

In collaboration
with Sea



COVID-19 – The True Test of ASEAN Youth’s Resilience and Adaptability

Impact of Social Distancing on ASEAN Youth

ASEAN YOUTH SURVEY 2020 EDITION
JULY 2020

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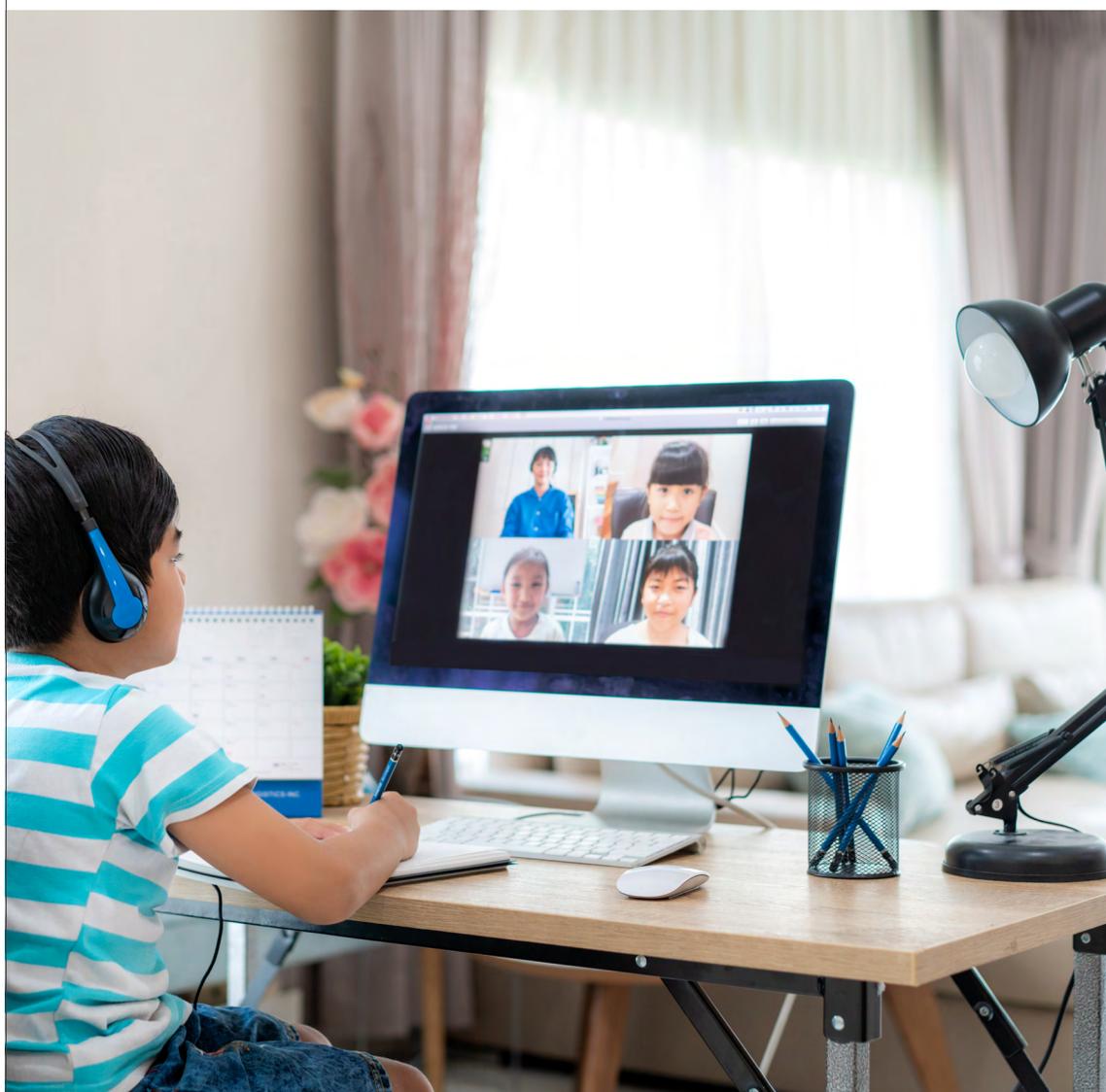
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Executive summary

This report analyses the challenges that ASEAN youth faced during social distancing.



Based on a survey of 68,574 youths, aged between 16 and 35, from six countries in the Association of Southeast Asian Nations (ASEAN), this report analyses the challenges that ASEAN youth faced during social distancing and explores how they coped with the disruptions caused by the COVID-19 pandemic.

The survey found that the pandemic has been the true test of youth resilience and adaptability. While facing significant challenges with working and studying remotely during social distancing, the youth has demonstrated abilities to adapt to these new challenges by significantly increasing digital adoption, learning new skills, thinking creatively and developing new business models.

To take this even further and ensure inclusive growth, the public and private sectors need to come together to provide youth with more policy support to overcome some of the key pain points highlighted in this report. The support includes improving digital access, investing in digital skill capabilities and providing more funding.

ASEAN youths adjusted to the COVID-19 environment by significantly increasing their digital footprint – a trend that is likely to last beyond the pandemic

- 87% of youths increased usage of at least one digital tool during the pandemic and 42% of youths picked up at least one new digital tool
- There was a significant surge in the usage of online education, business-related services, online entertainment, as well as e-payments and e-commerce
- Across ASEAN, 33% of entrepreneurs utilised e-commerce selling more actively during the COVID-19 pandemic. Of those, one in four was using it for the first time
- More than 70% of youths believed that their increased usage of social media and e-commerce buying will last beyond COVID-19. More than 64% of youths believed that their increased usage of online education, e-banking and food delivery will be permanent
- The increasing usage of digital government services offered a unique window to promote e-government across ASEAN

In adapting to the new environment, many ASEAN youths exhibited signs of a growth mindset, resilience and nimbleness

Beyond just going digital, a significant portion of youths exhibited signs of resilience and adaptability during the pandemic:

- 48% confirmed to having learnt to be more resilient and more prepared for future pandemics

- 41% reported having learnt new skills
- 38% learnt to think creatively
- 31% found new business models and new ways to improve income, which was especially true of entrepreneurs

Online education bloomed not only among full-time students but also among active workers, confirming ASEAN youths' strong aspiration for lifelong learning and growth mindset.

