information from different sources; /-: limited coverage.

Sources: see footnote 23.

At least 26 “member countries and territories” have adopted some kinds of OHS measures in response to the outbreak, including issuing OHS guidelines, providing OHS training to frontline workers and distributing PPE to healthcare workers. In Malaysia, the Social Security Organisation has designated COVID-19 as an occupational disease, while in Australia, Hong Kong, Japan, Taiwan and Singapore, employees contracted COVID-19 arising out of and in the course of work are entitled to claim injury compensation (though it may be very difficult to prove whether the infection is work-related). In India, Nepal, Sri Lanka and Thailand, the government has provided additional insurance for doctors, nurses and other frontline workers.

Paid sick leave is not only an important social protection that maintains workers’ income in case of incapacity due to illness. It also helps prevent the spread of communicable diseases into the workplace. In at least 31 “member countries and territories”, existing labour law grants workers paid sick leave through either social insurance or employer liability. In Fiji, Korea and

New Zealand, the governments have promised to provide workers sick leave pay if they contracted the virus. In South Asia, and to a lesser extent Southeast Asia, where social insurance coverage is low or the informal sector accounts for a significant proportion of employment, most workers do not have access to paid sick leave.

Paid quarantine leave plays a similar role as paid sick leave, however only six “member countries” have adopted this measure to all workers. In the Philippines, a leave of absence during the quarantine period is to be charged against workers’ leave credits and a new financial assistance to cover remaining unpaid leave.<sup>25</sup> In another three countries (Bahrain, Malaysia and Myanmar) this applies to a very limited number of workers. Paid quarantine leave becomes a less significant issue though when most “member countries and territories” started imposing nationwide or partial lockdown in mid-March.

## 2.2 Saving people

Social protection is indispensable for preventing the pandemic turning into a humanitarian crisis. It also helps maintain social stability and peace and ensure an inclusive recovery once the virus is contained. Five areas are identified in government’s social protection measures, namely financial assistance to unemployed and furloughed workers, cash transfer to low-income families and other vulnerable groups, in-kind benefits to people in need, exemptions of taxes, fees and charges, and relief on rent, mortgage and loan payment. Table 5 summarises social protection responses of “member countries and territories”.

**Table 5: ITUC-AP Countries or Territories’ Initial Social Protection Responses**

Countries or territories	Cash assistance to layoffs	Cash transfers to vulnerable	Food & other necessities	Tax, fees & charges	Rent, mortgage or loan relief
<b><i>East Asia</i></b>					
<b>Hong Kong</b>	New/-	A, New	N	Y	Y
<b>Japan</b>	E	New	N	N	Y
<b>Korea</b>	E, New	New	New	Y	Y
<b>Mongolia</b>	E/-	A, New	N	Y	Y
<b>Taiwan</b>	E, New	A	New	Y	Y
<b><i>Southeast Asia</i></b>					
<b>Cambodia</b>	N	N	N	?	Y
<b>Indonesia</b>	New	A	Y	Y	Y
<b>Malaysia</b>	E, New	A, New	N	Y	Y
<b>Myanmar</b>	N	N	Y	Y	Y
<b>Philippines</b>	New	A, New	Y	Y	Y
<b>Singapore</b>	New	A, New	New	N	N

<sup>25</sup> <https://www.fairlabor.org/blog/entry/country-specific-updates-provisions-workers-response-covid-19-pandemic#SouthE> (Retrieved 3 May 2020)

<b>Thailand</b>	E, New	New	N	Y	Y
<b>South Asia</b>					
<b>Afghanistan</b>	?	?	Y	Y	?
<b>Bangladesh</b>	N	A	Y	?	N
<b>India</b>	A/-	A, New	Y	Y	Y
<b>Nepal</b>	New/-	N	Y	Y	Y
<b>Pakistan</b>	New	New	Y	Y	N
<b>Sri Lanka</b>	New	A	Y	Y	Y
<b>Middle East</b>					
<b>Bahrain</b>	N	N	N	Y	N
<b>Israel</b>	A	New	N	N	Y
<b>Jordan</b>	New	New	Y	N	N
<b>Kuwait</b>	E	A	Y	Y	N
<b>Oman</b>	New	N	N	Y	Y
<b>Palestine</b>	?	?	?	?	N
<b>Turkey</b>	A	?	N	Y	Y
<b>Yemen</b>	?	?	?	?	?
<b>Pacific</b>					
<b>Australia</b>	E	A	N	Y	Y
<b>Cook Islands</b>	New/-	A	N	Y	N
<b>Fiji</b>	New	?	N	Y	Y
<b>Kiribati</b>	?	?	?	?	?
<b>New Zealand</b>	E	A	N	Y	Y
<b>Samoa</b>	N	A	Y	Y	N
<b>Tonga</b>	New	N	N	Y	Y
<b>Vanuatu</b>	New	N	N	Y	N

