Leadership in a Time of Crisis: Asian Businesses Respond to COVID-19

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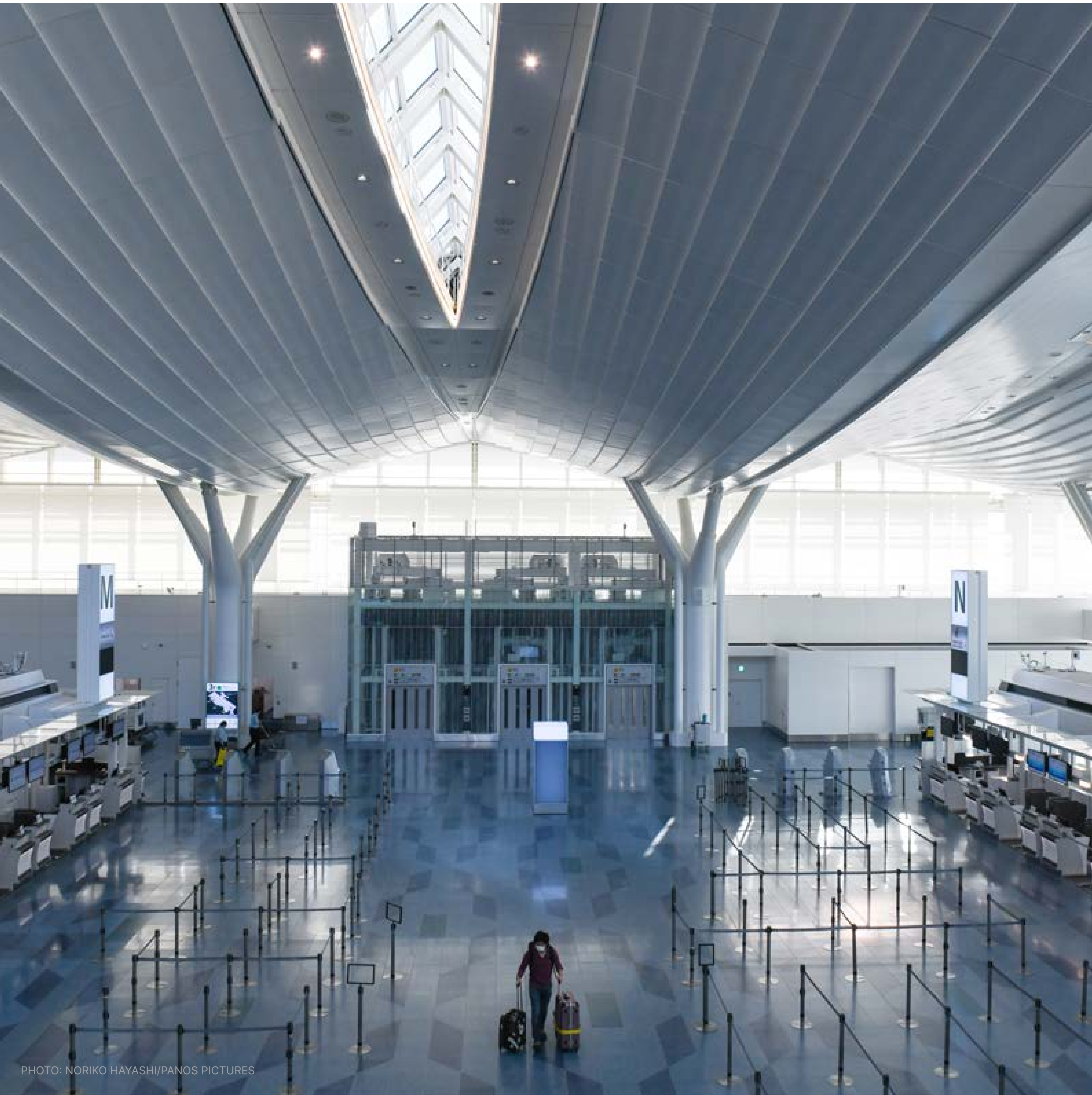

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Asian Businesses Respond to COVID-19

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Asia Business Council

Executive Summary

By almost any measure, the response to COVID-19 in much of Asia, East Asia in particular, has been among the world's most effective. Measured by the absolute number of COVID-19 cases and deaths, or cases and deaths per 100,000 people, Asia has been more successful than the United States and most countries in Europe in combatting the virus. And not just by a little, but by orders of magnitude. The OECD average cases per 100,000 people is more than two times greater than the average of Taiwan, China, South Korea, Japan, Hong Kong, and Singapore (see Figure 1). And in terms of deaths per 100,000, the OECD figure is 52 times greater (see Figure 2).

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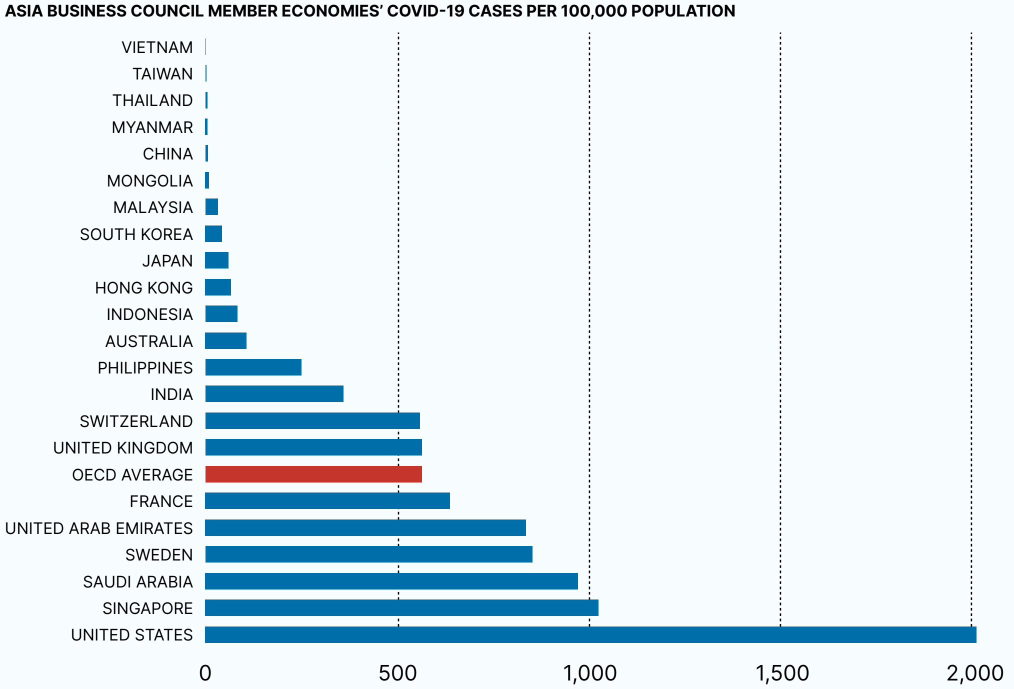
There is no simple formula for success. Nor is there a monolithic "Asian" response, as political, social, and economic systems vary widely across the region. China's authoritarian approach included travel restrictions and enforcement of a strict lockdown in Wuhan. It differed greatly from the radically open and democratic response of Taiwan, which relied on a sophisticated technology-intensive effort in tracking, tracing, and quarantine to keep COVID-19 caseloads to nearly undetectable levels of the population without the need for lockdowns.

Much credit for superior outcomes is due to Asia's healthier citizens, and their willingness to adhere to their respective governments' health mandates. East Asia has some of the healthiest citizens in the world, measured by their long and increasing life expectancies.