- 64% of surveyed full-time students said they used online education tools more actively during COVID-19. Of those, 30% were first-time users
- 70% of full-time students believe their increased usage of online education will last post-COVID-19
- 38% of active workers said they used online education more actively during the pandemic, embracing the concept of lifelong learning
- Interestingly, the survey revealed that women tend to achieve more key learnings from social distancing compared to men

ASEAN youths faced challenges in remote working and studying during COVID-19, with lack of digital skills and inadequacy/unavailability of quality and affordable internet connection found as the most binding constraints

Most youths found it difficult to work or study remotely:

- 69% found it difficult to work or study remotely, including 7% who said it was impossible
- While 31% of respondents found working/studying from home easy, only 13% reported no constraints at all

Weak internet quality, high internet costs, household distractions, lack of motivation and difficulties with team management/coordination were the top five most commonly cited constraints. Access to an affordable, quality internet connection and a lack of digital skills were the most binding constraints to working remotely because they hinder the completion of tasks.

The less digitally ready youths, those with below-college education and those living outside capital cities were far more likely to face difficulties in remote working or studying remotely during the pandemic.

- 84% of those not comfortable with using digital tools to do their job found it difficult to work remotely

Among active workers, those aged under 25, those living outside capital cities, workers in the education and agriculture sectors and those working for the gig economy and SMEs, were also more likely to find working remotely difficult.

This suggests the need for the ASEAN region to invest more in equipping its youth with essential digital skills and in improving its digital infrastructure to provide youth with quality and affordable internet.

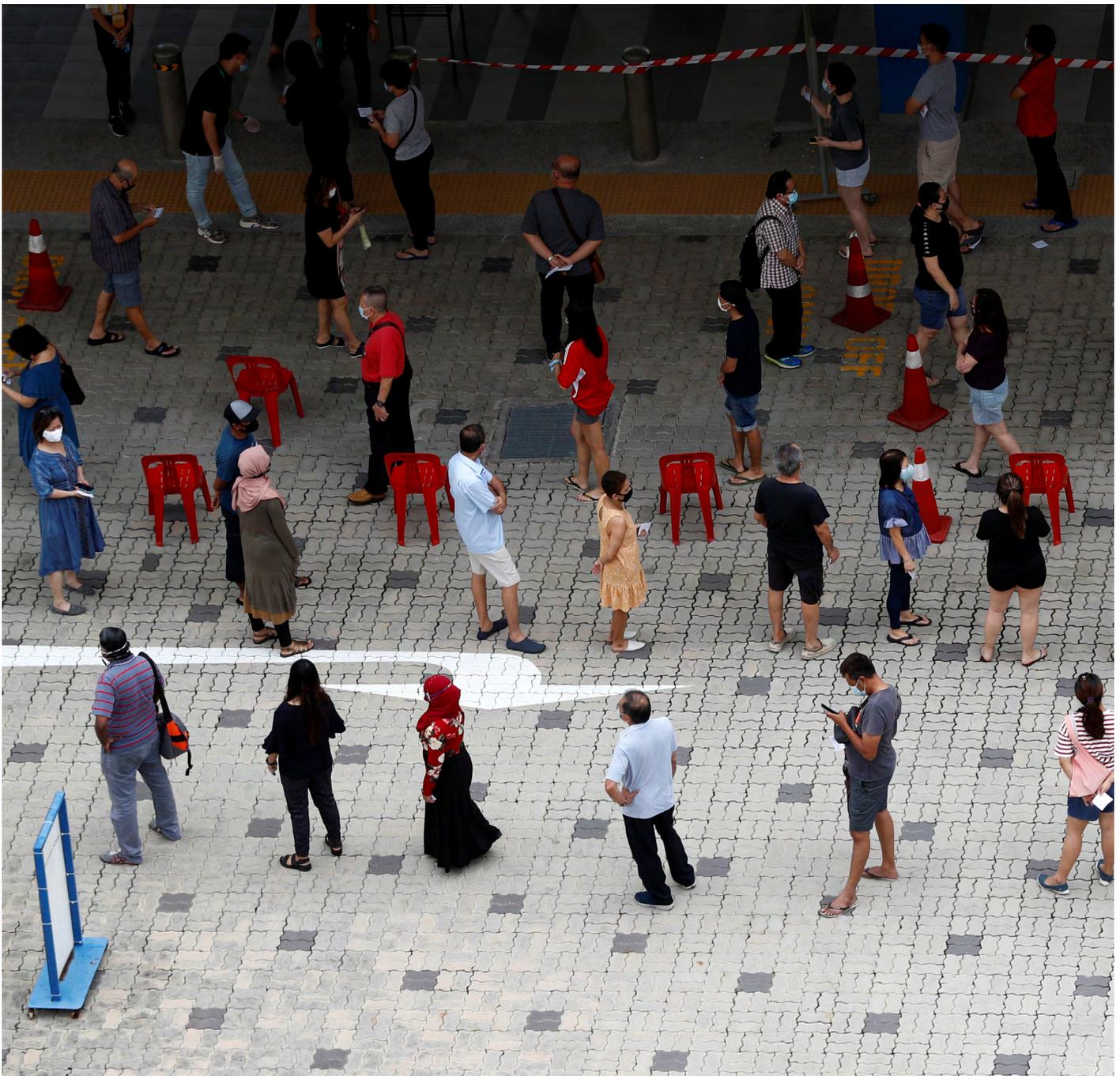
ASEAN youths in the gig economy and entrepreneurs faced funding constraints during the pandemic and needed support

Some 19% of respondents reported lack of funding as a key constraint during social distancing. Among them, entrepreneurs and youths in the gig economy faced the greatest funding constraints.

External sources of funding, such as family and friends, banks, government and online financing, became more important:

- Only 33% said they relied more on bank loans
- 31% relied on government support
- 23% turned to online financing
- 14% resorted to informal financing

These issues underscore the need for public-private partnership to provide funding support to ASEAN youth. Policies such as government credit programmes, digital financing promotion, e-payments adoption promotion, and financial literacy improvement would be essential for ASEAN youth, particularly young entrepreneurs.



1

Foreword

We invite leaders of ASEAN to join forces to respond in a timely manner to the needs of the region's youth.



Joo-Ok Lee
Head of the Regional Agenda,
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Santitarn Sathirathai
Group Chief Economist, Sea

Recognizing that statistical insight is key for feasible and effective policies, the World Economic Forum has for decades been promoting data-driven policy-making across the globe. In ASEAN, where youths under the age of 35 comprise the majority of the region's population, the Forum has partnered with Sea since 2017 to survey annually their perspectives on key regional matters. The objective is to generate important insights to help inform and shape ASEAN policies and unlock the full potential of the region's demographic dividend.

As the COVID-19 pandemic swept through the ASEAN region, the focus of the survey this year is on the impact of social distancing on ASEAN youth, uncovering how they have coped with the challenges during the pandemic and exploring the support they need as the region works towards an inclusive and sustainable recovery.

