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Economic View of The Pandemic COVID-19: An Asian Perspective Challenges and Suggestions Based on New Structural Economics Approach

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ABSTRACT

This study aims to provide a brief overview of the novel Coronavirus (COVID-19), which has spread to nearly 200 countries and regions worldwide but is still active. We are particularly concerned by the COVID-19 economic perspective, which presents an Asian perspective challenge. The COVID-19 scenario is continually unfolding, and this research draws on evidence from published studies and news outlets. To delve deeper into the subject, we categorize the economic impact into four groups: Central and West Asian countries, East Asian countries, South Asian countries, and Southeast Asian. The consequences are dire: lower exports, slowed international economic activity, lower inward demand, and lower local consumption. However, by addressing key challenges based on New Structural Economics (NSE) and employing the market's comparative advantage strategy, Asian economies can be well-positioned to pursue stable and efficient economic development. The primary goal of the examination is to determine the factor endowment and structure. Furthermore, we advocate for a facilitating state because its functions enable structural change through operating industrial strategy to mitigate market breakdowns and support industries by concealing comparative advantages in the market to achieve stability and dynamic development. As a result, Asian economies must embark on a path to state-friendly and market-driven development following COVID-19. COVID-19 has negatively impacted economies, especially in emerging nations. As a result, Asian economies must urgently implement measures that encourage both government intervention and good market practices in order to stimulate economic progress. This includes promoting structural transformation through industrial strategy, addressing market failures, and assisting industries in achieving market stability and encouraging dynamic growth by using their comparative advantages.

INTRODUCTION

Is global being relocated? The 2020-21-year storyline demonstrated COVID-19's economic perspective to an Asian perspective challenge. Asia has had some of the fastest-growing economies in the last century, but COVID-19 has placed constraints on these economies (Faisal et al., 2023). In particular, the virus's risks of social isolation and travel have resulted in significant economic and consumer outlay. Production has become unstable, with demand disrupted internally and externally in Asia's most important market. The economic impact has been unbalanced in all Asian countries, possibly due to variations in COVID-19, resulting in regulatory frameworks and the scale of the industries most harmed in various economies (Meo et al., 2023). As a result, economies are expected to understate their capabilities until the COVID-19 challenge.

The significant of this paper is that it is builds on a new structural economic assessment framework emphasizing an efficient market structure to encourage a facilitating state (Lin & Wang, 2017). China's personal economic growth facilitates Professor Justin Yifu Lin's proposed state and efficient market. However, facilitating states can reap the benefits of the situation by collaborating with outside innovators, allowing for work for cooperative governance (Ansell & Gash, 2018; Christensen et al., 2016), and improving technological infrastructure to compete for new industries (Yifu, 2017; Yifu & Wang, 2022). Furthermore, Professor Justin Yifu Lin stated that the government should implement macro-control measures to prevent a market collapse. Emerging economies in transition should account for the majority of the market share in resource sharing. However, Professor Yifu Lin presents economic growth factors such as an efficient market and a facilitating state. The novelty of this study is that this firsthand knowledge of China's economic development may be useful to other Asian economies following COVID-19.

The epidemic spread quickly across China at the start of 2020. It immediately shut down China's factories while thousands of residents were restrained in the epidemic region and hundreds of national cities as a precaution (Ayittey et al., 2020). The company's operations in China had been halted. The impediment to market processes had dealt a blow to the Chinese economy. This deluge has widened the chasm between China's goal of becoming the world's leading economic system and the economies of regions with financial ties to China (Cole et al., 2020). COVID-19 has killed approximately 1,531,333 people, and more than 213,187,051 people have been diagnosed in Asia while the rest of world 4,772,555[1] . The nations most affected by the epidemic are India, Turkey, Iran, Indonesia, and Iraq, which face health complications and economic instability.

According to Chinese medical professionals, 20% of patients are severe and require hospitalization, while the remaining 80% are moderate and can be cured by their immune system. Older people are more likely to experience life-threatening situations (Han & Yang, 2020). People's interactions have been used to spread the virus. The virus spreads rapidly via droplets and is transported from one location to another as other viruses, such as flu and cough (Lou et al., 2024). The only aspect of virus

[1] Retrieved data on July 30, 2021, https://www.worldometers.info/coronavirus/

prevention is good health, hand washing, and the use of sanitizer (Hassen et al., 2020). Except for vaccines, there have been no medicines for the virus-like Ebola and AIDS (Pushparajah et al., 2021). The contribution of this study lies regarding the NSE framework on the basis of efficient market and facilitating state (Lin & Wang, 2017; Yifu & Wang, 2022). Moreover, the geographic distribution of COVID-19 has significantly hampered economic development worldwide. Many countries' economies reported significant negative growth. However, the rate of change in the economy has been steadily declining. The COVID-19 outbreak has not yet subsided, but many economies will suffer.

