





## ASEANFocus

A QUARTERLY PUBLICATION PROVIDING CONCISE ANALYSES AND PERSPECTIVES ON ASEAN MATTERS

ASEAN-US Relations Post-US Presidential Election Geopolitics in the Age of COVID-19

Economic Impact of COVID-19

Embracing
Sustainable
COVID-19 Recovery

COVID-19 Infodemic

### COVID-19: Repercussions & Responses













**ASEANFocus** is published by the ASEAN Studies Centre at ISEAS-Yusof Ishak Institute and available electronically at www.iseas.edu.sg

If you wish to receive an electronic copy of ASEANFocus, please email us at asc@iseas.edu.sg

Published on 29 September 2020

EDITORIAL CHAIRMAN Choi Shing Kwok

MANAGING EDITOR Sharon Seah Li-Lian

PRODUCTION EDITORS
Hoang Thi Ha

Melinda Martinus

ASSISTANT PRODUCTION EDITOR Anuthida Saelaow Qian

EDITORIAL COMMITTEE
Glenn Ong
Pham Thi Phuong Thao
Sithanonxay Suvannaphakdy

SUPPORTED BY



The responsibility for facts and opinions in this publication rests exclusively with the authors and their interpretations do not necessarily reflect the views or the policy of ISEAS-Yusof Ishak Institute or its supporters. No part of this publication may be reproduced in any form without permission.

**ISEAS-Yusof Ishak Institute** 30 Heng Mui Keng Terrace Singapore 119614

Tel: (65) 6870 4509 Fax: (65) 6778 1735

### Contents

#### **Editorial Notes**

#### **Analysis**

- 2 Crystal Ball-Gazing US-Southeast Asia Relations After the 2020 US Election Satu Limaye
- Whether Trump or Biden, Southeast Asia Policy is a Function of US-China Relations Walter Lohman
- ASEAN Single Window: From Paper-Based to Paperless Trade
  Sithanonxay Suvannaphakdy and Anuthida Saelaow Qian

#### Spotlight: COVID-19: Repercussions and Responses

- 8 Lessons Learnt from COVID-19 Response in Southeast Asia Tikki Pangestu
- 10 Roundtable: Geopolitics in the Age of COVID-19
  Dewi Fortuna Anwar, Aries A. Arugay, Chong Ja-Ian,
  Cheng-Chwee Kuik, Nguyen Hung Son, Pou Sothirak
- 16 Exploratory Pathways for an ASEAN Tourism Recovery Vincent Vichit-Vadakan
- **Roundtable: Economic Impact of COVID-19 in ASEAN**Chua Hak Bin, Lee Ju Ye, Jayant Menon, Marjorie C.Pajaron,
  Chayodom Sabhasri, Yeah Kim Leng
- 24 ASEAN Must Embrace Sustainable COVID-19 Recovery Melinda Martinus and Sharon Seah Li-Lian
- 26 COVID-19 Infodemic in Southeast Asia Nuurrianti Jalli
- 28 Leveraging COVID-19 for the Right to Health of Migrant Workers
  Yuyun Wahyuningrum
- 30 COVID-19 in Asia: None of Us Is Safe Until All of Us Are Safe Christine Cipolla

#### **ASEAN In Figures**

32 Impacts of COVID-19 on Southeast Asia

#### **Insider Views**

34 Envisioning a Strong and Responsive ASEAN in the 21st Century
Jemilah Mahmood

### **Sights and Sounds**

- Mourning the Dead in the Time of COVID-19
  Glenn Ong
- 39 Herbs that Heal Anuthida Saelaow Qian

ISEAS-Yusof Ishak Institute (formerly Institute of Southeast Asian Studies) is an autonomous organisation established in 1968. It is a regional centre dedicated to the study of socio-political, security, and economic trends and developments in Southeast Asia and its wider geostrategic and economic environment. The Institute's research programmes are grouped under Regional Economic Studies (RES), Regional Social and Cultural Studies (RSCS) and Regional Strategic and Political Studies (RSPS). The Institute is also home to the ASEAN Studies Centre (ASC), the Temasek History Research Centre (THRC) and the Singapore APEC Study Centre.

### **Editorial Notes**

OVID-19 will be remembered for decades to come. The novel coronavirus has left an indelible mark on the globe not merely in terms of human and economic losses, but also in how it has altered the way we live our life. It has unleashed unprecedented financial and psychological trauma on a global scale, exacerbating existing undercurrents of nativism and xenophobia in many societies, and prompting a sober rethink of unfettered globalisation. That the pandemic has accelerated digitalisation and reignited a concern for climate change is merely cold comfort.

Since the outbreak began in late 2019, more than 663,834 people in ASEAN have been infected, of whom over 16,214 have sadly succumbed. Lockdown measures, border restrictions and social distancing guidelines have crippled economic activity and plunged the region into recession. In the second quarter of 2020, ASEAN countries registered their worst economic performance since the 1997 financial crisis. Despite the public health and economic crises, COVID-19 has not eclipsed political drama brewing across the region. While student activists make plans for mass gatherings in Thailand and political intrigues continue to dominate Malaysia's news headlines, Indonesia and Myanmar are set to hold regional and general elections respectively.

To compound matters, tensions in the South China Sea continue unabated and the US-China relationship is set on a downward spiral. As ASEAN works to stay on top of the pandemic, it must also expend extra efforts to keep regional unity in the midst of major power competition. The intensifying US-China rivalry and the impending US presidential election could buffet the region in even stronger headwinds in the months ahead. To make sense of these strategic developments and how they will impact the region, this issue's Analysis features Dr. Satu Limaye's assessment of how the November US presidential election will re-shape the core baselines undergirding US-Southeast Asia relations. Next, Dr. Walter Lohman demonstrates how US approach to Southeast Asia will be influenced by Washington's relations with Beijing. To be sure, greatpower rivalry should not distract ASEAN from its goal of deepening regional integration and hastening economic recovery. At this, Dr. Sithanonxay Suvannaphakdy and Ms. Anuthida Saelaow Qian explain why further progress in the ASEAN Single Window implementation can expedite regional trade flows and put ASEAN on track to emerge from the ruins of COVID-19.

Dissecting the pandemic further, this issue's *Spotlight* illuminates COVID-19's multifaceted impact on ASEAN.

Dr. Tikki Pangestu kicks off by offering key takeaways from ASEAN member states' pandemic response measures. Thereafter, experts of a regional roundtable explore the nexus between COVID-19 and geopolitics and what it heralds for the future of ASEAN-style multilateralism. A second roundtable then unpacks the economic ramifications of COVID-19 on the region. Diving deeper into the worst hit tourism sector, Mr. Vincent Vichit-Vadakan looks into ongoing national efforts to keep tourism alive in ASEAN countries.

Apart from the perils that it poses to public health, economies and geopolitics, the COVID-19 pandemic also puts a spotlight on environment, information in the online sphere, human rights and humanitarian action. Ms. Melinda Martinus and Ms. Sharon Seah demonstrate how a focus on environmental sustainability can yield greater returns on investment from ASEAN's pandemic recovery packages. Dr. Nuurrianti Jalli follows up on the online spread of misinformation surrounding the novel coronavirus. Ms. Yuyun Wahyuningrum highlights the importance of protecting the right to health of migrant workers during COVID-19 and beyond. Ms. Christine Cipolla from the International Committee of the Red Cross (ICRC) extrapolate this appeal to a wider group of vulnerable populations in COVID-19 response. ASEAN in Figures substantiates all these analyses with up-to-date statistics on COVID-19's impact on businesses, livelihoods and environment in the region, along with mitigation measures undertaken by ASEAN member governments.

In these uncertain and turbulent times, we look to the voices of our region's luminaries for clarity and perspective on how ASEAN can become more resilient and people-centred. In this issue's *Insider Views*, Tan Sri Dr. Jemilah Mahmood, Winner of the prestigious ASEAN Prize 2019, shares her journey as an advocate for humanitarian action and her views on the future of ASEAN's development agenda.

COVID-19 also casts a shadow on this issue's *Sights and Sounds*. Mr. Glenn Ong observes how the pandemic has disrupted rituals for the dead in the region, and what implications this has for the living. Ms. Anuthida Saelaow Qian then surveys the intricate landscape of traditional medicine in Southeast Asia as many people turn to natural remedies to boost their resilience against the coronavirus.