FIGURE 1

Asia's low COVID-19 infection rate



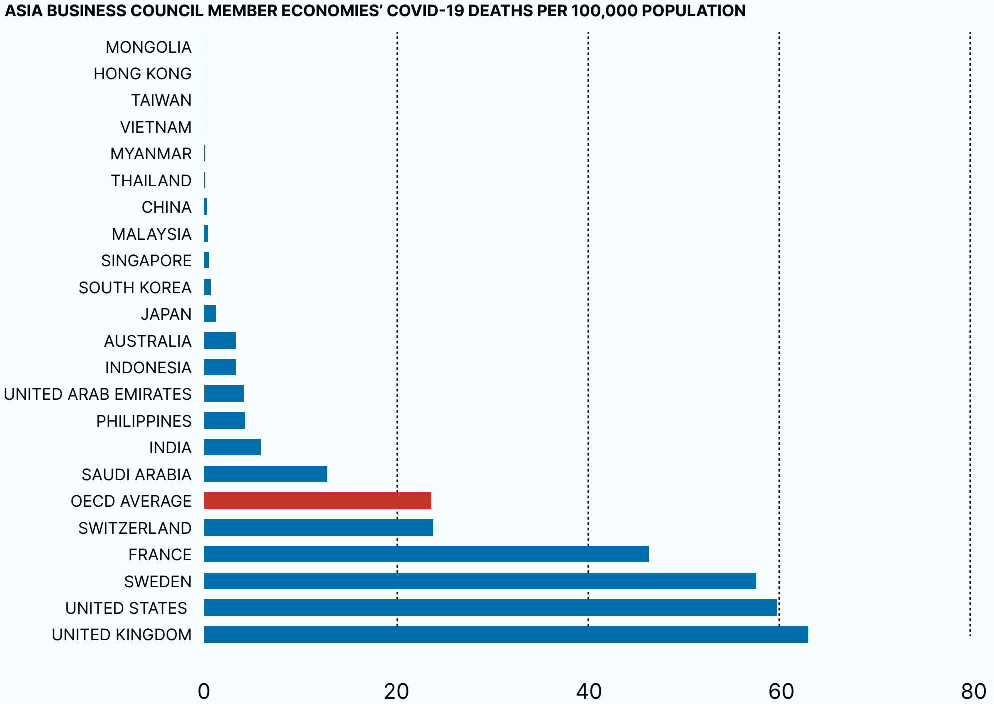
Source: Johns Hopkins University, September 15, 2020

This briefing focuses on the largely unremarked role that business has played in the successful Asian response to COVID-19. We draw on interviews conducted from March to August this year with Asia Business Council members — Chairmen and CEOs of some of Asia's largest and most significant businesses, who together lead companies with a combined valuation of nearly $3 trillion and directly employ some three million workers — complemented by the Asia Business Council 2020 Annual Survey and desk-top research. We describe what some of Asia's best businesses did during the pandemic and share personal insights from Council members. In some cases, business worked alone, in advance of, or in the absence of, a coordinated government response. In others — which are by far the best-case scenarios — business, government, and civil society worked together in some combination, with business acting as a force multiplier to contribute to Asia's better public health outcomes.

The briefing is divided into four parts: in **Keeping Employees Safe**, we highlight examples demonstrating the primary focus, especially in the early days of the pandemic, on keeping employees safe. Leaders found themselves allaying fears and looking after workers' mental as well as physical health. All emphasized that stepping up their communication was an important part of that effort. "Figure out how much you need to communicate, and triple it," said one.

FIGURE 2

Asia's low COVID-19 death rate



Source: Johns Hopkins University, September 15, 2020

In the second section, **How Asian Companies Helped Governments Meet Public Health Needs**, our research provides examples of direct corporate action to aid local, national, and even international communities. The research found that successful companies shared a high level of stakeholder and community engagement, tapping existing networks and forming new business and private sector alliances. This hasn't been perfect or seamless, and there have been plenty of controversies, but what we have seen is a sort of all-out mobilization that is more akin to wartime than peacetime.

Facets of a new normal are starting to gel. The acceleration of digital adoption is one of them. In the section **Asia's Ascendant Digital Economy**, we discuss how the digital revolution is driving growth in Asia. It is clear that COVID-19 has been a boon to touchless payments, online work and deliveries, and other novel technology-rich solutions to COVID-19-related challenges. In the Association of Southeast Asian Nations (ASEAN), where around 90 percent of businesses are small and medium-sized enterprises (SMEs), many businesses will close. Still, the digitalization of traditionally offline small businesses like individual food vendors, wet-market hawkers, and even farmers is helping give some a chance of survival.[1] Asia's more than two billion tech-savvy consumers hungry for digital solutions make these businesses viable and also make the region attractive to domestic and foreign direct investment.

Finally, in **A New Social Contract**, the briefing raises questions about the future of work in an economy that is becoming increasingly reliant on automated and digital transactions. Policy makers will have to think about how to ensure the benefits of an increasingly digitalized – and less labor-intensive – economy extend to more people, including those working in the informal economy and SMEs. At a time when lifespans throughout Asia continue to get longer, how can we ensure that people continue learning new skills to make the most of their longer working lives?

Introduction

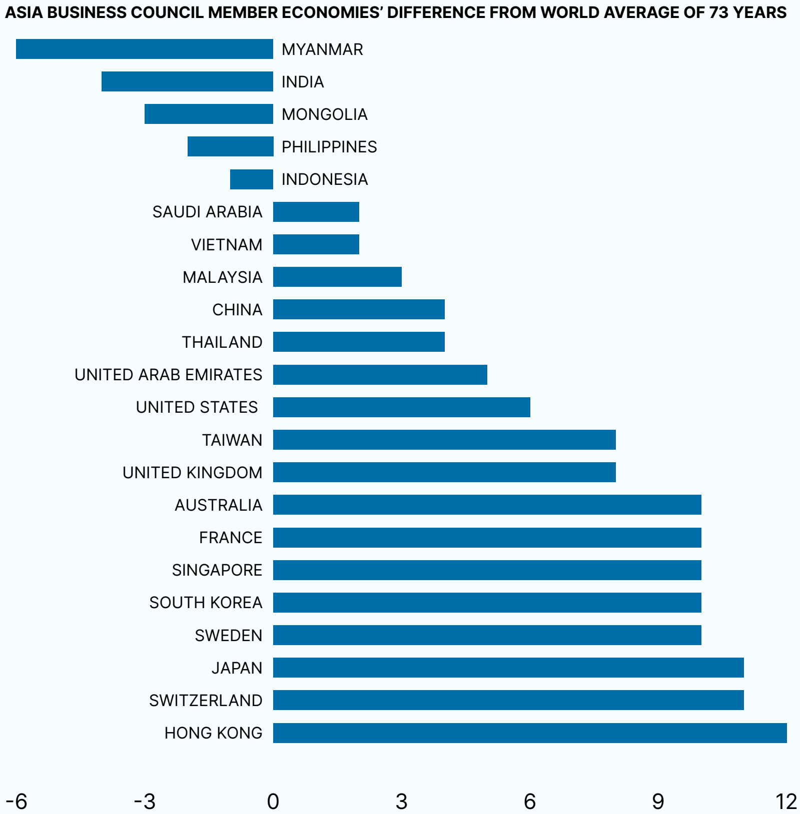
The COVID-19 outbreak began in Asia – but so, too, did some of the most successful measures for containment. East Asia's better COVID-19 outcomes – lower infection rates, measured by confirmed cases, and lower death rates – beg the questions: How did Asia do it? What makes Asia different? Much of the success can be attributed to citizens who adopted good hygiene, mask-wearing, and social distancing protocols. Asians have fewer health complications and are less obese than their Western counterparts. Perhaps not surprisingly, four of the top five economies in the World Population Review's ranking of life expectancy are Asian (see Figure 3).[2] Asian economies as varied on traditional measures of public health adequacy as Thailand and Taiwan both did well with COVID-19. So, at least by conventional measures, the health system is not the answer either.

Social cohesion definitely helped in parts of Asia. Most East Asian societies – whatever their political complexion—tend to have a high degree of social cohesion, characterized by strong ties to family, a positive emotional connectedness between individuals and the community, and a focus on the common good.[3] One well-regarded international ranking, the Bertelsmann Social Cohesion Radar, finds China, Hong Kong, Japan, Taiwan, and Singapore rank the highest in Asia, with high levels of interpersonal trust, a shared perception of fairness, and respect for social rules – though none scores as high as the Nordic countries.[4] This may have contributed to the response of citizens, who generally followed their governments' directives on how to stay safe. Even in Hong Kong, where citizens do not show a high level of trust in the government, community-level response (such as wearing facemasks, enhanced personal hygiene, and travel avoidance) has been widely cited as a factor in slowing transmission.[5] This contrasts with data from the U.S., where mask wearing has fractured along political lines and there is no coherent national plan.[6]

This briefing focuses on the largely unexamined role of businesses in supporting broader community efforts to fight COVID-19, often by joining forces with government and civil society. We contend that this tripartite effort has played a significant role in cutting the COVID-19 death toll in Asia. The view from the C-suites of Asia Business Council member companies gives a sense of how the executives saw events as they unfolded. And it opens up space for re-imagining how to catalyze other life-saving efforts to drive greater sustainability and inclusion in the face of future perils.

