



Impact of COVID-19 on Labour and a New Way of Working: How Thailand Coped with COVID-19?

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COVID-19 crisis: The Impact on Labour

From the National Statistical Office numbers, the workforce numbers in Thailand are 37.6 million people.

The most vulnerable sectors are tourism, recreation, restaurants, recreation, services, as well as retail, wholesale, and part-time groups, and private business owners

COVID-19 crisis: The Impact on Labour

Before the crisis of COVID, The Thai economy is already slowing down, based on the first 10 weeks of 2020. From January until before the lockdown period in mid-March

The number of newly opened businesses decreased by 5.3% from the same period last year. While the number of closed businesses increased by 20.4%, indicating that new businesses were less than businesses that had to close.

COVID-19 crisis: The Impact on Labour

The impact of the COVID-19 outbreak to the employment average working hour of private sector

reduced from 43.5 to 42.8 hours/week

In addition, those who worked for more than 50 hours/week decreased by 9.0 %

COVID-19 crisis: The Impact on Businesses

Tourism sector:

revenue from foreign tourists, which accounts for about 12% of Thai GDP.

The situation of COVID and locking down in the past April resulting in negative tourism income -100% compared to the same period of the year.

COVID-19 crisis: The Impact on Businesses

Exports sector

Export income accounts for approximately 50% of Thai GDP. |

From the global recession, expects that the 2020 export figures will be negative -12.9%.

COVID-19 crisis: The Impact on Businesses

Social Distancing:

Affect domestic spending. Especially face-to-face businesses such as tourism, travel, recreation, hotels, as well as high-priced fixed items such as cars that are mostly negative numbers.

There will be some positives which are Online businesses Food delivered by the SCB EIC predicts that one-month lockdown will reduce spending by -7.3% and result in a 2020 GDP figure negative -0.6%.

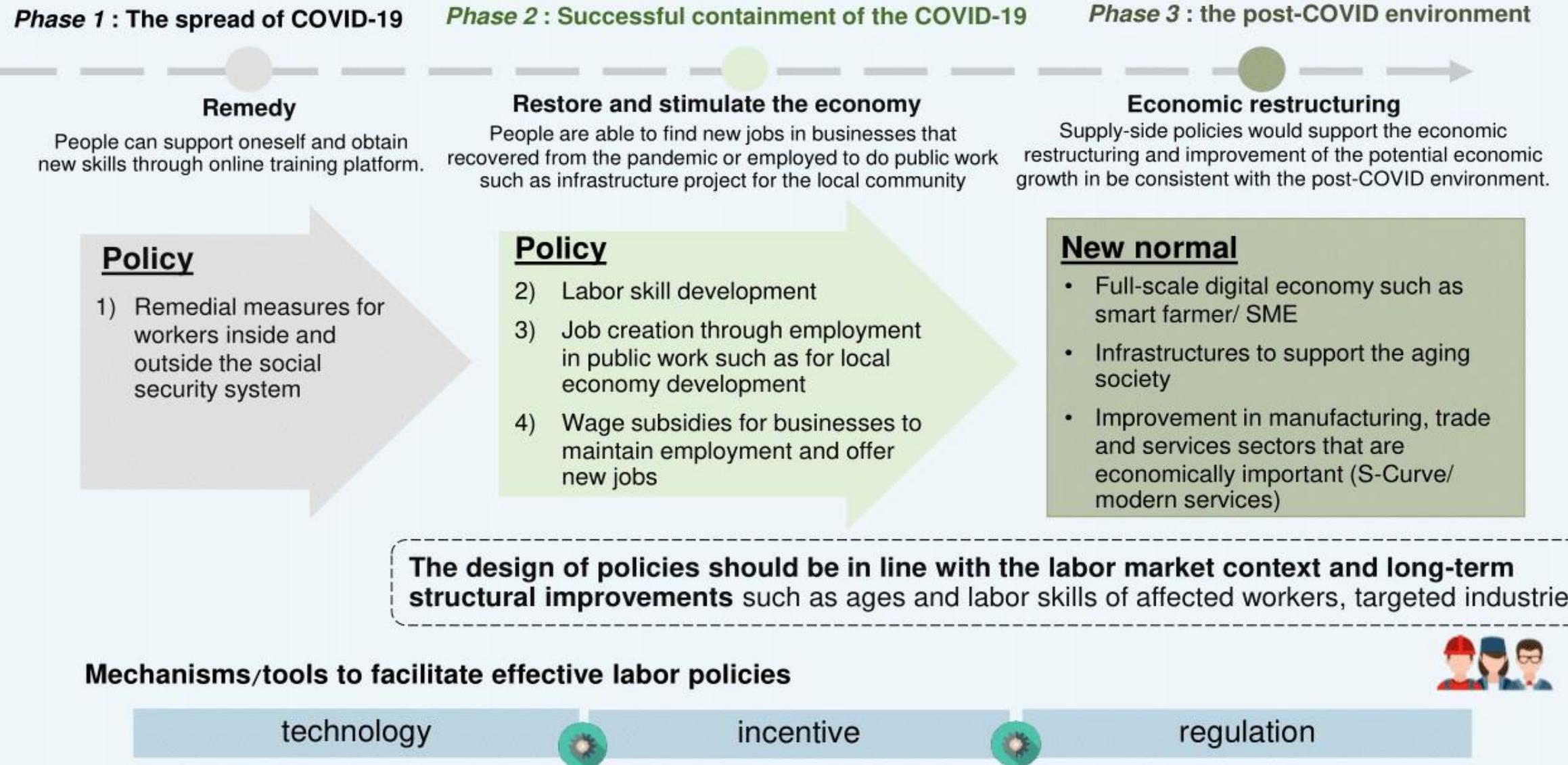
Chart 1 Supports for labors affected by the COVID-19, classified by group of labors