On a final note, we would like to thank Mr. Glenn Ong for his excellent contributions to our ASEAN Studies Centre over the past year. We wish him all the best in his future endeavours!

**Analysis** 

### Crystal Ball-Gazing US-Southeast Asia Relations After the 2020 US Election

**Satu Limaye** examines the core baselines of US approach to Southeast Asia and how they may change after November.

s the 2020 United States presidential election enters its final weeks, what might be expected in US policy towards Southeast Asia under a second Donald Trump or a new Joe Biden Administration? There are many ways to go about this highly speculative exercise. Rather than parsing sparse campaign statements and gauging key likely staffers in either Administration, it may be useful to assess what changes we can expect to current "baselines" in US-Southeast Asia relations.

### Current Baselines of US-Southeast Asia Relations

During the past two decades and three successive US Administrations, important continuities shaping US-Southeast Asia relations are evident. First, the Indian and Pacific oceans are seen as one strategic and diplomatic space with Southeast Asia lying astride. This has become an accepted conception of US interests. Still, American strategic stakes in Southeast Asia pale compared to those in Northeast Asia (e.g. Taiwan Straits, Korean Peninsula, East China Sea). Second, there is an across-the-board hardening of US policy towards China. "Winning" Southeast Asia or at least not "losing" it to China has become a defining element of US regional policy, sometimes with more or less emphasis and variability according to the issue. Third, each US Administration has sought to strengthen alliances and enhance partnerships to create more, better military access especially along the southwestern seam of the maritime littoral. Southeast Asia represents many opportunities in this space, even though ups and downs mark the consolidation and enhancement of alliances and partnerships. Fourth, US commitment

The ASEAN-US Ministerial Meeting in September 2020

ASEAN-US. Ministerial Meeting

DEPARTMENT OF FOREIGN AFFAIRS

PRINCIPLES

AND ASEAN OF THE PRINCIPLE OF THE

to regional organisations ranging from the Asia-Pacific Economic Cooperation (APEC) to the East Asia Summit (EAS) has remained intact – even if fitfully and suboptimally expressed. The US acknowledges Southeast Asia's convening role in many of these organisations, but occasionally chafes at the constraints that this role imposes on US priorities and interests. Fifth, US commitment to democracy and human rights remains fundamentally unchanged, but with a mixed record of emphasis, application and outcome. In addition to China, Southeast Asia remains in the headlights of American democracy and human rights concerns, especially in the Congress.

However, there is one important discontinuity that emerged in 2016 – the abandonment of support for a key tool to expand US commercial relations with the region – the Trans-Pacific Partnership (TPP). However, it is well understood that all Southeast Asian states were not and will not likely be TPP members even if it had successfully gone forward.

Under either a second Trump or a new Biden Administration, how and how much will these baselines change?

#### US-China and US-Southeast Asia Relations

The 2020 election, unlike the 2016 election, has only one Indo-Pacific foreign policy issue: China. Over the last few months, in the wake of COVID-19, the Trump Administration, supported by the Congress, has hardened policy across every dimension of US-China relations. The unpredictability of a second Trump Administration regarding China is acute. The President has at times praised and at times blamed China and President Xi. Perhaps a Trump victory will create a pause or reach a plateau of the current downward spiral in relations. Assessments about a Biden Administration's China policy are varied. Some argue that a Biden Administration will seek a more managed US-China relationship in order to address issues such as climate change. Others assess that China policy under a Biden Administration will not be fundamentally different from President Trump's. However, a Biden Administration is likely to be much more consistent in its approach to China, without extreme swings one way or the other. Southeast Asia mostly seeks a managed competitive relationship between China and the

US. Regardless of who wins the November election, they are likely to get it, with uncertainty about how intense the managed competition will be.

In an era in which counter-China policy frames the US approach to Asia, security relationships with Southeast Asia will be key. Southeast Asia's oft-cited diversity applies to US security relationships. In the 2019 Department of Defense Indo-Pacific strategy report, Southeast Asia falls into "Modernising alliances" (Philippines and Thailand); "Strengthening Partnerships" (Singapore), "Expanding Partnerships in Southeast Asia" (Vietnam, Indonesia, Malaysia), and "Sustaining Engagements, Strengthening Foundations (Brunei, Laos, Cambodia) categories. Myanmar is uncategorised although it is critically assessed on democracy grounds. Assuming steady-state developments inside these countries (e.g. no coups, bloody street protests, further extensive erosions of democracy and human rights), neither another Trump or a Biden Administration is likely to take steps that would re-categorise these relationships by either downgrading or upgrading them.

In overall diplomatic, as opposed to narrowly defense relations, a Biden Administration, especially if paired with a democratic majority in both chambers of Congress, may be more attentive to democracy and human rights considerations which might constrain the scope of military engagement and result in cooler diplomatic relations. A returning Trump Administration is likely to continue its current course, which some countries in Southeast Asia seem to welcome on the grounds of less focus on human rights and a harder line on China. The drivers for change in US relations with most Southeast Asian countries are likely to stem as much from developments in these countries as in Washington, all the more so when one considers the domestic transitions underway in the region and upcoming scheduled elections over the next couple of years.

#### Economic and Commercial Relations

On the economic and commercial front, discussion tends to devolve to whether or not the US will seek to revive the TPP from the extant CPTPP. This is something of an analytical mug's game. A second Trump Administration, back to office on a theme of "Promises Kept", is not likely to pull an about-face on a central theme that allowed it two electoral wins. There are voices that say that the Trump Administration need not be constrained by such promises in a "lame-duck" term. The evidence suggests that President Trump has been consistent in his dislike of major multilateral trade agreements for decades. Yet, he has also claimed the United States-Mexico-Canada Agreement (USMCA) as a victory, an agreement some say could be a basis for a renegotiated TPP.

A returning Trump Administration might be expected to prioritise pushing back against China's economic statecraft and de-coupling from China, and thus seek to press Southeast Asia into alignment on supply chain diversification. For a Biden Administration, it is difficult now to see the TPP revival as a first-term priority, given the opposition of progressives, labour and environmental

groups. Others are more optimistic, arguing that even with a Democratic majority in Congress, the Biden Administration could corral support for the TPP. But then, the minority Republicans may or may not support the effort, and some Republican cross-over support will be required to push the TPP through. On the crucial issue of commercial relations, we can expect the Biden Administration to de-emphasise non-strategic issues such as tariffs, deficits and trade preferences, and seek ways to increase trade and investment relations with the region. Neither the Trump or Biden Administration is likely to seek a US-ASEAN free trade agreement.

#### The South China Sea Issue

The new baseline position of the US on the South China Sea articulated by the Trump Administration is unlikely to be repudiated by the Biden Administration. The question for either Administration will be what it will do to "implement" it in light of continued Chinese rejection. Whether the new baseline of US policy becomes the bottom-line or a red-line will not be clarified quickly, and will depend on what actions China takes and what claimants and other regional allies and partners are willing to support. If the most recent ASEAN statement on the South China Sea is any indication, "more of the same" can be expected on the South China Sea.

#### **Conclusion**

On the core baselines of the US approach to Southeast Asia, it is difficult to foresee fundamental changes. On the key issues that will shape US-Southeast Asia relations (e.g. US-China, alliances and partnerships, commercial ties, and South China Sea) there is considerable uncertainty. In style, one can expect that a Biden Administration will be much more circumspect in language and tone and less erratic in action. If not restoration, a Biden Administration is likely to pursue responsible and recognisable reform in an era of stretched budgets and domestic post-pandemic priorities. A heavy premium is likely to be placed on "showing up" for regional meetings, taking a values-based approach that emphasises human rights and democracy, and quickly filling key positions in Washington and the region that will advance the important US-Southeast Asia relationship. XX

**Dr. Satu Limaye** is Vice President of the East-West Center, and concurrently directs EWC in Washington and the *Asia Matters for America* initiative. The views expressed in this article are entirely personal.

**Analysis** 

### Whether Trump or Biden, Southeast Asia Policy is a Function of US-China Relations

**Walter Lohman** argues that US policy towards Southeast Asia under either new Administration will largely be approached through its China lens.