FIGURE 3

Many in Asia enjoying longer life expectancies



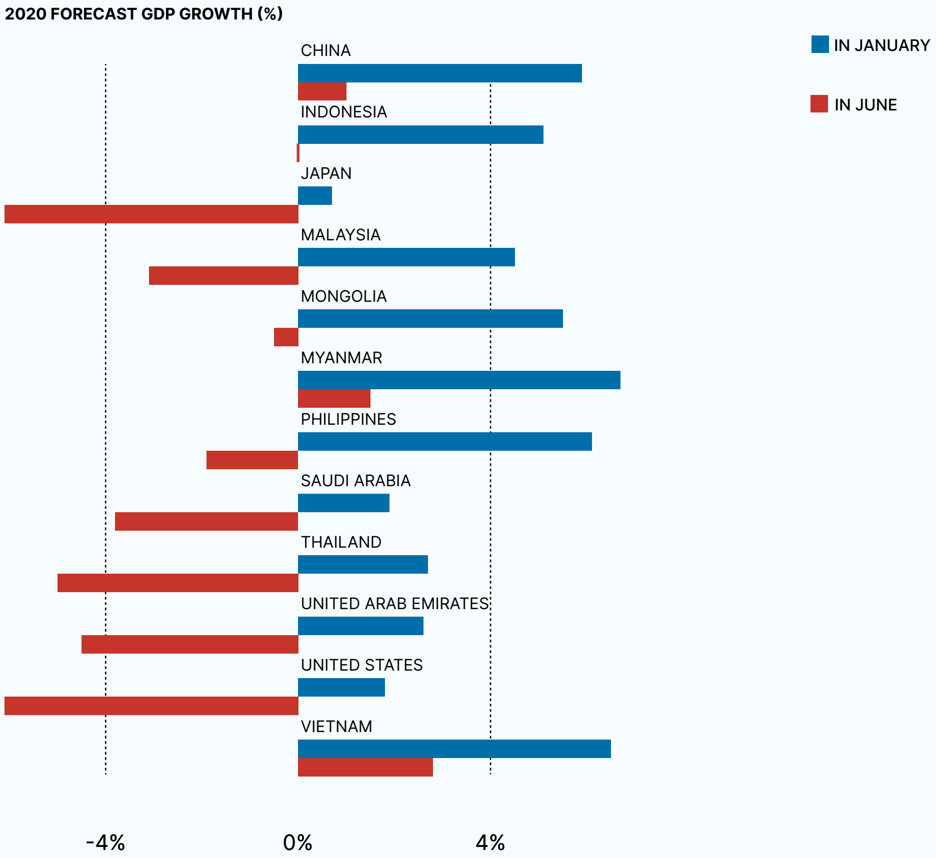
Source: World Bank, 2018

Asia's companies have unparalleled human, financial, and technological resources. McKinsey & Co. estimates that 43 percent of the world's largest companies (by sales) have their headquarters in Asia.[7] When working with governments and civil society, companies are a powerful force multiplier in mobilizing and delivering resources to more effectively combat the pandemic – whether it be personal protective equipment (PPE) or digital technologies or food vouchers to serve vulnerable populations.

Despite this good news, Asia must face the immediate negative consequences of the pandemic in the form of job losses and lower output growth in regional economies (see figure 4). The longer it takes to get the virus under control, the more severe the effects will be. The Asian Development Bank estimates that the potential impact on Asia and the Pacific could be as high as 9.3 percent of regional GDP in a nine-month containment scenario, citing restrictions to transport, labor mobility, and workplace closures as shocks to the economy that would impair productivity and disrupt supply chains. The World Bank's worst-case scenario for East Asian economies is a 0.5 percent contraction, with China's projected growth slowing to 0.1 percent, and 11 million people across the region forced into poverty.

FIGURE 4

GDP forecasts cut after COVID-19



Source: World Bank Global Economic Prospects, January and June 2020

Workers have lost income – and in many cases, jobs – during lockdowns. Businesses have closed.[8] For 2020, the Asia Business Council Survey respondents' outlook on the economic environment in Asia was significantly more optimistic than the previous year, with 50 percent of respondents expecting overall business conditions to improve in the next 12 months. However, almost three-quarters of respondents believe economic activity will return to pre-pandemic levels only by the end of 2021 or later. While the majority of respondents saw sales fall by less than one-quarter, one out of six saw a decline of more than 25 percent. As a result, respondents note that their companies have already taken or plan to take action by changing their investment plans, engaging in business restructuring, raising cash, laying off workers, and shifting production plans. Many companies expect to cut workers over the next 12 months.

Though it's often said there was no playbook for the current state of affairs, the corporate leaders we spoke to often referenced their previous experience with crises such as SARS and the Asian financial crisis, as well as natural disasters, as factors that nurtured more resilience and a greater sense of caution. The 2003 SARS epidemic informed pandemic preparedness. So, too, have past financial crises, especially that of 1997-98, which underscored the danger of currency mismatch on borrowings and the virtues of low debt.[9] And many Asia Business Council member companies have experience working with governments and local communities to recover after natural disasters like the Great East Japan

Earthquake and tsunami, or the massive flooding of the Chao Phraya river, both in 2011. Typhoons and even volcanic eruptions are common through much of Asia. Since SARS, the 2003 coronavirus that killed hundreds of people in the region, a range of diseases, including MERS and various swine and avian flus, have contributed to keeping Asian governments alert in the past two decades.

Previous crises have underscored the need to engage broader local communities. The killings of ethnic Chinese in Indonesia in 1998 in the midst of the Asian financial crisis were a tragic reminder of the cost of social unrest. Business leaders have come to see community engagement, including addressing the needs of informal workers who are usually among the poorest, as a necessary insurance policy against a recurrence of disorder and violence.

"The strength of the capitalist system is our interconnectedness. It wouldn't do to have it collapse around us."

Nobel Prize-winning economist Milton Friedman famously said a business's only responsibility is to make money for its shareholders. "There is one and only one social responsibility of business—to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game," he argued in his influential book *Capitalism and Freedom*. In a later essay, he argued that businessmen with a social conscience "are unwitting puppets of the intellectual forces that have been undermining the basis of a free society."[10]

Asian companies during the pandemic are proving Friedman wrong. They are showing that businesses only exist within a larger community. During the pandemic, this has meant taking unprecedented responsibility for other stakeholders. Banks have established loan moratoria and sped up lending to small businesses. Companies have accelerated payments to suppliers to ease working-capital needs and given breaks on rent to corporate partners. Companies have joined together with community groups to distribute food aid to communities in need. "The strength of the capitalist system is our interconnectedness," one CEO said. "It wouldn't do to have it collapse around us."

Companies with a greater appreciation for their employees and the community appear to have been better able to mobilize a successful response, precisely due to having cultivated strong links to their community and stakeholders over time. CEOs spoke of a high level of trust between employees and management and open two-way communication as assets essential in navigating the crisis.

PHOTO: MLADEN ANTONOV / GETTY IMAGES

Keeping Employees Safe

When COVID-19 hit, most corporate leaders' first concern was for the safety of their workforce. Though they took different approaches, all CEOs we interviewed conveyed a sense of "all hands on deck" urgency and ranked employees' safety, including concern for employees' mental health, at the top of their list of priorities. Procuring PPE, mandating regular body-temperature checks, and splitting shift workers into smaller groups to limit potential infection were all common responses. From businesses as diverse as an Indonesian palm plantation, to a multinational plastics manufacturer, to a private equity firm with investments in China and in the U.S., leaders emphasized that their first priority was to ensure that all employees – salaried or contract, working in the office, remotely, or on the factory floor – both felt safe and were in fact as safe as the company could make possible.

Much of that urgency centered on reassuring and communicating with their workforces while taking concrete steps to keep them safe. CEOs emphasized the importance of leading by example, in some cases taking pay cuts or no salary at all, to give them, as one put it, "the moral authority to take needed actions and make it easier for everyone to accept the difficult times that may come."

Companies sometimes sought outside help for pandemic management. A global packaging company with some 20,000 employees, following the advice of an outside specialist on risk and workforce resilience, divided workers into smaller teams working longer shifts to decrease the risk of infection. The company's newly formed global emergency management teams shared information among more than 120 of the company's sites, spread across six continents.