Y: yes; E: existing measure; A: adjustment of existing measure by temporarily extending coverage, raising benefit level, relaxing qualification or easing application procedure; New: new measure; N: no measure; ?: no information or conflicting information from different sources; /-: limited coverage. Sources: see footnote 23.

24 “member countries and territories” have implemented some forms of financial assistance to unemployed or furloughed workers.<sup>26</sup> 12 “member countries and territories” already have unemployment assistance systems in place prior to the outbreak, and four of them (Korea, Malaysia, Taiwan and Thailand) have introduced additional measures to offer payment to the self-employed or informal workers as well as workers on unpaid leaves (except Malaysia) on top of their existing schemes, while another 3 have adjusted their existing programmes (India

<sup>26</sup> Financial assistance to unemployed or furloughed workers includes cash benefits paid by government to employees and wages paid out of employers’ own pocket to employees either by law or government order. Government’s subsidy to employers for paying workers’ wages (wage subsidy) will be discussed in section 3.3.

allows withdrawal from pension fund, Israel relaxes the eligibility criteria and Turkey eases the application criteria for the Short-Term Work Allowance, a subsidy to compensate income loss because of unpaid leave).

Employers in Nepal (applies to tourism sector only) and Sri Lanka are required to pay workers in full in March and April, while those in Jordan, Kuwait, Malaysia, Oman and Pakistan are required to do the same during the whole lockdown period (while in Oman and Pakistan employers can arrange the employees to take annual leave). 8 countries or territories where unemployment assistance is not in place have also introduced ad hoc measures:

- Cook Islands: 1- month minimum wage for all unemployed;
- Fiji: withdrawal from pension fund but benefit reduced by half;
- Hong Kong: one-off payment for self-employed and workers from affected sectors;
- Indonesia: pre-employment card which gives 4-month payment for unemployed informal and micro-firm workers;
- Philippines: one-off payment for affected workers regardless of their employment status;
- Pakistan: assistance for daily wagers;
- Tonga: set up Employment Support fund to assist layoffs;
- Vanuatu: interest-free loan withdraws from pension fund account; and
- Singapore: (perhaps the most generous) monthly payment of S\$1,000 for eligible self-employed for 9 months.

At least 16 “member countries and territories” have adjusted their existing income support measures. The most common and convenient way is one-off or advance payment for existing welfare recipients, such as low-income, old age, and people with disabilities and long-term illness. The following countries have introduced new measures to provide relief to people in need:

- India: direct cash transfers of US\$13 for poor pensioners, widows and disabled and US\$19.6 for 200 million women will be transferred in instalments;
- Jordan: deliver emergency cash and relief aid to an additional 50,000 households;
- Malaysia: one-off transfer for students;
- Pakistan: Set up Ehsaas Emergency Cash Program for 12 million vulnerable families;
- Philippines: emergency subsidy of PHP 5,000 – 8,000 for around 18 million low-income households for 2 months;
- Thailand: cash transfer for 7.2 million low-income rural households; and
- Turkey: TRY1,000 cash support for 2 million low-income families.

Another six countries and territories have also announced one-off cash transfers for all residents or majority of households:

- Hong Kong: HK\$10,000 for all residents aged 18 or above;
- Israel: NIS 500 for each child for every family (capped at NIS 2,000);
- Japan: JPY 100,000 Yen for all residents;



- Korea: KRW 1 million for 70% low- to mid-income households:
- Mongolia: dividends of state-owned mining company for all citizens; and
- Singapore: S\$100 – 300 for all residents aged 21 or above, S\$100 for parents with children aged 20 or below and S\$1,280 – S\$1,780 for public housing households.