S policy towards post-colonial Southeast Asia has always been driven by America's broader strategic concerns. For most of the period after World War II, Southeast Asia was part of America's effort to contain global communism. In the absence of such a grand rationale, in the 1990s, interest beyond commercial opportunities waned. It picked up only after the 9/11 attacks, this time with a focus on counter-terrorism. It was not until the early 2010s that the focus of the US approach to Southeast Asia turned to Chinese ambitions. This shift came about reluctantly and, at first, gradually. Under Trump, the shift turned much sharper.

This derivative status of US focus on Southeast Asia – particularly with its concern over the rise of China – will continue whoever wins the Presidency in November. There will be, however, differences in the way the two incorporate Southeast Asia into their strategies.

#### Second Trump Administration

In a Trump second term, there is no reason to expect a softening of its hard-edged, ideologically-tinged approach towards China. The US government will continue to press Beijing on contentious political-security issues across the board. This will color its overall engagement with Southeast Asia and play out in two specific geographical areas: South China Sea (SCS) and the Mekong delta.

Under Trump, the US has become much more assertive about international rights in the SCS – conducting six times as many naval demonstrations (FONOPS) in one term as the Obama Administration did in two. And it has systematically networked its maritime presence by taking American allies and partners through a continuum of maritime security cooperation, from detection of threats at sea to information sharing to problem solving. In the process, it has helped several countries, including the Philippines, Malaysia, Vietnam, Indonesia and Thailand acquire technology to detect sea-borne security threats and to share the information.

The Trump Administration has also taken stronger declaratory positions than its predecessor on Chinese claims in the SCS. It fully and explicitly endorsed the 2016 arbitral award in favor of the Philippines, most notably in ways that countered China's territorial claims and

its maritime presumptions. The Trump Administration restated publicly that America's treaty commitments to the Philippines extend to attacks in the SCS. And it imposed sanctions on Chinese companies involved in the reclamation and militarisation of man-made islands.

In the Mekong delta, the US has far fewer resources to bring to bear than Beijing. The Obama Administration initiated the Lower Mekong Initiative (LMI) in an attempt to address this gap. The Trump Administration has maintained the LMI and recently expanded it to the Mekong-US Partnership. It has also initiated a number of other programmes with application to the Mekong region, including the joint Japan-US Mekong Power Partnership, to improve infrastructure and living standards and to leverage non-Chinese private sector engagement. Just as notably, the US has accompanied its focus on the river with rhetoric aimed at Chinese influence and upstream control of the river's flow.

### Biden Administration

China policy in a Biden Administration will be contested by two factions: inside and outside of government. One will comprise architects of the Obama-era China policy who prioritise cooperation with China. The other will be comprised of those who prioritise competition.

The cooperation camp includes officials like former national security adviser Susan Rice, former Deputy Secretary of State James Steinberg, former National Security Council (NSC) Asia Director Evan Madeiros, and long-time Senate aid to Biden, Frank Jannuzi. The competition camp includes former deputy national security advisor to Vice President and co-chairman of Biden's Asia working group Ely Ratner, former Director of Policy Planning Jake Sullivan, and former Assistant Secretary of State Kurt Campbell.

Both sides of the Biden divide will offer a contrast to the Trump Administration's blunt and ideological style of diplomacy, but the "competitors" will reflect the same strategic calculations embodied in the Trump Administration's 2017 National Security Strategy. They will maintain a geographical focus on the SCS, emphasising and perhaps extending Trump-era policies, including a robust schedule of naval challenges to Chinese

claims. In the Mekong, "competitors" will pick up on the Trump Administration's policy advancements and likely extend them.

The China-cooperation perspective is better reflected in Obama's 2015 National Security Strategy, which itself was tempered by then-already apparent limitations of Obama's early liberal internationalism. "Cooperators" will downplay the military side of the China challenge in the cause of cooperation on global concerns such as climate change, global health and nuclear nonproliferation. In a scenario where cooperation prevails, there will continue to be a focus on the SCS. This Biden Administration will not disavow the Trump Administration's tougher approach to the maritime dispute. Neither, however, will it highlight or seek to extend it. The visibility of the US naval presence, including frequency of FONOPs, will be reduced. The China-cooperation camp will continue the focus on the Mekong and likely expand it, though without rhetorical connection to China.

Regardless of their respective positions, the two Biden camps will meet on diplomatic engagement in Southeast Asia. This bodes well for Southeast Asia. The Obama Administration was more engaged and innovative in its approach to Southeast Asia than any of its post-Cold War predecessors. A Biden Administration will continue this – with traditional allowance for American distractions at home and elsewhere abroad. The substance of the "competitor's" approach, however, will use the regional diplomatic architecture to pressure ASEAN members in their relationships with China. In a sense, it will pick up where Secretary Clinton left off in 2010, when the State Department organised a regional push back on Chinese activities in the SCS at the ASEAN Regional Forum in Hanoi.

The contest between these two camps will be conditioned by several additional factors, the President's own preferences (to date, his positions on China have toughened considerably over the last 10 years), political players from outside China policy (climate change politics will have a major internal administration impact) and China's own behaviour. It will also reflect the effort of "synthesisers" – people like Biden's campaign foreign policy adviser Anthony Blinken and seasoned diplomats like career foreign service officer and former deputy Secretary of State Bill Burns.

### Consensus on Trade

There will be more continuity than change in US trade and investment policy towards Southeast Asia. American domestic politics, if not public opinion, has turned decidedly against international trade and towards industrial policy and protectionism – a reality reflected in the positions of both presidential campaigns. Broad free trade agreements with ASEAN countries or with ASEAN as a whole, therefore, are extremely unlikely. This includes the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP). A Biden Administration will be no more likely to join CPTPP than the Trump Administration. At the most, either president could pursue



sectoral agreements around issues like digital trade or supply chain management – issues, incidentally, that will be front and centre in either's China policy.

Various tariff regimes implemented under the Trump Administration, from penalties imposed on Beijing for its coercion of American intellectual property to steel and aluminum tariffs will prove exceedingly difficult to remove. The US will continue its heightened concern over trade deficits, trans-shipments, and "reciprocity". Countries benefiting from the General System of Preferences (GSP) will continue to be scrutinised. And a Biden Administration will be challenged to maintain the record pace of anti-dumping/countervailing duty penalties exacted by the Trump Administration. All of these policy focuses will adversely affect the US trading relationship with Southeast Asia.

#### Conclusion

In Washington, China is on the minds of policy-makers like it has not been in decades. The good news is that this makes Southeast Asia more important than it would be in the absence of concern with China. Whether in the SCS or the Mekong, or elsewhere, in specific areas where regional governments can facilitate American engagement, they will stand to gain. The bad news for Southeast Asia is that the focus of either Administration will be on how it can fit the region into its China policy, not on the intrinsic value the region offers the US.

**Dr. Walter Lohman** is Director of the Heritage Foundation's Asian Studies Center.

**Analysis** 

## ASEAN Single Window: From Paper-based to Paperless Trade

**Sithanonxay Suvannaphakdy** and **Anuthida Saelaow Qian** suggest accelerating the ASEAN Single Window to promote seamless intra-ASEAN trade flows.

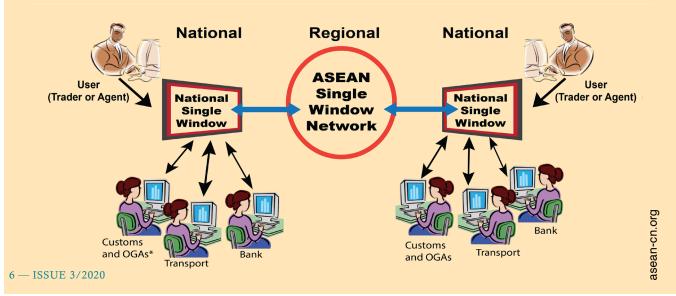
ASEAN Single Window (ASW) established in 2005 to reduce trade costs and boost competitiveness in the ASEAN region by enabling cross-border electronic exchange of traderelated documents among member states. These include customs declarations, sanitary and phytosanitary (SPS) certificates, and the Preferential Certificate of Origin under the ASEAN Trade in Goods Agreement (ATIGA Form D). Establishing a full-fledged ASW is a complex and lengthy process, involving multi-stakeholders from both the public and private sectors. After many hurdles and delays, all ASEAN member states have joined the ASW Live Operation since December 2019. The eventual full implementation of the ASW will drive the shift from paper documents to electronic equivalents and establish a paperless trade environment. Yet, ASEAN still has a long way to go before it can achieve a full-fledged ASW due to some technical, regulatory and legal issues.