Lessons from SARS helped a travel-services company meet the challenge by taking quick action to procure PPE.[11] With the Chinese government banning group travel abroad on January 27, just a few days after Wuhan was locked down, the company also had to quickly figure out how to keep its 40,000 employees safe, and handle 20 times its normal volume as travelers tried to change or cancel plans during Chinese New Year. Work-from-home protocols, set in place as a result of experience gained during SARS, enabled it to be the first in the industry to adopt work-from-home arrangements while its employees self-isolated. Around this time, the CEO and chairman announced that they would take no pay for the year, helping give top management the moral authority needed to put in place tough measures.

The company bought masks and hand sanitizer to help protect its 10,000 call center employees who could not work from home. The company also set up a special procurement team, which worked with colleagues from Japan and Korea to source PPE at a time when domestic supply was being shipped to Wuhan and Hubei province. The call center was routinely deep-cleaned, and supervisors took temperatures every two hours. The company also emphasized that employees must take care of themselves and not come to work if feeling sick. It allowed flexible schedules for those with children at home, even after the company returned to in-person work. Eight months into the pandemic this reaction may look unexceptional, but quick decisive actions like these set better-performing companies apart.

To build broader customer and community support, the company worked with hotels and other travel companies to quickly give customers refunds. It set aside a ¥ 1billion ($146.3 million) fund to help partners who were struggling with cash flow. And it extended free travel packages to healthcare providers. After the crisis eased in China, the company donated 1 million masks abroad.

Beyond just their physical well-being, employees' mental health was a common concern. Several companies reassured the workforce by guaranteeing no layoffs. A business leader with 7,000 employees in eight locations across the Indonesian archipelago felt his immediate challenge was to keep employee morale up, as many workers were trapped at work and separated from their families by inter-island travel restrictions.

Business leaders also spoke of the need for stepped-up communication. One leader spoke of doing unprecedented Zoom town halls with the company's more than 50,000 employees, with whom he had rarely communicated directly in the past, as a way of sharing information among the conglomerate's business units. A CEO in Japan with 40,000 employees used digital town halls, not just to speak, but to listen to employees' concerns. Learning that many feared commuting to work on crowded public transportation, the company instituted a reimbursement policy for employees who used taxis or other transportation to get to work. Another company set up a mental-health hotline for its 25,000 employees, monitored it, and spread the word that there was no stigma attached to reaching out for help.

In an extreme example of employee loyalty, 65 employees at a global packaging company stayed locked down in a Chinese factory for 21 straight days in February making fabric for protective masks and gowns. The trust in the company shown by the employees – and their willingness to endure three weeks of confinement – ensured the supply was uninterrupted. The lockdown eliminated the risk of infection. By keeping workers confined, it protected the company from the PRC's strict laws, under which a company can be found criminally liable for spreading COVID-19.[12]

In the Philippines, the Ayala group early on allocated ₱2.4 billion (US$48.9 million) to employees and partners, in an emergency response package during a strict lockdown imposed in mid-March. The package covered wages and loan deferments to the company's 56,000 employees, supporting work-from-home arrangements and free access to online learning through Coursera. The company noted that "those significantly affected by the COVID-19 situation are the thousands of workers that will be affected by the enhanced community quarantine because their places of work have been closed." Importantly, Ayala's plan included a stipend to the 75,000 construction workers in the group's real estate arm, who work on a no-work-no-pay basis.[13]

How Asian Companies Helped Governments Meet Public Health Needs

During COVID-19, corporate efforts around Asia augmented government and civil society's response, in a variety of ways, including public-private partnerships, ramping up capacity to increase output of hand sanitizers, masks, gowns or other PPE, and humanitarian aid. In Greater China, both mainland China and Taiwan had coherent government responses and engaged business and industry, but with different approaches to lockdown and quarantine. In ASEAN, the companies in the Philippines and Indonesia used strong pre-existing community ties to spread public health messages, increase testing, and provide humanitarian aid. In Singapore, Temasek Holdings, the government-owned investment company, demonstrated a unique example of a multi-faceted relief effort that activated both corporate and community responses (see box, p. 16).

It is worth underscoring that China, which has a population more than four times as large as that of the United States, has a death toll of 4,738 from COVID-19 at the time of writing. This is dwarfed by the more than 200,000 deaths in the U.S. With a population less than one-quarter of China's, the U.S. death toll is over 40 times greater. On the basis of cases per 100,000 head of population, the OECD average of 468 is 72 times greater than China's 6.5 per 100,000. China's response, after a period of denial and cover-up, relied on the most stringent lockdowns in the world, the retooling of industry to make PPE and medical supplies, and digital surveillance. It is fair to say that this coordinated top-down effort by mainland authorities could only have occurred in today's China.

In an illustration of the importance of government in dictating business responses, a June 7 white paper released by China's State Council Information Office, gives a detailed account of how the Chinese government prioritized its response. "The Communist Party of China (CPC) and the Chinese government have addressed the epidemic as a top priority and taken swift action. General Secretary Xi Jinping has taken personal command, planned the response, overseen the general situation, and acted decisively, pointing the way forward in the fight against the epidemic. Under the leadership of the CPC, the whole nation has followed the general principle of 'remaining confident, coming together in solidarity, adopting a science-based approach, and taking targeted measures,' and waged an all-out people's war on the virus."[14]

By January 23, after hundreds of millions of Chinese had arrived at their Lunar New Year destinations, Wuhan and neighboring cities were placed under the strictest lockdown measures in the world, with Wuhan's lasting until April 8. From January 24, New Year's Eve, to March 8, according to an official government account, China rallied 346 national medical teams, consisting of 42,600 medical workers and more than 900 public health professionals to the immediate aid of Hubei and the city of Wuhan.[15] On February 2, under the guidance of the Central Steering Group, mass screenings took place in Wuhan. People were separated into four categories, according to the official record – confirmed cases, suspected cases, febrile patients who might be carriers, and close contacts. The groups were sent to hospitals and quarantine facilities.

In terms of the business response to the COVID-19 crisis, on February 5 at a meeting of the State Council, Prime Minister Li Keqiang urged private and state-owned firms to boost production capacity to ensure supplies of protective clothing, nucleic acid tests (which test for active infection with the virus), infrared thermometers, and masks.[16] In a February 6 government press release summarizing the meeting, state-owned enterprises were "guided to switch production as quickly as possible to better serve the needs of epidemic control." The private sector, the press release continued, "will be fully mobilized. Support will be extended to businesses shifting to contribute to outbreak response." The government extended a range of incentives to business, including production licenses, advantageous funding terms, aid with purchasing raw materials, deferral of social insurance contributions, tax deductions on facilities expansions, and value-added tax exemption for transporting key supplies.[17] The All-China Federation of Industry and Commerce and the Shanghai Charity Foundation, a non-governmental, non-profit organization, together launched an online platform to connect buyers and suppliers of medical equipment, and the government assured manufacturers that it would purchase any excess supplies or equipment for stockpiling after the crisis.[18] Showing just how quickly production retooled, China's daily N95 mask and medical non-N95 mask production capacity increased from 130,000 and 5.86 million in February to over 5 million and 200 million, respectively, by the end of April.[19]

As just one example of the strong private sector response in China, on March 13, BYD, the battery and e-vehicle manufacturer, announced it had used its engineering creativity to ramp up what it said was the world's largest mass-produced face mask plant in half the time that it would normally take to build. BYD's plant, located in Shenzhen, became capable of making 5 million N95 masks per day, with expectations of ramping to 10 million masks per day. It could also produce 300,000 bottles of disinfectant per day.[20] N95 masks are designed with filters fine enough to snare 95 percent of the particulate matter floating in the air. The virus that causes COVID-19 bonds with moisture in the air, allowing the N95's filter to trap it. BYD's N95 masks were approved by the U.S. National Institute for Occupational Safety and Health and were bought in large quantities by California and other U.S. states.[21] Exports of masks abroad helped prop up the textile industry's flagging orders. *Caixin* reported that facemasks made up half of China's textile exports to Europe and about one-third to the U.S. in the first four months of the year.[22]

The Chinese government also enlisted the help of the People's Liberation Army, which sent more than 4,000 medical personnel to Hubei to work in epidemic control. It mobilized 40,000 construction workers and several thousand sets of machinery and equipment to build two hospitals in just 12 days in late January and early February, with the help of Lenovo, one of the world's largest computer makers.[23] Footage from Wuhan's draconian lockdown, including from quarantine facilities and inside these newly erected hospitals, can been seen in *Coronation*, a documentary by the Berlin-based dissident artist Ai Weiwei. Getting goods and personnel into Wuhan across checkpoints was challenging, but on February 4, Lenovo donated and delivered more than 500 PCs, 120 tablet computers, 285 printers and two servers to Huoshenshan Hospital. In two days, it had installed all of this equipment, along with other donated equipment, and completed the hospital's entire IT set up.[24]

China pioneered the use of QR health codes. The QR code system, launched first through Ant Financial's Alipay in Hangzhou on February 11, and then on Tencent's WeChat, assigns users one of three colored QR codes – green, yellow, and red.[25] The codes, generated from data extracted from individuals' mobile phones, are meant to indicate whether the person poses an infection risk to the general population. A green code means the person is good-to-go, and a yellow code means that the person should self-isolate. A red code means the person should quarantine. In order to travel by train, access services like taxis, or even gain admission into buildings or restaurants, a green code is required. Use of individual data by the state raised concerns. So did numerous instances in which individuals were mistakenly assigned red or yellow codes, resulting in unwarranted quarantine, impeded travel, and needless restrictions.[26] Although intended to reduce hassles for citizens crossing through regional checkpoints, the codes sparked controversy and at times increased them.