The responses from more than 68,000 youths revealed a silver lining for the region: the youth will likely come out of the pandemic benefiting from an unprecedented level of digital transformation, a precious life-long learning and growth mindset, more resilient, more creative and better prepared for future uncertainties. The challenges the youth faced during social distancing, however, uncovered significant gaps in digital skills, digital infrastructure and funding among ASEAN youth. Multistakeholder efforts to address these gaps are needed more than ever before.

We invite leaders of ASEAN to join forces to respond in a timely manner to the needs of the region's youth. We look forward to impact-oriented actions for the youth to harness their full potential.

2

Full report

ASEAN youths adjusted to the COVID-19 environment by significantly increasing their digital footprint and the trend is likely to last beyond the pandemic.



2.1 Introduction

Since 2017, the World Economic Forum has partnered with Sea, a Singapore-based global consumer internet company, to survey and analyse the aspirations of youths between 16 and 35 years old in the ASEAN region. As more than 60% of ASEAN's population are under 35 years of age, understanding the views, priorities and concerns of the region's young population is essential for policy-makers. Our survey is designed to offer statistical insights into this understanding, to help inform and shape ASEAN government policies and unlock the full potential of the region's demographic dividend.

In 2020, the survey examined the impact of social distancing on ASEAN youths, particularly the challenges they faced in working and

studying remotely and how they responded to those challenges. It also looked at the digital transformation trends among ASEAN youths, their key learnings from social-distancing, their need for support and their prospects post-COVID-19.

The survey was conducted online through Sea, which operates an e-commerce platform Shopee, a digital entertainment business Garena, and a digital financial services arm SeaMoney. Visitors to Shopee and Garena were invited to take part in the survey, with only those aged between 16 and 35 included in the results. In total, there were 68,574 responses collected, mainly from youth in Indonesia, Malaysia, the Philippines, Singapore, Thailand and Viet Nam. The survey was held in June 2020.

2.2 Accelerated and permanent digital transformation

ASEAN youths adjusted to the COVID-19 environment by significantly increasing their digital footprint and the trend is likely to last beyond the pandemic

We asked ASEAN youths how their use of certain digital tools has changed from before and during the COVID-19 pandemic, ranging from e-commerce services, social media, digital government services, food delivery, ride-hailing, to telemedicine. The responses revealed a significant increase in their digital footprint.

Some 87% of youths increased usage of at least one digital tool during the pandemic and 42% of youths picked up at least one new digital tool. Indonesia and Singapore generally saw a larger boost to digital tool adoption. For instance, more than 50% of youths in these two countries increased e-commerce buying during COVID-19.

Besides the inevitable surge in usage of online education services, enterprise resource planning (ERP) and virtual meeting tools for remote studying

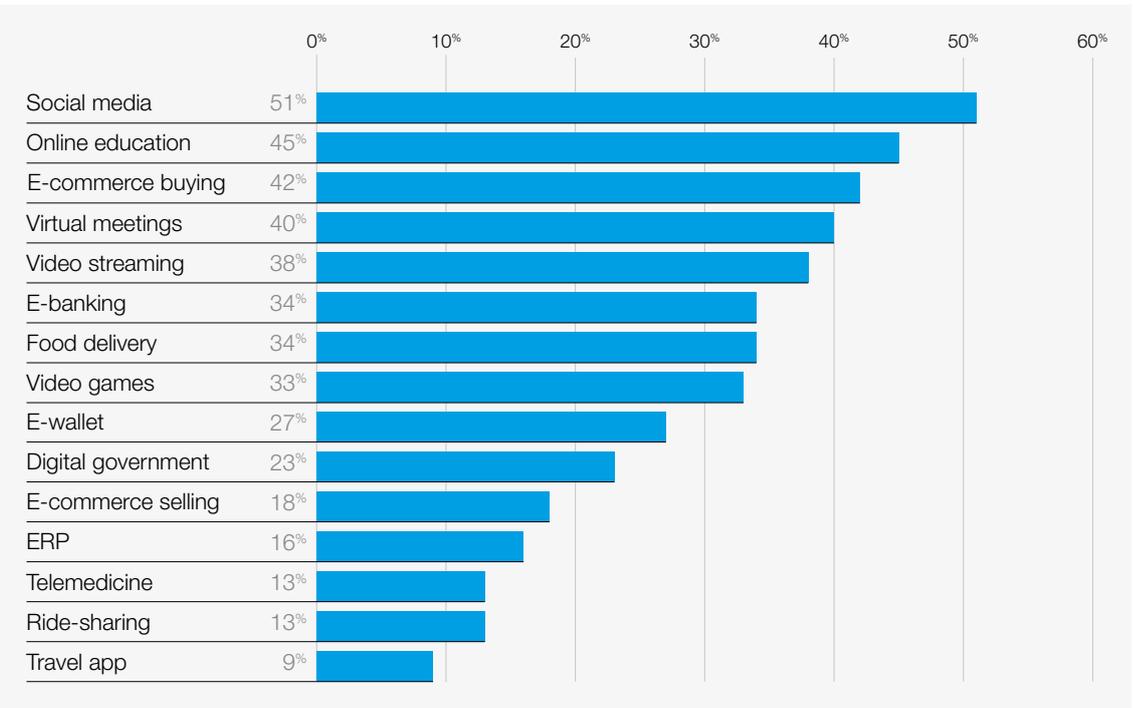
and working, many youths also, either for the first time or more often, went online for entertainment services such as social media (51% respondents) and video streaming (38%).

The increase in online shopping (42%), food delivery services (34%) and online selling (18%) also explained the increasing use of e-banking (34%) and e-wallet (27%), which would be critical for sustaining a vibrant e-commerce environment post pandemic (see Chart 1).

Looking specifically at respondents who identified themselves as entrepreneurs, the survey revealed that they were more likely to increase their usage of business-related tools during the pandemic. These tools include e-commerce selling, ERP, online banking, e-wallets, food delivery and ride-sharing. Across ASEAN, 33% of entrepreneurs used e-commerce selling more actively. One in four of those during the pandemic were using it for the first time. Increased adoption of e-commerce selling was highest among Indonesian entrepreneurs.