The rest of the paper is organized as follows: The following section identifies economic development distress from the perspective of COVID-19 and the Central and West Asian economies, East Asian economies, Southeast Asian economies, and South Asian economies. Next, identify the key challenges confronting Asian economies, NSE, and conclude with conclusive remarks.

LITERATURE REVIEW

Economic Development Distress During Covid-19

For the first time in sixty years, Asian economies will experience a decline[2] as shown in figure 1. COVID-19 has harmed Asian countries in four ways: decreased exports, reduced international economic activity, decreased inward demand, and decreased local consumption. The economy's earnings, employment, and investment growth have all suffered due to a decline in domestic and international consumption (Abiad et al., 2020). The high occurrence of COVID-19, among other aspects, was positively influence for the settings in sense of reduced CO2 emission (Adebayo et al., 2022; Alola & Adebayo, 2023). However, the severity of the effect has been diluted by the industrial composition of Asian economies.

Asian economies have been restrained in their recession, as have other economies. At the start of COVID-19, certain countries qualified for significant capital outflows (Tandon et al., 2020). Asian commercial markets, on the other hand, have steadily regained strength. The impact on capital inflows has been primarily associated with the Asian currency crisis during the late-2000s global financial crisis (Patel & Kularatne, 2022). Furthermore, due to the increased power of make-up foreign currency funds and the immediate, forceful operation of economic and fiscal policy actions, Asian commercial markets have been able to withstand the impact of COVID-19 (Abiad et al., 2020; Zahoor et al., 2024). Financial assistance has provided a possible level of protection through domestic and multilateral engagements formed and improved over time.

The COVID-19 pandemic led to a rapid and significant decline in economic activity, marked by a reduction in GDP growth or even a recession in some nations (Jawad et al., 2024; World Bank, 2020). Significant economic activity has been impacted by the adoption of lockdown measures, travel restrictions, and social distancing protocols in an effort to minimise the spread of the virus. Because

[2] Asian Development Outlook (ADO) 2020 Update: Wellness in Worrying Times. Retrieved on January 13, 2021, https://www.adb.org/publications/asian-development-outlook-2020-update

of this, supply chains have been messed up, consumer spending has dropped, and businesses have stopped operating. Rising unemployment and falling incomes are two major problems stemming from the current economic climate (Patel & Kularatne, 2022). Many organisations have had to lay off employees or reduce their workforce due to lockdowns and social isolation measures, particularly in the hardest-hit areas. Families have encountered monetary strain and increased financial vulnerability because of the huge number of people who have lost their positions or had their pay cut. Business terminations and insolvencies have surged in light of the monetary implications of the Coronavirus pandemic, especially among SMEs. Numerous organizations have attempted to adjust to the quickly changing financial environment, confronting difficulties, for example, decreased client interest, inventory network interruptions, and functional obstacles (Khan et al., 2022). These difficulties have been impossible for certain individuals, bringing about long-lasting terminations and monetary breakdowns. That, however, the infection has unleashed destruction on global stock chains, making previous financial interdependencies and weaknesses considerably more obvious. Modern terminations, transportation limitations, and calculated issues have all disturbed the inventory network, easing back the development of labor and products. As a result, certain industries have experienced price volatility and shortages, escalating economic hardship. By and large, the Coronavirus Financial Improvement Pain shows how the episode delivered outrageous monetary difficulty and vulnerability (Faisal et al., 2023). To handle these issues, it is fundamental for states, organizations, and worldwide associations to cooperate in a planned way. This collaboration should focus on implementing policies that are successful, supporting recovery efforts, and developing the ability to withstand future shocks (Patel & Kularatne, 2022).