At least 13 low- to mid-income “member countries”, mostly from South Asia and Southeast Asia, have offered food and other necessities support in the form of direct delivery, rations or price control. Korea, Singapore and Taiwan will also hand out consumption vouchers to residents or families, though the policy intent is more stipulating the economy than providing emergency relief.

At least 25 “member countries and territories” have announced exemption, reduction, deferral or refund of tax and social security contribution payment and offered discount or subsidy to public utilities (usually electricity, and in some cases, water and public transport) fees. These measures can greatly reduce people’s financial burden in a time of grave economic and employment crisis.

At least 21 “member countries and territories” have offered or ordered rent, mortgage or loan relief to the people. The Australian government has announced a six-month moratorium on evictions for both residential and commercial, while the New Zealand government has legislated for stabilizing living accommodations include freezing rent prices for six months and preventing the termination of tenancies. Deferral of loan payment is especially important for people in the LMICs, because many of them had borrowed a small amount of money to start their own account business or micro enterprises.

### **2.3 Saving jobs and businesses**

With tremendous impact of the COVID-19 outbreak on the economy and employment, keeping ailing enterprises afloat is crucial for saving jobs and ensuring workers’ income security. On the other hand, successfully mitigating the jobs crisis will greatly contribute to a speedy rebound after the pandemic. Five areas are identified in government’s efforts to save jobs and businesses, namely subsidy for employers to pay wage, job retention and creation, monetary and macro-financial policy to help keep businesses solvent, relief on tax, social security contributions, fees and charges, and cash subsidies for affected sectors Table 6 summarises initial measures of “member countries and territories”.

One noticeable policy response to save jobs and businesses is various forms of wage support instituted by at least 19 “member countries and territories”. Briefly speak, under a wage support scheme, the government grants subsidies to employers on the condition that the employers must spent all the money to pay their employees’ wages and must retain all employees for a specified period. The amount of subsidies is usually calculated at a flat rate per employee or a fraction of each employee’s actual wage subject to a cap.

Japan, and Korea have adjusted their respective Employment Adjustment Subsidies and Employee Retention Subsidy by relaxing the eligibility criteria and increasing the subsidy

levels. In Cook Islands, Hong Kong, Singapore and Vanuatu, the government have adopted new wage support schemes apply to all employers for a period of three, six, nine and four months respectively. In Australia, Fiji, Mongolia, New Zealand and Taiwan, only affected employers (usually defined by loss of revenue) are eligible. In Malaysia, companies who employ local B40 workers and pledge to retain the workers for six month may apply for three months' wage; in Myanmar, national enterprise will be entitled to access a one year loans with 1% interest with agreement to retain workers; in Pakistan, employers who retain their employees for three months may apply a loan for paying wages on more favourable terms, while in Turkey, employers are provided with a monthly minimum wage support until the end of 2020.

Primark, an Irish fast fashion retailer, has established a fund to pay the wages of readymade garment (RMG) employees in Bangladesh. The fund will also support workers in Cambodia, India, Myanmar, Sri Lanka and Vietnam. However, "the brand also stipulated that the wage compensation would be adjusted to take into account government support packages, a caveat that has caused confusion among suppliers and industry bodies".<sup>27</sup>

**Table 6: Initial Measures to Save Jobs and Businesses of ITUC-AP "Member Countries and Territories'**

Countries or territories	Wage support	Job retention, creation or training	Monetary measures	Tax, fees & contributions	Cash subsidies to business
<b>East Asia</b>					
Hong Kong	New	Y	Y	Y	Y
Japan	A	Y	Y	Y	Y
Korea	A	Y	Y	Y	Y
Mongolia	New/-	?	Y	Y	N
Taiwan	New	Y	Y	Y	Y
<b>Southeast Asia</b>					
Cambodia	New/-	Y	Y	Y	N
Indonesia	N	A	Y	Y	Y
Malaysia	New	Y	Y	Y	Y
Myanmar	New/-	Y	Y	Y	N
Philippines	N	New	Y	N	N
Singapore	New	Y	Y	N	Y
Thailand	N	New	Y	Y	N
<b>South Asia</b>					
Afghanistan	N	N	Y	Y	N
Bangladesh	New/-	Y	Y	?	N

