



ASEAN YOUTH REPORT

COVID-19: THE TRUE TEST OF RESILIENCE AND ADAPTABILITY

By Sea Insights

July 2020



About Us

About the Company

Sea Insights is Sea's research and public policy unit. Its mission is to develop a deeper understanding of the rapidly evolving digital economy in Southeast Asia and Taiwan. Its research aims to inform leaders, from both the private and public sectors, on critical policy and strategy matters facing the digital ecosystem in the region.

Sea is a leading global consumer internet company. Sea's businesses include Garena, a leading global online games developer and publisher, Shopee, the largest pan-regional e-commerce platform in Southeast Asia and Taiwan, and SeaMoney, a leading digital payments and financial services provider in Southeast Asia.

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Source

These findings are based on the 2020 ASEAN Youth Survey done in collaboration with the World Economic Forum. This year, we reached close to 70,000 young people aged 16 to 35 through our Garena and Shopee platforms.

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EXECUTIVE SUMMARY

COVID-19: The true test of resilience and adaptability

Our research suggests that ASEAN youths demonstrated extraordinary resilience and adaptability in the midst of the challenges arising from COVID-19.¹

First, ASEAN youths adjusted to the COVID-19 environment by significantly increasing their digital footprint. 87% of youths increased usage of at least one digital tool during the pandemic, while 42% picked up at least one *new* digital tool.

Second, beyond just going digital, ASEAN youths also exhibited a growth mindset. 72% of youths showed signs of resilience and adaptability, by either picking up new skills, thinking creatively, creating new sources of income, or learning to be more resilient and prepared for future pandemics. This is particularly true for females.

Remote working and studying was tough during COVID-19. All this is not to say that adjusting to COVID-19 were easy by any means. In fact, a substantial majority of youths (69%) found it difficult to work or study remotely during the pandemic, including 7% who said it was impossible. Those who lack digital skills and access to affordable and quality internet found it the toughest.

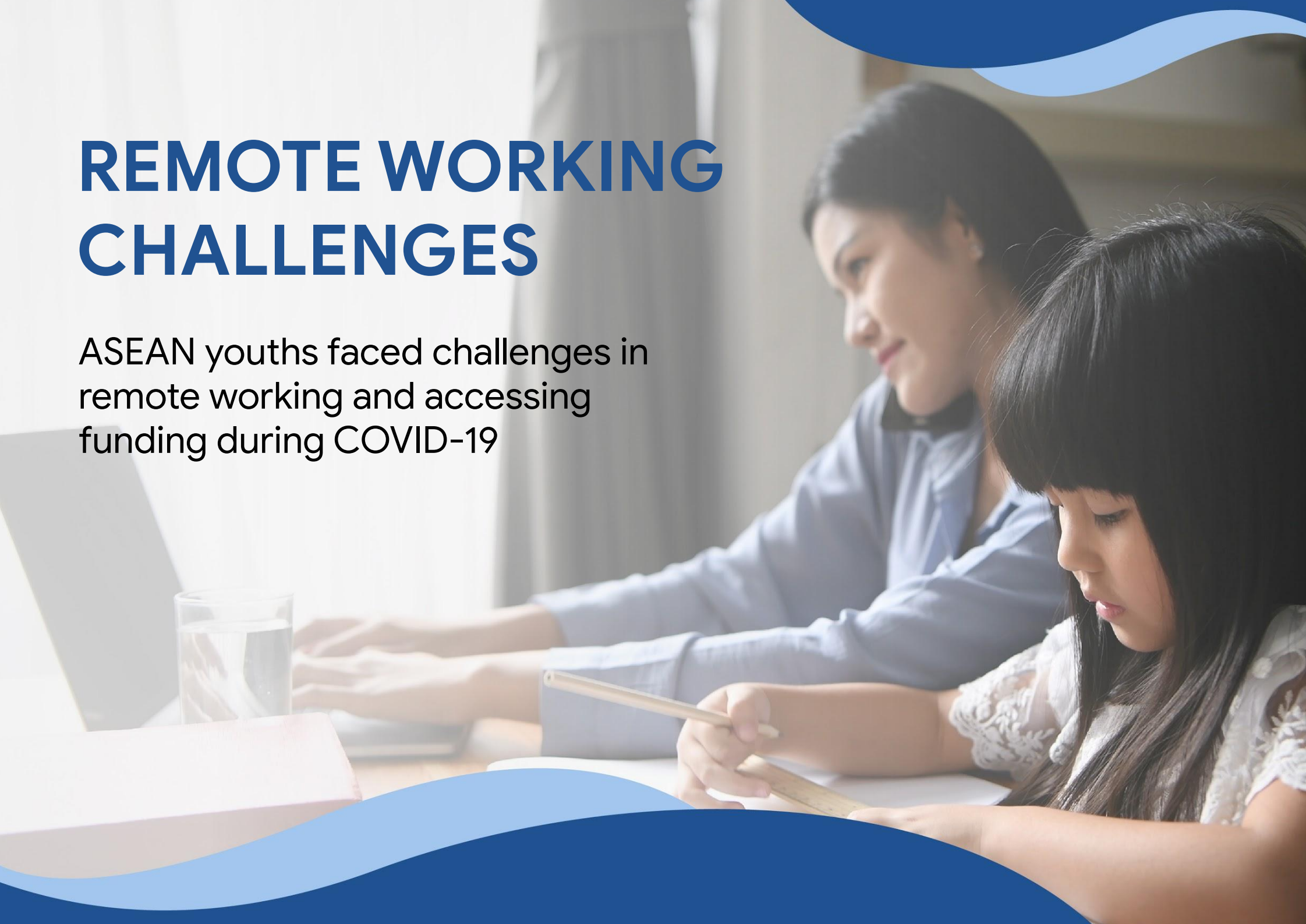
A lasting impact beyond COVID-19. More than 60% said they will permanently increase their usage of key digital tools such as social media, e-commerce, online education and e-banking. Even after the virus is brought under control, digital tools are likely to be an integral part of people's lives and businesses. Digital economy can and should play important role in supporting recovery in the real economy.

