

## **THE REPERCUSSIONS OF COVID-19 PANDEMIC ON THE LABOUR FORCE PARTICIPATION OF OLDER PEOPLE: A NARRATIVE LITERATURE REVIEW**

Chang Foo Chung\*, Tan Sharon @ Rebecca  
*Faculty of Accountancy, Finance and Business*  
*Tunku Abdul Rahman University College Sabah, 88450 Kota Kinabalu, Sabah, Malaysia*

Jennyca Binti Singau  
*Faculty of Business, Technology and Accounting*  
*SIDMA College Sabah, 88300 Kota Kinabalu, Sabah, Malaysia*

Khairul Hanim Pazim, Kasim Mansur  
*Faculty of Business, Economics and Accountancy*  
*Universiti Malaysia Sabah, 88400 Kota Kinabalu, Sabah, Malaysia*

Email: achangfc@tarc.edu.my\*, btans@tarc.edu.my, cjennyca.singau@gmail.com,  
dk\_hanim@ums.edu.my, ekmansur@ums.edu.my

### **ABSTRACT**

In 2002, the World Health Organisation (WHO) designed a framework for active ageing society which was implemented by most of the countries in the world to date. Furthermore, several studies have explained that the labour force participation of older people is one of the key factors in promoting the concept of active ageing (Punyakaew et al., 2019; Halaweh et al., 2018). Due to an unexpected disastrous COVID-19 pandemic emerged, there is a need to revisit the possible effects of this pandemic on the labour force participation of the older population. As of 25 November 2020, WHO reported that there are more than 59 million infected people and 1,397,139 deaths in 216 countries worldwide and the numbers are still rising at a rapid rate. Older people were identified as one of the most vulnerable groups to COVID-19 virus. It is expected that the current situation is less favourable to older people in Malaysia not only to their participation in the labour market, but in many aspects as well. This paper aims to provide a narrative literature review in an effort to understand how COVID-19 pandemic might have changed the decision of older people in participating in the labour force in Malaysia.

**Keywords:** Labour Force Participation; Older People; COVID-19; Active Ageing Framework; Pandemic; Narrative Literature Review

### **1.0 INTRODUCTION**

On 11th March 2020, the world changed forever when the World Health Organisation (WHO) declared COVID-19 as pandemic. COVID-19 was originally known as 'Wuhan pneumonia' due to its connection to the area where the first pneumonia-like case emerged (Chang et al. 2020). The severity and the widespread of COVID-19 in countries such as China and Singapore, has led to a quick decision by the Malaysian government to implement the Movement Order Control (MCO) on 18th March 2020, as a precautionary measure in controlling the spread of this disease (Chang et al. 2020; Shah et al. 2020). The implementation of MCO has created a phenomenal change called 'new normal' to all Malaysians (Ibrahim & Shimmi, 2020). In other words, every individual has to embrace new

practices in their routines such as social distancing and wearing masks in the public in order to avoid getting the COVID-19. This 'new normal' has affected the older people in many ways including their participation in the labour force. To date, over 59 million COVID-19 cases with 1,397,139 deaths have been reported by the WHO (2020) and 58,847 cases with 341 deaths were reported in Malaysia by the Ministry of Health (MOHM, 2020).

## **2.0 SIGNIFICANCE OF THE STUDY**

Older people are prone to COVID-19 (Daoust, 2020). Most of the deaths related to COVID-19 in Malaysia are coming from the older population. With the presence of COVID-19, older people find it more difficult to participate in the labour force than before. This study provides a narrative literature review on the labour force participation of older people in Malaysia during the COVID-19 pandemic which is useful for the policymakers in designing effective policy in protecting the wellbeing of the older people while promoting active ageing.

## **3.0 METHODOLOGY**

This study adopted a narrative literature review approach as proposed in a study by Green et al. (2006). This approach is purported to assess secondary studies found in conference proceedings, journals and other academic papers.