<sup>27</sup> <https://www.theguardian.com/global-development/2020/apr/07/primark-announces-wage-fund-for-garment-workers> (Retrieved 3 May 2020)

<b>India</b>	New/-	Y	Y	Y	N
<b>Nepal</b>	N	N	Y	Y	N
<b>Pakistan</b>	New	Y	Y	Y	N
<b>Sri Lanka</b>	New/-	Y	Y	Y	N
<b>Middle East</b>					
<b>Bahrain</b>	New	?	Y	Y	N
<b>Israel</b>	N	N	Y	Y	Y
<b>Jordan</b>	New	N	Y	Y	N
<b>Kuwait</b>	N	N	Y	Y	N
<b>Oman</b>	N	N	Y	Y	N
<b>Palestine</b>	N	N	Y	Y	N
<b>Turkey</b>	New	New	Y	Y	N
<b>Yemen</b>	?	?	N	?	?
<b>Pacific</b>					
<b>Australia</b>	New	Y	Y	Y	Y
<b>Cook Islands</b>	New	?	?	Y	Y
<b>Fiji</b>	New	?	Y	Y	?
<b>Kiribati</b>	?	?	N	?	?
<b>New Zealand</b>	New	Y	Y	Y	Y
<b>Samoa</b>	N	N	Y	Y	N
<b>Tonga</b>	N	N	Y	Y	Y
<b>Vanuatu</b>	New	Y	Y	Y	N

Y: yes; A: adjustment of existing measure by relaxing qualification or raising benefit level; New: new measure; N: no measure; ?: no information or conflicting information from different sources; /-: limited coverage. Sources: see footnote 23.

Job retention measures ITUC-AP “member countries and territories” are mostly linked to the wage support schemes. In Turkey, a legislation has been enacted prohibiting termination of contract for three month starting from 17 April, though the employers are allowed to send the employees on unpaid leave up to three month, during which the affected employees may apply for Short-Term Work Allowance.<sup>28</sup> In Thailand, the government will hire 50,000 local residents for six months; in the Philippines, the government will implement a 10-day emergency employment programme for workers in the informal economy; while Hong Kong and Singapore have also announced the creation of temporary jobs to ease the unemployment, but details of which have not been revealed. Perhaps it is not the right time to attend vocation training because of social distancing, only six countries or territories have announced paid training for the unemployed.

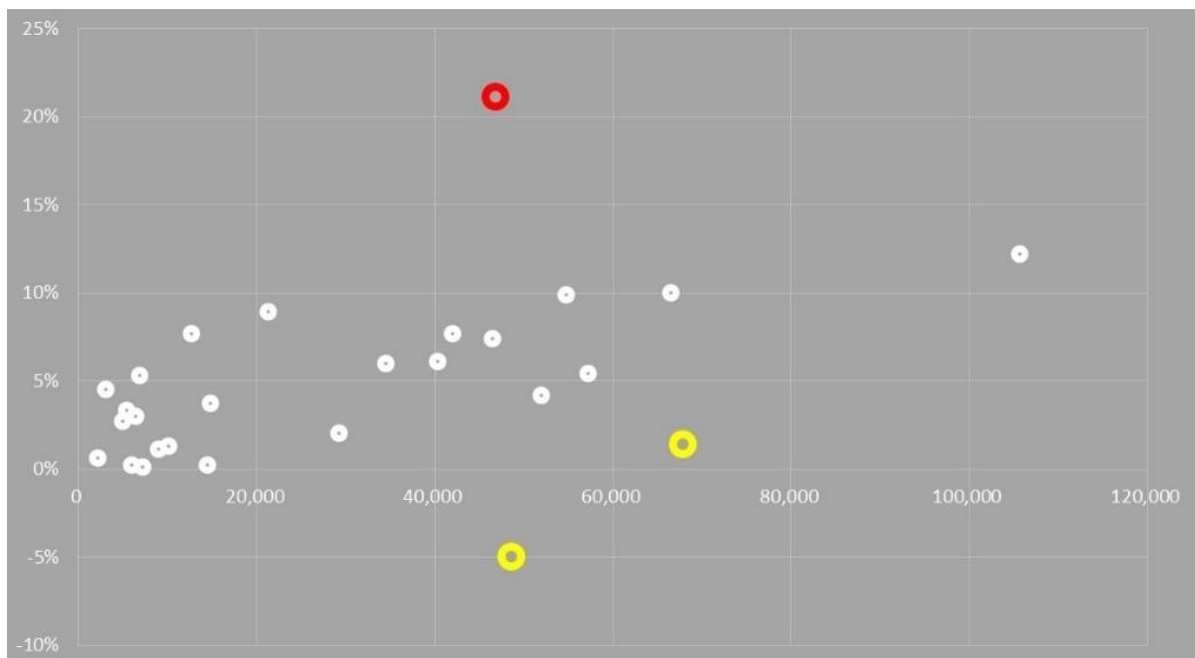
<sup>28</sup> <https://www.esin.av.tr/2020/04/17/covid-19-termination-of-employment-agreements-prohibited-for-three-months> (Retrieved 3 May 2020)