We need to close three key gaps. The report identifies gaps in 1) digital skills, 2) digital access, and 3) funding that must be tackled to foster inclusive and resilient economic growth in the post-COVID-19 world. This requires strong collaboration between the public, private, as well as the social sector.

1) Based on the 2020 ASEAN Youth Survey in collaboration with the World Economic Forum. See Appendix for more details of survey methodology.

REMOTE WORKING CHALLENGES

ASEAN youths faced challenges in remote working and accessing funding during COVID-19



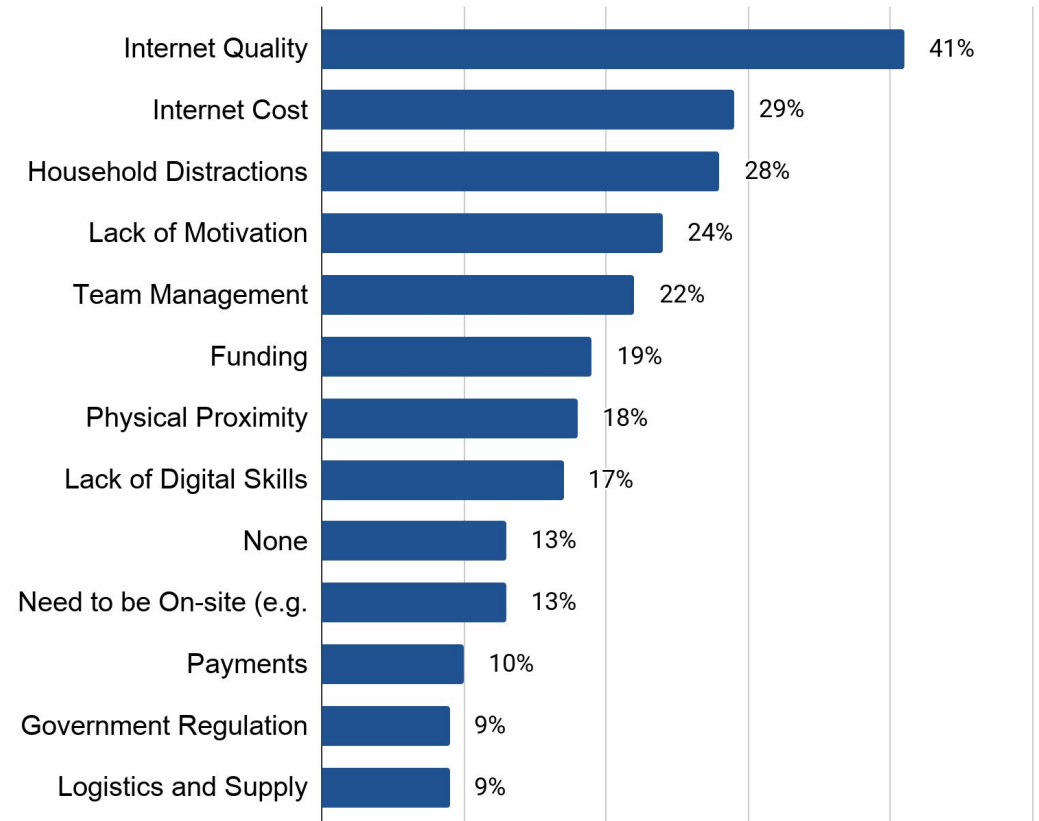
Remote working and studying was challenging for the vast majority of ASEAN youths

69% of youths said that it was **difficult** to work or study remotely. This includes **7%** who said it was **impossible**.