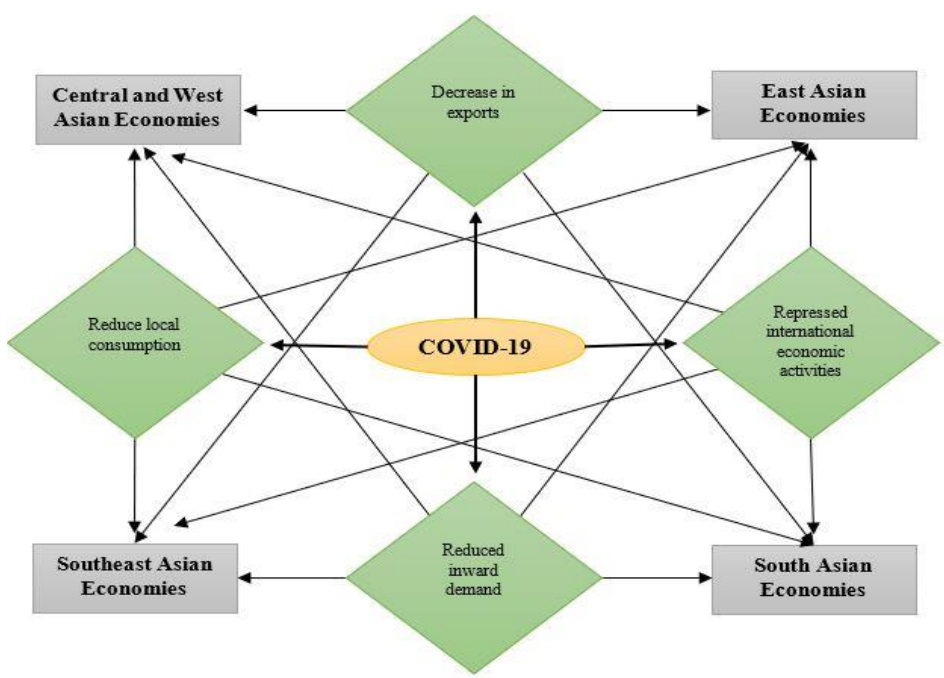

Figure 1: Economic effect of COVID-19

Source: Author Construction

Central and West Asian Economies

Central Asia's economic boundary is Russia. According to 2019 estimates, Central Asian economies have a population[3] of 74,338,950, a GDP of $300 billion, and a GDP per capita of 4,000 dollars[4]. China's economy is very similar to Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. China invests heavily in Central Asian countries, increasing its dominance by establishing corporations and infrastructure. China increased its trade with the Central Asian region by nearly $300 billion (Abiad et al., 2020; Citroner, 2020; Fulton, 2020; Rashid & Sarwar,2022).

For the past four decades, China's economy has grown tremendously. China's GDP is $13.6 trillion, making it the world's second-largest economy. China is also known as the world's largest economy regarding purchasing power, foreign reserves, producers, and commodity manufacturers (Ayittey et al., 2020). China's goals in forming alliances with Central Asian economies are to gain access to raw materials and to forge a path to oil reserve economies. However, oil and raw materials account for nearly 91 percent of these regions' exports to China (Fulton, 2020). Financing the strategies mentioned above is also required for China to become an economic powerhouse. As a result, central Asian economies have expressed a long-term interest in China's power industry (Cheng, 2020; Citroner, 2020).

Central and West Asian economies have faced considerable economic development difficulties during the COVID-19 pandemic, similar to the obstacles experienced elsewhere. Additionally, they have encountered additional dynamics unique to the region. Central and West Asian economies, similar to other regions, have seen the negative impact of economic downturns caused by the epidemic (Zhao & Rasoulinezhad, 2023). The implementation of lockdown measures, travel restrictions, and social distancing protocols has caused disruptions in economic operations across all sectors, resulting in a decline in GDP growth and heightened economic instability. For instance, nations such as Kazakhstan, Uzbekistan, and Turkmenistan have had substantial decreases in GDP growth as a result of disruptions in crucial industries like oil and gas, mining, and manufacturing. Unemployment and income loss are significant concerns in the economies of Central and West Asian regions (Zhao & Rasoulinezhad, 2023). The economic downturn caused by the pandemic has led to job cuts and decreased working hours, especially in sectors that primarily depend on labor-intensive industries like construction, agriculture, and services. As a consequence, several local families and folks face increased social and financial hitches.

Moreover, numerous small and medium-sized undertakings (SMEs) in Focal and West Asian economies have left business or opted for non-payment. Many businesses have resisted to continue due to financial constraints, supply chain disruptions, and decreased customer demand (Panneer et al., 2023). Businesses going out of business can lead to unemployment and a weakening of the region's economy. The economies of Central and West Asia have also confronted unique vulnerabilities and dependence, in addition to the issues mentioned earlier. Countries like Azerbaijan, Turkmenistan, and

[3] Retrieved data on January 4, 2021, https://www.worldometers.info/worldpopulation/central-asia-population/
[4] The World Bank. Retrieved data on January 4, 2021, https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=Z7

Kazakhstan, which heavily rely on the export of oil and gas, have been strangely obstructed negatively by the sharp decline in oil prices and the subsequent decline in global demand for energy resources. The government's income and fiscal balances have been greatly affected, necessitating changes to economic and budgetary policies (Panneer et al., 2023). Also, logistical issues have disrupted global supply networks, which has hurt economies in Central and West Asia. Afghanistan, Kyrgyzstan, and Tajikistan are some of the landlocked countries in the area that have had a harder time getting goods and services from international markets because of their isolation from the sea. These problems have worsened pre-existing economic vulnerabilities and emphasized the necessity for regional collaboration and measures to create resilience (Khan et al., 2022).