Based on the United Nations Economic and Social Commission for Asia and the Pacific's (UNESCAP) global survey on digital and sustainable trade facilitation in 2019, the 44% average implementation rate of crossborder paperless trade measures in ASEAN is higher than the regional average in Asia-Pacific (32%) and the subregional average in North and Central Asia (34%) and South and Southwest Asia (22%). However, ASEAN still lags behind East and Northeast Asia as well as Australia and New Zealand. ASEAN member states also have different degrees of implementing paperless trade, with Singapore, Thailand and Malaysia scoring higher implementation rates while Cambodia, Myanmar and Laos are slower in implementation.

Moving forward, there are three key rationales that call for ASEAN to step up the implementation of the ASW to unlock intra-ASEAN trade potential, reduce time and costs of cross-border trade, and ensure smooth trade flows of essential goods such as food and medical supplies, especially in light of the exigencies caused by the COVID-19 pandemic.

First, the UNESCAP survey reveals that ASEAN member states have not yet fully implemented their cross-border paperless trade measures. Thailand, for example, has fully implemented the recognised certification authority (an agency that issues digital certificates to traders to conduct electronic transactions), but it has only partially implemented other measures such as laws and regulations for electronic transactions and the electronic exchanges of trade-related documents (such as customs declaration and certificate of origin). Meanwhile, the electronic exchange of SPS certificate is still in the planning stage. The implementation rates of cross-border paperless trade measures are even lower in ASEAN emerging economies. Laws and regulations for electronic transactions and the recognised certification authority are not yet implemented in Cambodia, while they have been partially implemented in Laos, Myanmar and Vietnam. The electronic exchange of SPS certificate for agriculture and food trade is not in place in Myanmar, while it is in the planning stage in Cambodia and Laos.

Second, intra-ASEAN trade is on the uptake. The volume of intra-ASEAN trade flows (exports and imports) rose by 87% over the past 15 years or 5.8% per annum, from USD302 billion in 2004 to USD565 billion in 2018. An





increase in trade flows means that firms have to deal with larger volumes of trade information and documents to be submitted to governmental authorities to comply with import, export and transit-related regulatory requirements. Often, these documents have to be submitted to several ministries (e.g. trade, agriculture, public health, and finance), each with their own specific systems and paper requirements.

The extensive paper-based requirements, together with their associated complex and slow procedures, constitute a serious burden to the development of regional value chains in ASEAN. The same report by UNESCAP shows that the full implementation of digital trade facilitation set out in the ASW agenda and the World Trade Organization's (WTO) Trade Facilitation Agreement can reduce the level of trade costs in ASEAN by 10.61%. This strongly suggests the need for ASEAN to speed up the implementation of cross-border paperless trade among its members and with other partners outside the region.

Finally, the COVID-19 pandemic and concerns over its next waves of infection have heightened the need to advance the ASW to ensure smooth trade flows in essential goods such as medical supplies and food products in the region. Various healthcare control measures contain COVID-19, including work-from-home directives and other social-distancing rules, have been put in place across the ASEAN region. As a result, some regulatory authorities in the ministries of trade, health or agriculture have to provide public services in different locations and may not be fully available to process paper documents submitted by traders. A full-fledged ASW can reduce physical contact between traders and regulatory authorities during COVID-19. It connects and integrates the national single windows (NSW) of all member states, which enables exporters and importers to submit all traderelated documents electronically only once for each import or export request.

The logistic impediments to trade induced by the COVID-19 pandemic have prompted ASEAN member states to adopt the granting of preferential tariff treatment based on e-Form D received through the ASW Gateway. Singapore Customs, for example, has encouraged traders and declaring agents to use electronic transmission of Certificates of Origin, including ATIGA e-Form D via the ASW. Similarly, since 18 March 2020, Malaysia has enforced the utilisation of ATIGA e-Form D for Normal, Back-to-Back and Third Country Invoicing application. Another remarkable achievement lately is the entry into force of the First Protocol to Amend the ATIGA, which allows the acceptance of e-signature/seal, and the implementation of the ASEAN-wide Self-Certification (AWSC) scheme.

The disruptions to trade caused by the COVID-19 pandemic highlight the urgent need to accelerate the ASW implementation to further improve intra-ASEAN trade efficiency and ensure smooth trade flows in essential goods. To this end, ASEAN should streamline trade procedures and non-tariff measures of agricultural products to reduce the complexity of linking trade-related ministries into the National Single Windows. Second, those ASEAN member states that still lag behind in the implementation of the ASW, especially Cambodia, Laos, Myanmar and Vietnam, should put in place the legal framework and recognised certification authority in charge of cross-border electronic transactions. By reducing procedural and regulatory obstacles and establishing a legal and institutional framework for electronic transactions, ASEAN will give a strong boost to the ASW implementation which in turn will enable more seamless trade in the region.

**Dr. Sithanonxay Suvannaphakdy** is Lead Researcher (Economic Affairs) and **Ms. Anuthida Saelaow Qian** is Research Officer at the ASEAN Studies Centre, ISEAS-Yusof Ishak Institute.

### Spotlight: COVID-19: Repercussions and Responses

### Lessons Learnt from COVID-19 Response in Southeast Asia

**Tikki Pangestu** explains why some ASEAN countries have been successful in containing COVID-19 and ponders the way forward for the region.

midst the carnage wreaked upon many countries in the developed world by the COVID-19 pandemic, some ASEAN countries have shown impressive results in managing and controlling the pandemic, especially Malaysia, Singapore, Thailand, Vietnam and Cambodia. Beyond Southeast Asia, South Korea, Japan, Hong Kong and Taiwan have also been held up as examples of success in managing the pandemic.

With the total number of cases approaching 30 million and nearly 1 million deaths globally at the time of writing, Southeast Asia has recorded approximately 580,000 cases and 14,000 deaths, representing only 1.9% and 1.4% of the world's overall numbers respectively. However, Indonesia, the Philippines and, more recently, Myanmar continue to struggle with the pandemic which is escalating within their national borders.

#### Key Determinants of Success

The following are key factors that would determine the chance of success in the region's pandemic response:

- First, the speed of reaction and anticipation, which is based on some key strategies, including extensive testing, isolation and quarantine, contact tracing, social distancing, banning large gatherings, travel restrictions and the use of protective masks.
- Second, strong leadership and political commitment on the part of governments. Successful countries have demonstrated strong, firm, and evidence-informed government actions which have been largely free from political interference.
- Third, good governance characterised by unity of action, common purpose and good coordination at all levels (national, provincial, local). A good example is Singapore's Multi-Agency Task Force which acts as an integrated, single focal point for the country's responses to the pandemic.
- Fourth, populations which have trust in the government, comply with directives and place the interests of the community above self-interest. Some have argued that a sense of social responsibility is stronger in Asian societies compared to the developed countries in the West which place a higher priority on the rights of individuals and freedom of choice.

• Fifth, the rapid deployment of digital health strategies within their health information systems, including big data analytics, artificial intelligence and mathematical modelling. These digital technologies have been applied for surveillance and monitoring of cases, contact tracing and even for fair distribution of protective masks.

There may also be other factors which help explain low numbers in some ASEAN countries. These include lower population density, more people living in rural areas, a relatively younger population, time lag (i.e. the virus simply has not arrived), cultural practices (e.g. traditional greetings which avoid close bodily contact), fewer nursing homes for the elderly, genetic factors, and more time spent outdoors. There are no definitive answers, but it is likely that a combination of these factors is at work in these countries.

In contrast, countries which have been less successful in managing the pandemic have shown weak links in implementing some of the above strategies. Indonesia, for example, has had difficulty in accessing sufficient diagnostic tests, a population which has been less than cooperative in observing social distancing measures, stigmatisation of infected persons, and a governance structure which is poorly coordinated between the central and provincial governments.

