

**Chiba University Leading Research Promotion Program  
Online International Seminar (in English)**

**Toward a Fair Society After-Corona:  
Challenges and Scope for Narrowing Disparities**

**Date & Time : 14:30-17:00, 5 Sept. 2022(Mon), Japan**

Abstract: This is a research essay based on the transcript of the seminar “Toward a Fair Society After-Corona: Challenges and Scope for Narrowing Disparities”. The aim of this online seminar is to address the issue of disparities and seek for a way to achieve “fairness” under the global economy currently suffering from the negative impact of the COVID-19, which have been making an unprecedented impact on socioeconomic activities across the globe. Dr. Benjalux Sakunasingha from Mahidol University International College introduced the case in Thailand based on the topic of “Impact of COVID-19 on MSMEs and Post-COVID Revival: The Case of Thailand”. And Mr. Licheng Liang from Keio University talked about “The impacts of COVID-19 pandemic on overseas production activities: empirical evidence of Japanese MNEs”. Discussion was initiated and research ideas were exchanged afterwards.

**Moderator**

- **Prof. Hikari Ishido (Chiba University)**

**Panelists**

- **Dr. Benjalux Sakunasingha (Mahidol University International College)**
- **Mr. Richard Licheng Liang (Keio University)**
- **Prof. Jiro Mizushima (Chiba University)**
- **Prof. Masaya Kobayashi (Chiba University)**
- **Assoc. Prof. Takayuki Kawase (Chiba University)**

**Organizer: Chiba University Global Fair Society Program**

### **Introduction (by Prof. Hikari Ishido)**

This online seminar is entitled “Toward a Fair Society After-Corona: Challenges and Scope for Narrowing Disparities”. We have the next 2.5 hours to discuss in-depth this very important issue. We are still in the middle of COVID-19, impacted by it, and we may often wonder where the fairness is, and what kind of a fair society we can have, especially after the COVID, after this experience. There are challenges, but also some scopes for narrowing the existing disparities or inequalities in our society. We have two economics major scholars to give presentations here today, also my own colleagues from another different fields to enrich our topic. The background of this seminar is that Chiba University, based in Japan, has launched a 5-year research program entitled “New Frontiers of Studies on Fair Society: Values and Public Vision in the age after COVID-19”.

### **Opening Remark (by Prof. Jiro Mizushima)**

As you know, during the pandemic all over the world, the inequality and disparity in the society has widened considerably, not only between rich and poor, but also regions and countries. That is without doubt a serious unfair situation. Today, the emphasis of our seminar would be on the economic aspect under COVID-19, the most vulnerable segment of the economy was, as Dr. Sakunasingha would explain, micro and small-sized enterprises. They were hit severely by the pandemic, also the same in Japan. However, I believe small but starting new enterprises with innovative spirit are the keystone of dynamism of our contemporary economy. Almost all big enterprises were at the beginning, small, tiny startups. So fair economic chance for everybody that is quite important. And then we can pursue a fair economic society.

### **Chair’s Overview (by Prof. Hikari Ishido)**

We will be covering this very important issue of fair society after COVID: challenges and scope for narrowing disparities. Two speakers will give their presentations mainly based in the economics discipline, and then we will expand focus and coverage by inviting our colleagues from slightly different discipline. The first presentation is “Impact of COVID-19 on MSMEs and Post-COVID revival, the Case of Thailand” by Dr. Benjalux Sakunasingha, Assistant Professor, Business Administration Division of Mahidol University International College, which is based in Thailand, a very nice school dedicated towards this issue, business administration at a microscopic level. Our second speaker is Mr. Richard Liang of Keio University. And his topic is “The Impacts of COVID-19 Pandemic on Overseas Production Activities, Empirical Evidence of Japanese MNEs (Multinational Enterprises)”. Afterwards, Professor Masaya Kobayashi will discuss fully about the meaning of fairness and, also his own research issues, especially in the realm of politics and psychology. Then he will be making some comments on the previous two speakers’ presentations. Then the floor will be open for questions and answers, and we wish these two speakers could make feedback comments.

Next, it is Chair’s Overview of the topic.

SDGs, as we know is United Nations Development Programs’ Sustainable Development Goals. I used to work for the United Nations, so I’m familiar with the process of how this goal came about. It has 17 goals, and the first one is No Poverty. This is by far the most important goal, development component. The next one is Good Health and Wellbeing, which is very much related to poverty. Another category is environment, reduced inequalities, which we must focus on as the topic today is about how we can narrow inequality and disparity. All the others are environmentally related topics. We surely will have to be covering all these environmental-related topics into the future.

Professor Masaya Kobayashi from Chiba University propounded that fairness has four components, compliance, equity, ethicality, and reciprocity. Compliance means observance, observing societal rules and laws. It means we must comply with social norms. The second component of fairness is equity. Today's topic relates very much to this component. Elimination of inequality and disparity in various dimensions, in economic sense, and in a lot of other senses, discrimination, gender issue, ethnic minority issue, the right to vote, all these issues can relate to equity. Then the third component of fairness is ethicality, considering others. Simply to put, it means we need to consider others when we make our own economic decisions. Economics is sometimes considered as homo economics sort of discipline or people are rational and they always think about themselves. Ethics is very much important. When you think about yourself, you also must think about other people, so that is ethical. Then, reciprocity. Reciprocity can be summarized as, this sentence, "Do to others as you would have others do to you", which is taken from the Bible. Do to others, so when you do to others, your philosophy or ethics should be okay, if you would like others to do to you okay, do the similar thing to other people. Reciprocity is give and take, not take and take, or give and give. Give and take, or reciprocity is quite important. There is a coherence of fairness in terms of these four factors, four components "One in Essence". Fairness is at the core with four components, compliance requirement, equity requirement, ethicality requirement, then reciprocity requirement. Each component of fairness can be seen as a tetrahedron's node, and fairness as One in Essence. In other words, the four components of fairness cohere when the fairness concept expands fully and completely, then that will cover this compliance requirements, equity requirements, ethicality requirements, and reciprocity requirements. For example, do to others as you would have others do to you, then of course, this is reciprocity principle, give and take, but ethicality principle as well, consider others, and then equity related because give and take on an equal footing, so that way we can eliminate inequality and disparity. If we follow or comply with this 'Do to others as you would have others do to you', the reciprocity principle, then we are complying with the societal rules and laws. In essence, I would think that compliance factor, equity factor, ethicality factor, and reciprocity factor are all coherently related with fairness concept at the core.

### **Impact of COVID-19 on the MSMEs and post COVID Revival in the case of Thailand (Presented by Dr. Benjalux Sakunasingha)**

Before moving on to focusing on the content, let me share the background about the situation in Thailand before COVID-19 arrived. Thailand has been described as being in a "middle income trap" for so long, not just recently, but it has been there for a long time. It has lost its competitive advantages in low wage cost manufacturing due to its own rising wages and poor productivity. We can see the signal of the middle-income trap in Thailand such as very slow growth in GDP and, very slowdown of the foreign direct investment into the country. That would lower the manufacturing rate as well and impact the labors who work for manufacturing. At the same time, Thailand has been unable to break into the higher-value-added activities and markets that require more knowledge, innovation, new technology, creative and skill-intensive activities due to low investment, slow growth in the manufacturing sector of the economy, limited industrial diversification and poor labor market skills and conditions. Hence, Thai economy has been stagnating and real income growth is stuck.