PHOTO: SAM YEH / GETTY IMAGES

Taiwan, a robust democracy with one of the freest presses in the region, took a different approach. Unlike the PRC, Taiwan did not impose lockdowns. It relied instead on data analytics, mask-wearing, travel restrictions, and strict quarantine of risky individuals. Taiwan was able to use data from its national health system database, crosschecked against its customs records, to help identify who should quarantine. This helped keep deaths to less than 10, and confirmed cases to around 500 as of mid-September, in a territory of 23 million people.

Taiwan benefited from learning about – and acting on – the threat posed by the virus almost as soon as it broke out in China, reflecting the island's commitment to transparent, free flows of information. An employee at Taiwan's Centers for Disease Control on December 31 reported chatter about an unknown disease causing pneumonia in Wuhan on Taiwanese social media site PTT.[27] Taiwan started screening passengers arriving from Wuhan for signs of infection as early as December 31, well before China admitted human-to-human transmission. Taiwan activated its Central Epidemic Command Center on January 20, three days before the Wuhan lockdown. It imposed an entry ban on Chinese nationals on February 6, and on February 7 extended that to foreign nationals who had traveled to China, Hong Kong, and Macau in the previous 14 days, a full five weeks before the World Health Organization's (WHO) declaration of a pandemic on March 13. Two days after the WHO declaration, Taiwan extended its entry ban to all foreign nationals and imposed a 14-day quarantine for all inbound Taiwanese travelers.[28]

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“The chaos and unrest experienced during the Asian financial crisis had in part to do with irresponsible capitalism....Business and society – our fates are intertwined.”

At the end of January, Taiwan integrated data from its government-run National Health Insurance Administration (NHIA) database and another database of customs and immigration data to identify citizens whose travel history put them at risk of infection as well as those who had seen a doctor for severe respiratory symptoms but tested negative for influenza.[29] At-risk individuals were proactively tracked down and tested. Their close contacts, who were identified through mobile phone location data, were also tested. People who tested positive were quarantined using geo-fencing, which involved digitalized monitoring through government-allocated mobile phones. Fines as high as NT$1 million ($33,241) and the prospect of naming and shaming – the government had the right to film, photograph, and publicly reveal the identities of quarantine breakers – acted as a strong deterrent.[30] In terms of private sector participation, an executive noted that his mobile phone company, along with four other major telecom companies, provided services such as SMS messages and assisted with quarantine tracking, and provided a means for citizens to contact Taiwan’s epidemic command center.

Although technology was the enabler of Taiwan’s response, mask wearing was an integral part of its strategy. To make sure there were enough masks and to avoid panic buying, on January 24 it banned surgical mask exports, requisitioned all domestically produced masks, and on February 6 implemented mask rationing. Taiwan intervened to nationalize mask production, mobilizing soldiers to work on production lines. The telecom executive told of how engineers, whose companies had previously been rivals, collaborated on the buildout of new mask production capacity, which rose tenfold by June.[31]

Taiwan’s digital minister, Audrey Tang – the youngest-ever and first transgender woman cabinet appointee in Taiwan, and an open-source hacker herself – teamed up with the hacker community to help Taiwan’s national mask rationing system run smoothly. Tang, a believer in open data, open governance and civil society, convinced the NHIA to share mask data with the public from its real-time database of inventory at NHIA-affiliated pharmacies.”[32] She then enabled creation of a map portal for the public, featuring apps developed by civic-minded members of the hacker community that helped citizens locate nearby pharmacies where they could pick up their government-issued masks.[33]

In ASEAN countries, the public health response has varied.* Despite being the first country outside of China to report a case, Thailand kept COVID-19 cases per 100,000 people to one of the lowest levels in the world, despite limited public health resources. It benefitted from the efforts of over one million mostly female village health volunteers working in rural communities to help keep the virus under control.[34]

* ASEAN’s 10 members are Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.

Temasek: Public-Private Collaboration in the Pandemic Response

Singapore's sovereign wealth fund exemplifies the spirit of public-private collaboration that has made the Asian business response so effective. Temasek Holdings is wholly owned by the Singaporean government. Yet it is managed according to commercial principles and derives its funds from the returns on its investments.

When the pandemic hit Singapore, Temasek's role as a steward of the community compelled it to act. Temasek used its diverse network of investee companies to rally the skills needed to solve challenges ranging from testing to temporary housing and medical treatment. This has been another strength of the Asian response: Companies from different industries have pooled their talents in innovative ways.

For example, the first order of business was to ramp up testing while protecting medical workers from exposure to the virus. To solve this problem, the fund's philanthropic arm Temasek Foundation designed a portable mobile swabbing booth for community health clinics. Healthcare workers stand inside the booth to take the samples using a pair of gloves installed on the wall of the booth, reducing their risk of exposure.[64]

As the pandemic deepened, Singapore faced a shortage of nasopharyngeal swabs. The small island nation had never produced swabs, and its suppliers abroad were focused on their own domestic needs.[65] Temasek Foundation partnered with the National University of Singapore to design 3D-printable swabs with a goal to manufacture 40 million.[66]

Another immediate challenge was to isolate infected patients without straining the medical system. Temasek-owned infrastructure and urban development company Surbana Jurong converted 10 halls of the Singapore EXPO Convention and Exhibition Center into community isolation facilities for patients who did not need hospital care, freeing up crucial hospital space. The project drew on the medical knowledge of Temasek-owned healthcare companies. Infrastructure and engineering firms pitched in to address the complex design requirements, which included a total of 51 exhaust systems to separate patients' air supply from the staff holding area. The facility was completed in 28 days and contained 8,500 beds, nearly as many as Singapore's hospitals combined.[67]

To treat advanced cases of COVID-19, Temasek company Advance MedTech developed a remote-controlled ventilator. This, along with other innovations like the swab booths and the simple provision of personal protective equipment, which Temasek also helped source, help to protect healthcare workers, allowing them to continue working to combat the pandemic.

All told, Temasek spent around S$800 million ($585 million) on the fight against the virus, out of a portfolio of S$306 billion. In keeping with Temasek's long-term focus, S$250 million of its COVID-19 contribution was directed toward research into vaccines and other therapeutics. Temasek's investment arm also set aside capital for vaccine development and manufacturing.[68]

Vietnam is another COVID-19 success story, with a very low infection rate and no reported deaths. The prime minister set up and personally led a dedicated national COVID-19 committee in the outbreak's first few days, and tightened border controls as early as January. The country's communist system allowed for the control of the population all the way down to the street level. And its Confucian culture promoted compliance with strict quarantines and led to public shaming of violators.

In the Philippines, the government's response was less focused. President Rodrigo Duterte imposed a strict lockdown that left many citizens unable to work, and without enough savings to support themselves. Business stepped in to help bolster the public health response.

Efforts of the Ayala group of companies took a broader approach than many businesses'. The Ayala group's efforts amounted to a substantial 9 billion pesos ($181 million), including the ₱2.4 billion allocated to employees. "This is a period where we all have to work hand-in-hand with others to preserve the ecosystem we are in," said Jaime Augusto Zobel de Ayala, Chairman and CEO of Ayala Corp.[35] The company was the founding partner of Project Ugnayan (see box, p. 18). Ayala's construction arm converted public spaces to much-needed COVID-19 testing facilities. It repurposed hospitals and catalyzed the creation of a public-private partnership called Task Force T3, which increased national testing capacity 13-fold, to 60,000 tests per day, within a couple of months. The Ayala group also formed and led a consortium of seven companies that built seven Biosafety Level 2 laboratories, accounting for roughly 10 percent of national daily testing capacity.