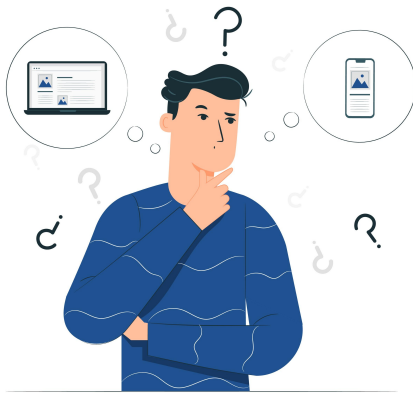
Most commonly cited constraint to remote working

% of respondents



Lack of digital skills and access to affordable internet are the most binding constraints to remote working

Top 3 most binding constraints to remote working or studying



84%

who lack key digital skills found it difficult to work or study remotely



79%

who face expensive internet found it difficult to work or study remotely



78%

who have problems with team management found it difficult to work or study remotely

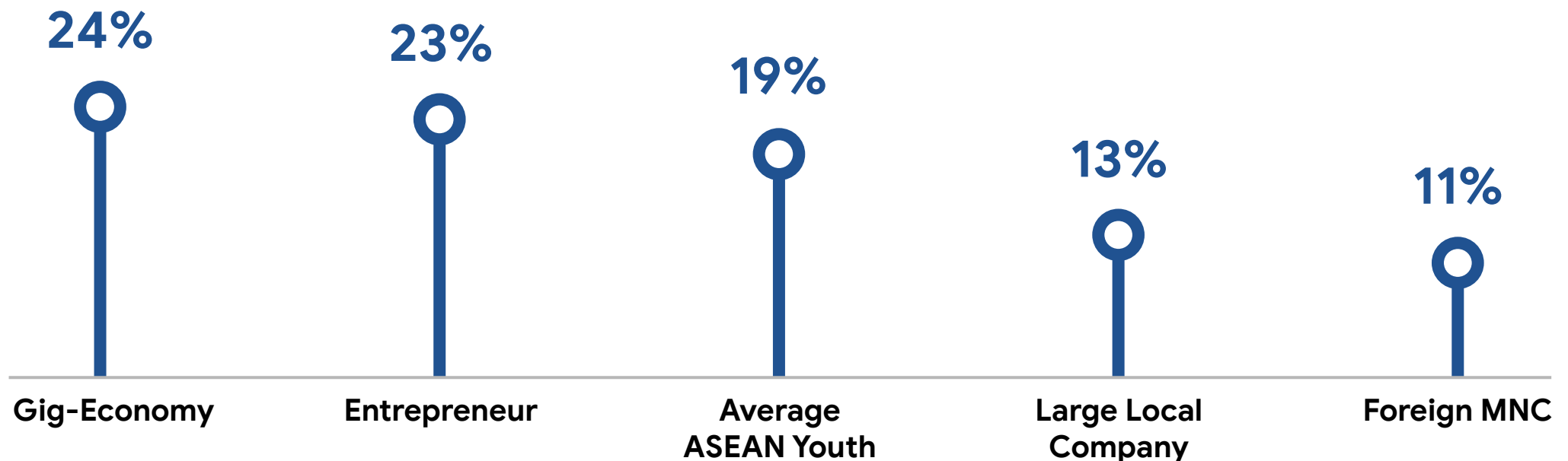
While some of these constraints are not the most commonly cited, they are the most “**binding**” in the sense that youths who mentioned these barriers tend to struggle with remote working.

ASEAN Youths faced funding difficulties during COVID-19

Gig economy workers and entrepreneurs experienced greater financing challenges

Funding constraints by organisation type

% of respondents who report funding as a constraint to remote working



This could reflect how incomes of **gig-economy workers** and **entrepreneurs** fluctuate strongly with the state of the economy.

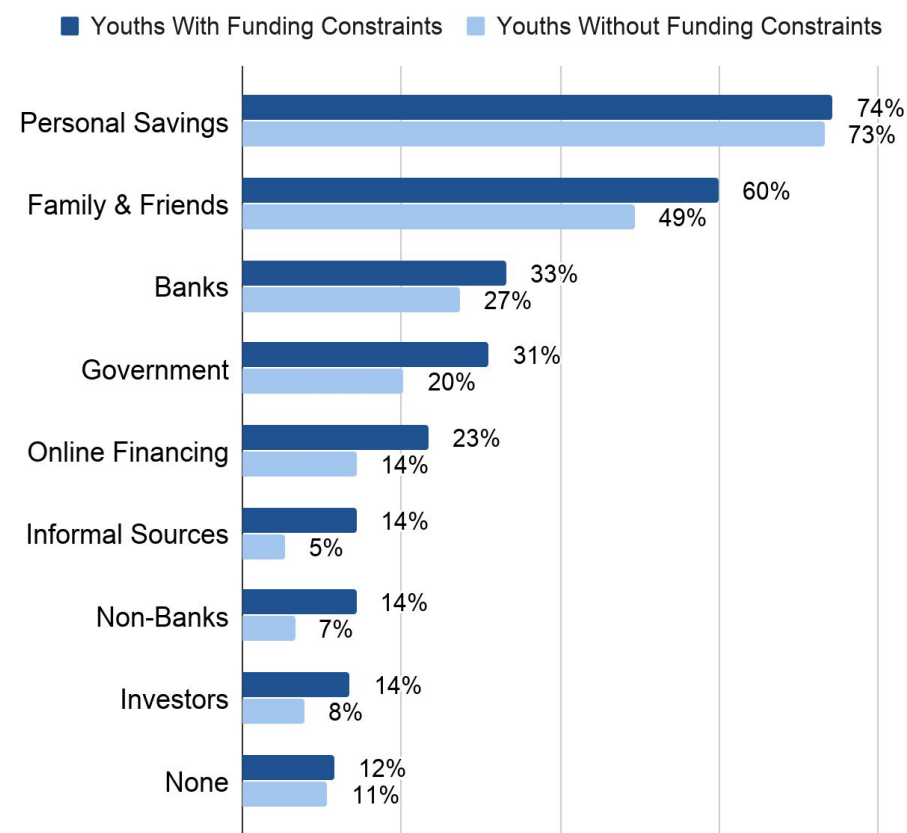
Employees in **large organizations** are less exposed to such swings in general.