East and Southeast Asian Economies

This geographical circle connects several economies, including Indonesia, Singapore, Malaysia, Brunei, Myanmar, and Mongolia. It has extensive market and FDI cooperation with China, and China has invested billions of dollars in a variety of schemes in these economies (Raga, 2020). However, the current incident of COVID-19 had disastrous consequences for Chinese employees and supplies throughout the economic hub of Wuhan (Ayittey et al., 2020).

Twenty percent of all visitors to Thailand, Mongolia, Vietnam, and Cambodia were Chinese. Economic systems shape COVID-19's economic impact with adjacent ties to China in the form of firms, finance, or tourism (Roach, 2020). These economies export nearly 16% of their total output to China (Cakmakl et al., 2020; Meo et al., 2023; Shepard, 2020). A virus outbreak is about to force the development of a hydropower plant in Sumatra to stop because there are not enough Chinese workers in Indonesia (Raga, 2020). During COVID-19, the $6 billion high-speed train project between Bandung and Jakarta was also postponed. Vietnam would be affected as well, despite its reliance on Chinese goods. The Hong Kong and Singapore markets also face significant development risks (Roach, 2020).

East and Southeast Asian economies have successfully managed the economic challenges brought about by the COVID-19 pandemic, demonstrating different levels of resilience and adaptability. This can be attributed to their unique economic structures, governmental measures, and regional dynamics. East and Southeast Asian economies, which play a significant role in global trade and economic growth, have been greatly affected by the pandemic. While several countries in the region, such as China, South Korea, and Taiwan, have successfully controlled the spread of the virus and minimized economic disruptions, others have had notable difficulties (Panneer et al., 2023; Zhao & Rasoulinezhad, 2023).

Disruptions in global supply chains are the main cause of the economic crisis in Southeast Asian and East Asian economies. Several countries in the region ship a lot of automobiles, electronics, and other manufactured goods because they are major players in international supply chains. Inventory network interferences because of modern terminations, transportation impediments, and strategic issues fundamentally affect creation and product exercises. A few enterprises have seen work misfortunes and financial constrictions thus (Panneer et al., 2023; Zhao & Rasoulinezhad, 2023). The pandemic has also hurt Southeast Asian nations that depend on tourism, like Indonesia, Malaysia, and Thailand. Line terminations, travel limitations, and a sharp drop in worldwide sightseers affect the travel industry's business. For people groups that rely considerably upon the travel industry, this has implied plenty of organization terminations, employment misfortunes, and monetary difficulties. East and Southeast Asian economies have shown strength and versatility even with the pandemic, notwithstanding these difficulties. Social safety nets, economic stimulus programs, and robust public health measures have been implemented by a number of countries in the region to assist businesses, preserve employment, and lessen the pandemic's impact on vulnerable populations (Zhao & Rasoulinezhad, 2023). In response to the pandemic, a number of economies in Southeast Asia and East Asia have increased their efforts to innovate and undergo digital transformation. Digital technology, e-commerce platforms, and remote work activities have helped businesses adapt to shifting consumer behaviors and market dynamics, fostering economic recovery and bounciness.

South Asian Economies

South Asia's economies include Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan, and Sri Lanka. China has invested in transport and energy infrastructure in Bangladesh and a seaport in Sri Lanka, although its main project, the China-Pakistan Economic Corridor (CPEC), is in Pakistan (Maqsood, 2018). It allocated more than $65 billion to Pakistan to build highways, energy development, technology connectivity, and economic corridors to build industries and develop Pakistan's infrastructure to promote both countries (Harari, 2020).

Bangladesh ceased work on the project activities of Chinese staff and technicians shortly after the COVID-19 epidemic. Similarly, the pace of projects in Pakistan has slowed, but the government has yet to order that they be halted (Dil et al., 2020). Chinese workers must be quarantined in Sri Lanka, and their time is limited at work or home. Since most employees left for China but have yet to return, activity at the Colombo Seaport has been slow (Miankhel, 2019). However, due to the inactivity of Chinese workers, the completion of Sri Lanka's largest telecommunications tower and other infrastructure projects has been delayed (Nguyen, 2020).