The concept of increased resilience through interconnectedness with a larger ecosystem was echoed by an Indonesian executive. "The chaos and unrest experienced during the Asian financial crisis had in part to do with irresponsible capitalism, so we can see which direction it can go [when business doesn't play its proper role]. Business and society – our fates are intertwined," he said.

An agribusiness executive, whose employees lived and worked closely together harvesting and processing agricultural products, faced the risk that a COVID-19 outbreak would bring operations to a halt. The company's challenge was that implementing health protocols within the plantation alone would be useless unless people in surrounding villages – with whom the workers had regular contact at fresh markets – took similar precautions. Fortunately, the firm had long-standing ties and linkages to surrounding villages. Often forged with the help of community and religious leaders, and reinforced by years of community development programs, focused on schooling, medical care, micro-funding for small businesses, and provision of clean water, these ties could be used in any crisis, the leader noted. So, when COVID-19 hit, the company used these existing networks to effectively deliver public health messages.

In Indonesia, the Tahija Foundation retooled an existing laboratory to process COVID-19 tests. Fortuitously, the foundation had just concluded a successful 11-year project on the prevention of dengue fever. It pivoted to devote 100 percent of the capacity of its Biosafety Level 2 certified lab – one of only two in Central Java, and capable of testing up to 800 specimens per day – to COVID-19 swab tests.

Project Ugnayan: Business Provides Relief for the Poorest

The Philippines is an unlucky country when it comes to geography. The fast-growing archipelago has the misfortune to lie both in the tropical cyclone belt and the Pacific Ring of Fire. It is regularly subjected to killer storms, devastating volcanic explosions, and earthquakes.[69] The frequent natural disasters have impelled business, government, and civil society to work together in times of emergency. So when COVID-19 hit, the top 20 Philippine business groups quickly raised over ₱1.5 billion ($31 million) and formed Project Ugnayan – which means "joint effort" in Tagalog.[70] Ugnayan is a collaborative effort between the private sector, the non-profit Philippine Disaster Resilience Foundation, and the Catholic Church's Caritas Manila. Building on its partners' strengths, Project Ugnayan was able to quickly deliver much-needed food aid to Metro Manila – home to nearly 13 million of the country's 108 million people – after its island, Luzon, was placed under strict lockdown on March 16.[71]

Caritas Manila is the social service and development ministry of the Catholic Church. The PDRF is the Philippines main disaster relief and recovery organization, with its roots in the business community.[72] PDRF is co-chaired by Jaime Augusto Zobel de Ayala, Chairman and CEO of the Ayala Corporation, Manuel V. Pangilinan, Chairman of PLDT / Smart Communications, and Cardinal Luis Antonio G. Tagle, the Roman Catholic Archbishop of Manila. PDRF managed the finances of the project, maintained the project's mapping database, and monitored and tracked distribution of ₱1,000 ($20) grocery vouchers that were handed out to people who needed them. The group settled on vouchers, redeemable at residents' local markets, because they were more efficient to distribute and allowed more choice for recipients than in-kind food donations.[73] In Smokey Mountain, a community around what used to be one of Manila's most notorious garbage dumps, a typical family's earnings amount to ₱100 ($2) per day or sometimes less.[74] Thus, the ₱1,000 grocery vouchers were a much-needed support during lockdown, enough for about 10 days' survival.

Caritas Manila mobilized a network of parish priests, lay volunteers, and barangay captains (neighborhood leaders), who went door-to-door in their communities to distribute the vouchers to families. Caritas volunteers also collected residents' names, addresses, and phone numbers. In its initial stage, Project Ugnayan successfully distributed grocery vouchers to more than 1.5 million of Manila's poorest families, totalling roughly 6.9 million individuals.

Subsequently, others, including the Asian Development Bank and the Jollibee Group Foundation, the social responsibility arm of the fast-food giant, joined Project Ugnayan's fight against hunger. Project Ugnayan provided total food aid relief to 2.8 million families or 14.2 million people in the greater Manila area.[75] It is an example of how effective coordination between existing relief entities can help feed millions in times of crisis.

Asia's Ascendant Digital Economy

COVID-19 has accelerated the range and broadened the choice of digital solutions to everyday problems. Asia is well-positioned for this shift. Not only does it have some of the world's most innovative companies, it is also home to half the world's internet users, 2.4 billion people, who will be among the first to experience the faster speeds of next-generation 5G. Pre-pandemic, Asia was expected to lead the world in 5G implementation, with one estimate expecting 1.14 billion 5G users by mid-decade.[36] Though some Asian economies are facing delays due to COVID-19, China, South Korea, Japan, and Thailand have all introduced 5G services, and Singapore and other countries are due to follow.[37]

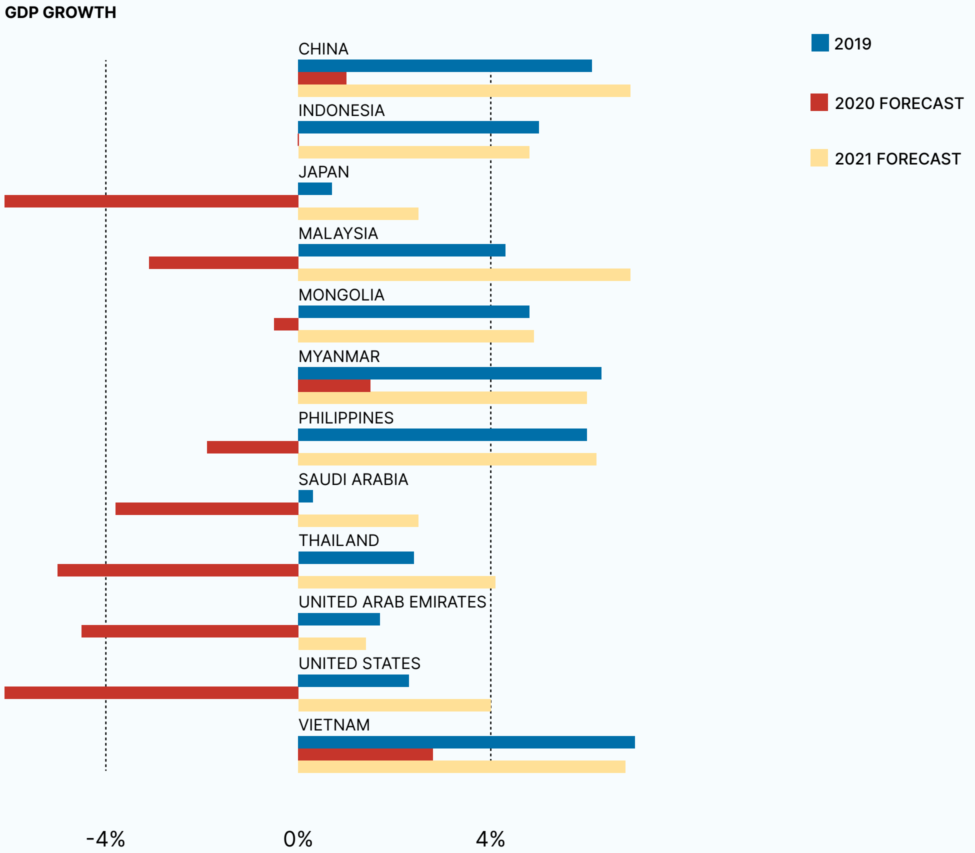
Although COVID-19 has slowed down the introduction of 5G systems in some places, it accelerated the rollout in Thailand. AIS, Thailand's largest telco operator, was the first in ASEAN to introduce the service, which was seen as providing an important boost to the country's medical infrastructure. Usage included 5G-powered robots delivering food and performing other routine tasks to minimize the risk of spreading the virus in hospitals. "These robots are very useful, particularly at a time when we are short of self-protection sets. Even though we lack surgical masks and personal protective equipment suits, we can do our jobs as [the robots allow us to minimize] direct contact with patients," said Dr. Sukrom Chi-Charoen, deputy medical director of Rajavithi Hospital in Bangkok.[38] Widespread adoption will power elements of Industry 4.0 and the development of the digital economy. Asia went into the crisis with higher economic growth rates than the rest of the world, and digitalization is one of the factors that should help ensure Asia's growth stays relatively high (see Figure 5).