External sources of financing have become more important but only a handful relied on banks in times of needs

- Youths tend to turn to their own savings and family and friends for financial support first.
- Only 33% of those who faced funding constraints said they relied more on bank loans.
- Government support, online financing, and informal sources are particularly important for those with funding constraints.
- These findings point to the importance of government financial support as well as the need for greater financial inclusion

These sources of finance have become more important during COVID-19

% of respondents



A photograph of two young boys sitting on a stone ledge outdoors. They are both shirtless and wearing shorts. The boy on the right is holding a tablet computer, and both are looking at the screen with interest. The background is a soft-focus outdoor setting with warm, golden light. The image is framed by blue wavy borders at the top and bottom.

GOING DIGITAL

ASEAN youths
adjusted to the
challenges
COVID-19 posed
by significantly
increasing their
digital footprint

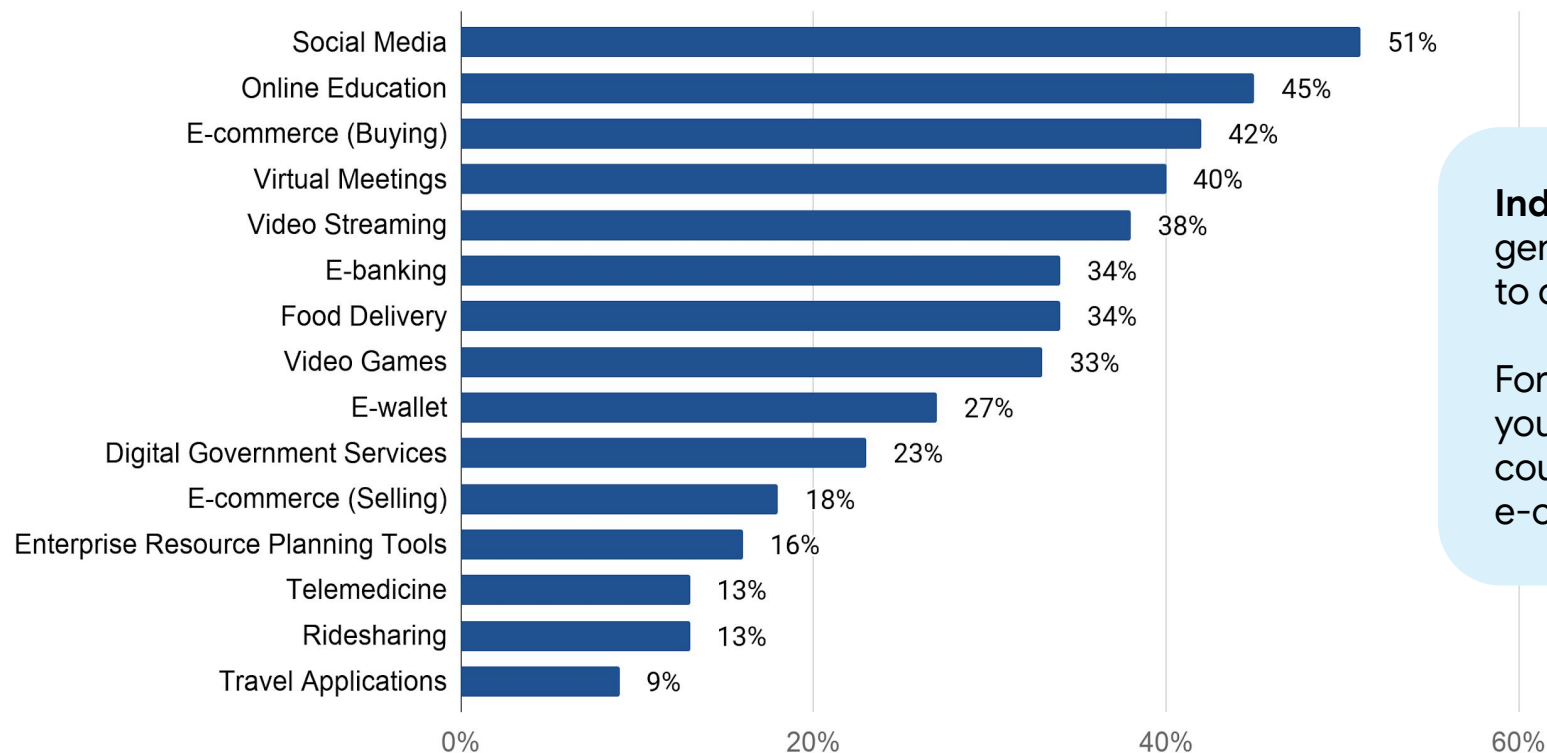
ASEAN youths adapted to the COVID-19 environment by increasing adoption of digital tools