Thirty-one “member countries and territories” have implemented a range of monetary and macro-financial policies, such interest rate cut, government-backed loan guarantee and loan payment deferral, to help prevent ailing companies from bankruptcy. On the fiscal side, most governments have offered exemption, reduction, deferral or refund of tax and social security contribution payment as well as government fees and charges, to ease the cash stripped enterprises’ burden and give them a lifeline. In 12 countries or territories, the governments have also granted cash subsidies to the micro, small and medium enterprises (MSMEs) and the hardest-hit sectors, with aviation and tourism-related sectors being the most obvious candidates. LMICs in the Asian and Pacific region, especially in South Asia and Southeast Asia, seldom hand out direct subsidy to business, probably because of limited resources at their disposal.

## 2.4 Effectiveness of Government’s Initial Responses

Given the pandemic and government’s responses are still fast evolving and information on the implementation is not readily available, it is premature to give a full assessment of the effectiveness of government’s initial efforts in protecting people’s lives and livelihoods. The following will try to briefly answer the question: Can the government promptly deliver adequate relief to the people in need?

**Figure 3: Size of Relief Package vs. GDP Per Capita (PPP)**



Source: IMF Policy Tracker, see footnote 23.

First, the issue of adequacy. This is largely a question of how much resources the government has mobilized in formulating the relief measures. Figure 3 shows that the size of the initial package relative to GDP is generally in line with the country or territory’s GDP per capita (PPP).

The exceptions are Japan at 21.2% with red circle (almost double the size of the package during 2019 Global Financial Crisis), and Kuwait and Oman with yellow circles, the two Gulf countries badly hit by oil price collapse, respectively at 1.4% and -5% (resulting from 10% budget cut).

**Table 7: Size of initial relief package of “member countries and territories”**

<b>Size of package (% of GDP)</b>	<b>Countries or territories</b>
<b>Less than 1%</b>	Oman (-5.0%), Myanmar (0.1%), Pakistan (0.2%), Sri Lanka (0.2%), Afghanistan (0.6%),
<b>1 – 2.9%</b>	India (1.1%), Philippines (1.3%), Kuwait (1.4%), Turkey (2.0%), Cambodia (2.7%)
<b>3 – 5.9%</b>	Samoa (3.0%), Bangladesh (3.3%), Indonesia (3.7%), Bahrain (4.2%), Vanuatu (4.5%), Tonga (5.3%), Taiwan (5.4%)
<b>6 – 9.9%</b>	Malaysia (6.0%), Israel (6.1%), Korea (7.4%), Fiji (7.7%),* New Zealand (7.7%), Thailand (8.9%), Australia (9.9%)
<b>10% or more</b>	Hong Kong (10.0%), Singapore (12.2%), Japan (20.0%)

\* Withdrawal from workers' own Fiji National Provident Fund accounts is included here.

Source: IMF Policy Tracker, see footnote 23.