When it comes to what the government has done to help, first, the government tried to invest a lot in infrastructure such as the seaport, the roads, also in education. However, the infrastructure and the education still do not go to the rural area as much. We can see there a slowdown in growth, in manufacturing sector especially, and we cannot come across or we cannot solve that

problem, which is the middle-income trap. For Thailand, the problem has been remained 7 to 10 years before COVID-19. Now the government tried to launch what is called “Thailand 4.0 (2016)”, which means they try to move onward to the digital economies. The government tries to improve in terms of innovation and putting a lot of investment on infrastructure. The national strategy Thailand 4.0, since the year of 2018 up to 2037, is aimed to solve the problems. I’m looking at the inequality in terms of small to medium-sized business which we could call MSME. Micro business, small business, and medium size of business don’t have the same opportunity as the large firms, especially in terms of the opportunity to raise funding. Funding is very important for MSME because they need to survive. In Thailand, MSME is classified according to the revenues and the number of employments and differs according to the operation or function of an enterprise as manufacturing or services (Figure 1). In terms of reducing inequality, MSMEs also help Thai citizens quite a lot because they create jobs. You can see that in terms of the medium enterprise under the manufacturing so they can have the employment less than 200, and you can later see the information that MSME is one of the backbones of Thailand’s productivities in the past as well. I believe personally that regardless the size of the company, whether it’s micro or small or medium or even large enterprise, all of them are sharing or contributing to the economic growth of the country.

**Definitions of MSME**

Type of Business	Micro and Small Enterprise				Medium Enterprise	
	Micro Enterprise		Small Enterprise		Medium Enterprise	
	Annual Income (Million baht)	Employment (Person)	Annual Income (Million baht)	Employment (Person)	Annual Income (Million baht)	Employment (Person)
Manufacturing	≤ 1.8	≤ 5	≤ 100	≤ 50	≤ 500	≤ 200
Service and Merchandising	≤ 1.8	≤ 5	≤ 50	≤ 30	≤ 300	≤ 100

Figure 1 (Royal Thai Government Gazette, 2020)

Due to MSMEs’ wide distribution, they represent as one of the engines of Thai economies where they create jobs in agriculture sector as well as manufacturing and service sectors. MSMEs also bring huge proportion of revenue and create important or significant number of the profit margin for the country compared to the large enterprises will. The office of the SME promotions (OSMEP) addressed that MSMEs are important vehicles for development of Thai economy, as in the year of 2019, the total of the MSMEs contributed about 35.3% to the national GDP. It increased from the previous year by 3%. The main factor of growth in MSMEs were the expansion of the domestic demand from the consumption of both state and private sectors, including the revenues from the foreign tourists as well. This also shows the significant growth towards the Thai economy.

In terms of the exports value and the percentage of the total exports, we can see that the large firm certainly plays an important role. On the trend from year 2015 up to 2019 before COVID-19 arrived, you can see that there is an increase both in the export proportion or export value for the large firms, while there is a big decline for the MSMEs (Figure 2), and that is what we want to identify what the problem is. And we can see that the large enterprise in Thailand contributed nearly 60% of the GDP in 2019 while the MSME is about 35.3%. Within that 35.3%, medium enterprise is about 17%, and 15% from the small enterprise, and the micro enterprise is around 3% (Figure 3).

**Value and percentage of Total Exports,  
Classified by Size of Enterprises, 2015-2019**

Items	2015	2016	2017	2018	2019
<b>Exports (Thai Million Baht)</b>					
Large Firms	5,160,426	5,218,451	5,882,947	5,640,487	6,425,237
Small Firms	1,351,507	1,477,928	1,345,475	1,448,155	717,866
Medium Firms	628,927	712,622	644,945	877,697	305,846
MSMEs	1,980,435	2,190,550	1,990,420	2,325,852	1,023,713
<b>Total</b>	<b>7,140,861</b>	<b>7,409,001</b>	<b>7,873,366</b>	<b>7,966,339</b>	<b>7,448,950</b>
<b>Percentage of Exports</b>					
Large Firms	72.27	70.43	74.72	70.80	86.26
Small Firms	18.93	19.95	17.09	18.18	9.64
Medium Firms	8.81	9.62	8.19	11.02	4.11
MSMEs	27.73	29.57	25.28	29.20	13.74

Figure 2 (Office of SMEs Promotion, 2015-2019)

**GDP by Enterprise Size, 2019**

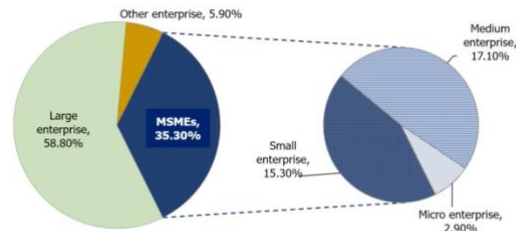


Figure 3 (Office of SMEs Promotion, 2020)

It is clear that MSMEs are very important to Thai economies as follows. First, MSMEs rank third in terms of the digital readiness in Southeast Asia so that means that MSMEs have potential to go digital economies. They have somehow the knowledge about using technology, using programming, and being ready to move on with the new digital era. Second, MSMEs contribute nearly 35% to 40% of the Thai GDP as presented in the year 2019 before COVID-19 arrived. Also, MSMEs provide about 78% of the employment for the Thai citizens and 3 million labors, including service, manufacturing, wholesale, and retail, which are the top three key business activities in MSMEs. In 2019, Nearly 42% of MSMEs businesses was in service sector such as restaurants, food, food stands, hotel but not very big scale hotels, logistics, transportation. In terms of manufacturing, it was about 31%. Wholesale and retails were about 20%. But because of COVID-19, the economy slowed down, and the tourism sector slowed down, and the expenditure of the private sector also did. We can see that one of the main engines for Thailand, the accommodation and tourism industry were impacted a lot, especially the accommodation and food services were badly affected. However, retail business was not damaged fiercely as they could put and sell products online so that the shopping could still be ongoing.

We could clearly understand that COVID-19 pandemic caused a disruption to the global and to every country. Most country participated lockdown, working or studying from home. And we have a new word called social distancing because we don't want to be contacted too close otherwise we might transfer the disease to each other. People have also changed behaviors. We increased shopping or buying food online. New products for health have been the top products that people were looking for. Space utilization for businesses, switching of working hours, which we can see have been becoming a "new normal". Many offices downtown here in Bangkok right now have reduced the size of the rental floors. We have also learnt to travel to the less crowded area. Some hotels here in Thailand tried to get "SHA Plus" which is the health certificate for the hotel operation. We can see that people wanted to be more hygienic, to be healthier. The degree of impact on COVID-19 I believe that varies to the size of the company. Large-sized firm may not be impacted badly. We are still under the "new normal".

When it comes to the effect of COVID-19 to MSMEs, first, it has pushed MSMEs closer towards digital economy, which makes MSMEs more resilient and competitive. For example, many of the MSMEs, especially the food stands, or small shops were not quite capable with the technology or the use of computer and gadgets, unless the owners were younger generation. However, they had to adapt into the digital era faster than they were thinking about. They needed to use the QR code in terms of accepting the payment online, and they must learn quickly. And digital markets and E-commerce facilitated MSMEs access to both domestic and international markets. In Thailand, top sales channel were Facebook, Line application, and website while the most lucrative online business was restaurants, food vendors and delivery.

Only 38.6% of MSMEs have quickly shifted their focus to online also accepted online payment such as bank transfer, Prompt Pay or others, But the others were not able to rapidly shift to online methods which might bring high risk of failure. For example, the motorcycle riders in Bangkok, who usually provided transportation of short distance travel to daily workers or tourists, have also had to change their way of working. They have changed to provide delivery service from restaurants and food stands when people could not eat outside. And they have changed to learn how to use gadgets and electronic devices even though lack of technology knowledge. But people without the capability of learning new knowledge could be very likely to be in high risk of business failure.

According to Siriphattrasophon's research, wholesale and retail of MSMEs would recover faster than the others following by the manufacturing sectors in the post COVID-19 era. The manufacturing sector under MSMEs are such as food, consumer goods will take approximately half a year to recover. Service sector might take longer time as this sector includes service valuation from travel, tourism, hotel, entertainment, restaurants, shops, transportation, logistics. This service sector needs a human touch so that it will take longer time to recover, usually 9 months or a year which we were looking forward to at the end of the year.

However, there are also the challenges ahead besides the COVID-19 such as expected economy recession, rising energy and oil price, Russian- Ukraine conflict, and aging society in Thailand which might make it harder for MSMEs to recover. Especially, the high inflation rates. This morning, the Bank of Thailand has announced that the inflation rate last month increased from 7.6% to 7.86% which means that this would impact the money in our pocket as well and the poor people would be impacted the most because the earnings are not that much, but the expenses are getting higher and higher due to the inflation.