CHART 1 I used the following digital tools more or for the first time during COVID-19

Source: World Economic Forum and Sea, ASEAN Youth survey 2020 edition

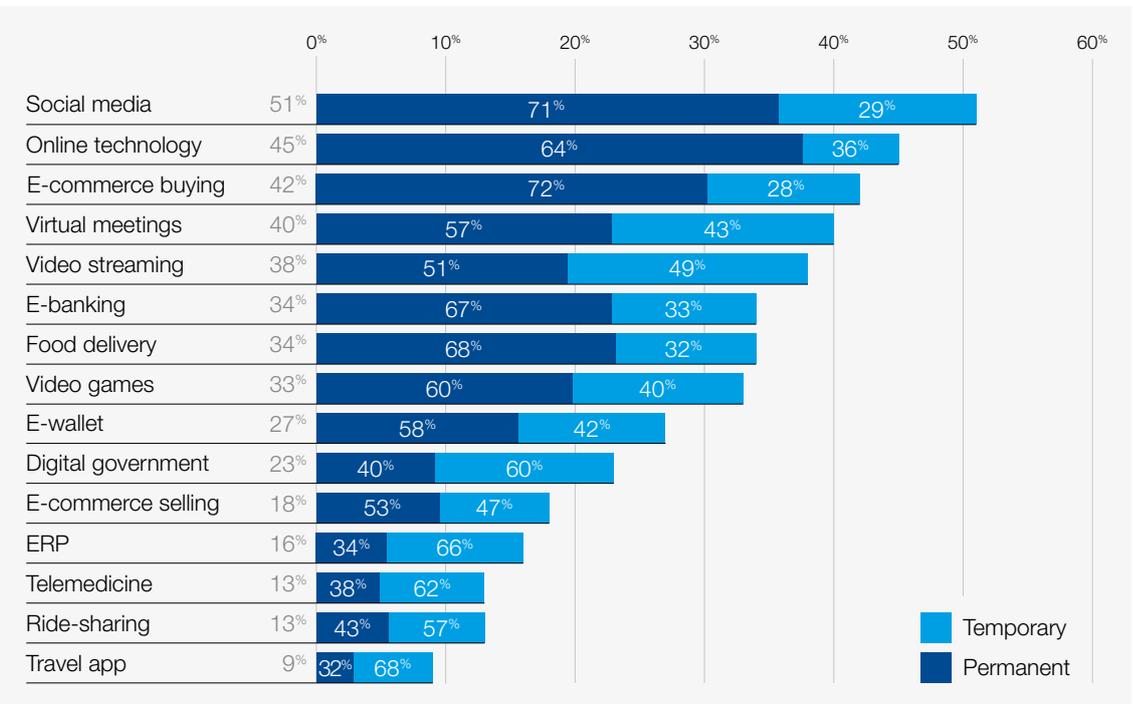


More importantly, this increase in digital adoption will likely last beyond COVID-19. More than 70% of youths believe their increased usage of social media and e-commerce buying will last beyond the

pandemic. More than 64% of youths believe their increased usage of online education, e-banking and food delivery will be permanent (see Chart 2).

CHART 2 Increase and permanence of digital tools
RG 2020 | Ranked by usage increase

Source: World Economic Forum and Sea, ASEAN Youth survey 2020 edition



Separately on e-government, 23% of respondents reported more frequent use or being first-time users of digital government services during the pandemic (of which new users accounted for 42%). However, less than 40% of respondents confirmed the intention to continue using digital government services post-COVID-19. This was perhaps linked

to the use of digital tools for the government to distribute stimulus packages and conduct contact tracing, which will be less relevant after the pandemic. If ASEAN governments are to boost the use of e-government services among the youth, now is the perfect window of opportunity to put relevant policies in place to capitalize on the momentum.

2.3 Resilience, adaptiveness and growth mindset

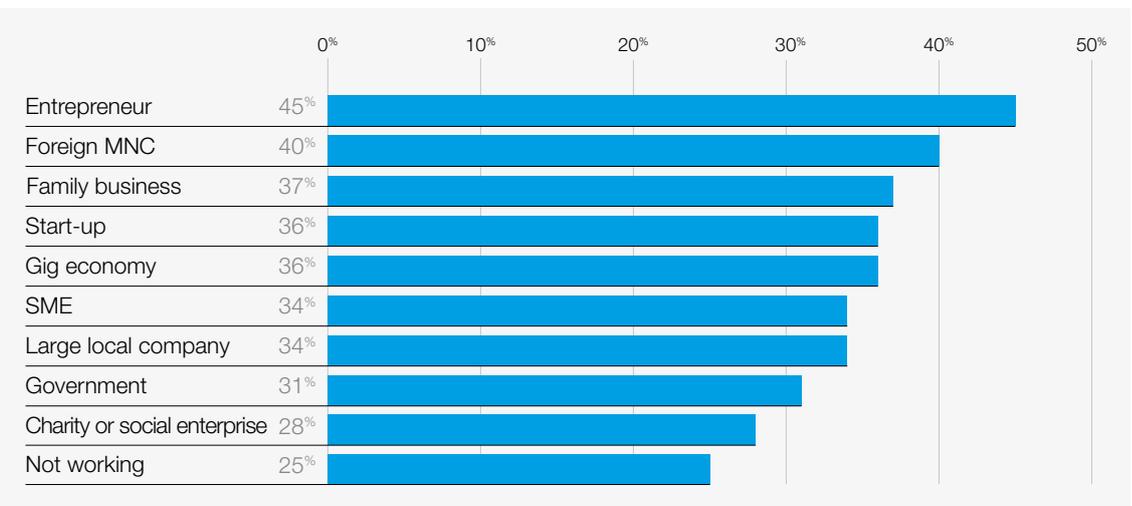
In adapting to the new environment, ASEAN youth exhibited signs of a growth mindset, resilience and nimbleness

Beyond just going digital, a significant portion of youths also exhibited signs of resilience and adaptability during COVID-19. They learnt to be even more resilient, picked up new skills, thought more creatively, and developed new business models and income streams.

In 2019, we asked ASEAN youths which skill they felt most confident about and the resilience and adaptability skill came out on top. This year's survey results confirmed their resilience in action. During social distancing, 48% said they had learnt to be more resilient and more prepared for future pandemics, 41% reported having learnt new skills, and 38% learnt to think creatively. Notably, 31% found new business models and new ways to improve income. This was especially true of entrepreneurs (see Chart 3).