Most South Asian economies have suspended Chinese operations and tourist visa processing programs. Bangladesh's $3 billion power plant project employs approximately 35,000 Chinese workers.

Table 1: GDP Growth of Asia

Asian economies	2019	2020			2021		
		April	June	September	April	June	September
Central and West Asian Economies							
Afghanistan	3.0	3.0	-4.5	-5.0	4.0	3.0	1.5
Armenia	7.6	2.2	-3.5	-4.0	4.5	3.5	3.5
Azerbaijan	2.2	0.5	-0.1	-4.3	1.5	1.2	1.2
Georgia	5.1	0	-5.0	-5.0	4.5	5.0	4.5
Kazakhstan	4.5	1.8	-1.2	-3.2	3.6	3.4	2.8
Kyrgyz Republic	4.5	4	-5.0	-10.0	4.5	4.0	4.0
Pakistan	1.9	2.6	-0.4	-0.4	3.2	2.0	2.0
Tajikistan	7.5	5.5	-3.6	-0.5	5.0	7.0	6.0
Turkmenistan	6.3	6	3.2	3.2	5.8	5.8	5.8
Uzbekistan	5.6	4.7	1.5	0.5	5.8	6.5	6.5
East and Southeast Asian Economies							
People's Republic of China	6.1	2.3	1.8	1.8	7.3	7.4	7.7
Hong Kong, China	-1.2	-3.3	-6.5	-6.5	3.5	5.1	5.1
Republic of Korea	2.0	1.3	-1.0	-1.0	2.3	3.5	3.3
Mongolia	5.1	2.1	-1.9	-2.6	4.6	4.7	5.1
Taipei, China	2.7	1.8	0.8	0.8	2.5	3.5	3.5
Brunei Darussalam	3.9	2	1.4	1.4	3.0	3.0	3.0
Cambodia	7.1	2.3	-5.5	-4.0	5.7	5.9	5.9
Indonesia	5	2.5	-1.0	-1.0	5.0	5.3	5.3
Lao People's Democratic Republic	5	3.5	-0.5	-2.5	6.0	4.5	4.5
Malaysia	4.3	0.5	-4.0	-5.0	5.5	6.5	6.5
Myanmar	6.8	4.2	1.8	1.8	6.8	6.0	6.0
Philippines	6	2.0	-3.8	-7.3	6.5	6.5	6.5
Singapore	0.7	0.2	-6.0	-6.2	2.0	3.2	4.5
Thailand	2.4	-4.8	-6.5	-8.0	2.5	3.5	4.5
Timor-Leste	3.4	-2.0	-3.7	-6.3	4.0	4.0	3.3
Viet Nam	7	4.8	4.1	1.8	6.8	6.8	6.3
South Asian Economies							
Bangladesh	8.2	7.8	4.5	5.2	8.0	7.5	6.4
Bhutan	4.4	5.2	2.4	2.4	5.8	1.7	1.7
India	4.2	4.0	-4.0	-9.0	6.2	5.0	8.0
Maldives	5.9	-3.0	-11.3	-20.5	7.5	13.7	10.5
Nepal	7	5.3	2.3	2.3	6.4	3.1	1.5
Sri Lanka	2.3	2.2	-6.1	-5.5	3.5	4.1	4.1

Source: Asian development outlook ADO (September 2020) [5], note: GDP= Gross Domestic Product, the unit of measurement percent.

Potential Challenges for Asian Economies

COVID-19, on the other hand, has discovered flaws in these key drivers (figure 2). Because of severe health initiatives such as staying home and suspending commercial activities, Asia's supply chain nets have been disrupted. Asia and global trade measurements have abruptly weakened, and the need for a travel and tourism zone has nearly vanished[5] (Abiad et al., 2020; Tahir et al., 2023).