The Philippines was slow to react to the potential magnitude of the pandemic and to impose strict restrictions, and later lifted restrictions prematurely. It also suffered from testing gaffes and failures in quarantine protocols in the face of over 100,000 overseas workers arriving home after losing jobs in other countries.

### Sustaining Good Practices and Control Measures

It is likely that the COVID-19 virus will not disappear completely and will become endemic in most, if not all, affected countries. The 'new normal' will most likely see localised clusters of outbreaks during the second (or third) wave of the pandemic as seen recently in Vietnam, Singapore, Thailand and Philippines. Countries will thus need to adapt and learn to live with the virus and sustain those strategies which have proven successful during the first wave of the pandemic. At this, six priorities are particularly important.

First, governments must continue to make tough policy choices such as lockdown and social distancing to protect public health if necessary even though such choices are unpopular. As Einstein once observed, "what is popular is not always right, and what is right is not always popular."

Second, it is crucial to sustain social discipline and responsibility among the community through education and communication strategies, together with strict enforcement of restrictions, including punitive measures if necessary.

Third, an effective surveillance system is critical for the rapid detection of clusters of 'hot spots' and rapid institution of public health measures before widespread dissemination of the virus occurs among the general population. This should include a 'grassroots' approach to surveillance where communities and neighbourhoods play a 'sentinel' role in early detection of potential cases. The best way to prevent the global spread of diseases is to detect and contain them while they are still local.

Fourth, there is a critical need to ensure protection of front-line health workers. Unfortunately, many doctors and nurses have died in Indonesia and the Philippines during the pandemic as a result of shortages of personal protective equipment.

Fifth, countries must ensure that robust health systems are in place so that non-COVID-19 risks to public health are also managed. Several ASEAN countries, Indonesia, Thailand and Singapore, for example, have seen a surge in cases of dengue fever. The World Health Organization (WHO) has also warned of a dangerous drop in childhood vaccination rates as countries' health resources are diverted to fighting the COVID-19 pandemic.

Sixth, countries must manage and control the likely origins of COVID-19 and other pathogenic viruses, including wildlife markets which exist, for example, in China, Indonesia and Thailand. It is estimated that more than 60% of viruses which have caused global human epidemics have animal origins with bats, primates and rodents being the most prominent sources.

Importantly, intensive research and development activities have been ongoing in the development of vaccines against COVID-19. Advanced clinical trials are underway with some candidate vaccines. However, we have no assurance at this time whether and when a safe and effective vaccine will be available, and what is needed to ensure its efficient and equitable distribution. In the meantime, proven effective public health measures must be maintained.

### Regional Solidarity in Dealing with the Pandemic

Collective action based on regional solidarity, trust and sharing of data, knowledge and experiences is critical as ASEAN countries are linked to each other through extensive trade flows and movements of people across borders. The lessons learned from the COVID-19



pandemic, as outlined above, provide a solid foundation by which ASEAN could assist its member states in preparing for and responding to future pandemics.

In more practical and strategic terms, ASEAN has a central role to play in facilitating the implementation of a synergised and coordinated response to COVID-19, based on different experiences of its member states in dealing with the pandemic. This emphasis on the need for regional cooperation was highlighted at the Special ASEAN Summit on COVID-19 in April 2020.

Beyond the shores of Southeast Asia, and as eloquently expressed by Kishore Mahbubani, a former senior Singaporean government official: "Coronavirus is telling us to be a citizen of our country, and our world. The disease has shaken the human species to the core, but we must grasp the metaphysical messages it is sending. To survive in the short term, we need national solidarity – but to survive in the long term, we need global solidarity."

Rather than the pandemic portending the end of globalisation, as some have suggested, it has starkly illustrated the interdependence between nations and the need for future solidarity based on trust and collective action to save humanity.

**Dr. Tikki Pangestu** is Visiting Professor at the Yong Loo Lin School of Medicine, National University of Singapore (NUS).

### Spotlight: COVID-19: Repercussions and Responses

## Roundtable: Geopolitics in the Age of COVID-19

ASEANFocus invites regional experts\* to share their perspectives on the geopolitical fallouts of the COVID-19 crisis, and the way forward for ASEAN and its member states.



**Amb. POU Sothirak**Executive Director, Cambodian
Institute for Cooperation
and Peace



**Dr. Aries ARUGAY**Professor of Political Science, University of the Philippines-Diliman



**Dr. Dewi Fortuna ANWAR**Research Professor, Research Centre for Politics, Indonesian Institute of Science



**Dr. CHONG Ja lan**Associate Professor, Department of Political Science, National University of Singapore



**Dr. Cheng-Chwee KUIK**Associate Professor and Head of the Centre for Asian Studies, Institute of Malaysian and International Studies, National University of Malaysia



**Dr. NGUYEN Hung Son**Vice President, Diplomatic Academy of Vietnam

### AF: Do you think a 'Cold War 2.0' between the US and China is unfolding?

POU: Signs that warrant the prospect of a US-China Cold War are indeed developing. The COVID-19 pandemic has further exacerbated their strategic contest in various domains, including trade, technology, and flashpoints in the Korean Peninsula, Taiwan and the South China Sea (SCS), while cooperation is nearly impossible under mounting domestic and international pressures. Groundzero is now set for fierce competition between the US, which resists any challenger to its hegemonic influence, and China which seeks its own regional hegemony as a rising power naturally does. This rivalry will continue post-COVID-19 but hopefully will not turn out as lethal as the Cold War.

ANWAR: While the intensifying US-China rivalry covers an increasingly wide spectrum, I would not classify it as a 'Cold War 2.0'. The Cold War between the US-led Western bloc and the Soviet Union-led Eastern bloc was a zero-sum game systemic conflict between competing ideologies that acted as an overarching global structure, influencing both the foreign relations and domestic politics of other countries as each superpower sought to widen its respective sphere of influence and contain the other opponent. The current US-China rivalry tends to be more functional or sectoral than systemic in nature, with the possibility of achieving separate deals on some issues if there exists the political will for compromise in both countries.

KUIK: Yes, 'Cold War 2.0' is unfolding, albeit differently from the first one. First, US-China rivalry is becoming more open, intense and confrontational. Second, both powers are openly exerting greater pressure on other states to take a position (or even take sides). Third, some smaller powers are already aligning more closely (with or without alliance) with the US and/or US-backed initiatives. Yet, its fundamental difference from the Cold War is China's economic interdependence with the US and virtually all US allies and partners. This explains why the US is seeking to "decouple" from China. Meanwhile, the multilateral architecture in Asia and the twin chessboards of high- and low-politics will determine whether and to what extent decoupling will lead to regional polarisation or complex co-existence.

**ARUGAY:** The US-China power competition in the region has been unfolding quite some time, and COVID-19 is another critical milestone in this intensified rivalry. It seems that both the US and China are not backing down from their incendiary statements. It also does not help that the US has an upcoming presidential election and the Trump re-election campaign is using the China card to get votes.

**CHONG:** There is clearly growing friction between the US and China but I am less sure whether the Cold War analogy offers the right frame to consider US-China competition. It is an attractive analogy and reference point since it is the most recent experience of sustained major power rivalry that people can easily remember. Both



the US and China are far more connected to each other and the rest of the world than was the case of the post-World War USSR and US. On one hand, this means that US-China rivalry is likely to be more costly and possibly less deadly if it keeps to the current trajectory. Proxy wars and outright insurgencies are probably not going to have the prominence they had during the Cold War. On the other, US-China contentiousness is likely to spill over into more domains from telecommunications to education and regulation.

**NGUYEN:** Without delving into the Cold War concept debate, there is indeed increasing similarity between today's US-China rivalry and the USSR-US Cold War. First, it is a geostrategic contest where each side identifies the other as a long-term No.1 opponent that needs to be dealt with by all necessary means short of war. Second, an arms race into cutting-edge military technologies seems to have been ignited and both sides believe military power would influence the trajectory of the competition. Third, both powers are actively seeking to build alliances and partnership as part of the competition.

### AF: How has your country managed bilateral relations with China and the US amidst the combined pressure of their rivalry and the COVID-19 pandemic?