Group of labors	Impact	Assistance from businesses	Public assistance
<i>Labors in the social security system:</i>			
1. Unemployed person	Unemployment and income loss	-	Employees are entitled to social security benefits for an additional period of 6 months
2. Work cessation due to force majeure	Job positions maintained, but cease working and suffer income loss	Businesses may ask employees to leave without pay	The Social Security Office compensates at a rate of 62% of daily wages for a period of 3 months
3. Temporary work cessation under section 75	Job positions maintained, but cease working and suffer <i>partial</i> income loss	Employers have to compensate at least 75% of daily wages during the work cessation period	-
4. Adjustment to hourly employment contract (old and new employees)	Job positions maintained, but work for <i>fewer</i> hours and suffer <i>partial</i> income loss	Employees get paid on an hourly basis.	-
<i>Labors outside the social security system:</i>			
5. Freelancers/ workers outside the social security system	Work for <i>fewer</i> hours and suffer <i>partial</i> income loss	-	“Rao Mai Ting Gun” project (The government offers 5,000-baht cash handouts per person for 3 months.)
6. Farmers	Work for <i>fewer</i> hours and suffer <i>partial</i> income loss	-	Relief measure for farmers (The government offers 5,000-baht cash handouts for 3 months.)
7. Newly graduates	Unable to find job and suffer income loss	-	The government considers hiring new graduates as requested by government agencies.

How Thailand Coped with COVID-19?

The cabinet approved an estimated 400-billion-baht relief package to relieve the impact of the epidemic on business operators and individuals. The package includes 150-billion-baht soft loans to support liquidity for business operators, debt restructuring measures, tax benefits, and deferral of payments, as well as measures to lower business expenditures such as reducing rent on state land, utility prices and contributions to social security fund.

Chart 2 Labour policies after the COVID-19 outbreak : Focus on stimulating the economy, creating jobs, and promoting an upskill of labor in response to the new economic landscape



How Thailand Coped with COVID-19?

The highlight is 5,000 baht cash handouts to temporary employees and self-employed workers who are not covered by the social security fund.