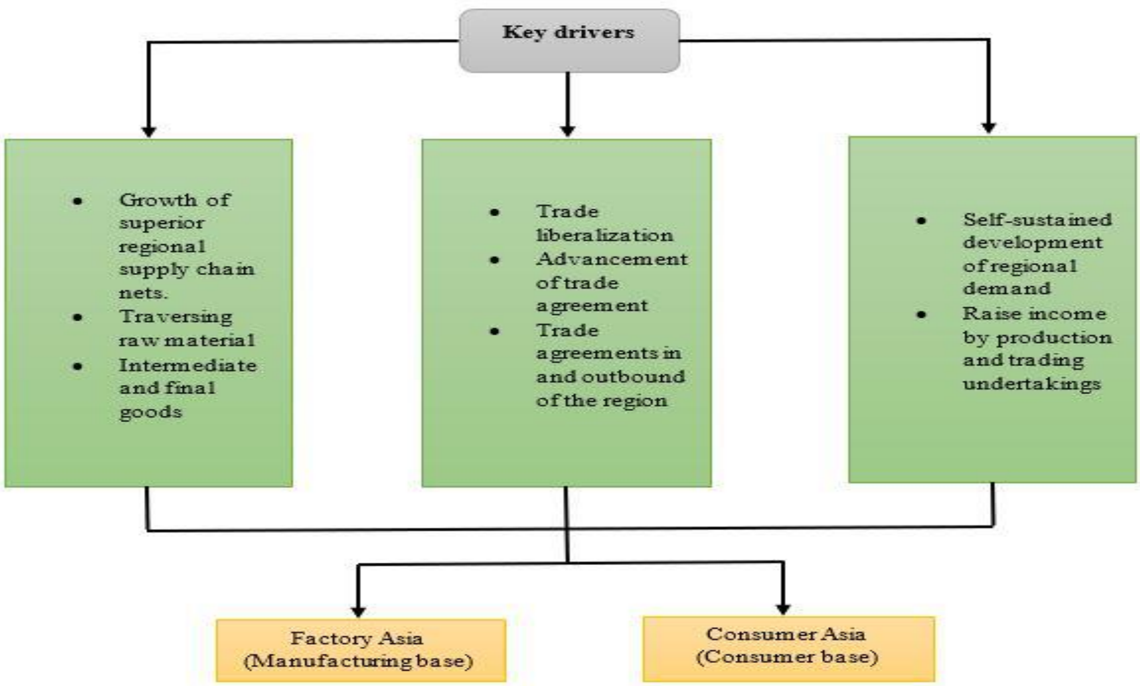

Figure 2: Driving factors for Asian economies

Source: Author, note: the background idea (figure 2) is taken from the Speech at the 62nd Annual Meeting of the National Association for Business Economics presented by the Governor of the bank of Japan (Kuroda Haruhiko) on October 7, 2020 [6].

Factory Asia (Manufacturing Base)

The epidemic exposed some flaws in Asian supply chain nets, as several firms experienced supply net losses and demand fell. Asian companies have begun to update their supply chain networks to address this issue. Companies are not focusing solely on offshoring in this context. Instead, they hope to promote and maximize manufacturing positions and sourcing channels, build micro supply chains, and make their supply chain nets extremely resilient to crises. Companies are now improving supply chain management to increase agility by analyzing their market bases' sourcing, development, and supply circumstances to respond to environmental changes (Kim & Wood, 2020).

5 Asia's economic recovery is Staggering along in an uncertain world. Retrieved data on January 4, 2021, https://www2.deloitte.com/us/en/insights/economy/asia-covid-19-economic-decline.html

Consumer Asia (Consumer Base)

COVID-19 has altered various aspects of our daily lives, contributing to fluctuations in demand for product and service industries. Many Asian businesses have begun shifting and reinforcing their market emphasis to meet future needs as they fight COVID-19. Companies must be more adaptable than ever to respond to a changing world and meet the economic activity brought on by the rise of digital systems, virtual education systems, and e-commerce.

Such market changes are expected to improve long-term competitiveness. For a long time, the Asian services industry has been known for its lack of competitiveness (Park & Noland, 2013). Furthermore, the world has shifted dramatically in recent years, as evidenced by the strong rise in Asian e-commerce, which is expected to strengthen Asian market resilience by creating new demand via the reform agenda (Pal et al., 2019).

RESEARCH METHODOLOGY

New Structural Economics (NSE) Approach

After World War II, thirteen nations exhibited the characteristics listed below, as stated in the 2008 Growth Report published by the World Bank Commission on Growth and Development (World Bank, 2008). The markets have been exposed, the macroeconomic stability has been preserved, large investments have been made, reserves have been established, the market structure has been well organized, and the governments have been reliable, dedicated, and active. On the other hand, we suggest that in order for Asian economies to flourish after the COVID-19 curse, what are the necessary conditions? As depicted in figure 3, we need to implement certain practical tactics that are comparable to those that are utilized by Asian economies.