The main problems of MSMEs' are lower productivities and the reduce of exports as I mentioned earlier, also the sustainability of business which is one issue leading to inequality. According to previous research by Charoenrat and Harvie (2021)<sup>1</sup>, old firms can be more experienced due to superior management experience, knowledge and higher technology and equipment, therefore are more efficient than younger firms to survive COVID-19. Smaller Size firms are more technically efficient than medium ones due to adaptability and flexibility to change in the market. And firms with technology upgrade, good CG and managerial skills could increase competitiveness and potentially draw attention from foreign ownership and investment. However, this should also need government supporting policy.

Our research focusing on productivity enhancing determinates of FDI<sup>2</sup> mainly addressed three conclusions showed in the date analysis under three different models (Figure 4-6). First, lager-sized companies attract more investment from abroad. Larger size companies have broader range of opportunities to raise funding such as bank loan, bond market, equity market, and even go abroad for foreign investment and foreign partnership. On the other hand, MSMEs participate more financial difficulties during the pandemic, also this recovery period. Since most of MSMEs depend on their reserved or internal funding (liquidity), and domestic funding such as bank loan and private equity. To survive this economic situation, MSMEs had to maintain their business activities and market share while cutting down the unnecessary expenses. E-commerce and digital trade might be solutions to reach the market. Therefore,

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<sup>1</sup> *Analysis of the impact of COVID-19 on micro, small and medium-sized enterprises (MSMEs) in Thailand from competition policy and market access perspectives*, 2020 UNCTAD MSME Survey(Interviews of 219 MSME manufacturing enterprise samples in Thailand, Dec.2020-Jan.2021 )

<sup>2</sup> *Productivity Enhancing Determinates of FDI: Firm-level Analysis, Thailand*. Part of this research has been presented at APEC Study Centre Consortium Conference (ASCCC 2022, July 21, 2022 By H.Ishido, B.Sakunasingha and L.Liang)

small or medium size companies seemed to have disadvantages to attract more direct foreign investment.

VARIABLES	(1) Reghdfe(linear probability model) (fixed for)	(2) Probit
L1. Size of the company	0.0255*** (0.00326)	0.754*** (0.0897)
L1. Age of the company	0.0128*** (0.00293)	0.0338*** (0.00642)
L1. Leverage (based on long-term debt)	-0.00657*** (0.00174)	-0.389* (0.209)
L1. Net Income Margin	-0.00118 (0.00367)	-0.308 (0.229)
L1. Intangible assets	0.317*** (0.0914)	10.13*** (1.491)
Constant	0.221*** (0.0582)	-5.875*** (0.630)
Observations	50,611	52,510
R-squared	0.311	
Firm FE	YES	
Year FE	YES	
Pseudo R-squared		0.6038
Year dummy		YES
Likelihood-ratio test of rho=0		61.93
Prob		0
Log-Likelihood		-1713
Wald chi2		143.1
Prob > chi2		0
Prob Wald		0

Robust standard errors in parentheses  
\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Figure 4

VARIABLES	(1) reghdfe	(2) Probit
L1. Size of the company	0.0255*** (0.00311)	0.754*** (0.0889)
L1. Age of the company	0.0126*** (0.00275)	0.0338*** (0.00664)
L1. Cash stock	0.00263 (0.00231)	0.891*** (0.199)
L1. Net Income Margin	0.000368 (0.00220)	-0.464** (0.214)
L1. Intangible assets	0.306*** (0.0835)	9.689*** (1.433)
Constant	0.231*** (0.0560)	-5.526*** (0.616)
Observations	71,736	72,615
R-squared	0.317	
Firm FE	YES	
Year FE	YES	
Pseudo R-squared		0.5836
Year dummy		YES
Likelihood-ratio test of rho=0		52.49
Prob		0
Log-Likelihood		-1800
Wald chi2		159
Prob > chi2		0
Prob Wald		0

Robust standard errors in parentheses  
\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Figure 5

VARIABLES	(1) Reghdfe	(2) Probit
L1. Size of the company	0.0211*** (0.00255)	0.736*** (0.105)
L1. Age of the company	0.0105*** (0.00212)	-0.0443*** (0.00782)
L1. Leverage	3.53e-06 (2.51e-06)	-0.240* (0.131)
L1. Net Income Margin	-0.000817 (0.00186)	-0.479** (0.240)
L1. Intangible assets	0.256*** (0.0709)	10.80*** (1.607)
Constant	0.186*** (0.0417)	-6.135*** (0.730)
Observations	85,114	85,820
R-squared	0.309	
Firm FE	YES	
Year FE	YES	
Pseudo R-squared		0.5724
Year dummy		YES
Likelihood-ratio test of rho=0		73.93
Prob		0
Log-Likelihood		-1849
Wald chi2		137.4
Prob > chi2		0
Prob Wald		0

Robust standard errors in parentheses  
\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Figure 6

Second, younger-age companies attract more foreign investment. Younger companies that start with unique ideas, most of which tend to come from people's experiences and try to solve the pain-point, new products or services will have potential to grow fast. These younger or newly emerged companies with their new products or services may enter the market to improve individuals' daily life and households' products, some of which may cause the current or common products to be no longer in demand. These "early stage of businesses" with innovative ideas are quickly received attention from domestic angel investors, and some may have potential to receive attention from foreign investment if it relates to innovation and technology. For example, the home automation such as the lighting control, air conditioning control from mobile phones, the applications for medical service for the senior citizens, seeing the doctor online rather than going to the hospital so that patients could discuss with the doctors privately through mobile phones or computers, are all something new that have been emerging during the COVID-19 era as we had to stay home and the senior citizens were not allowed to go the hospital for the regular schedules with the doctor, most of which were developed by the younger companies started by the younger generation then have become very popular. On the other hand, businesses that have been operating for some time and reached maturity stage of life cycle need to rethink about how to keep creative and launch innovative products and services, upgrade with new technology, broaden product line, even penetrate different fields. In summary, they need a new S-Curve (Figure 7), which means when the old companies' technology hits the limits or reaches the maturity, they have to make efforts to develop or apply newer technology to survive. The more this process repeats and continues, the more obviously the S-Curve we could see. Therefore, firms with turn-around strategy or know how to pick up the new S-Curve such as firms being more innovative, preparing employees for the new era (the HRD), investing in intangibles have higher potential to attract foreign partnership regardless of their sizes.

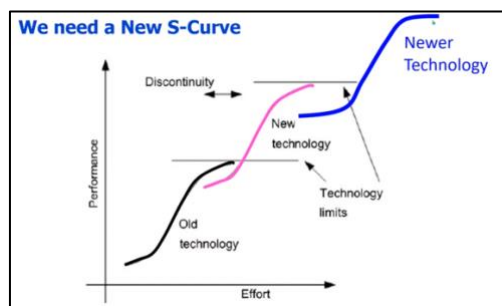


Figure 7

Moreover, companies with a large amount of intangible assets also draw more attention from investment overseas. Clearly, intangible assets (IA) bring growth to the company. Based on our research, companies with new technology or technology transferred from abroad may gain advantages apart from on-balance sheet IA, also the off-balance sheet IA such as the knowledge, skill labors, operational procedures, connectivity. Companies with more IA, especially those involving with new technology and innovation may have more opportunities to raise funding, not only from domestic financial institutions, but also from abroad since many foreign financial institutions, investors or partners understand better about the nature of IA investment, which are more capable of taking investment risk in IA more than domestic banks that play more conservative roles in supporting firms' operations in general.