87% increased usage of **at least one** digital tool during COVID-19

42% picked up at least one **new** digital tool during COVID-19

Significant increase in digital tool adoption

% of respondents who used digital tools more or for the first time during COVID-19



Indonesia and Singapore generally saw larger boost to digital adoption.

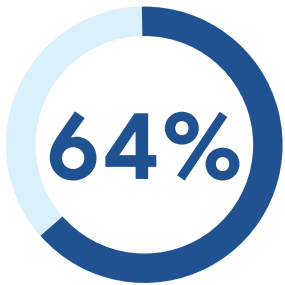
For instance, >50% of youths in these two countries increased e-commerce buying

Usage of online education surged

This was most evident among full-time students, but also true for active workers



Full-time students:



used **online education tools** more actively during COVID-19

Among that 64% of students...

30%

used it for the first time

70%

believe the increased usage of online education will last beyond COVID-19



Active workers:

38% used **online education tools** more actively during COVID-19

This speaks to **ASEAN Youths' positive mindset towards lifelong learning**, consistent with our previous survey ¹

1) ASEAN Youth Survey 2019 ([link](#))

Entrepreneurs switched distribution channels and went online to increase their sales during COVID-19



Entrepreneurs raised their level of digitalisation

33%

of entrepreneurs utilised e-commerce selling **more actively** during COVID-19

1 in 4

Of those using e-commerce more are using it **for the first time**

Increased adoption of e-commerce selling was highest among **Indonesian entrepreneurs**¹

Entrepreneurs were more likely to increase their usage of business-related digital tools such as...



E-commerce Selling



E-Wallets



Online Banking



Enterprise Resource Planning



Food Delivery



Ride-Sharing

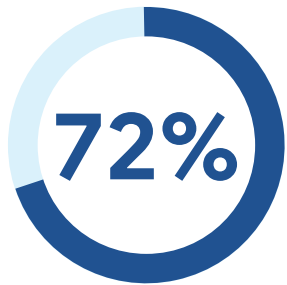
1) Sea: "Reimagining SME Recovery in Indonesia", June 2020 ([link](#))

A young woman with dark hair, wearing a white t-shirt and a black headset with a microphone, is smiling and looking down at a laptop screen. The background is a blurred office or home setting. The image is framed by blue wavy borders at the top and bottom.

RESILIENCE & ADAPTABILITY

Beyond just going digital,
ASEAN youths exhibited
signs of resilience and
adaptability during the
pandemic

Beyond just going digital, many ASEAN youths exhibited signs of resilience and adaptability during COVID-19



of youths showed evidence of **adaptability** and **resilience** during COVID-19

Adaptability & Resilience: as demonstrated by

48% Learning Pandemic Resilience

41% Learning New Skills

38% Thinking Creatively

31% Finding New Business Models

Different shades of resilience and adaptability



Full-time students more likely to **adopt new skills**



Active workers learnt more pandemic **resilience**



Entrepreneurs more likely to **develop new business models** and **improve their incomes**