The neoclassical economics approach developed by Professor Justin Yifu Lin, which he refers to as the NSE, is an attempt to evaluate the components of economic structure, structural change, and the influence that these factors have on the progression of growth (Lin, 2011, 2013; Lin & Rosenblatt, 2012). The core argument of the NSE is that economic construction, such as the shape of technological industries, identifies labor output, hard and soft infrastructure, and operations that are exogenous to the endowment structure, which can be adapted over time (Lin & Wang, 2017).

The structure of the endowment can be used to determine the total budget of the country as well as the comparative component values at any given period. These acknowledge the country's competitive advantages and the optimal industrial composition that occurred by coincidence. When the industrial design is stable with comparative advantages identified through an endowment structure like a combination, it may take the smallest elements values of products in regional and global markets (Lin & Rosenblatt, 2012). However, the combination of a country's factor endowments changes from one side of improvement to the other, and the optimal industrial structure of the mentioned country changes as a result.

Furthermore, economic progress is a forceful process. Innovation in industry and technological progress are two sides of the same coin. However, these sorts of developments and enhancements need to have pioneered. When the market crashes, that strategy presents two problems. The surface is prioritized initially. For instance, the government is obligated to provide assistance to the initial initiators. According to Yifu (2017), the second commitment is to develop infrastructures and industries that have an impact on the value of operations and the capacity of the first initiator to make progress. However, in order to have a market structure that is effective, the government needs to have a significant role in facilitating structural change.

Furthermore, the interpretation of the above World Bank Growth Report points (4) and (5) is an efficient market and a facilitating state (5). If an economy uses its comparative advantages to advance, it will represent point (1) and achieve macroeconomic stability point (2). (Lin & Wang, 2017; Yifu, 2017). In addition, comparative advantages will lead to an excessive amount of investment and reserves (3). Consequently, this comparative advantage is a development approach that has the potential to be successful (Lin, 2011).

RESULT AND DISCUSSION

Facilitating State and Efficient Market Path to Development

Small industrial outputs, weak structures, and backward and deformed industries may impact Asian economies. The industries determine the public's motivations. Institutional economics assumes that if an economy has appropriate initiatives to facilitate, attract people and tangible investment, secure superior technology, and expand reserve allocations, it will develop actively and productively. The result is that an economy will be mushy and stale if it has weak industries that deprive the people of the desire to contribute right for economic advancement. This is because weak industries are related to economic advancement. While Acemoglu and Robinson (2012) suggested that the economies of the United States and the United Kingdom are affluent due to the fact that inclusive sectors limit the power of wealthy industrialists, Latin America and Africa are destitute due to the fact that entire industries are not inclusive.

However, institutional economics contends that industries are exogenous and are identified by the country's social, economic, and diplomatic components (Lott, 1992; Schout, 1991). Furthermore, institutions that existed many centuries ago continue to positively impact current industries and the strength of economic advancement, as they are identified through cultural and historical values (Albouy, 2012). The fact that the economies that are suffering are impoverished and have not been able to grow can be explained by the fact that the businesses in those economies are behind the times. While the government and the general people need to improve their level of expertise, industries cannot be altered exogenously (Hussain & Islam, 2022). To add insult to injury, if institutional economics is accepted, growth research may be condemned to fail since it will be unable to provide any major solutions to the issues that are associated with development.

However, according to Bardhan (2016) and Besley and Persson (2009), if we take a look at the progression of the global economy, it is very simple to draw the conclusion that the governments of the majority of underdeveloped economies do not possess the necessary knowledge to grow and facilitate adequately constructive business settings and well-organized public facilities.

Furthermore, following the COVID-19 curse, the government must be a proactive facilitator. The state's emphasis on removing economic growth barriers would differ for different Asian countries, particularly those at various stages of development. As a result, if the economy is on a change strategy through a structural growth approach to the efficient market country, the constraints may be poor infrastructure, a lack of skills, poor business arrangements, and poor governance in the early stages of development.