> **"Merchants encourage their cashiers not to take a credit card because they don't want sick staff. 'Please, I encourage you. Use your phone QR code to pay, please.'"**

In China in early March, equipment from AI facial recognition unicorn SenseTime, which has promoted its capability to recognize faces even when people are wearing masks, monitored people's temperatures on the subway, schools, and public spaces in Beijing, Shanghai, and Shenzhen.[39] Beijing ride-hailing company Didi Chuxing Technology, in an effort to increase riders' confidence in its service, used open-source, AI-driven facial recognition tools to ensure its drivers wore masks on the job.[40] To help people return to work safely, Didi's Smart Transportation Brain Team worked with the Shenzhen public transportation system to build a "Transit Occupancy Alert" system, ensuring passengers kept enough distance from each other on buses.[41]

FIGURE 5

Bouncing back: Growth should recover in 2021



Source: World Bank Global Economic Prospects, June 2020

Even as some are able to return to in-person work and shopping, the shift to digital services continues. Alibaba's online retail platform saw mobile monthly average users on its China retail marketplaces, notably Taobao, reach 874 million, increasing by 28 million since March. With more remote work and services shifting online, Alibaba Cloud, China's largest public cloud services provider, saw revenue grow 59 percent year-over-year in its quarter ended June 30. [42] In the second quarter, Tencent Music Entertainment's online music increased by 42 percent year-on-year, driven by growth in music subscriptions and digital album sales, which together were up almost two-thirds from the year-earlier period.[43]

Tencent-backed Meituan Dianping, one of China's largest unicorns and most popular apps, known for its food delivery services, said it would partner with over 1 million merchants to help them transition to the digital economy. While the company saw a sharp drop in the number of food delivery transactions in Beijing after a spike in new COVID-19 cases in June, it quickly responded by testing all its drivers, expanding the use of intelligent lockers for contactless delivery, and creating a portal for merchants to upload their green COVID-19 testing results to provide customers extra food safety assurance. In the first half of 2020, Meituan employed close to 3 million delivery riders.[44]

COVID-19 has also driven demand for virtual appointments with doctors. Ping An Good Doctor reported 106 percent revenue growth in its online medical business in the first half of the year.[45] And online tutoring is creating new opportunities for digital natives, such as Filipino teachers with high English proficiency. Net revenues at China Online Education Group, also known as 51Talk, China's largest home-based online English platform, grew 40 percent in the second quarter. It says it wants to hire 100,000 Filipino teachers in the next five years.[46]

In the absence of a vaccine, many consumers continue to rely on social distancing, and are working and studying remotely. Online shopping, food delivery, and telemedicine have become more important than ever. And for SMEs in the 10 countries that make up ASEAN, digitalization is emerging as a way for food vendors and wet markets to reach customers.[47] Indeed, cashless and touchless payments through mobile phone digital wallets, QR codes, and payment apps are growing in popularity and importance, especially in big economies like Indonesia and the Philippines where COVID-19 cases are still rising.

Jio Platforms, India's biggest telecoms operator, managed to raise $15.2 billion, as the pandemic was in full swing, from big-name international investors.

Southeast Asian e-commerce brands, like Alibaba's Lazada, saw order volumes grow more than 100 percent year-over-year. Shopee, which is owned by Singapore-based internet shopping, gaming, and financial services platform Sea Ltd., saw gross orders for Shopee Mall increase by 210 percent year-on-year, with even higher growth in Indonesia, its largest market, in the period ending June 30.[48] Shopee has scaled up its program to help SME sellers, which comprise the majority of ASEAN's businesses, weather the downturn by offering financial aid and marketing support to help them reach new buyers. In Malaysia, Shopee held an online durian festival, helping to ensure the stinky, spiky delicacy reaches consumers at peak freshness. In Thailand, Shopee is working with the Thai government to help 1.5 million farmers sell on the Shopee platform.[49]

In an August letter detailing the Singapore-based ride-hailing company Grab Holdings' support for ASEAN's small and medium-sized businesses, CEO Anthony Tan cited a 2018 Bain survey which found that just 16 percent of SMEs in Southeast Asia truly utilize digital tools, despite 75 percent seeing digital integration as an opportunity. As a solution to this challenge, which he sees as "holding Asia back," Tan wrote that Grab is working to bring sellers in wet markets like Kuala Lumpur's Taman Tun Dr. Ismail (TTDI), one of the most popular in the country, online through its app. This has transformed what had traditionally been an offline shopping experience, and customers can now order wet market produce online and have delivery riders drop products at their doors. In Singapore, Grab launched a three-month promotion aimed at bringing street-food vendors online, offering significantly reduced commission rates and help in promoting themselves via the Grab app. In Indonesia, Grab on-boarded fishermen to the app, helping them alert consumers in Jakarta to the catch of the day.[50]

Explaining the virtue of QR codes, Tan said, "The idea of touching my credit card is now seen as non-Kosher. So the idea that I can just QR-code pay to many thousands of stores across the region ... and because most of the people in this region – say, 70 percent – are underbanked in some shape or form ... that is a great boost. And merchants actually encourage their cashiers not to take a credit card because they don't want sick staff, then passing it on. So they said, 'Please, I encourage you. Use your phone QR code to pay, please.'"[51]

Research suggests that although many people feel more productive working from home, it can become all-consuming and lead to burn-out. Many are relaxing with streaming entertainment and online gaming. In Vietnam, DatVietVAC, a leading entertainment group, launched a new streaming platform called VieON, which provides more local content, in June this year. In the second quarter Sea Ltd.'s Garena digital entertainment division, which includes its popular online game Free Fire (in which participants parachute onto a desert island and try to kill off all their opponents), saw adjusted revenue increase 61 percent year-on-year. Free Fire achieved a new record high of over 100 million peak daily active users and, according to App Annie, a digital ranking service, was the highest grossing mobile game in Latin America and in Southeast Asia in the second quarter.[52]

In a downturn, strong companies typically get stronger. Leading companies are expanding their reach through deal-making during COVID-19. Alipay, the online payments giant which boasts 900 million users in China, has nearly three times the 346 million active accounts of PayPal, the closest U.S competitor. Ant Financial's Alipay is targeting ASEAN expansion. It has sought to broaden its reach through joint ventures with companies like GCash, the leading mobile wallet in the Philippines. GCash, which is owned by Ayala Corp., Ant Financial, and Globe Telecom, helps increase financial inclusion through services such as low-cost remittances, cashless pay through QR codes, and extensive mobile-wallet capabilities. GCash saw app installations double during the month of community quarantine.[53]

Asia Business Council members are bullish on business prospects at their companies, but nearly 40 percent expect job losses in the year ahead.

In the U.S., PayPal saw its strongest-ever quarterly performance in the quarter that ended in June and expects to see 20 percent revenue growth in 2020, as more users seek to transact cashlessly due to COVID-19.[54] Not satisfied with staying home, PayPal has been expanding its global reach to Asia. In June, PayPal and Facebook's messaging platform WhatsApp took stakes in Gojek, the Indonesian payment, food-delivery, and ride-hailing app, which is currently valued at $9 billion. The new funds will be used by Gojek to speed up digital-economy inclusion, with a focus on digital payments and financial services, aimed at SMEs in Southeast Asia.[55] It would also mean that the more than 170 million users of Gojek's mobile wallet GoPay could shop at PayPal's global network of over 25 million merchants. Facebook's investment in Gojek could pave the way for integrating the popular GoPay wallet into WhatsApp in Indonesia. This would be a way for Facebook's payments business to enter Indonesia, which does not allow companies with foreign ownership of more than 49 percent to operate electronic money businesses.[56]

In India, Facebook invested $5.7 billion for a 9.99 percent stake in Reliance Jio Platforms in June, to leverage WhatsApp Pay through JioMart. Jio Platforms, India's biggest telecoms operator with nearly 400 million subscribers, managed to raise $15.2 billion, as the pandemic was in full swing, from big-name international investors including Silver Lake, KKR, and General Atlantic. With a user base of over 350 million in India, the stated goal of the alliance is to enable new opportunities for, among others, India's 120 million farmers, and millions of small and medium-sized enterprises in the informal sector.[57] And Byju's, the ed-tech company established by Byju Raveendran in 2011 under a "freemium" model, has raised over $1 billion of new capital in 2020. When India imposed a nationwide lockdown this year, 20 million new students flocked to its free platform. Many will convert to paying customers to access more of the app's engaging math and science content. Byju's app has over 64 million registered students and 4.2 million annual paid subscriptions and is reported to have doubled its revenue year-to-date.[58]

A New Social Contract

There is much to celebrate in the successes of many East Asian economies in coping with COVID-19. China, for example, is far along a path back to normalcy. Mask-wearing is no longer mandatory in public, and children are back in school. Throughout Asia, the pandemic has spurred innovation and created a space for reimagining how things are done – whether in spurring workplace innovations or new forms of learning – on the part of businesses, government, and civil society alike. It has focused attention on the importance of good public health systems – and on citizens' personal health. Long and increasing life expectancies in many economies reflect both good personal habits and strong public health systems, often including universal health insurance.