SMEs can deduct expense 3 times of the amount paid as employees' salaries from April to July 2020 for the employees who are insured persons and receive salaries not exceeding 15,000/month (to encourage companies not to lay off staff).

How Thailand Coped with COVID-19?

The government's “Khon La Khrueng” (Let's Go Halves) co-payment stimulus programme has generated consumer spending of 13.76 billion baht in its first three weeks. More than 650,000 small merchants have participated in the co-payment scheme and 7.83 million people have applied for the subsidies offered. Of the 13.76 billion baht in total spending, 7.01 billion was spent by registered consumers, while the government paid out 6.75 billion. Average daily spending was 207 baht per transaction.

How Thai companies deal with COVID-19 crisis?

20% of Thai companies currently have a policy that allows their employees to work from home permanently to protect their employees from COVID-19 and also save themselves some operating costs, such as office rent, utility bills and other maintenance costs

How Thai companies deal with COVID-19 crisis?

Nissan Motor (Thailand)

The company has already implemented an **extensive work-from-home policy for office employees** as part of the wider effort to contain or limit the spread and impact of the virus. Human resources department **adjusted the employee experience, including providing opportunities for employees to meet, connect and build communities so they are more engaged.** Nissan have a clear policy on time-out/vacation for employees and protocols for break times during the day.

How Thai companies deal with COVID-19 crisis?

Nissan in Thailand has launched a new '**CARE FOR YOU - New Normal Life**' campaign, to again provide the best support to customers and ensure their continued safety during the latest rise of COVID-19 cases.

Aftersales service introducing convenient on-site and vehicle pickup services for periodical maintenance for customers (Their vehicles will receive scheduled maintenance without the need to leave their homes.)

How Thai companies deal with COVID-19 crisis?

Drive at your home offering prospective Nissan car buyers an option to test-drive selected models from the comfort of their own homes. Anyone can follow simple steps to register for a test drive through the [Nissan website](#) or [Nissan Facebook page](#). Once confirmed, the vehicle of their choice is carefully disinfected for maximum safety and is delivered to their home so they can have the most convenient and safe test drive.

How Thai companies deal with COVID-19 crisis?

Key preventive measures for COVID-19 at Nissan showrooms and service centers across the country. Disinfecting the service center every two hours; temperature checking all employees and customers when they enter the dealership; ensuring that staff wear face masks at all times; providing alcohol gel throughout the premises; and consistently disinfecting key vehicle touchpoints like the steering wheel, gear shift, seats, door handles, front console panels, etc.

The situation of dispute due to COVID-19 pandemic

Issues

- The term “Leave without pay” has not been mentioned in the law, only the terms "to resign" and "forced to resign unfairly". Employees have filed a lawsuit with the Labour Court, and in the past some of the sued companies went into bankruptcy.
- Many companies cannot pay severance pay to an employee whose employment is terminated during Covid-19.

Protecting Job & Avoiding Dispute

Sluggish market conditions mean the automotive manufacturing sector does not want to accept new graduates or unskilled labour. The employment outlook after the Covid-19 crisis will change as more workers will be replaced by robots and increased automation will come into play.

The industry needs to prepare people to improve the technical skills of automotive industry workers must be accelerated during the transition to modern automobile manufacturing that includes demand for computer skills and foreign languages.

Protecting Job & Avoiding Dispute

- **ECOT providing free consulting in labor law and any related labor.**
- **ECOT conducting Labour Dispute Program to provide Employers and Workers with an in-depth & comprehensive knowledge on Thailand Labour Laws Employment Regulation. The aim is to avoid any potential unlawful practices, employment & labour disputes with important legal updates on employment issues. How to make decision on the salary/wage/benefit schemes applied when employing or terminating employees. Strategies & efficient methods to handle people issues during various situations will be explained including case studies from precedent legal cases and real experiences will be used to draw key insights and the best practices for future applications. In particular, key pitfalls & lessons to minimize company's potential risks and avoid the litigation of wrongful termination will be scrutinized to minimize corporate legal risks.**



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THANK YOU