Furthermore, the limitations that Thai MSMEs themselves have also affect the flow of foreign investment. Lack of entrepreneurial and management skills and marketing knowledge, low access to financial resources and difficulties to obtain funding, lack of creativity, innovation, and technology to secure sustainable growth, lack of skilled workers, low rare to participate in international market, all discourage investing interest overseas. To solve the problems, first, MSMEs need to know how to take advantages of government policies which are temporary though. They need to be able to stand strong and firm on their own feet. Second, MSMEs need to rapidly adopt and adapt to new normal. They have to be more flexible and learn new things. Third, MSMEs need to reserve sufficient cash and cash flows then have financial discipline. MSMEs have around 20% of non-profitable loan due to the lack of financial discipline nowadays. Then, they have to create new marketing channels with online marketing and digital trade. In addition, MSMEs need to prepare for restarting the operation and look for new business opportunity as well. Besides, Observation on the "Mega Trend" is very necessary as low-to-middle income class is rising, and the aging society as mentioned earlier is developing which requires new business opportunities, new products or services. Urbanization is also one of the main changes happened during the pandemic. For example, in Bangkok during the COVID-19, most people worked from home, living outside of Bangkok. When they get used to living outside of the big city or big town while feeling more comfortable, people start to move out and that caused a development of urbanization which is new in Thai society. Last but not the least, people need to cope up with the technology disruption. A lot of Thai MSMEs, especially those run by the younger generation people have learnt quickly about how to adapt themselves using the online payment.

In conclusion (Figure 8), we can see that regardless of companies' age and size, both large and MSME firms with innovation, technology transfer or upgrade could sustain and have foreign direct investment potential. But companies with no intangible assets or no potential to pick up the technology, whether which could survive could still be questionable. We can see that it doesn't really matter whether the firm is younger or older as long as they could have the innovative ideas or they can find creative business opportunity, or to upgrade their technologies, then they would not have problems to survive. Apart being survival with the intangible assets, technology transfer, innovation, and creative ideas, in addition the ability to adapt and be flexible because MSMEs sometimes, they operate by their real owners. The problem is it's very difficult for them to adapt and be flexible, so they are quite rigid in terms of being able to adapt to the new normal or to the new trend that is going on.

Inequality appears when it comes to the problems MSMEs face and the support they need. Compared with large firms, MSMEs need to improve management and marketing skills, to be more creative and innovative. They also need to be able to access to financial resources or funding. This is something that I believe MSME will need to do a lot more in terms of adaptability and be more flexible to survive.



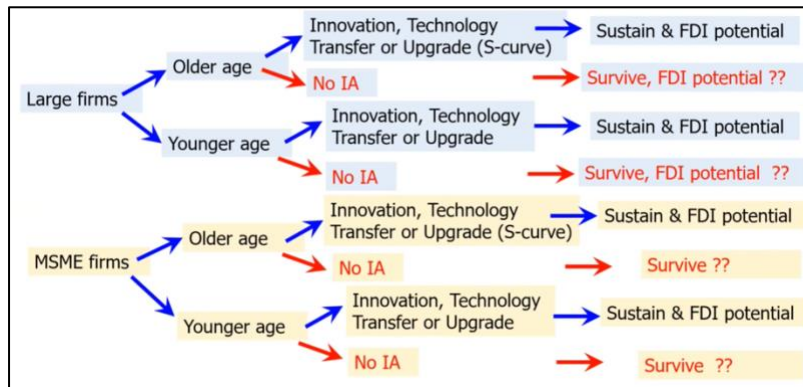


Figure 8

**Review (by Prof. Hikari Ishido)**

Dr. Benjalux Sakunasingha talked about inequality or disparity among Thai companies. Younger company would have a higher chance of attracting foreign direct investment. But if the size is smaller, then they have less chance of attracting investment, and then that would translate into lower chance of being involved in international activities like exporting, importing, so less of innovation, and then human resource remains limited. After COVID recovery, it might become difficult for those MSME companies where fairness is much needed.

**The impacts of COVID-19 pandemic on overseas production activities: empirical evidence of Japanese MNEs (Presented by Mr. Richard Licheng Liang)**

\*This part is invisible due to copyright reasons.

**Review (by Prof. Hikari Ishido)**

Mr. Liang’s detailed presentation focused on the impact of government stringent policy on the total sales of business companies in each country of his concern. Then also, he highlighted that casualty, the number of people sacrificed by the COVID 19. If the impact is higher, then of course the impact on the total sales of the business company is also very high. Then there is no international coordination. There was of course no coordination at the beginning because that was our first time to experience this pandemic on a global scale. No international travel scheme coordination or everything could recover, so that also deteriorated the potential recovery from the negative impact of COVID-19.

**Initiation of Discussion:**

**Well-being, Fairness and Political Economy (Presented by prof. Masaya Kobayashi)**

First, I would like to make introductory remarks of our projects. My comments are about wellbeing, fairness, and political economy. Professor Ishido introduced our framework on fairness earlier. This is my own framework as well. I study political philosophy and positive psychology, so I try to combine between the two. I push forward the idea of positive political or economic psychology (Figure 9). The theme of the conference today is more about economy, I will introduce my own research on the point. This is own theoretical framework (Figure 10). There is a human or a person system and social system. Social system consists of political system, cultural system and economic system. And person system was constituted from human body and mind. From the perspective of health, human body is about physical health, and human personal system is concerned with psychological self, and there is a mind-body liaison between the two, which I call health as psychosomatic health. Actually, this is the theme of our paper which not only my partnership with Ishido and Mizushima is concerned with.

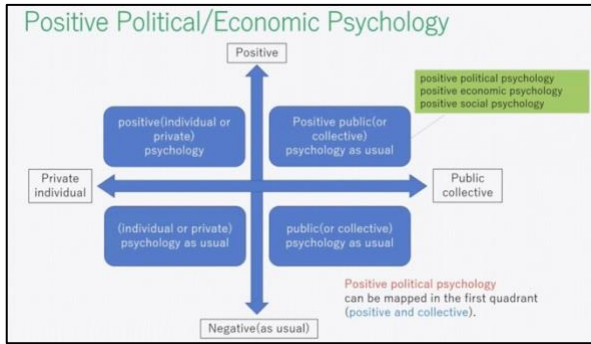


Figure 9

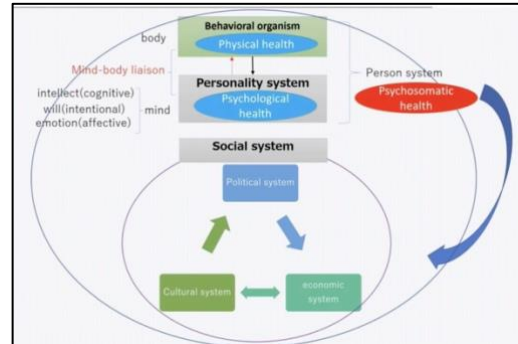


Figure 10

There is a danger, and we found out there is a decline of wellbeing under COVID-19 by our three studies that are conducted in 2020 May and 2021 March and 2021 October, we can see a continual decline of wellbeing, that's also a very serious problem (Figure 11). And with the comparison between average values of health by household income, we can see greater income corresponds to better physical, psychological, and psychosomatic health, and we measure this health by a subjective perception of a person (Figure 12).

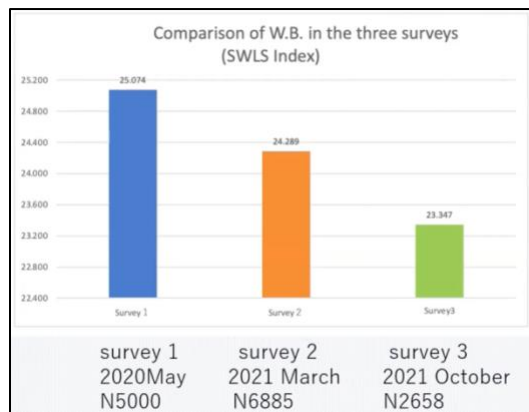


Figure 11

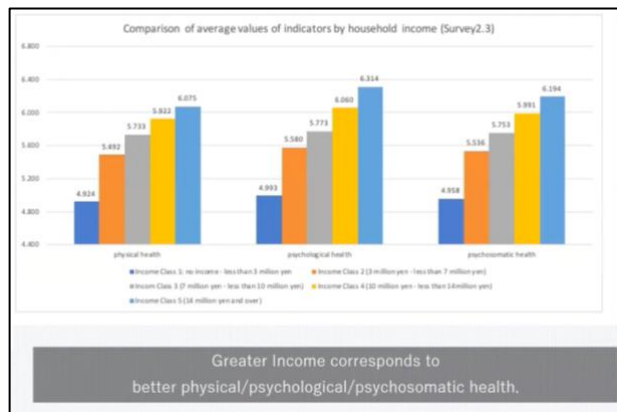


Figure 12

Greater Income corresponds to better physical/psychological/psychosomatic health.