POU: The pandemic seems to propel Cambodia further towards China although both the US and China provided COVID-19 assistance for Cambodia. Unlike the US, China sees Cambodia through a more strategic angle in its pursuit of hegemonic influence in Southeast Asia. Cambodia likes China's "no-strings-attached" aid and loans, regardless of human rights or environmental concerns. Unless Washington re-adjusts its approach towards Cambodia away from its China lens and provides economic incentives without imposing Western values of democracy and human rights, the US risks pushing Cambodia deeper into China's sphere of influence. As a small country, Cambodia needs to implement its 'neutral' foreign policy position more wisely so as not to limit its future options.

ANWAR: Staying true to its "free and active" foreign policy doctrine and non-aligned strategy, Indonesia has consistently tried to strengthen its comprehensive strategic partnerships with both the US and China. While Indonesia is seen to be increasingly leaning towards China in the economic field, Jakarta continues to cooperate with Washington in defence-security areas and tries to win more US investment and market access. Indonesia also cooperates with both China and the US in dealing with the COVID-19 pandemic, though China is well ahead of the US in this field such as in the joint development of a vaccine.

**KUIK:** Since the early 1970s, Malaysia has adopted an equidistant and non-aligned posture towards the major powers. This approach is essentially "hedging" behaviour because it is principally driven by the desire not to be entrapped by big-power conflicts and to cultivate pragmatic, productive partnerships with both powers in order to maximise mutually beneficial outcomes, while keeping the options open. Although Malaysia is presently too preoccupied domestically to pursue an active, let alone coherent, policy towards either power, its instinctive and minimalist actions persist, as evidenced by Malaysia's low-key response to the West Capella incident in the SCS in April 2020.

ARUGAY: While the Duterte Administration adopts a friendlier stance towards China, it is finally learning that the US has a critical role to play in regional stability and possibly in helping the Philippines fight COVID-19. This can be seen in Manila's alignment with US position on the SCS on the occasion of the arbitral award anniversary this year. Manila is weighing the possible impact of the US presidential election on its future Asia policy. A Biden Administration might strengthen new security initiatives such as the Quad-plus, but it might also take issues with Duterte on human rights and democracy concerns.

### **ASEANFocus**

CHONG: Singapore has stated clearly that it does not wish to choose between the US and China, and tried to work with both powers, especially in continuing economic activity. There are short-term benefits for Singapore from US restrictions as Chinese tech companies look to Singapore as a base for regional headquarters and some assets from Hong Kong are located to Singapore. Such gains are possible so long as US regulations relating to Chinese firms do not become more extensive or the US does not perceive what Singapore is doing as harming its interests. In which case, Singapore may have to worry about pressure from Washington. How long the present situation can continue is uncertain and beyond Singapore's control. Singapore needs to consider possible contingencies should current circumstances become untenable. Such conversations are not currently apparent.

**NGUYEN:** Vietnam's response was to firmly stick to its foreign policy doctrine of independence, self-reliance, diversification and multilateralisation. Vietnam has paid extra attention to being transparent in its strategic messaging to both China and the US on this steadfast foreign policy, and committed that it would not take advantage of US-China competition for its own benefit. Vietnam also invests in multilateralism, especially ASEAN and the UN, to uphold and strengthen the rules-based international system.

AF: Emerging from COVID-19, which country between China and the US do you think would score higher on the trust index among Southeast Asians, and why?

**POU:** With deep pockets, China is gradually outstripping US investments in diplomacy and development in the region. If China recovers faster from the COVID-19 pandemic, finds the cure first and offers it as a global public good, as President Xi Jinping promised, Beijing will have an edge in advancing its 'politics of generosity' and undercut the American narrative of China taking responsibility for the pandemic. Further, if Beijing can rise to a positive role in regional security, manage well the disputes with neighboring countries and constructively

Deputy Secretary-General for ASEAN Socio-Cultural Community Kung Phoats receiving mask donation from China's Ambassador to ASEAN Deng Xijun

engage with ASEAN to achieve a credible code of conduct in the SCS, China will certainly emerge as a reliable global player and a trustworthy member of the international community.

ANWAR: China has been more successful than the US in managing the COVID-19 crisis at home and advancing COVID-19 diplomacy abroad. The pandemic's continuing spread and rising racial tensions in the US have damaged its credibility, while American withdrawal from the World Health Organization has alienated large segments of the international community. Based on their respective handling of COVID-19, China is likely to score higher on the trust index than the US. However, China is seen as taking advantage of the pandemic to advance its interests in the SCS, so distrust towards China in this area remains high.

**KUIK:** Both powers are likely to continue scoring low, or even lower, on the trust index. Although Southeast Asian states did not openly criticise China on its initial handling of COVID-19, this was the ASEAN way of displaying neighbourly solidarity rather than a vote of endorsement. China's subsequent success in containing the pandemic in contrast to the Trump Administration's poor performance - and its mask diplomacy have improved China's image regionally. Beijing's offer to share the COVID-19 vaccine as a global public good has garnered goodwill among Southeast Asian countries. However, this goodwill does not necessary translate into trust because of China's continuing assertive actions, especially in the SCS. The US' growing confrontational approach towards China, while welcomed by states that are determined to push back Beijing's assertiveness, is not perceived positively by others that want to focus on rebuilding their economies and tackling more pressing domestic challenges.

**ARUGAY:** COVID-19 has exacerbated US-China geopolitical tensions and rivalry, and small states like the Philippines continue to feel the crunch. It seems like the more COVID-19 changes the world, the more strategic manoeuvrings of major powers remain the same, if not for the worse. The trust ratings of the US and China will be considerably associated with their roles in helping the region respond to the pandemic. The winner of the COVID-19 vaccine race and whose version is more effective and cheaper will likely score brownie points for Southeast Asia.

CHONG: I don't think either country will do well based on current trends. People doubt the consistency and commitment of the US, and increasingly its capability given the difficulties it faces in handling the COVID-19 pandemic domestically. The early cover-up of the pandemic in China does not create confidence. Neither does its apparent eagerness to impose its will on others nor its readiness to override restraints on executive authority in Hong Kong. Apparent abuse of Uighurs in Xinjiang and clashes with India alongside ongoing challenges in the SCS and Taiwan are reasons that give further pause about China as a responsible leader in the region and the world.

**NGUYEN:** Both China and the US would be doing this region a favour by managing the pandemic in their own countries, and preventing domestic issues induced by the pandemic from spilling over into the foreign affairs domain. In this sense, both China and the US seem to have problems, and we cannot say we trust the way both countries have thus far handled the domestic and geopolitical fallouts of the pandemic.

AF: The US is raising its stakes in confronting China's claims and actions in the SCS. How do you perceive the opportunities and risks arising from these developments for the region?

ANWAR: China's expansionist control of the SCS has been met with muted response from ASEAN and most of the other claimant states, due to China's vastly superior military power and strong economic leverage in the region. A stronger legal and military challenge by the US against China's claims and actions in the SCS, if carried out in a consistent and sustained manner to deter China, would be helpful in strengthening the position of the Southeast Asian claimant states. The US' commitment to ensure the rule of law at sea would gain greater traction if it ratifies the 1982 UNCLOS. Moreover, a US strategy limited to legal and military domains in the SCS without a concomitant economic strategy to provide ASEAN states with choices would still make the latter reluctant to stand up to China.

KUIK: These developments bring both opportunities and risks. The US moves have forcefully underscored Washington's firmer commitment to Asian security, while encouraging countries near and far to take similar actions to confront and challenge China. These moves, coupled with the growing momentum surrounding the Quad members' Indo-Pacific strategies, aim at limiting China's maritime adventures, a goal shared by many Southeast Asian states. Nevertheless, all countries in the region have also become more concerned about deteriorating US-China relations which may escalate into an armed conflict nobody wants.

ARUGAY: This is an opportunity for the Philippines to leverage the arbitral award that many believed has been completely abandoned by the Duterte Administration. The latest pronouncements by the Philippines, including Duterte's address to the UN General Assembly seem to align with the relatively more assertive statements of the US on the SCS. This might impact ASEAN-China negotiations on a code of conduct (COC). A possible leadership change in the US could push for a more multilateral approach beyond the COC, and this can add more pressure to China in the COC process.