CHART 3 Find new business and improve income (%)

Source: World Economic Forum and Sea, ASEAN Youth survey 2020 edition

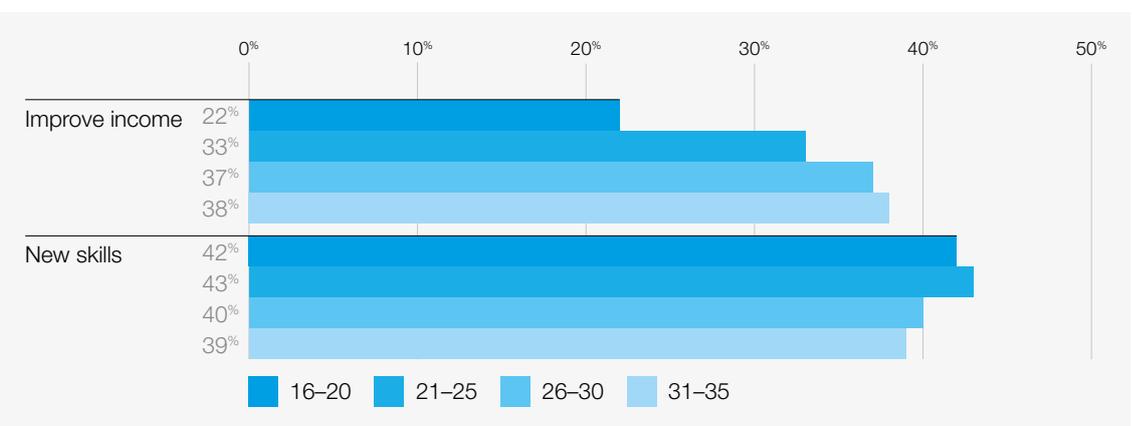


Youths with college education level or above proved to be more resilient. Those aged between 26 and 35 were more likely to cite finding new business models or new ways to improve their income as their key learnings from social distancing.

Meanwhile, those between 16 and 25 were more likely to report having learnt new skills as their key learnings from social distancing, which speaks to their nimbleness (see Chart 4).

CHART 4 Key learnings from social distancing by age

Source: World Economic Forum and Sea, ASEAN Youth survey 2020 edition



Online education bloomed among full-time students. Some 64% of full-time students surveyed said they used online education tools more actively during the pandemic. Out of those, 30% were using it for the first time. Furthermore,

70% of full-time students believe their increased usage of online education will last beyond COVID-19. This suggests a significant shift in ASEAN youths' view about online education in just a year. The survey on 56,000 ASEAN youths in

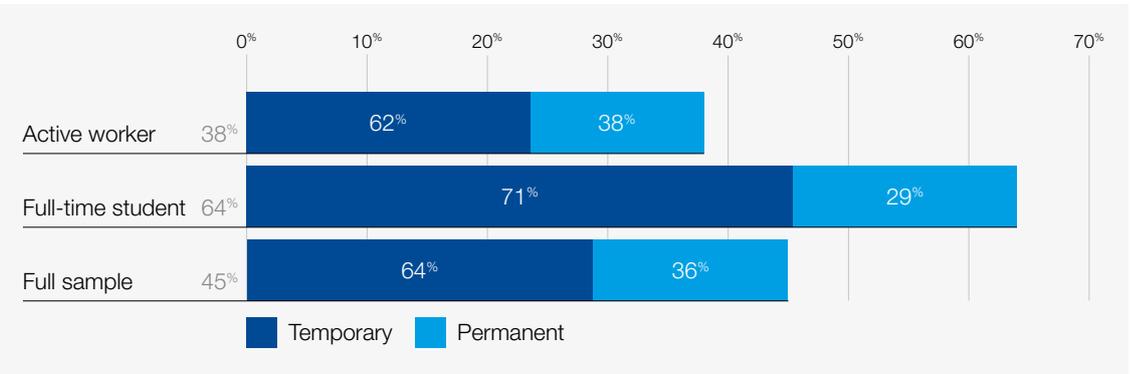
2019 showed that 52% respondents never used online education.

Even active workers are using online education more. Some 38% of active workers said they

were using online education more actively during COVID-19. Again, this is a big shift compared to responses in 2019, when only 8.1% of surveyed employees claimed to learn essential workplace skills through online training (see Chart 5).

CHART 5 Increase (more + first) and permanence of online learning RG 2020

Source: World Economic Forum and Sea, ASEAN Youth survey 2020 edition

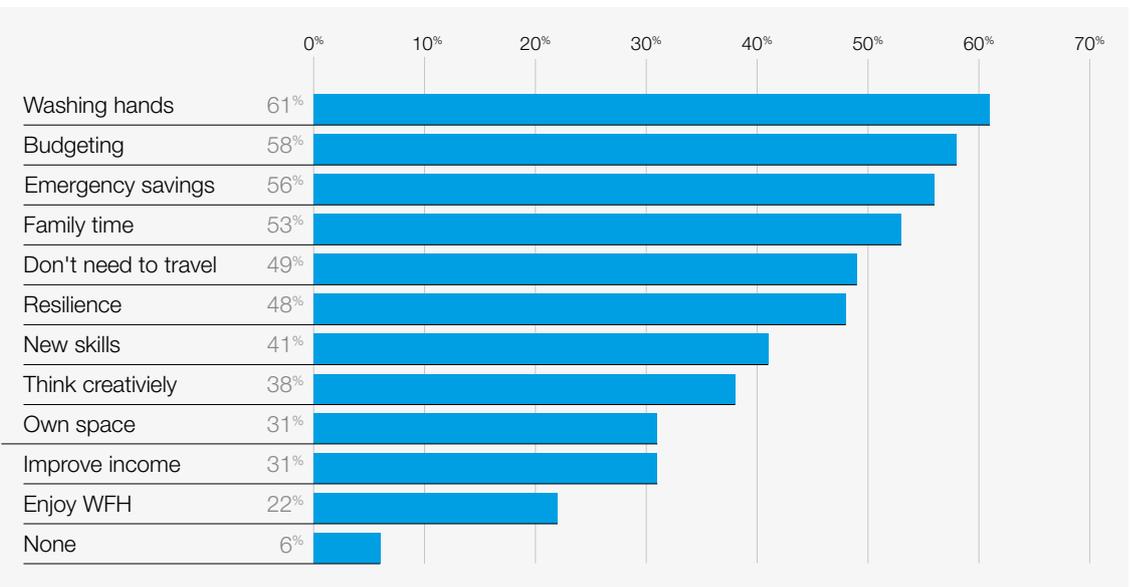


These trends regarding online education reconfirmed the strong aspiration of ASEAN youth for lifelong learning and their growth mindset, which was already clearly exhibited in the 2019 survey, with 52% respondents believing that their education and skills needed to be constantly updated and improved.

Furthermore, youths confirmed washing hands, budgeting and having savings for an emergency as the top three learnings from social distancing (see Chart 6).

CHART 6 What are your key learnings from social distancing?