When it comes to the relation between justice and citizenship and subjective wellbeing, simply our conclusion is that justice and citizenship is associated with subjective wellbeing. Then we can see the relation between fairness or injustice and wellbeing. Next, Figure 13 shows justice and fairness positively correlated with brightness increase and also negatively correlated with the increase of darkness, anxiety, and depression. It shows the change of mood or a change of feel and the relation of that and justice and fairness. Justice and fairness is related to the change of feeling of mood under COVID-19.

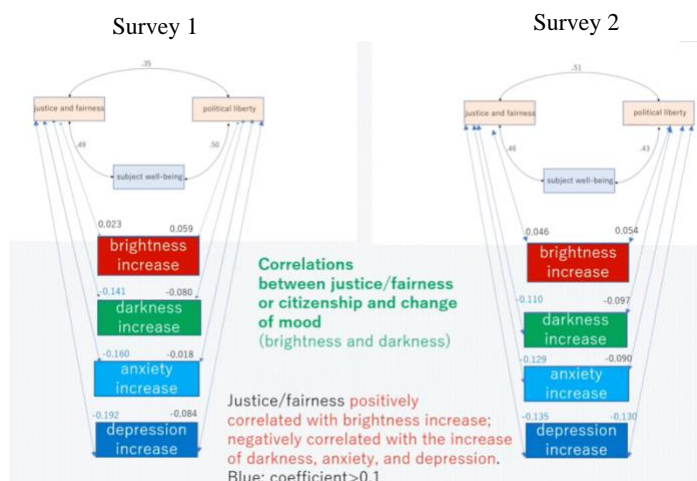


Figure 13

The conclusion of previous research is that justice and fairness and wellbeing and justice and fairness and change of mood, the correlation between citizenship or justice and fairness and wellbeing are substantial. Also, justice and fairness are related to the mitigation of negativity increase in coronal calamity. And correlation between these is small but robust. Therefore, justice and fairness contribute to wellbeing under COVID-19 and less negative change of mood. Then we conclude that justice issue or fairness issue is quite important under COVID-19.

The theme for today’s conference is political economy, the issue of political economy. I have introduced our research that horizontal dimension on research that is equality or equity is related to health equity. Also, a subjective perception of fairness and justice is related to wellbeing and the mitigation of negative mood in crisis of COVID-19. In short, fairness is associated with well-being. Then the question is how about political economy, and relation between fairness and justice and political economy or economy in each country? Professor Martin Seligman from the United States pushed forward the PERMA model of wellbeing. He thinks that wellbeing can be measured by five elements, positive emotions, engagement, relationship, meaning, and achievement. These elements are influenced by virtue or personal strength that is human character. Influenced by such research, the Positive Organization Scholarship of University of Michigan represented by Professor Kim Cameron carried out research into remarkable successful companies, especially lively and generative with performance improves. Professor Cameron pushed forward the idea of organizational virtues that is positive human inspiration, moral goodness, and social improvement. And he found out that in hospitals and multi-industry companies, despite restructuring, virtue had led to a recovery in performance. His main research was done before COVID-19, so I would like to supplement this idea with my own research later. Professor Cameron pushed forward the idea of positive leadership that is positive atmosphere, including compassion, forgiveness, gratitude. And the second element is relationship, which means positive energy stimulator, leveraging our strength. The third element is communication, positive ratio between positive feeling and negative feeling, which is important even when making corrections from the superior persons and supportive communication such as descriptive or suggestive choices. The last element is meaning, which means vocational consciousness and meaningful sense in work and labor.

My own research of Japanese Big Food Company could be summarized as follows. It is not easy to prove that psychological factors are not related to performance but also the codes of good performance. Therefore, this study examines the correlation and causality between wellbeing and employees’ traits and performance in a sizable Japanese food company with more than 200 shops (Figure 14). It also summarizes the primary feature of the participants and questions here. The participants were all employees of the highest or the lowest 30 shops in terms of annual sales and two factory workers. They could lead self-report measures regarding their wellbeing as extracted from PERMA questioners and personal traits such as optimism, virtues, satisfaction, and happiness.

Two Researches of Japanese Big Food Company				dec, 2017
				may, 2018
	male/ female	full-time employee	Part-time worker	
30 shops (N=150)	8/127	3	132	<ul style="list-style-type: none"> <li>• PERMA profiler(J. Butler and M. L Kern)</li> <li>• Workplace PERMA profiler(same as above)</li> <li>• optimism/pessimism(LOT-R: M. F. Scheier, C. S. Carver, &amp; M.W. Bridges)</li> <li>• 6 Virtues :VIA</li> <li>• Traits of orientation: autonomy, good life, cooperation, contribution ,work-place contribution, docile</li> <li>• satisfaction, workplace-satisfaction</li> <li>• happiness</li> </ul>
2factories (N=241)	109/132	195	43	
sum(N=391)	117/259	201	175	

※WB(well-being),P(positive emotion),E(engagement),R(positive relationship),M(meaning),A(accomplishment)

Figure 14

Next, Figure 15 illustrates the difference in the average of wellbeing and personal traits between the top 5 shops and lowest 5 shops and demonstrates the positive relationship between general wellbeing based on the PERMA indicator and the ratio of sales change. It shows various indicators, such as PERMA and virtues, traits, and optimism, and we can see there is some positive and significant relation between these indicators and performance of the shop, that is shown in red.

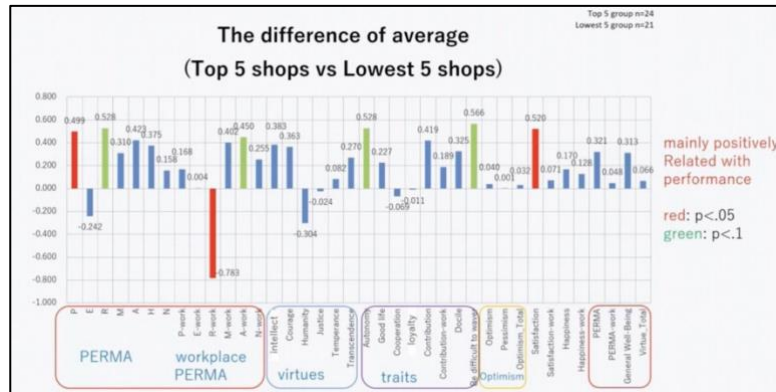


Figure 15

Figure 16 shows the positive relationship between wellbeing of employees and performance of shops. It addresses that the higher the general wellbeing, the greater the rate of increase in sales. And in Figure 17, we can summarize that the statistical comparison of the employees' answer from the top two groups, the correlation and regression analysis between the rate of change of sales of the shops at the time of the surveys and the psychological positivity. The life wellbeing saturates as a positive emotion, accomplishment, satisfaction was most clearly related positively with the shops' performance while some traits were moderately associated with it. However, there was negative relation between workplace wellbeing and performance.