While the more advanced economies have the fiscal capacity to do “whatever it takes”, many LMICs, constrained by limited resources, are facing a challenging task in helping a vast, vulnerable population to weather out the present crisis. In Pakistan, each instalment of PKR 3,000 transferred to poor households under the Ehsaas Emergency Cash Program, equivalent to 17% of the monthly minimum wage, is way far from enough. In Thailand, the government initially planned to give THB 5,000 to informal workers who are not covered by social security for three months, but more than nine million people signed up, and the government could only give it for one month to cover all affected people.<sup>29</sup> To secure extra resources for relief responses, LMICs’ governments may have to defer some non-essential services and infrastructure projects, and in some cases, to withdraw money from other social security funds. In Fiji, affected workers are allowed to withdraw money from their own provident fund accounts, while in Jordan, half of the maternity fund income of 2020 has been utilised to provide in-kind support for the needy. While these makeshift arrangements can provide people with much needed short-term relief, it may risk undermining the fiscal sustainability of the social protection institutions.

<sup>29</sup> The government later secured enough funding to scale up the programme to six months. (<https://www.aseanbriefing.com/news/thailand-issues-third-covid-19-stimulus-package>) (Retrieved 3 May 2020)

The second issue, coverage. Where strong social protection systems with universal or near-universal coverage are already in place prior to the outbreak, they will automatically be triggered to provide those affected people, whether they are infected or unemployed, with timely relief. A robust social protection institution can also easily adapt to unanticipated shocks by temporarily increasing the benefit level, expanding the coverage, relaxing the eligibility criteria or easing the application procedures. For instance, Korea has extended the coverage to the furloughed and uninsured workers by providing them with financial support for two months. Even if the number of application surges, this can be handled with existing administrative support without having to start from scratch.

On the other hand, in some LMICs, especially those in South Asia and Southeast Asia, extensive relief distribution networks have been established in previous humanitarian operations. They can utilise these networks to distribute timely in-kind support, such as food and other necessities, to a large vulnerable population during the COVID-19 crisis.

Reaching out to the affected informal workers is however more problematic. They are usually engaged on daily or casual basis and are excluded from statutory social security system. At least 19 “member countries and territories” have adopted some forms of wage support scheme. If implemented well, wage support can benefit both the employees and the employers: it helps maintain workers’ income, lessen businesses’ financial burdens and smooth the resumption of production once the pandemic is eased. But it does not work for an economy having a large informal sector. Who is the employer going to retain a daily wagger or street vendor? Wage support schemes in Bangladesh, Cambodia, India, Myanmar and Sri Lanka apply only to the RMG sector, covering a tiny working population.

Some countries have tried to provide a large number of affected people with cash transfers, with mixed results. This leads to the third issue, promptness. It is meaningless to send out the money in three months when people are already starving now. The ability to provide relief quickly depends on existing investments in safety nets, transfer mechanisms, and data and information systems. In Pakistan where mobile coverage is relatively high, people can apply for the Ehsaas Emergency Cash Program via mobile phone. The government can quickly assess the eligibility through an integrated system linking SIM number, ID, tax and asset registration. It is reported that cash has reached about one quarter of those entitled to the transfer since its inception in early April.<sup>30</sup> India's government-to-person payment-driven, bank-based transfer model also enables a quick delivery of relief. However, migrant workers stuck in the cities are not able to use their ration cards which are registered with their home villages. On the other hand, Indonesia's Unified Database, which contains the details of the poorest 40% of the population, is supposed to be updated twice a year by local governments. However, two-fifths of them do not have the budget or capacity to do so.<sup>31</sup>

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<sup>30</sup> <https://www.cgdev.org/blog/using-what-you-have-scale-payments-covid-response-early-indications-south-asia> (Retrieved 3 May 2020)

<sup>31</sup> <https://www.economist.com/asia/2020/04/18/asias-workers-cant-afford-to-stay-at-home> (Retrieved 3 May 2020)

A country/territory's income level is not the crucial factor in determining the ability to quickly deliver relief; government's administrative capacity is. Hong Kong announced a one-off cash handout scheme to all adult residents in February, but the first batch of payments will not be available before July.<sup>32</sup> By contrast, more than 1.41 million Taiwanese, including more than 100,000 freelancers, have already received government's cash assistance before the end of April.<sup>33</sup> Hong Kong's incapacity illustrates the importance of investment in social protection infrastructure in delivering relief promptly in times of acute crisis.