Source: World Economic Forum and Sea, ASEAN Youth survey 2020 edition

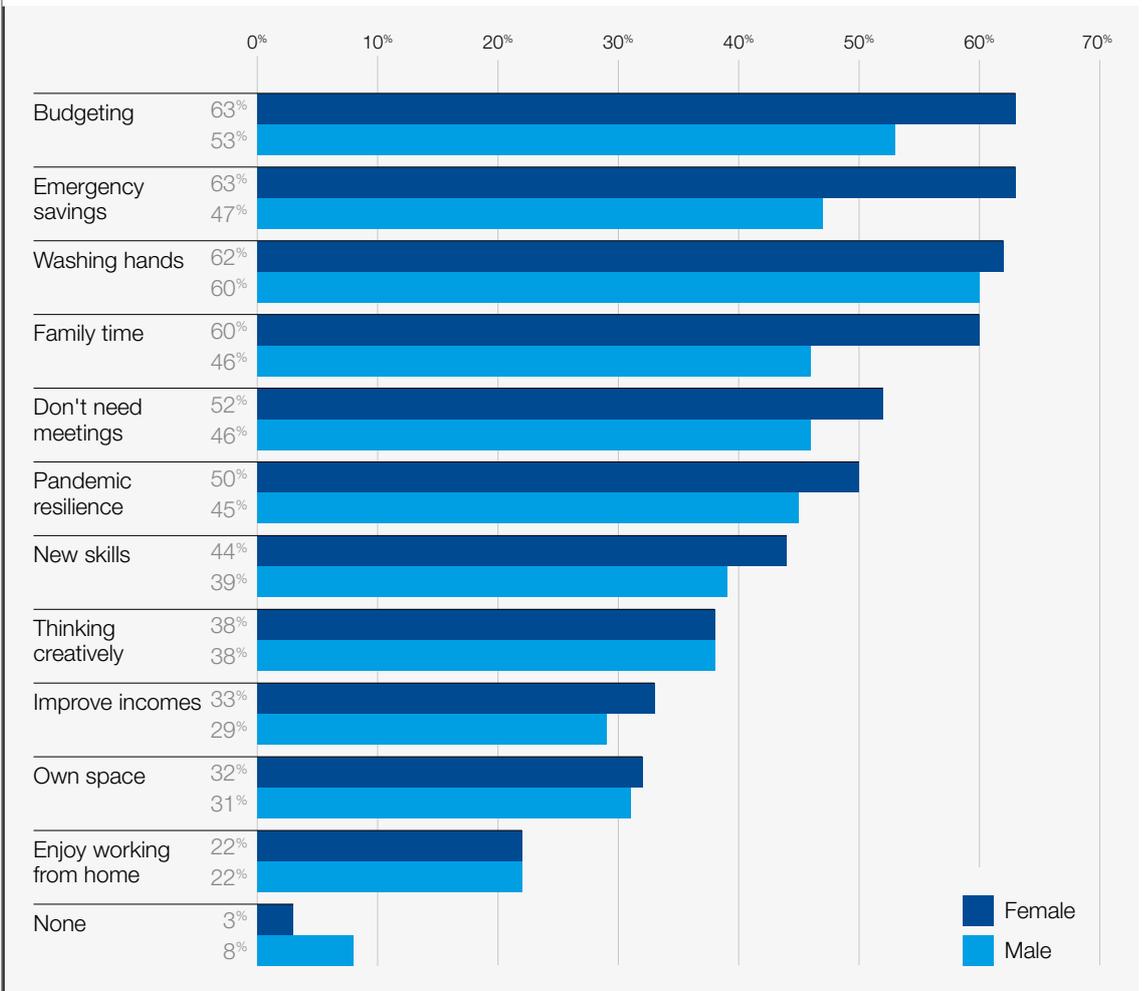


Interestingly, the survey revealed that women tended to achieve more key learnings from social distancing than men. Some 63% of women reported learning how to better prioritize spending compared to only 53% of men. Some 63% of

women cited appreciating the value of savings for emergencies compared to only 47% of men. And 44% of women confirmed learning new skills compared to 39% of men (see Chart 7).

CHART 7 Key social distancing learnings by gender

Source: World Economic Forum and Sea, ASEAN Youth survey 2020 edition



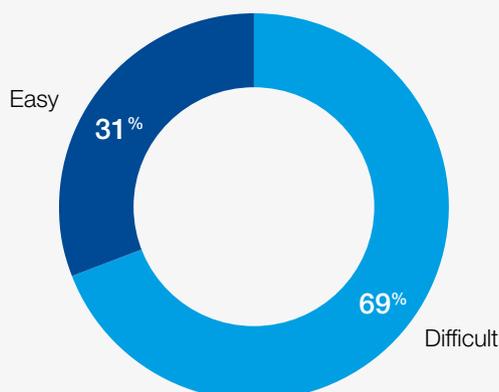
2.4 Gaps in digital skills and digital infrastructure

ASEAN youth faced challenges in remote working and studying during COVID-19, with lack of digital skills, and inadequacy/unavailability of quality and affordable internet connection found as most binding constraints

The COVID-19 pandemic has caused exponential disruptions to many aspects of our lives. For ASEAN youth, working and studying remotely

has not been easy. Across the region, 69% of respondents found it difficult to work or study remotely, including 7% that found it impossible (see Chart 8). Youths from the Philippines and Thailand experienced the most difficulties as reported by 78% and 76% respectively. Singapore and Viet Nam have the highest number of youths who found working and studying online easy, 49% and 48% respectively.