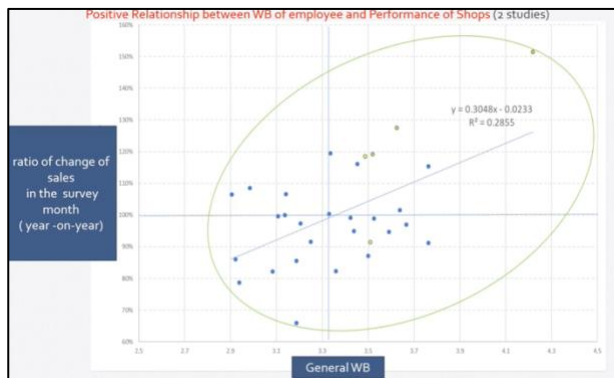


Figure 16

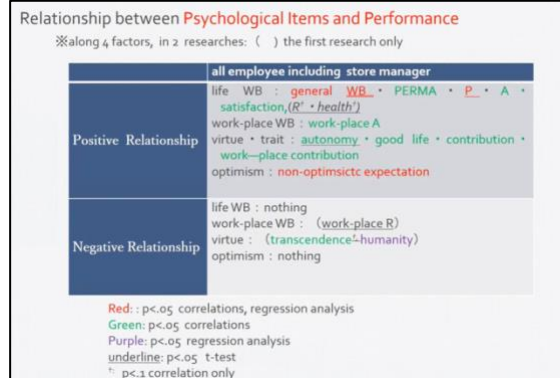


Figure 17

Furthermore, time series analysis around the two surveys indicated that the relations of the most features mentioned above during a few months after the survey tended to be higher than those before. Based on these findings, it is highly possible that the causal inference of the psychological factors of the performance is more than in opposite directions. It proves that there may be a correlation and causal relationship between the psychological features and the performance. And Figure 18 shows there is a positive relationship from two factors, life wellbeing and engagement or pro-sociality to performance, which is measured by an increase in annual sales. This brief introduction of my own research shows that wellbeing of store managers and employees is related to store performance. Employee autonomy is also relevant here. Engagement and pro-sociality of work are also relevant. Life wellbeing is more related to store performance than the workplace wellbeing and pro-sociality. Therefore, it is important to

enable a workstyle that enhances the general wellbeing in life, including personal life in order to improve performance.

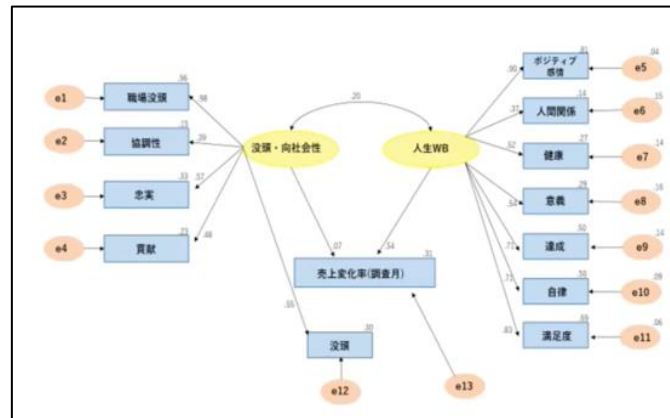


Figure 18

We began to think of new way of working after COVID-19 calamity. Everyone knows that there is a tendency for online and teleworking during the pandemic. We can find out the boundaries between organizations and those between organization and homes are loosening, and the possibility of crossing boundaries increases, especially in Japan. So physical changes such as moving to the suburbs, changes in the concentration began in Japan. We could also see that increase of marginal people or borderline people. So does this phenomenon lead to creativity, which is the problem? And we can find out value polarization because some people's values are beginning to shift to the mind and spirituality. Then I began to think, is there a new way of life and work? Or is there a new positive work style? This is a research question for could be discussed later.

There can be loose physical organizational and life boundaries. So political philosopher Hannah Arendt distinguished between labor for a living, work for people and society. We can recognize a loose boundary way of working rather than labor. Because there are top-down orders, that is vertical and slave-like labor. Now obviously, this was a major work style before corona calamity in various countries. Obviously, such kind of work style survives, but there can be a new work style, that is equal cooperation, that is horizontal, and ideas/meanings in works (spirituality). Such kind of working style began before corona calamity, but there can be a possibility that these three kinds of work styles combine soon, so this can be a three-dimensional way of working. This can become a positive way of working with a higher level of wellbeing, and creativity and performance may increase. With positive work style at the center, not only in conventional works but also the entire life, such as family and social contribution activities may change, and a flourishing society will be realized. That's a possibility as we must see how things are going wrong in the future.

This is the vision for post-corona society, that is I call flourishing society. So far, principle, technology, organizational, lifestyle and values, political philosophy, and societal community is like this. So post-corona age principle can be priority on life and health and moral economy. Technology is centered on digital that is internet and AI. Now organization will be horizontality and variety. Lifestyle and values are more shifted towards spirituality that is Eudaimonia in ancient Greece concept, ethical flourishing, or ethical happiness. And political philosophy shifts from utilitarianism, libertarianism towards communitarianism, which I study now. And societal community moves from closed and oppressive towards transboundary, and autonomy and cooperative association will be respected in that societal community. However, the fundamental issue is, is there a fair work or economy after the coronal calamity? Organizational virtue and employee's wellbeing is related to high performance in organizations just as psychological

wellbeing is associated with physical health. This is what previous studies, also my study indicates, which also leaves space for further thinking and discussion. First, how about fairness concerning organizations? Second, Professor Ishido shows the four-dimensional understanding of fairness that is compliance, equality or equity, ethicality, reciprocity. Is this concept effective for considering future economy? Particularly, fairness can be linked to organizational performance or success, and we can consider a fair work, a fair organization, or fair economy. Is this possible? Moreover, there is a word called fair trade, then is fair work, organization, or political economy is possible after the corona calamity? All these questions and issues need to be furtherly studied in the future.

## **Q&A**

### **Prof. Masaya Kobayashi**

The first question is how to count intangible assets in your research?

The second question is, were there any differences between large-sized companies and MSMEs regarding their reactions to COVID-19 or its influence on them? Your research deals with mainly MSMEs, so my question here is not only MSMEs but also large-sized company.

The third question is, is there a trend towards loose boundary in Thailand because my study is concerned with loose society in the future. That reminds me of the classical anthropology study on Thailand. JF Embree characterized Thailand as loose structured social system. I'm not sure whether the description is relevant today or not, but anyway, this concept can be somehow linked with the loose society in the future.

The fourth question is, how the "Next Normal" will be? We discuss whether Japanese companies will return to the old normal or going to something new. So my question to you is that Thailand's large companies and MSMEs are returning to the old normal or it's something new?

The fifth question, is there any other relevant disparities than young or old age and scale of companies, and that your research is concerned with? How about psychological aspects? Because my own interest is more psychological aspects so I would like to ask you about these aspects in Thailand. The fifth question is any comment on the issue, on my brief presentation, that is wellbeing and fairness, especially in Japanese companies. So wellbeing and fairness in Thailand or the national, regional, the world political economy. This fifth question is not only for Professor Sakunasingha, but also to the second speaker that is Mr. Liang.

I understand that stringent policies of government on workplace have damaged to Japanese company, as we have imagined. I am very grateful for your empirical research for proving this imagination. So I would like to ask you the first point is that can you see any special feature on Japanese policies of those companies in comparison with other countries and areas? I suppose that you know tremendously about not only Japan but also the other countries situation. So that is my first question.

My second question is that can you suggest some policy suggestions about Japan based on your research because there is severe controversy how governments should manage COVID-19? So I would like to ask you about your suggestion on this issue.

The third issue is concerned with moral dilemma between economy and COVID-19 policy. Now obviously, it is important to maintain the companies' performance under COVID-19, but there is a severe dilemma between the governmental restrictions or stringency and economic performance. As a political philosopher, I usually ask questions about such moral dilemmas. Can you suggest something about such dilemma?

**Dr. Benjalux Sakunasingha**

To answer the first question of how to count the intangible assets from the research, based on the data collected from the database mainly, therefore the intangible assets are from the on-balance sheet items. of course, according to what I have learned from Professor Ishido and have been discussing with him over the years, I have learnt that there are a lot of items that could also be considered as the intangible asset, but it is off-balance sheet. For example, connection, learning about how to do the procedures of work. Those are something that are not on the balance sheet, but it is also intangible, and it is valuable for a company, especially connection and network.