### **3. Trade Union Responses and Future Actions**

Trade unions play an indispensable role in ensuring workers' rights are protected and their wellbeing are secured. It is especially true at a time of the unprecedented outbreak of COVID-19. The following will trace what the trade unions have done so far<sup>34</sup> and discuss what actions may be taken in the near future.

#### **3.1 Trade Unions' Responses**

Trade unions across the Asian and Pacific region have been working hard to keep workers safe, and to protect their jobs and incomes. Regrettably, despite trade unions' effects, information collected by the ILO, and the ITUC-AP and its member organisations shows that tripartite consultative mechanism is not fully utilised in formulating government's initial responses to the COVID-19 outbreak, resulting in trade unions' marginal role in the decision-making process.

The Japanese Trade Union Confederation (RENGO) participated in tripartite consultation which resulted in relaxing the eligibility criteria of the Employment Adjustment Subsidies and increasing the subsidy level to help retaining workers. Singapore's tripartite partners on 7 February issued an advisory on the appropriate workplace measures to minimize the risks of the COVID-19. According to the National Trades Union Congress (Singapore), social dialogue has contributed to the formulation of relief measures stipulated in the Solidarity Budget.

In Sri Lanka, the Tripartite Task Force, a subcommittee of the National Labour Advisory Council, met thrice between 10 and 20 March before the imposition of strict lockdowns. Through dialogues, employers' organisations agreed to pay full salaries in March and April to workers. The General Federation of Oman Workers has succeeded in reinstating workers dismissed by 13 companies through the tripartite committee.

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<sup>32</sup> <https://www.info.gov.hk/gia/general/202004/29/P2020042900493.htm> (Retrieved 3 May 2020)

<sup>33</sup> <https://www.facebook.com/tsaiingwen/photos/a.390960786064/10156672897631065> (Retrieved 3 May 2020)

<sup>34</sup> Unless stated otherwise, information presented in this analysis are drawn from: *ILO COVID-19 and the world of work - Country policy responses* and *ITUC COVID-19 Pandemic: News from unions*.

In Korea, the Economic, Social and Labour Council issued a *Declaration of Tripartite Agreement to Overcome the COVID-19 Crisis* on 6 March, pledging that the social partners would join forces to share the economic and social pain. However, one of the most representative labour organisations, the Korean Confederation of Trade Unions (KCTU), is not a signatory to the declaration. Similarly, the Turkey government convened a coordination meeting with workers' and employers' organisations on 19 March to discuss measures to combat the pandemic. However, a number of trade unions and professional organisations were not invited.

In Israel, the government has stepped back from the tripartite approach after some roundtable discussions, leaving the General Federation of Labour (HISTADRUT) and the employers' organisations working together. The Pakistan Workers Federation (PWF) also issued a joint statement with the Employers Federation of Pakistan, urging the government to constitute special tripartite taskforce in each province for consultations on collective action and assistance in execution of the economic and social recovery plans. Unions in the Philippines have repeatedly urged the government to convene the National Tripartite Industrial Peace Council, but to no avail. The MTUC Malaysia drafted and proposed emergency employment regulations 2020 and sent to Minister of Human Resources in order to protect workers from retrenchment, causing wage cuts and forcing to take compulsory leave under the guise of Covid-19.

Collective bargaining and bipartite consultation have also been rarely practised. The noticeable exception is HISTADRUT's collective agreement concluded with the government on paid leave for public sector workers. In Japan, RENGO had a dialogue with the employers' organisation and issued a joint statement urging the government to take actions to prevent the spread of diseases, to ensure business continuity and to protect jobs. Some unions in Japan also met with their employer counterparts to negotiate on paid leave arrangements, OHS measures, among others. Confederation of Trade Unions Myanmar (CTUM) negotiated with Myanmar Garment Manufacturers Association on massive enterprise-level training for workers and employers on COVID19. In Cambodia, trade unions negotiated with Garment Manufacturers Association in Cambodia (GMAC) on joint action to address the pandemic's impacts on garment factories and workers, though they could not reach a consensus.