CHART 8 Remote working difficulty



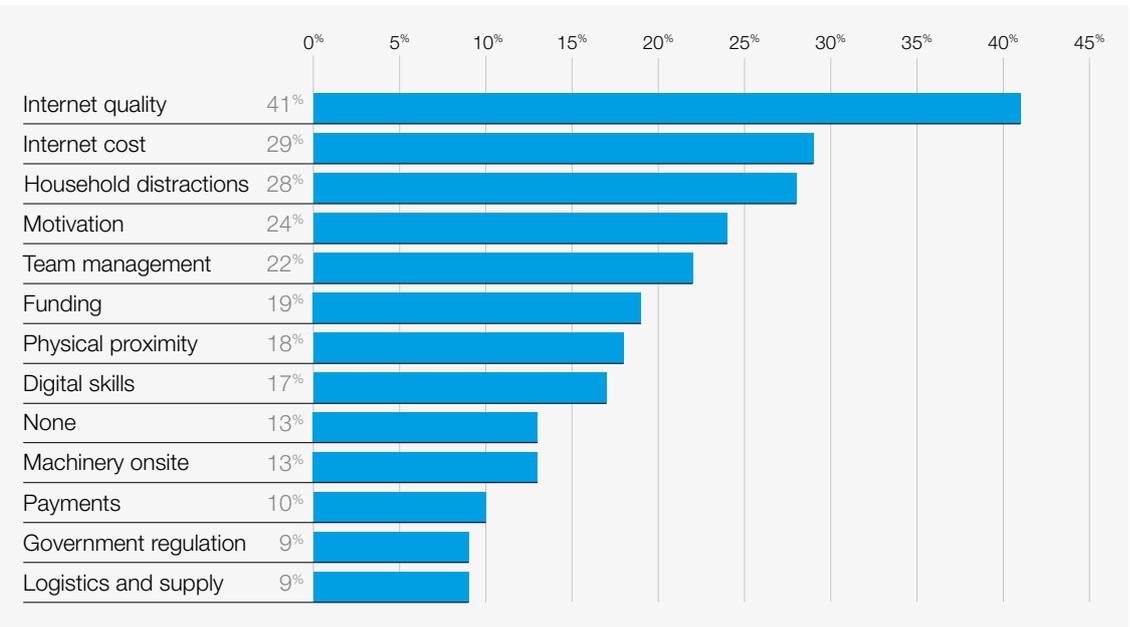
Source: World Economic Forum and Sea, ASEAN Youth survey 2020 edition

While 31% of respondents found working/studying from home easy, only 13% of them reported no constraints at all. Weak internet quality, high internet costs, household distractions, lack of motivation

and difficulties with team management/coordination were the top five most commonly cited constraints (see Chart 9).

CHART 9 Which constraints do you face while working or studying remotely?

Source: World Economic Forum and Sea, ASEAN Youth survey 2020 edition



Access to an affordable, quality internet connection and a lack of digital skills were the most binding

constraints to remote working as they hinder the completion of tasks (see Chart 10).

CHART 10 Remote working ease by constraint

Source: World Economic Forum and Sea, ASEAN Youth survey 2020 edition



The order of top constraints varies slightly between active workers and non-active workers, with more of the former reporting constraints related to the nature of work, such as the need to be physically close to customers and team management/coordination, while lack of motivation was more of an issue with the latter.

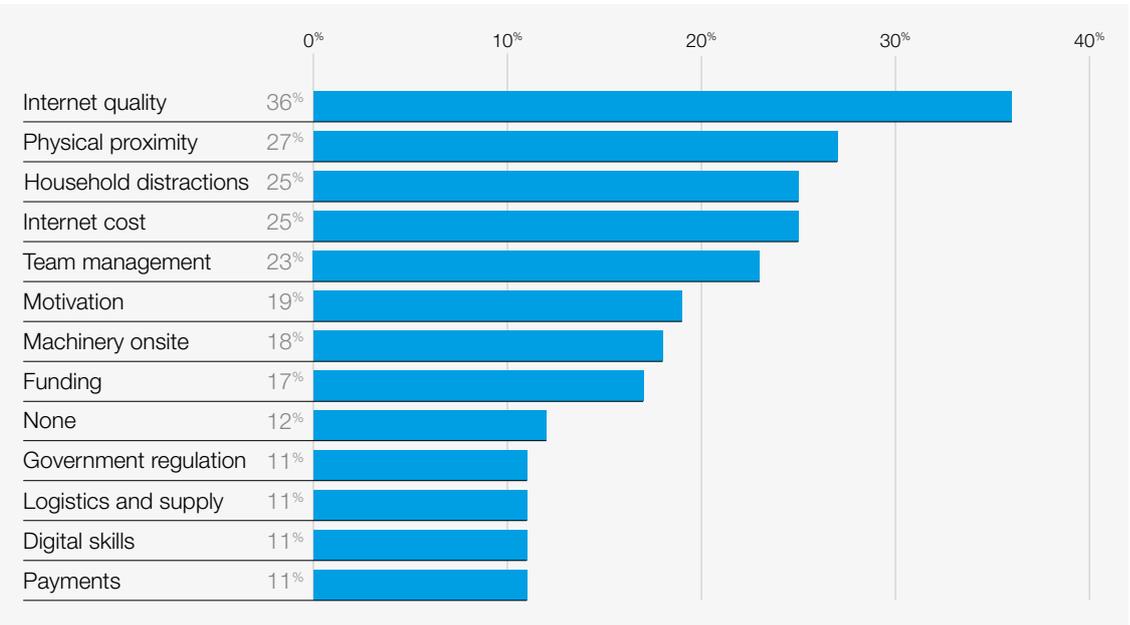
The survey results also suggested that the less digitally ready youths, those with below college education and those living outside capital cities, were far more likely to face difficulties with remote working or studying remotely during the pandemic. Some 84% of those not comfortable with using digital tools to do their job found it difficult to work remotely.

Among active workers, younger ones, those living outside capital cities, and workers in the education and agriculture sectors, were more likely to face constraints on internet quality, internet costs and

lack of digital skills. Those working for the gig economy and SMEs faced greater challenges in accessing high-quality internet (see Chart 11).

CHART 11 Remote working constraint of active workers

Source: World Economic Forum and Sea, ASEAN Youth survey 2020 edition



We also separately asked ASEAN youths to rate their internet quality and affordability. Some 20% reported poor internet quality and 25% found the internet expensive. The responses on quality and affordability also varied among youth from different countries. In Viet Nam, for example, 88% said their internet connection was affordable but only 17% reported good-quality internet connection. In

Indonesia, 29% found the internet expensive but 43% enjoyed good quality.

These findings suggest the need for the ASEAN region to invest in equipping youth with essential digital skills and improve digital infrastructure to provide quality and affordable internet.