Regarding what you mentioned, if there are any differences between a large-sized firm and MSME in terms of the reaction to the COVID-19, I would say that large-sized firm has higher potential because I am looking from the economic size, from the financial size, of course they have more funding to survive, but still some of the main – some of the big companies cut down their spending, like reducing of the proportion of the salary cut down, some of the fixed expenses like rental of the office space and things like that, so they need to be utilizing their funding. But in terms of the smaller-sized firms, I think they had more problems during the COVID-19 time, especially during the first year of COVID-19 in order to survive because of the cash problems, liquidity problems put it this way. Even though they participate with the same problems, but the way they try to survive might be slightly different.

Smaller-sized firm tend to be able to survive mainly because of cash and they need to survive because they need to have enough cash. However, a lot of the MSMEs failed because they don't have enough cash to survive in terms of operation. Unlike the larger size firm, they might have more of the internal source of funding at least you know they have a larger size, but of course, they may have another problem like they have employees to think about, they have more of the higher – of the operating expenses that they have to think about or higher cost that they have to think about compared to the smaller sizes' firm. But looking from my point of view on the first agenda, that is about funding for liquidity or for cash reserve, I'm looking from the MSME point, they have more problems. They participate with severe problems comparing to the larger-sized firm in order to survive due to the cash.

Second issue talking about employment, of course with a larger size firm, they are hiring more skilled labor, or they are hiring more employees with more knowledge. They have high potential to maintain their employment even though some companies may have to reduce the salary in some proportion as you probably have seen. For the smaller size scale companies, they don't have that much of the potential. To begin with, the labor or the employee of MSMEs, the knowledge or the education they have are not – what do you call it, not as high or not as good compared to the bigger size employees' education, put it this way. Because they have the cash problems, so when COVID-19 came in, and the problem has been prolonged. More likely, they tend to reduce the number of employees in terms of the MSME company. You can see that the second point come with the employment and unemployment, I don't know whether you can call it unemployment or employment, to maintain the status of the employment of the companies, MSME participates with more problems and therefore, employees themselves have more problems because they might be out of job any time. A very common state might go from reducing the employee salary and then the discussion about the relocation of the work or the repositioning of the work, you move this person from this department to go to the other department or to do more work but pay less, and then later, out of job. I don't know which one that MSMEs really use in terms of managing their employee. But looking from my perspective, MSME participates with more of the problem to manage the employee at this level. Now I

believe with the next normal here, they are going to participate when the economy is going back into the operations, because now they don't have enough number of people to work. They need to be hiring back the people. But those people that are already out of work 18 months ago, they might find another job already. With the MSME, they need to find new labor, they need to find new staff, and then train again, right, waste of the time. This is the time to run fast, but now they will be struggling to train the new staff.

Comparing to the larger size firm which has higher potential to maintain their employees right, so when the business is going back on track, hopefully in the next 6 to 9 months, because they are not firing the people, they don't let the people to go out, so they keep the current employees, so they can run faster to catch up with the operation. I'm looking from that point of view when you ask the difference between large size and MSME to react to the COVID-19. I hope I have answered your question.

On question number 3, I really would like to ask for your explanation, what do you mean by loose boundaries; I'm not clear about that.

### **Prof. Masaya Kobayashi**

There are strict boundaries in Japan for example, the companies or various organizations, including the universities, people of course should work within that company. And people live in one area but telework enabled people to work in their homes for example. In that case, people can easily go to work and home more frequently or more easily than the usual or before corona calamity. We can think that such kind of flexibility can continue after the corona calamity, that's the point which I would like to ask you.

### **Dr. Benjalux Sakunasingha**

I think it is related to the next question about "Next Normal", I shall combine the answers. Since COVID-19, we have come up with the new wording. We talk about social distancing, we talk about a lot of things, work-from-home, study-from-home and things like that. This is something that has never happened before, at least in my life. This thing, even though now it becomes "New Normal" during the COVID-19, some company they move to the "Next Normal" right now. Let me share with you, I don't see the picture here yet to myself because it's at the university level, but we are going back to campus fully. But in my friends' offices in downtown Bangkok, even though today is the first day that we go back to office, but some of the companies like some of the local banks here in Thailand, they provide what you call the flexibility for work as what you mentioned it might call – what do you call it, the loose boundary. We call it the work life balance. They said in 5 days, each week, we have the 5 working days each week, Monday through Friday, employees can select 2 days to go to work at the office. They can select their own 2 days. This week I might want to select Tuesday and Thursday, and the following week, I might want to select Thursday and Friday. But this has to be scheduled one month ahead because now they have to – we call it coworking space. It has happened everywhere now globally, including in Japan, we do coworking space. You don't have your own tiny little office to sit in like we are the professors, we have a lot of books and things to work on our research and our students' paper right. We're going to have our own private office. Not anymore in Bangkok. Many offices are coworking spaces, and I would call it horizontal because even though you are the big boss, you also share the same coworking space. It's not that in the old days you sit like a hierarchical – if you are the big boss, you sit in a bigger room, and then, later you're going to have a subordinate to sit right here and there, here and there. Not anymore. We don't have a private room unless you are a very big boss like executives and stuff, we share the coworking space. The advantage, looking from economical side is that the



rental of the building per company has been reduced in size. Say it's like one of my friends working for a credit card company, they normally rent five floors in one building, now they have reduced to only three floors, and try to utilize those floors for coworking space, and of course, they have the flexibility of working hours, which now happens at every places. I think it saves a lot of cost for the company. It also provides a work-life balance for us as a worker. I could stay home working from home three times a week, and on the day that I feel that I need to go to the office, then I sign some paper that I need to go to the office. I think it provides more of the comfort in terms of – I am having my life back. Before COVID-19, people – especially people who work in downtown Bangkok, we have a lot of stress not just from work, but also from traffic. It's very heavy traffic in the morning and in the evening. We spend a lot of time outside of our house, outside of our residence. We probably leave our old senior citizens behind, come back home at 8 o'clock, leave home at 5 a.m. in the morning. Now I think the life is more lifeiful, fruitful because I can manage my time. People of the working age they can manage their time more to have – we keep talking about work life balance for so long, but it hasn't happened. During COVID-19, we participated with another problem. You probably understand the concept of productivities. Looking from the companies' point of view, they still want us to produce the same level or even higher level every year, that's why we have the performance agreement and things like that. But when we work from home, it's very difficult to contribute the same, I accept that. You have your parents at home, you have your children at home. All of them study from home and work from home as well, and you will be distracted with your home activities such as you have to cook for your children, you have to fix up your house and things like that, at the same time, you have to be in front of the computer to do your work, which is very difficult during COVID-19. But we have construed that for 2 years, almost 3 years right now.

I believe we are moving now to the next normal that is at those time we miss to go back to the office, now I believe that we can balance work and life a bit more because we have 2 days or 3 days to go to work, and we can also stay at home and still do some work at home some days. I think with the “Next Normal”, I think Thailand is moving towards that “Next Normal”, even though we now allow people to go back to the office fully, but they are more flexible than before. With the help of the technology, I would say because in the old days, we had a lot of paperwork. Nowadays, the paperwork has been on the cloud, what do you call it, cloud programming, so we can work from anywhere. I think this is what I am looking for.

Another issue is that with the “Next Normal”, it allows the people who came from the suburbs to go back and live in their hometown as well. And that would let the growing of the suburb area, that create the jobs around that area as well, besides every people before COVID-19, they always came to Bangkok to get the jobs, I think this is going to be something new that a lot of people are moving, even though slowly, are moving out of Bangkok and be in the suburb, be back in their hometown, and they still can maintain their good life with family and also do the work. I think this would meet the work life balance that a lot of people at my working age are talking about. Myself, I don't feel much because as a career, as a professor's career, we have more flexibility in terms of working hours. But in terms of the office worker, this is something new for them. This is something that they are looking for.