NGUYEN: The Southeast Asian claimant states and the rest of ASEAN are on the same page in defending the fundamental principles of international relations and the rules-based order, where countries big and small abide by obligations set out in the UN Charter and international law. The US' position and actions in the SCS, if motivated by the stated goal to uphold the rules-based order, provide a great opportunity for our region. The risk, however, is that China does not see these activities as law enforcement but rather as efforts to contain China. This may lead to Chinese counter-measures that may affect the integrity and universality of international law, including UNCLOS.

AF: Countries are rallying around informal minilateral groupings on specific issues of common interest to keep multilateralism alive and going. How should we position ASEAN in these new alignments?

**POU:** The American-led international order is trembling due in part to developments of its own creation. Meanwhile, Beijing is not shy from resisting the American-led international order and fostering 'a new type of international relations', raising vital questions for ASEAN. ASEAN must strengthen its own multilateral institutions towards greater institutionalisation and binding commitments, something akin to the European Union's style of "effective multilateralism" – a liberal rulesbased order that emphasises shared sovereignty, collective problem-solving, and common actions to achieve peace, security and prosperity.





KUIK: ASEAN should advance the multilateral agenda in its usual selective, adaptive, and accumulative manner. ASEAN member states have never viewed multilateralism in a one-size-fits-all approach. Rather, ASEAN-based multilateralism has been – and will continue to be – leveraged selectively, depending on the nature of the challenges and the scope of countries affected. It has also evolved adaptively, side-by-side with other unilateral, bilateral, and minilateral approaches. Based on changing circumstances, old and new ASEAN-wide, ASEAN-minus and ASEAN-plus arrangements can and often do complement each other. Finally, ASEAN multilateralism has been and will be expanded on an accumulative basis, continuously adding layers of cooperation, according to actual demands and feasibility in the era of COVID-19.

CHONG: ASEAN can and perhaps should provide a platform for collective bargaining for its members. Such an enterprise by nature is multilateral. Given the stark differences in size, wealth, and capacity between China and the US on one side and individual ASEAN members on the other, it makes sense for ASEAN members to work together. Doing so effectively can also suggest that there is little for the US and China to compete over in Southeast Asia, potentially reducing the intensity of US-China rivalry in the region. However, ASEAN today is no longer the small set of conservative, developmental, and anti-Communist states during the Cold War. The wide range of differences among ASEAN members - from political systems to existing disputes and economic ties - as well as an insistence on consensus exacerbate collective action problems and hinder effective cooperation. Such collective action problems can provide openings for the major powers to peel off individual ASEAN members and limit ASEAN's collective voice.

AF: Major power rivalry will cast a long shadow on ASEAN-led institutions. How can ASEAN and its member states exercise their agency in this less benign environment?

**POU:** ASEAN should not take sides or adopt a "bystander attitude" regarding US-China rivalry. Neither should it be complacent, thinking that both powers are too interdependent economically to break up. Rather, ASEAN should leverage its style of multilateralism to engage both Washington and Beijing constructively, encouraging China to rise peacefully and keeping the US deeply engaged in the region. China is central to regional prosperity, stability and to the viability of any regional security framework. Yet, ASEAN should step up its common stand in support of international law and not send mixed or fragmented messages to China on this crucial matter. ASEAN also needs to do more to sustain US policy attention and engagement because American balancing power is a credible option to ensure that China's rise will be peaceful.

ANWAR: ASEAN remains the primary regional convenor for dialogue and cooperation in East Asia and the wider Indo-Pacific region. To remain effective and ensure ASEAN centrality in this less benign environment, ASEAN needs to work hard to maintain its cohesiveness and avoid being divided by the competing major powers. ASEAN should continue to proactively promote normative ideals and strengthen functional cooperation with all relevant powers in inclusive and rules-based ASEAN-led institutions. Beyond ASEAN, member states that have the capacity as middle powers can foster plurilateral or minilateral initiatives to deal with specific issues that cannot be easily addressed within the wider ASEAN-led institutions as long as they do not undermine the ASEAN spirit and goals.

**KUIK:** Unlike Cold War 1.0, the current major power competition is being played out not on one but on two chessboards. US-China rivalry has been rising rapidly in both high politics, i.e. the military arena, and low politics domains such as infrastructure connectivity, technology, finance, supply chains, and now public health and other areas. This twin-chessboard rivalry is widening the scope of big-power competition, increasing the number of players and mounting pressure on all smaller states. But this situation is arguably providing smaller states with more maneuvering space. To exercise their agency, ASEAN countries need to develop more layers of partnerships with actors near and far.

**ARUGAY:** ASEAN has all the institutional tools needed to respond to major power rivalry, but it is lacking in motive and willingness. It has become more difficult for the ten member states to act in concert although adhering to ASEAN centrality remains their centripetal force. However, ASEAN is currently preoccupied with COVID-19 response. I don't see it asserting much agency in the midst of major power competition in the near future, unless this competition hinders their efforts to curb the pandemic.

CHONG: Ultimately, ASEAN members must think hard about reforming the organisation to consider whether and to what degree its current principles and approaches to issues continue to serve the interests of its members and the region given changing conditions. Part of the consideration needs to include how to make ASEAN and ASEAN-led institutions more effective in serving its members in a world where major powers are more demanding and less accommodating. A retired diplomat once claimed that ASEAN was designed to be a cow, so people should not expect it to be a horse. We may be in a world that no longer accommodates cows or even horses. If that is the case, ASEAN countries need to figure out how they can best protect and forward their interests under such changed conditions. We may hold on to old paradigms at our peril.

**NGUYEN:** The level of geopolitical pressure that ASEAN is facing is unprecedented. In fact, ASEAN-6 was able to grow into ASEAN-10 only after geopolitics gave the region a break after the end of the Cold War. Unprecedented challenges ask for unprecedented moves. ASEAN needs to double its efforts of regional integration and diversify its external relations. The need to manage and survive major power rivalry is common elsewhere. ASEAN should be creative in exploring new forms of external engagement with those who are also looking around for partners because of the same reason.

### AF: Moving forward, what institutional reforms must ASEAN take to be nimble and effective in dealing with future disruptions and uncertainties?

**POU:** ASEAN's institutional reforms must focus on nurturing and enforcing the culture of implementation. The over-50-years old ASEAN Way has become sluggish in recent years, and urgently needs revitalisation, including through a review of the ASEAN Charter which is long overdue. ASEAN also needs to revive its conflict management mechanisms, such as the High Council of the Treaty of Amity and Cooperation in Southeast Asia (TAC). ASEAN centrality is best addressed through its capacity to implement effectively its principles, commitments and mechanisms, rather than holding on to the 'agendasetting', 'gate-keeping', or 'driving-seat' position. Above all, ASEAN member states must prioritise regional interests in sync with their national interests so that ASEAN would be less prone to manipulation and division by other powers.

ANWAR: ASEAN's consensus-based decision-making has been blamed for its slow pace and reluctance to deal with controversial issues. Nevertheless, consensus places all members on equal footing. This decision-making has also been critical in ensuring the continuing success and longevity of ASEAN. Proposals to adopt voting, including weighted voting commensurate with population and GDP size, should be treated with caution. To make ASEAN more nimble and effective, however, the ASEAN-X formula can be adopted beyond the economic field when the need arises for ASEAN to respond quickly to new challenges. The capacity of the ASEAN Secretariat

needs to be strengthened, especially in ensuring the implementation of community-building targets, supporting ASEAN centrality and prompting member states to take collective action where it is needed.

CHONG: ASEAN moving at a pace comfortable to all can be helpful in de-escalating tensions, but less so when seeking initiative in response to change and disruption. ASEAN centrality with insufficient direction or purpose may be sub-optimal for both member states and wider regional interests. One low-hanging fruit that can help ASEAN address current uncertainties as it deliberates institutional reforms is to increase the budget and improve functioning of the ASEAN Secretariat. This does not involve delegating more authority or power to the Secretariat but allows it to conduct the business under its current mandate more efficiently and effectively. This includes improving its ability to facilitate coordination among members or support the work of ASEAN members in ASEAN-led settings.