2.5 Funding gaps

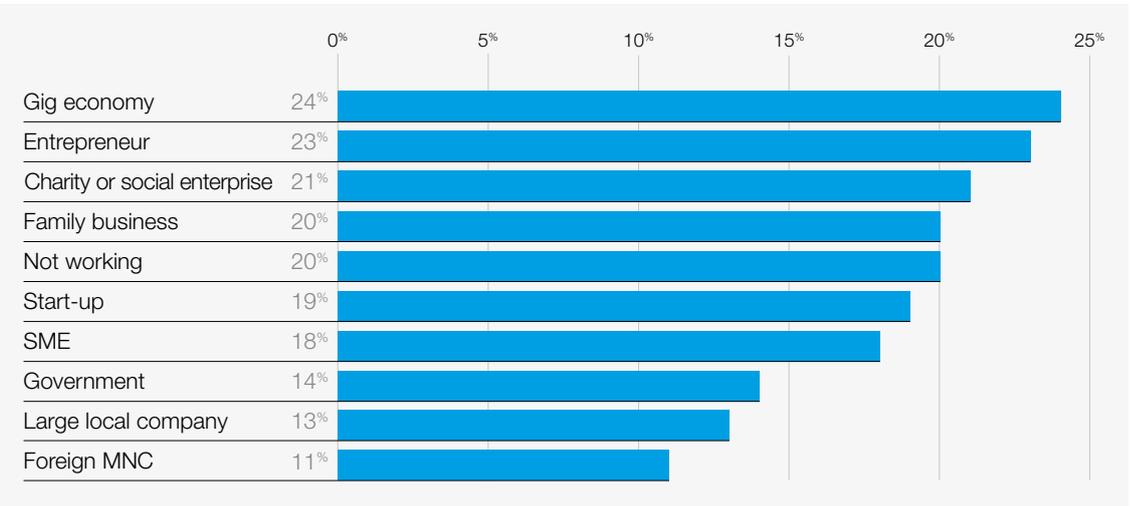
ASEAN youths working in the gig economy and entrepreneurs faced funding constraints during the pandemic and needed support

Across ASEAN, 19% of respondents reported not

having enough funding as a key constraint during social distancing (see Chart 9). Among them, together with entrepreneurs, youths working in the gig economy faced the greatest funding constraints (see Chart 12).

CHART 12 Those with funding constraints by organization type

Source: World Economic Forum and Sea, ASEAN Youth survey 2020 edition

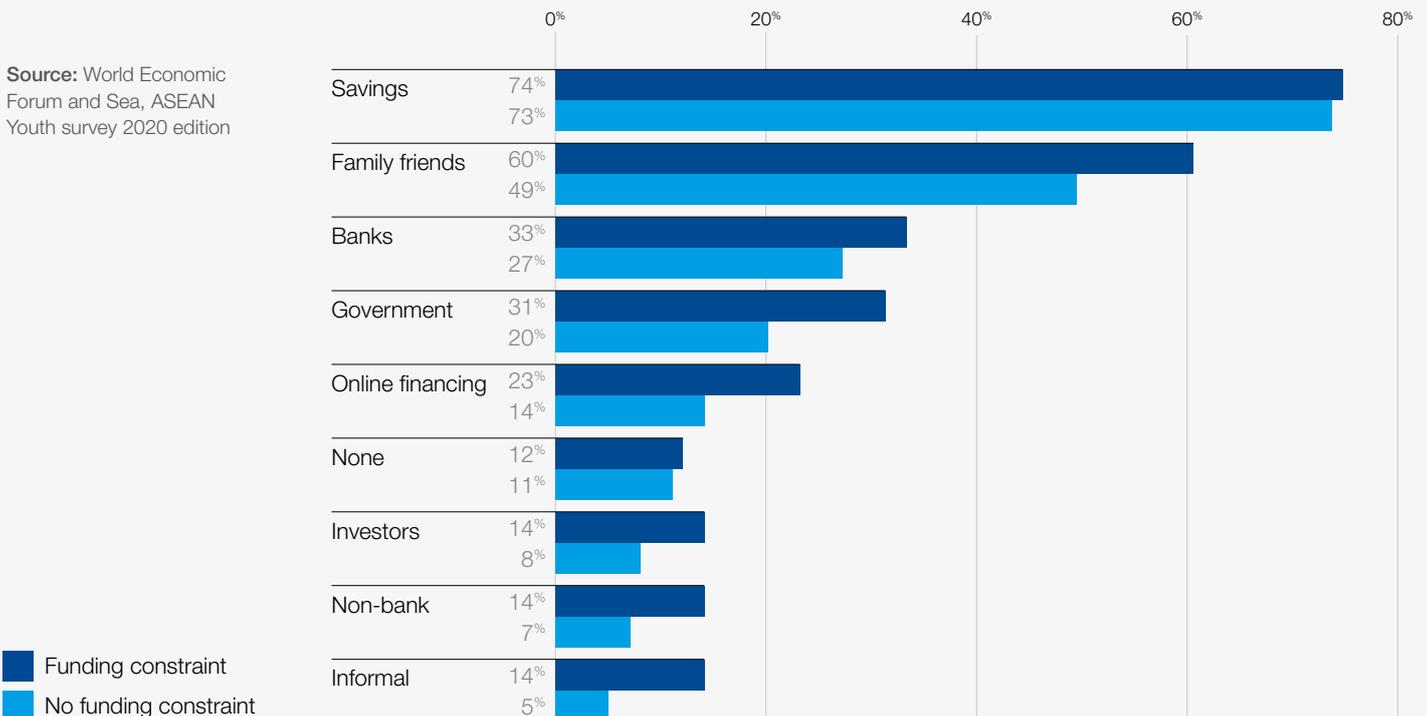


External sources of funding, such as family and friends, banks, government and online financing, became more important during the COVID-19 pandemic. Only 33% of those who faced funding

constraints said they relied more on bank loans, while 31% relied on government support and 23% turned to online financing. Some 14% had to turn to informal financing (see Chart 13).

CHART 13 Source of finance of those with funding constraint RG 2020 | Full sample

Source: World Economic Forum and Sea, ASEAN Youth survey 2020 edition



These findings point to the important role of public-private partnerships in helping those with limited access to banks receive the funding they need. Stimulus packages such as government credit programmes are particularly needed to address the cashflow problems of young ASEAN entrepreneurs. Other policies to promote digital financing services should also be put in place quickly, and these policies should be coupled with investments in improving financial literacy for ASEAN youth.

Furthermore, given that e-payment is among the third most adopted digital services among ASEAN young entrepreneurs and that entrepreneurs used e-commerce selling more actively during the pandemic, enabling national and regional e-payment policies are also needed immediately.



2.6 Conclusion

The 2020 edition of the ASEAN Youth Survey offered a great opportunity to understand the impact of social distancing. It revealed the challenges in working and studying remotely and demonstrated youth's resilience and adaptability in coping with these challenges.

The way ASEAN youths have responded to these disruptions suggests that they will come out of the pandemic more creative in the way they think and do business, more skilled, more tech-savvy and more resilient.

The unprecedented digital transformation that has taken place among the youth during the pandemic offers a promising future for the region's digital economy, which can be a key driver for ASEAN's inclusive and sustainable growth.

The realization of such a future requires multistakeholder cooperation for timely investment in ASEAN youths' digital skill capabilities, in improving the quality and affordability of digital infrastructure, as well as in bringing sufficient funding to young entrepreneurs.

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