Questions number 4, I think whether you are talking about younger and older age, scales of the company in terms of psychological aspect, I think the human resource department of many companies maybe also considering this as well because this is something that we all want in life. We want to make work and life balance. We don't want to lose the job because if we lose the jobs, we are not happy as well because there is no money to feed the family. But at the same time, we want to have more time for family, for private life. I think with this new normal, in

terms of flexibility, in terms of – I am not talking about the adaptability of the life of the people because we already adapt to fit with whatever has come in during the COVID-19 or right now is around the beginning of the post COVID recovery. A lot of people already adapt their lifestyles. But in terms of flexibility, I think we have to be flexible because we never know what will come next, so we'll have to be more flexible. It is not a promise that we will have to be 100% go back to office or we're going to be more flexible as is right now. We don't know what will come, and we don't even know what will be the new disease that we probably have to come back and work from home again. No one knows. I think working people have to be more flexible to adapt to change, and technology is something that we need to cope on and to learn quickly.

In terms of psychological aspect, I'm not so sure whether I could answer that to you because I am more on the finance and economic side, but I believe that that would be very important in terms of looking from the corporate point of view or a managerial point of view, that psychological aspect will be something that plays an important role to keep the employees happy.

**Mr. Richard Licheng Liang**

I will try to answer your questions one by one. First question is about the case for other countries there are some previous slides also use other country as an example. So as far as I know, there is one study on the firms from Bangladesh, and they used the data of Bangladesh companies, and they showed us that – they used the Bangladesh firms in the agri industries and test data is to find out the demand shock brought by the COVID-19 in destination countries account for the most decline in the sales from those firms. This empirical analysis includes both the supply and demand shock, but impacts induced by the supply side are just manageable compared to be those found at later channel. That means the demand from the destination countries will affect the production of those suppliers in the home country. They suggest that the firms more dependent on Chinese imports didn't suffer a sharp decline compared to those less dependent on Chinese imports. So that's to say that the firms are no matter wherever it is located, if the firm is deeply embedded in the global value chain, then the supplier, consumer linkages will help them to get rid of the trouble.

Another study also shows us that in international firms, they will suffer less than those domestic firms. So international firms they can – the worldwide production network can be seen as a buffer for this shock. If the firm is located or positioned in a specific place in the whole global value chain, then I think taking the advantage of the value chains, they can make their loss become less. It is one channel for them to get rid of the shocks.

Another case study is from the Philippines, so actually the Philippines, they implemented very strict lockdown policies during the COVID pandemic, but studies found that the imposition of lockdown policies by companies will lead to a decline of the firms in the home country, compared – so comparing to the domestic lockdown policing, the partners lockdown policies would make more significant effects on the sales. So that's to say the coordination of lockdown policies is very important for the economic recovery.

Regarding your second question about any policy suggestions about how to let our community get recovered soon. I also got my answer. In my opinion, I think the regional policy coordination is very critical to mitigate and isolate the pandemic shock. It is important to identify the pandemic events as early as possible so that to plan to flatten the pandemic curve at the national and regional level. This evidence is supported by a recent study by World Bank, which highlights the importance of early mitigation policies to end the pandemic shock. Because of the pandemic and economic shocks increased significantly, several countries in the region

experienced pandemic shocks concurrently. In that case, flattening the regional pandemic curve becomes very important. So that's to say, so every country they will do their best to detect the pandemic as early as possible and then they can coordinate with each other and use some precautionary measures to further forbid the situation becomes worse. This could be first suggestion from me.

Regarding your third question, it is about the tradeoff between economic recovery and lockdown policies. Let us rethink this issue. The current production networks worldwide are very resilient. It is more resilient and stronger than we expected. So just after two quarters, all the sales, all the production had already returned to the pre-COVID-19 level. So, you can see, if we don't have such kind of a strong production network, we can't get our medical products like mask or other medical products very soon after the hospital cost of COVID-19. So, enhanced global production network is the necessary channel to make people healthy. Also, we need to rely on some scientific tools like it's better for us to boost the vaccines as much as possible and to make people get rid of the infections. Also, governmental income supports programs that relief programs showed they are helpful for the firms. It is nice see all these governments they should – there must be some synergy between the health policies and the economic policies, especially during the post-COVID period. Rather to say it is a dilemma, there is still some place a point for us to find to balance the lockdown policies and the economic issues.

**Assoc. Prof. Takyuki Kawase**

My question is to anybody, Dr. Sakunasingha, Mr. Liang or Professor Kobayashi. My question is that did COVID-19 pandemic bring about irreversible, so non-reversible change to our society and our sense of fairness? In my opinion, COVID-19 is just a superficial phenomenon and never touch our deeper part of our fundamental ideas. We have never changed our basic philosophy such as the rule of law or with the democracy, but this is my very personal opinion. So how about your opinions?

**Prof. Masaya Kobayashi**

My impression is that we are moving the next stage by way of impact of pandemic. Not only pandemic but also the recent foreign affairs including Russia-Ukraine conflict and so on, that's a very serious issue. So, these various impacts can or may change our original society. The answer by the first speaker, I learned much about Thailand situation. My feeling on the matter was a strong sense by her answer because I found out there is similarity between Japanese situation and Thailand situation, which I might be familiar with. My feeling that if we ask the same question to other countries – there can be similar answers. So, we can find out there is a similar change in all the world by the impact of the corona calamity. I suppose that there can be similar change in the future world. Obviously, this is only assumptions. I would like to examine the change by my own research and impression by the other countries. In that sense, I am very grateful for today's conference now. From the second speaker's answers, I am very impressed by the similarity between my own opinion and the Mr. Liang's opinion. Because I found that his empirical research shows that Japanese stringent policy damaged the Japanese economy. Obviously, that's true, but until that there can be a dilemma, moral dilemma between the two so I am impressed by his answer on foreign countries and his own opinion. In that sense, I think that such kind of solution of the moral dilemma can have an impact in the future society and political economy. That's also my impression today.

**Prof. Hikari Ishido**

My research topic is international economics, and then today's topic is economy. So just briefly, I did this kind of calculation, so export price versus import price, and then there was this disparity, APEC economies, African Union countries, and then EU member countries. Each country is gaining or losing, and then the gap is widening. So, oil exporters are fine, mineral resource exporters are fine, but when we have to import oils or mineral then we lose out of trade. There is now some kind of a widening gap. Then liberal nationalism, Dr. Kawase thank you so much for your intervention, and then I really count on your liberal nationalism because not only nation states, but also regional or supranational institutions should contribute, intervention. Then, insight from information economics by Joseph Stiglitz, a Nobel Prize Laureate information, asymmetry, and inequality are linked up with each other. Market, in general, is imperfect since the necessary information for using the market itself entails some cost. So smaller companies, disadvantage groups have to pay extra fixed cost. That's why there is widening inequality. So maybe information, asymmetry and inequality persist under such condition, so fairness concept should be important because fairness can at least secure or at least stop increasing unnecessary cost. So, compliance, equity, ethicality, and reciprocity if these are observed, then unnecessary information cost will be cut back. We might be able to achieve a fairer society, if not a perfectly fair society. So that's my final remark. Thank you so much, I have learned greatly from today's presenters and discussions. I would like to thank all of you. Then, I would like to ask Professor Mizushima to make closing remarks

**Closing Remark (by Prof. Jiro Mizushima)**

Thank you very much for our two presentations, and they are very insightful and impressive. After hearing the lectures, I am now convinced that the world is entering a new phase. It is not clear, as we discussed, whether it is totally new or is irreversible or not. But anyway, I think in my opinion, the history goes on as a spiral well. It is new, but it is based on the past. So, we have to see the connection with the new and the old. It is interesting to hear that in Thailand today is the first day of the return to normalcy. Congratulations, and probably people get happy. I think we hope to see in the whole world the people can get together. Also, in the academic world, I hope to see you too in person in the future. In that sense, return to normalcy is quite nice.

But on the other hand, something has happened irreversibly so work life balance people get to think about it. And 5 days busy commuters that will be the thing of the past, I hope. Anyway, as Professor Sakunasingha added, life is fruitful, and life should be fruitful, I think. Thank you very much