## **4.0 NARRATIVE LITERATURE REVIEW**

### **4.1 Active Ageing Framework**

The Active Ageing Framework (AAF) is a framework that focuses on promoting active engagement of older people in any beneficial activities (Mohd & Sharif, 2020). This framework was originally published by the World Health Organisation in 2002 and is used widely in the field of gerontology (WHO, 2002). This includes optimizing the opportunity for the older people in maintaining good physical, social and mental wellbeing throughout their older life. With active participation of older people in beneficial activities, prolongation in healthy life expectancy, productivity and good quality of life as age increase is expected (Ambigga et al., 2011). Active ageing lifestyle can be promoted via active participation of older people in the labour market which allows them to stay physically fit as they age.

### **4.2 History of the COVID-19 Outbreak in Malaysia**

The first official case of COVID-19 in Malaysia was detected back in 25 January 2020 (Elengoe, 2020). However, the first Malaysian that was actually infected by the COVID-19 was announced on 4 February 2020 (Elengoe, 2020). The number of COVID-19 cases rising steadily at a rapid rate ever since the first case caused the government to take a drastic measure by executing the Movement Control Order (MCO) on 18 March 2020 (Ho & Tang, 2020; Shah et al. 2020). The MCO originally contained three phases which was planned to be lifted after 28 April 2020, however, due to the severity of the spread of COVID-19 in Malaysia, the MCO was extended from 29 April 2020 to 12 May 2020 (Tang, 2020). On 1 May 2020, the government decided to modify the fourth phase of MCO by allowing some businesses to resume its operations in order to ease the economic losses faced by the government and this phase is renamed to Conditional Movement Control Order (CMCO) (Tang, 2020). On 24 November 2020, the COVID-19 daily cases hit another peak by

recording 2,188 new cases (Ministry of Health Malaysia, 2020) despite a strict CMCO was imposed on certain states like Sabah, Selangor, Kuala Lumpur and Putrajaya (Daily Express Online, 8 November 2020).

### **4.3 Impacts of COVID-19 Pandemic on the Labour Force Participation of Older People in Malaysia**

Prior studies have found that older people have a low survival rate if they are infected by the COVID-19 (Clark et al., 2020; Pelicioni & Lord, 2020). Most of the deaths associated with the COVID-19 were the older people (Daoust, 2020). The Ministry of Health (MOH) in Malaysia reported that the highest incidence of COVID-19 is among those aged 55 to 69. Furthermore, recent studies on COVID-19 patients in older people suggested that the older males are at higher risk than the older females (Clark et al. 2020; Sun et al. 2020).

The labour force participation rate of older people shows a declining trend as businesses contracted its workforce in order to reduce the labour costs to remain sustainable during this ongoing pandemic. Earlier findings of Chaney (2020) confirms that labour force participation rate for females show a steeper decline than the males as most of the women are the 'caregiver' in the household. This might explain why the older females have a lower participation rate in the labour force than the older males. According to Schmillen et al. (2020), the life expectancy at birth has increased from 73.2 years to 79.6 years and the older women in average have a higher life expectancy than the older men. However, the employment rate for older women is relatively lower than the older men and in fact, the gender gap in the labour force in Malaysia is claimed to be one of the highest compared to its other ASEAN peers (Schmillen et al. 2020). The COVID-19 pandemic may create more challenges to older women to participate in the labour force than the older men as the gender discrimination is relatively higher in Malaysia.

Imposition of lockdown has forced women to withdraw themselves from the labour market in order to provide care in the household, especially women that are married with children (Bidisha & Faruk, 2020). As Malaysian government imposed the MCO on 18 March 2020 and further extensions, the labour force participation rate of women is expected to take a dive. More broadly, older people were reported to have a higher sensitivity to the COVID-19 disease and the ongoing pandemic may compelled them to withdraw themselves from the labour force or decided to stop looking for new employment and retire after losing their job during the COVID-19 pandemic (Coibion et al., 2020). This indicates an increase in the number of older people in Malaysia stop working in order to avoid the risk of getting the COVID-19 and more likely it is expected that the working children will persuade their older parents to quit their job for safety reasons.

## **5.0 CONCLUSIONS**

The COVID-19 pandemic has significantly changed the labour market landscape for the older people to participate. Not only that, the older people are now compelled to adapt to the 'new normal' during and after the COVID-19 pandemic (Abdullah et al. 2020). It is expected that the older people in Malaysia will have different preferences over their labour force participation decision during the COVID-19 pandemic.

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