In Hong Kong, after the government refused to meet with trade union representatives, more than 7,000 Hospital Authority staff staged a 5-day strike in early February, urging the government to close the boarder in order to stop the spread of the virus and the management to secure the provision of PPE to frontline workers. The containment measures adopted elsewhere later have however seriously hampered trade unions' activities. Not only outdoor collective actions became impracticable, some unions had to go virtual. Despite the difficulties, trade unions have tirelessly voiced out their demands via statements or online petitions. Their most common demands include strengthening OHS measures in hospitals and at the workplaces, providing free treatment to the infected, extending the coverage of paid sick leave and unemployment assistance all workers, paying self-isolation and furloughed workers in full,



increasing cash assistances to people in need, prohibiting dismissal of workers in times of crisis<sup>35</sup> and deferring tax and loan payment.



The HMS (Hind Mazdoor Sabha) India has distributed more than 21,000 ration kits to the shipbreaking workers with the support of local administration and employer federation (Photo credited to HMS India).

In Indonesia, President Joko Widodo met with the trade unions leaders (KSPI, KSBSI and KSPSI) over the omnibus law and Covid-19 issues. The President and House of Representative (DPR) have decided and agreed to delay the deliberations over labour provisions within the omnibus bill on job creations, resulting in the cancellation of an earlier plan by labour unions to hold mass street protests despite the corona virus outbreak.

Apart from requesting the government to ease people's economic hardships, some trade unions have also helped dispensing infection prevention information or distributing SSE and ration packages to workers. In India, trade unions have participated in humanitarian operations. Trade unions in Nepal, have helped migrant workers return home; in Kuwait and Thailand,

reaching out to migrant workers to address their needs; in Samoa, coordinating with Australian New Zealand trade unions on the protection of the Samoan migrant workers; and in the Philippines, calling for a congressional inquiry on the possible effects of COVID-19 on the 10 million Filipinos worldwide.

### 3.2 Future Actions

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<sup>35</sup> The Malaysian Trades Union Congress have drafted a regulation prohibiting retrenchment, salary reduction and unpaid leave due to COVID-19 pandemic (<https://www.ituc-csi.org/malaysia-mtuc-proposes-emergency>) (Retrieved 3 May 2020)

The COVID-19 pandemic undoubtedly poses a grave challenge to government, business and workers, but it also presents an opportunity for trade union's future campaigns. Learning from the lessons thus far, trade unions' future actions may focus on four areas:

First, with limited resources and a concern about credit ratings and external equilibrium, many LMICs are facing a daunting task to protect a vast, vulnerable population: the outcome is either the relief too little, or the coverage too narrow, or both. The trade union movement needs to call for greater cooperation and coordination between the ILO, the World Bank and the IMF, as well as other international and regional institutions to provide the LMICs with the resources to implement effective healthcare and relief measures.

Second, social dialogue is indispensable for a balanced and inclusive responses in times of crisis. With the pandemic easing, many countries start planning for the resumption of economic activities. However, the risk of COVID-19 will be here to stay for a much longer time. A second wave of infection is a very real possibility. Moreover, life will not return to normal before a vaccine or effective treatments are found. Production level will be much lower than that of the pre-pandemic era, because of either social distancing measures must be taken at workplaces or decline in demand. Trade unions have to fully utilise the tripartite consultative mechanism and collective bargaining to ensure that equitable measures on OHS, job-sharing and income protection are in place before work is resumed.

Third, the above analysis once again illustrates that countries that lack an effective health and social protection system will need to develop policies and interventions in an ad hoc way, which is likely to lead to a limited and delayed response. Yet, government's efforts to reach out to those excluded in existing social safety net may be an opportunity for trade unions to fight for a robust health and social protection system that provides universal coverage.

Fourth, the above analysis also shows that informal workers are the most vulnerable in times of crisis. The fact that most informal workers do not work in a standard workplace make organising particularly challenging. Conventional structures and strategies associated with the trade unions of formal workers may not fit the bill. New and innovative approaches to organising and collective bargaining are needed. Trade unions have to put extra effort to organise informal workers in order to get their voice heard.

This is the time to work together to contain the virus and to ensure that our post-COVID-19 world is sustainable and resilience. Democracy, multilateralism and tripartism with all international labour standards, most importantly freedom of association and the right to collective bargaining, should be respected more than ever. We will prevail only with solidarity.