PHOTO: JUNI KRISWANTO / GETTY IMAGES

The increasing power of Asia's unicorns and the billions of dollars in new foreign and domestic investment in telecoms networks and digital platforms shows Asia's attraction as a market. The use of 5G services will exponentially speed up machine learning, allowing massive amounts of data to be manipulated even more efficiently for the use of AI. This is positive for Asia's digital business that benefit from AI. But it also raises questions about digital privacy and highlights the need in many economies for better thought-out data privacy laws.

COVID-19 has created a social and economic shock on a scale rarely seen in peacetime, an upheaval of a sort that most economies have not witnessed in decades. Trying to ensure that the most vulnerable people are protected must be a priority for any government. Asia faces some big open questions around data privacy and the future of work. The shock of the pandemic could force policy makers to start thinking creatively about how to ensure the continued well-being of people, at a time of extraordinary change.

The long-predicted job losses resulting from increased digitalization and automation will come faster than many had expected as a result of the pandemic. COVID-19 has given a boost to business process automation and the sense that human workers, with their frailties and their demands, are a liability. Coders are in demand. Will call center employees still be needed when speech recognition and AI-driven chatbots can handle most inquiries? Compounding difficulties for less-skilled workers, will a decline in demand for retail space and perhaps even offices reduce construction jobs as fewer new buildings go up?

Asia, especially South and Southeast Asia, has legions of low-skilled workers hoping to get onto the ladder of economic opportunities. What jobs will be there for them? What provisions are being made to care for those who have lost or will lose their jobs as a result of COVID-19 and an acceleration of technologies that could permanently replace them?

Policy makers may be faced with the consequences of something that the region has not seen in living memory – a jobless recovery.

The prospect of a jobless recovery is reflected in the Asia Business Council's 2020 Annual Survey. Members are bullish on business prospects at their companies, but cautious about jobs, with nearly 40 percent expecting job losses in the year ahead. While about half of the respondents said they would increase capital spending in the next 12 months, only about one-quarter said that they expected to increase their employment levels.

With COVID-19 exacerbating the rich-poor divide, in Asia and around the world, there will be increasing pockets of need among those workers who have lost their jobs or whose skills are obsolete. South Asia, the World Bank finds, is especially vulnerable to this trend. About a quarter of all households living in poverty rely on informal work in the service and construction sectors, both of which are facing disruptions and shutdowns.[59] These workers have little in the way of savings to tide them over. The situation impacts women disproportionately. Poor children are at much greater risk of losing out on crucial schooling than those of wealthier parents.[60] Concepts like universal basic income will be part of future conversations. Countries and companies can use this time as an opportunity to train students and workers to prepare them for a changing labor market.

Digitalization is an example of a trend that, for all the wealth it has created, is also potentially creating a new underclass.[61] Small armies of couriers support the last mile of delivery, like those who deliver for Alibaba-backed Ele.me, and Meituan Dianping, the two companies that together make up about 90 percent of China's nearly $40 billion-a-year online food delivery market. As with Doordash, Uber Eats, and Grubhub, the delivery giants in the U.S., the couriers who deliver the food receive neither health benefits nor promises of regular work. They face hostility when they try to organize to strike for higher pay and complain of company algorithms that suggest unsafe routes to shave seconds off delivery time.[62] This is not unique to Asia, although Asia displays these challenges on a scale unlike anywhere else in the world.

The reality is that many of the requirements needed for a new social contract, one suited to Asia's increasingly well-educated and demanding people, are for the most part not under serious discussion by policymakers or even think-tanks. Data privacy in most of Asia is regarded as a luxury of rich countries. China, for its part, has made it clear that using technology to micro-manage its citizens' lives is part of the country's core governance strategy. Throughout the region, retraining programs are few and far between. Those that do exist often haven't proven effective, as shown by the limitations of Chinese retraining programs. Even Singapore, a rich country with a well-educated workforce, which has long worked to encourage lifelong learning as a way of improving marketable skills, has found it is difficult to help people stay employable in a rapidly changing economy.[63] Private-sector alternatives, like those provided by India's online education provider Byju's, may represent a better alternative than government-run re-training programs. Discussion of issues that former U.S. presidential candidate Andrew Yang continues to raise – about employment, income, and even sense of self worth, in the context of a society increasingly divided into those with high-paying employment skills and those without – are almost completely absent in Asia.

Conclusion

The panic has receded but the pandemic remains. Asia is struggling to find an equilibrium, balancing the need to keep new COVID-19 infections to a minimum with the desire for an economic restart. Corporations have made a positive difference, but they can ultimately only do so much. Governments need to set the rules. Companies cannot decide when to remove travel restrictions or send children back to school. Asia's engaged CEOs know that they need to tread carefully so as not to seem to be taking on a role that is more traditionally government's.

The challenges Asian companies face will continue to evolve. But the rapid and inclusive way many responded to the pandemic yields reasons for optimism. Many corporate leaders are now strategizing from lessons learned as to how to proceed in an uncertain future where the precise timeline and availability of vaccines is uncertain. To be clear, the companies in this briefing are the exception, not the rule. Big, cash-rich, and well-prepared, most have the operating freeboard, like a ship that rides high above the waterline, to hire the best and brightest from a crop of increasingly tech-savvy global graduates and to make the most of generous R&D budgets.

A significant lesson from this pandemic is the remarkable degree of overall cohesion forged by companies and their communities. A critical future challenge will be company-employee relations, as the likelihood of widespread job losses looms. This possibility is not merely as a result of the economic slowdown, but in response to the ability of business to take advantage of the opportunities offered by greater digitalization and automation.

Another question leaders must ask regards preparedness, and how lessons learned will guide them toward future resilience. More than a dozen Asia Business Council member companies have adopted Task Force on Climate-related Financial Disclosures (TCFD) reporting standards, a non-financial reporting protocol that is increasingly considered a best-practices disclosure methodology on climate risks and opportunities.* This speaks well of a company's intentionality when it comes to enterprise-wide risk management. It is an example of how, using this type of public disclosure platform, companies in different economies can help one another be as prepared as possible for the next Black Swan our changing planet has in store. As those Asian companies resilient enough to weather the COVID-19 storm emerge from the downturn, their experience can help other companies assure future resiliency.

* Asia Business Council member companies that are TCFD filers include: Aboitiz Equity Ventures, Far Eastern Group, Fubon Financial Holdings, Hitachi Ltd., Hong Kong Exchanges and Clearing Ltd., HSBC Holdings plc, Indorama Ventures pcl, Mizuho Financial Group, Inc., SEB, SK Innovation, Suntory Holdings Ltd., Taiwan Semiconductor Manufacturing Co., and Westpac Group.

The reaction to the pandemic provided unprecedented insights into countries and companies. Our research focused specifically on the corporate response to COVID-19, but the lessons extend beyond the pandemic. Companies have unique resources and networks. They are set up in ways that allow for quick, decisive action. Private firms can solve problems and grab opportunities in a way quite different from the approach of governments and civil society. Still, companies are guided by regulation. Governments need to set the rules so that companies can act. Civil society, with its commitment to understanding grass-roots needs, can make visible problems that governments and companies are unable to see. Recognizing these different attributes of business, the state, and civil society should allow governments to work more effectively with business in the future and allow businesses to more fully engage with local communities. COVID-19's disruption is also creating powerful opportunities for innovation. Asia's future will largely depend on how fully these opportunities for innovation are grasped and what sorts of new arrangements between governments, business, and civil society are developed in order to ensure that continued development best serves Asia's 4.2 billion people.

A significant lesson from this pandemic is the remarkable degree of overall cohesion forged by companies and their communities.

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Photos

Cover: Haneda Airport international terminal, Tokyo
p. 2: Testing for COVID-19 in Wuhan, China
p. 9: Ceremonial dancer at Bangkok's Erawan Shrine with protective face shield
p. 14: COVID-19 drill in Taipei
p. 22: Women attend Eid al-Adha prayers with social distancing, Surabaya, Indonesia