Younger ones aged 16 to 25 more likely to learn new skills

→ speaks to their **nimbleness**



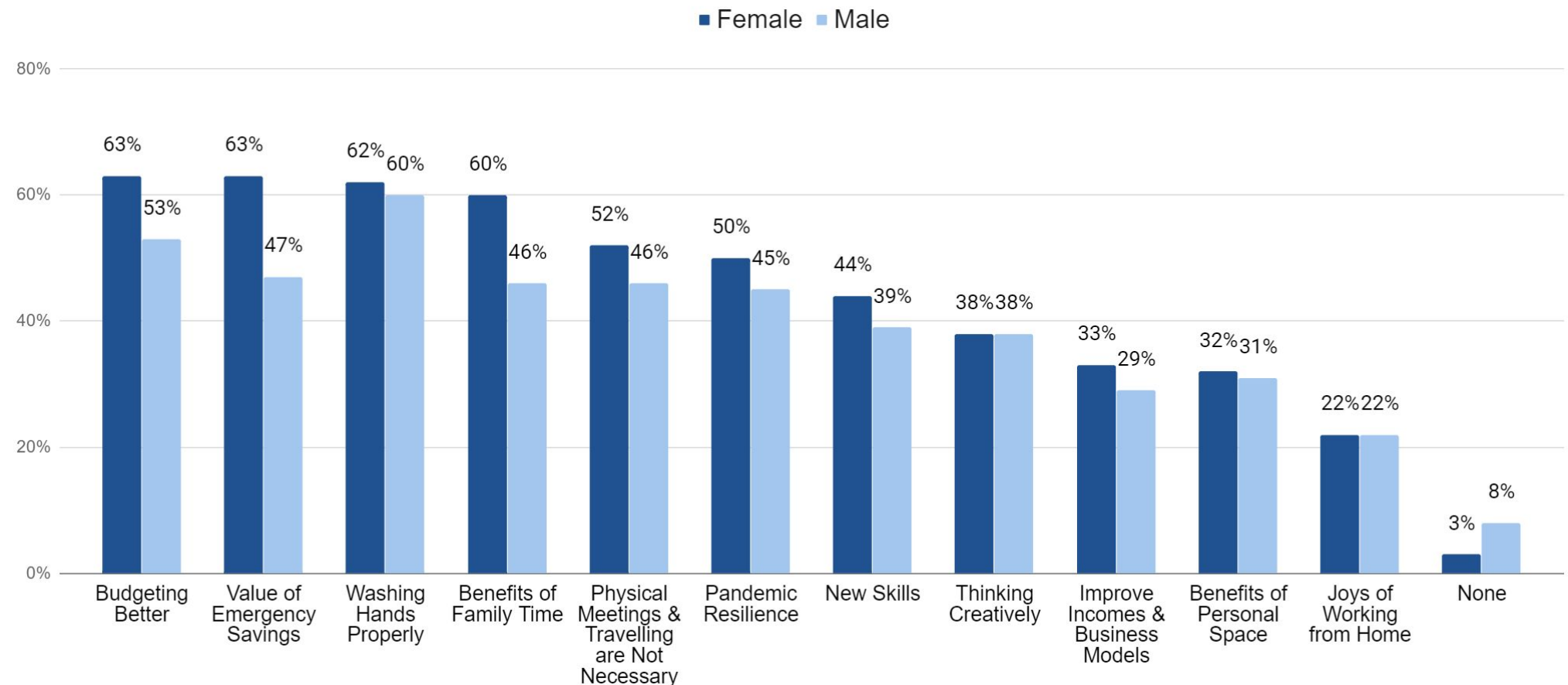
Older youths aged 26 to 35 more likely to develop new business models and improve incomes

→ speaks to their **experience**

Youths, particularly women, learned the value of budgeting, having emergency savings, and family time

Women generally picked up more learnings than men during COVID-19

Key learnings from Social Distancing - % of respondents



Countless stories of resilience during COVID-19

Ibu Sherly adapted in the face of supply-side disruptions, and developed new product lines



SNACK MAZTER

📍 Indonesia

🛒 <https://shopee.co.id/snack.mazter>

Snack Mazter is a packaged food business owned by couple Ibu Sherly and Pak William. They have been online for around 4 years, and also have offline shops.

When COVID-19 hit, their customers started panic buying because they couldn't leave their house. Online sales surged for Snack Mazter.

However, one of their key challenges was to meet strong demand in the face of **supply chain disruptions** during PSBB. As such, they had to wait longer than usual before they could get their stock.

Through live chat, they interacted more online with their customers, and realised that demand for **healthy food** is strong.

To adapt to the new demand, Snack Mazter started selling granola cereal, a healthy food product. Its sale grew up to **8 times**, exceeding the sales of traditional snacks during Ramadan period.





THE NEW NORMAL

Increased digitalisation is here to stay and can play a key role in supporting the post COVID-19 economic recovery