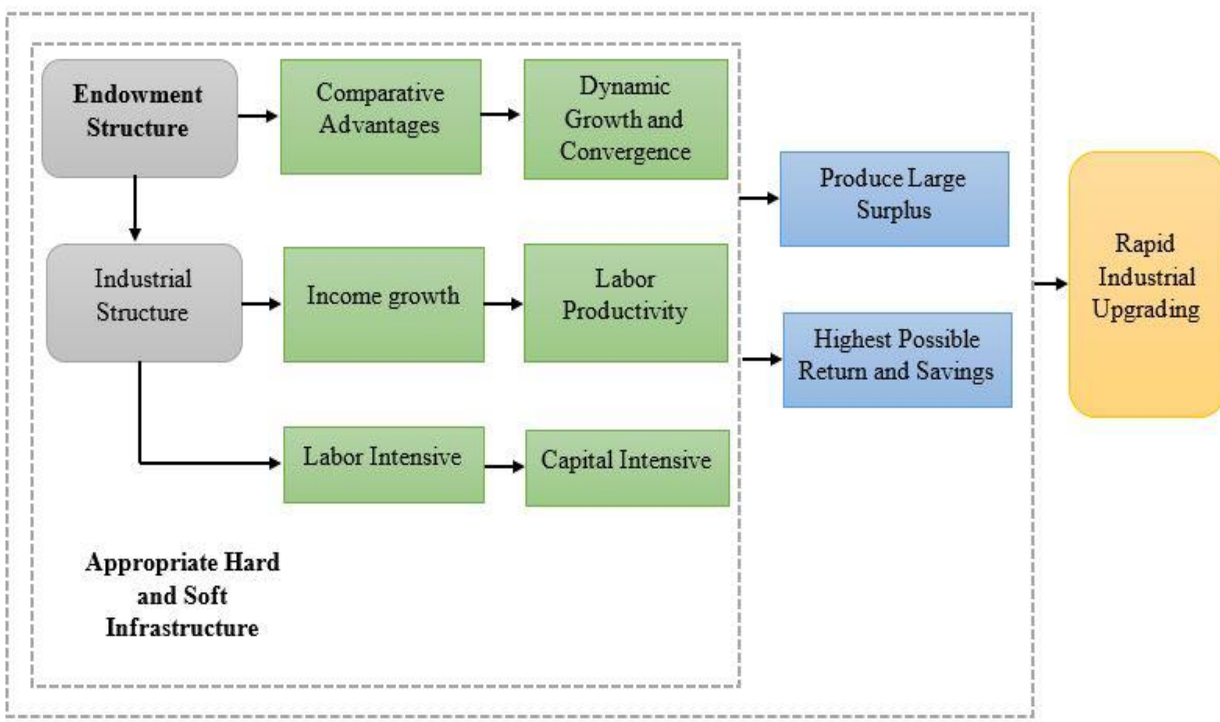

Figure 3: Endowment Structure for Economic Development

Source: Author construction from (Lin, 2011)

CONCLUSION AND POLICY IMPLEMENTATION

Based on the NSE, we examined the economic view of COVID-19 from an Asian perspective. Asia has been one of the fastest-growing economies in the last century, but COVID-19 has stifled economic growth. COVID-19 prevention is serious for all economies' governance capabilities and change potential. As COVID-19 erodes economies, competent and rational methods are required. Factor endowment and its construction, in the sensible approach of NSE, also represent an energetic advancement revolution with the active advancement of the economic structure. The comparative advantages identified by factor endowments and arrangement are only shown as a possibility. This endowment structure would ensure rapid industrial upgrading and economic development in Asian economies. As a result, this paper begins with an overview of Asian financial constraints and potential challenges during COVID-19 and is based on a new structural economic approach.

To begin, COVID-19 has caused problems for Asian economies, particularly by reducing exports, repressing international economic activity, reducing inward demand, and reducing local consumption. A domestic and international price drop harmed the economy's earnings, employment, and investment development. However, the severity of the effect has been diluted by the industrial composition of Asian economies. Due to increased assets of upgrade currency funds and the immediate influential flow of financial and fiscal action, the Asian market has been skilled in portion. Second, there are potential challenges to developing superior regional supply chain nets, traversing raw materials, self-sustaining regional demand development, and increasing income by production and trading undertakings. Nonetheless, COVID-19 has revealed notable flaws in these key drivers. As a result of public health initiatives such as stay-at-home and suspension of business activities, Asia's supply chain nets have been disrupted.

The NSE approach, on the other hand, contends that facilitating state and right ideas is important. It describes how to achieve the optimal level of economic development and comparative advantages with a given endowment structure and the proactive strategy of the state. NSE establishes the state and policy of growth and change satisfaction by focusing on new development initiatives. Furthermore, we focused on the state's role from a new structural economic perspective.

COVID-19 has negatively impacted economies, especially in emerging nations. Consequently, there is a pressing need for Asian economies to adopt strategies that promote both government intervention and the efficient functioning of markets in order to foster economic progress. The functions of this system involve facilitating structural transformation through the implementation of industrial strategy, addressing market failures, and supporting industries in attaining market stability and progressive growth by leveraging their comparative advantages.

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