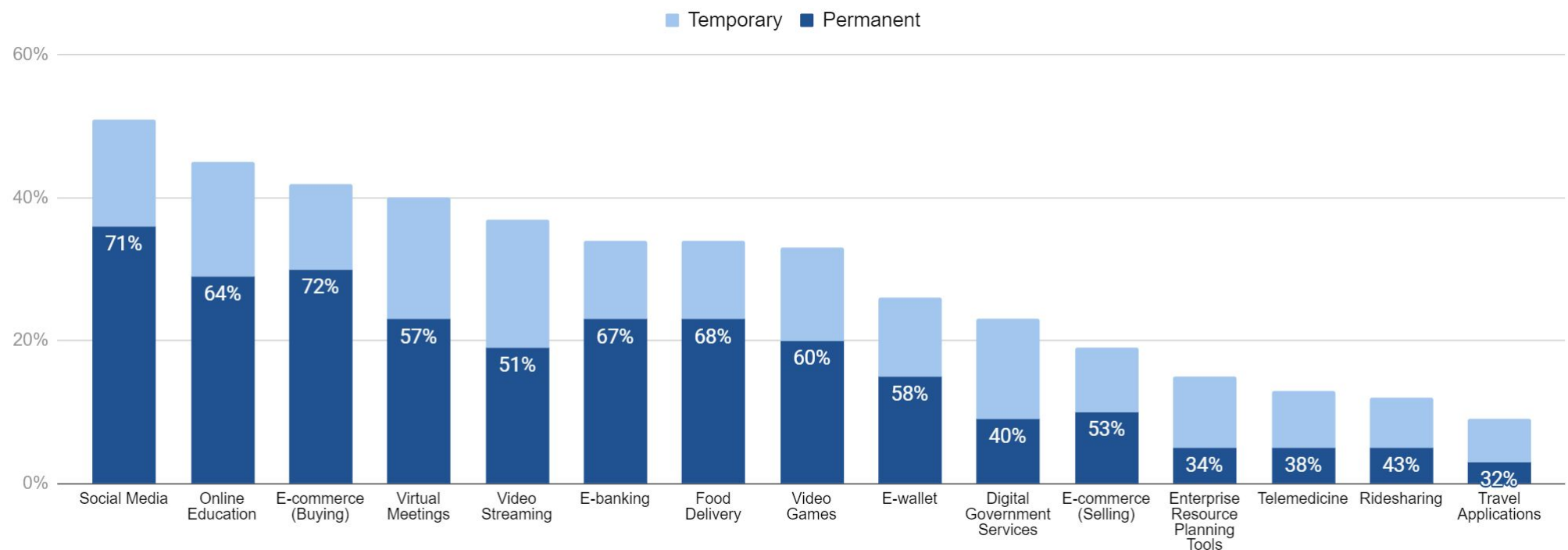
Digital transformation will last beyond the COVID-19 pandemic

Going digital is no longer a luxury but a necessity

>60% will permanently increase their usage of social media, e-commerce, online education, e-banking, and food delivery

COVID-19 will permanently change how much I use the following digital tools...

% of respondents who used digital tools more or for the first time during COVID-19



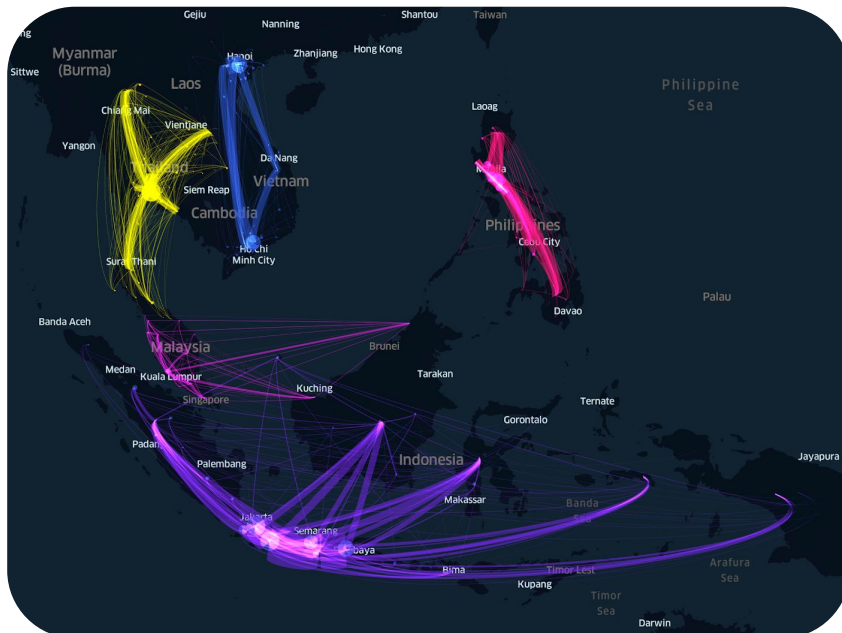
Going digital can have significant and lasting economic impact

Our previous research shows that ASEAN SMEs which adopted e-commerce saw **>160% increase in total revenue (offline + online)**, driven by an increase in productivity ¹

Efficient Expansion and Geographical Diversification

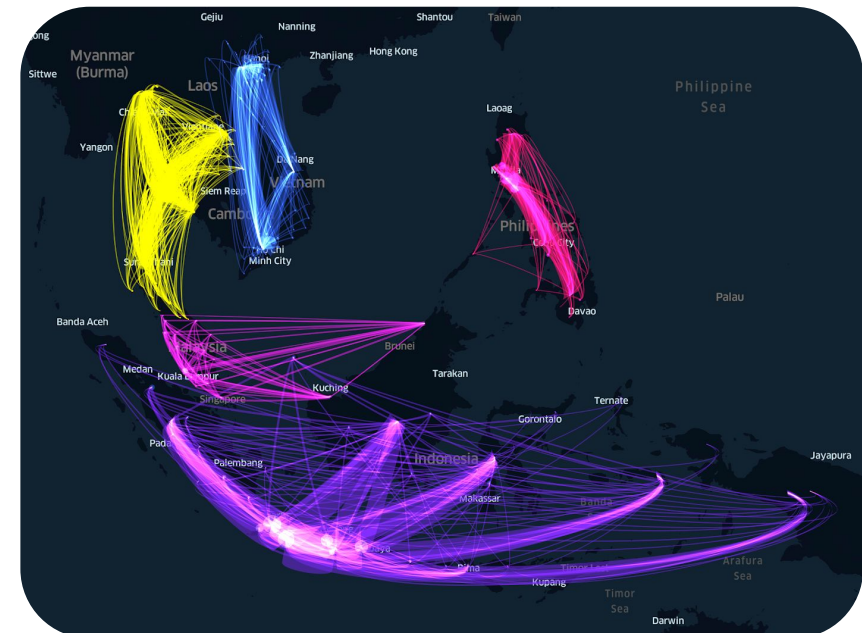
Before E-commerce

36% sold outside their own region



After E-commerce

67% now sell outside their own region



Note: We define productivity here as revenue per employee

1) Based on our previous research of >40,000 ASEAN business owners conducted in 2019. See Appendix for more details on the methodology.

Access to digital also creates new breed of entrepreneurs

Digital technologies such as e-commerce allow discovery of new income streams and different groups to become entrepreneurs. These include **homemakers, students, full-time employees, and even retirees** ¹

Discover New Income Streams Through E-commerce



Students

- E-commerce profits are **valuable source of income** to pay for their **education**
- Test out business ideas

Motivated by **ease of setting up** and **low business cost**



Home-makers

- Use e-commerce profits to take care of **family**
- Raise labor market participation

Ability to have **more household time** using e-commerce



Full-time Employees

- Majority are **primary income earners** of household
- Improve household income

Low-cost and flexible business **experimentation**

1) Based on our previous research of >40,000 ASEAN business owners conducted in 2019. See Appendix for more details on the methodology

Conclusion: Closing three gaps to support ASEAN youths

Our research shows that ASEAN youths have managed to adapt to COVID-19 by significantly raising adoption rates of digital tools, while also displaying strong signs of resilience such as learning new skills, thinking creatively, and generating new business ideas. Digitalisation, in particular, will likely last beyond COVID-19.

In order to unlock the full potential of the post-COVID-19 world for our young generation, the public, private and social sectors need to work together to close 3 key gaps.

- 1) Raising digital skills.** All youths need to have basic digital literacy to effectively employ digital tools as well as soft skills and growth mindset to thrive in a more volatile world.
- 2) Improving access to internet.** In a more digitalised world, youths need not only an internet connection but also the ability to access quality internet at affordable price.
- 3) Increasing access to funding.** In the short run, government funding support will play crucial role. In the longer term, our findings point to the need to improve financial inclusion e.g. by utilising technology.

DIGITAL ACCESS

Access to internet

Quality internet at an affordable price

DIGITAL SKILLS

Basic digital literacy for all

Growth mindset / resilience

FUNDING GAPS

Short-term: government support

Long-term: financial innovation, inclusion & literacy

The image features a white puzzle with one piece missing, set against a background of blue wavy shapes. The word "APPENDIX" is written in a bold, blue, sans-serif font across the center of the puzzle. The puzzle pieces are arranged in a grid, and the missing piece is located in the upper right quadrant. The blue wavy shapes are positioned at the top and bottom of the image, framing the puzzle.

APPENDIX

Appendix: Survey methodology

ASEAN Youth Survey - June 2020:

- The results of this report are largely based on the Annual ASEAN Youth Survey, conducted in partnership with the World Economic Forum.
 - The survey was fielded through the Garena and Shopee platform in June 2020, and focuses on youths aged 16 to 35.
 - In total, we received around 70,000 completed responses from across ASEAN.
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ASEAN Seller Survey - 2019:

- In 2019, we surveyed more than 40,000 e-commerce entrepreneurs through the Shopee platform to better understand the economic and social impact of e-commerce.
- We asked questions ranging from revenue growth pre and post-selling on e-commerce, and also how their customer locations have changed.

Appendix: Previous Research

Reports from Sea Insights - Sea's Research and Public Policy Unit

Reimagining SME Recovery in Indonesia: see [link](#)

Uncovering Thailand's Hidden Assets Through E-commerce: see [link](#)

ASEAN Youth Survey 2019 - ASEAN Youths and the Future of Work: see [link](#)

What do Indonesian youth think about jobs in the age of disruption: see [link](#)

Youth x Entrepreneurship in Thailand 4.0: see [link](#)

For more of our research, go to www.medium.com/seainsights