KUIK: In light of unprecedented regional and global uncertainties, ASEAN members must work together with their partners to transform the ASEAN-led mechanisms into an integrated web of innovative, issue-linked, and inclusive arrangements (e.g. accepting the EU and Canada into the East Asia Summit and ASEAN Defence Ministers' Meeting Plus). To be nimble and responsive, more ASEAN-minus minilateral platforms can be developed alongside the existing ASEAN-plus institutions. To be effective, ASEAN centrality must be supported by undertaking bold institutional reforms, cultivating multiple layers of concerted cooperation, while avoiding regional polarisation amid growing major power rivalry.

**ARUGAY:** There has been a lot of ink spilled and statements made on how ASEAN can be reformed – from changing its norms of engagement and decision-making to giving its institutions more autonomy and freedom. So long as its member states cling to their individual sovereign prerogatives, ASEAN remains a convenient grouping of states rather as a regional organisation where states are the hubs of the interlocking networks and relationships between a multitude of actors.

**NGUYEN:** ASEAN must find ways to enhance its solidarity, strength and endurance amid increasing and enduring external pressures. One example is the exposure of ASEAN's consensus-based decision-making to external manipulation. At this, ASEAN could consider allowing a third choice in between approving or disapproving so that member states could exercise more flexibility on tough issues. Voluntary abstention from the decision-making process by a member state, similar to the ASEAN-X formula in the economic pillar, should be allowed across the board. **X** 

\*The views expressed are their own, and do not necessarily reflect the positions of their respective institutions and governments.

Spotlight: COVID-19: Repercussions and Responses

## Exploratory Pathways for an ASEAN Tourism Recovery

**Vincent Vichit-Vadakan** canvasses views from the ground on how to revive the COVID-19-ravaged tourism industry despite slow regional cooperation.

ourism is probably the worst affected sector by the COVID-19 pandemic. Restricted access to all ASEAN countries, grounded airlines, shuttered hotels and car parks full of empty tour buses are among the most telling signs of a hard-hit hospitality industry.

The benefits of travel on the economy during the time of tourism boom have turned into serious liabilities in Cambodia and Thailand where it is estimated that 32.4% and 21.6% of GDP were linked to tourism, respectively. Even economies less reliant on tourism like Singapore (4.1%), Malaysia (5.9%) and Brunei (6.7%) are scrambling to fill the gap left by international travel suspension.

How these countries are approaching the problem offers important food for thought. In the Philippines, where tourism accounted for 13% of GDP in 2019, the Department of Tourism is developing plans and programmes to protect visitors and tourism workers, ensure business survival, build a more sustainable and resilient tourism industry, and enhance marketing. Funding has just been signed into law as part of a national recovery package.

Despite its importance, it would be foolhardy to bet everything on the tourism sector to revive flailing economies. "Mass international travel will not return in any significant way any time soon," said Keith Tan, Chief Executive of the Singapore Tourism Board (STB), in an exclusive interview. Tourism Authority of Thailand (TAT) Deputy Governor for Communications Tanes Petsuwan shared the sentiment: "I can guarantee that you will never again see the large number of coaches parked in front of the Grand Palace, Sanam Luang or Chatuchak Market."

How countries are going to reopen markets for international travel in the long-term remains to be seen. In the meantime, they are proactively promoting domestic travel, developing offers that are suited to largely untapped local markets. While domestic travel will not compensate for the loss of international revenue, every country is hoping that its citizens will spend more locally – in Thailand, for example, domestic revenue accounted for only 30% of the THB3 trillion tourism industry in 2019, a level that will not come close to being matched in 2020.

Thailand launched a THB20 billion stimulus package called *Rao Thiew Duay Gan* (We Travel Together) to subsidise domestic travel and encourage Thais to support hotels, airlines and other travel-related services.

Singapore's SingapoRediscovers programme has added SGD320 million in credits and vouchers worth SGD100 per adult citizen in partnership with local businesses to an initial investment of SGD45 million. The Lao government announced the *Lao Thiao Lao* (Lao People Travel in Laos) campaign to introduce citizens to destinations in the country and encourage businesses to offer them attractive packages. Social media supported the campaign online with promotions and prizes of free trips. Lao Airlines offers discounted seats on domestic flights, and initial financing has been provided by the vocational training Skills for Tourism project.

In Thailand, the local market includes an expatriate population that is being encouraged to travel domestically. JTB, Japan's largest tour company, has worked with TAT to develop products of interest to Japanese residents. The focus is on "off-beat places", said Chattan Kunjara Na Ayudhya, TAT's Deputy Governor for Asia-Pacific. He singled out the example of shellfish fishing in Samut Songkhram, about an hour's drive from the centre of Bangkok. "It's a soft adventure activity, and it helps the local community at the same time," he added.

The Philippines is taking a localised approach. "The Department is working very closely with local government units and the private sector for reopening of destinations that are ready to promote domestic tourism," said Bernadette Romulo-Puyat, the Philippine Secretary of Tourism, in an exclusive interview for this article. The Department's latest plan authorises staycations within areas subject to General Community Quarantine regulations. Inter-regional or inter-provincial "tourism circuits" are being promoted.

What remains to be seen is if locals have appetite and budget for such attractions. Initial reports on the Thai programme noted that in the first two months, only THB388 million had been claimed through vouchers and discounts. The scheme, originally scheduled to last until end-October, will likely be extended until this year-end.

As marketing arms of their countries, both STB and TAT are conscious of the importance of staying in the minds of foreign travellers. TAT has been active on social media from the beginning of the crisis when Wuhan was under lockdown, sending messages of support via social apps like Weibo and Douyin, the mainland Chinese version of TikTok. The Thailand Convention and Exhibition

Bureau (TCEB) recently invited Bangkok-based consular officials to Samui to prepare for the return of international meetings and events. "We will focus on strengthening Singapore's brand image," says STB's Tan. To that end, STB and its partners have engaged in creating home cooking activities via Zoom, meetings with personalities, DJ sets and other "top-of-mind" activities designed to maintain the desirability of the destination.

Countries are also thinking about what to do when borders reopen and flights resume. Restoring consumer confidence is high on the list. "Communicating about safely measures is a crucial part of that," says TAT's Kunjara. He points to the Safety and Health Administration (SHA) certification that ensures venues have been inspected for adherence to hygiene protocols. Similarly, the SG Clean label in Singapore is designed to give locals and travellers peace of mind.

Despite the crisis, the industry should not lose sight of sustainable tourism. The Philippine Department of Tourism launched the Transforming Communities towards Resilient, Inclusive and Sustainable (TouRIST) Destination programme to improve tourism facilities and conservation-based tourism, provide training for tourism SMEs and build sustainable infrastructure like renewable energy and sanitation. "The objective is to develop resilient, inclusive and sustainable tourism destinations," says Romulo-Puyat.

A subject of discussion remains - which markets will reopen first? A logical first step would be to establish travel bubbles, fast tracks and green lanes between those destinations that are relatively unaffected by COVID-19. However, they have yet to be widely embraced. Singapore has reopened very limited essential travel with a handful of countries including Malaysia, Brunei, China, South Korea, Japan and New Zealand. Given the requirements on mandatory testing and the two-week self-quarantine upon arrival, a return of tourism remains elusive. Thailand examined and then shelved a number of proposals that would see small numbers of tourists confined to a restricted area, under regular monitoring by minders and apps. Elsewhere in the region, Vietnam Airlines has resumed flights to Laos and Cambodia, though again it remains to be seen who would be eligible to fly.

Ultimately, intra-ASEAN travel is going to play an integral part in the region's post-crisis recovery. In a speech advocating the idea of travel bubbles and streamlined safety regulations, Nguyen Manh Tien, Vice-Chairman of Vietnam's National Assembly Foreign Affairs Committee, said, "[Vietnam] wants the ASEAN community to enhance information exchange regarding tourism and health." Philippine Secretary of Tourism Romulo-Puyat concurs. In September, the Philippines hosted a virtual ASEAN conference to discuss professional standards and exchange best practices on COVID-19 response and recovery. The event clocked over 23,000 online views. According to an official at the ASEAN Secretariat, ASEAN countries "are working towards sustainable recovery and resilient growth of ASEAN tourism as a



single tourism destination", and new initiatives will be introduced in the ASEAN Post-Pandemic Recovery Plan to promote the recovery of tourism in the region.

Yet, a more coordinated response is not on the agenda yet. Governments are preoccupied with local concerns. Jakarta and Manila have faced second lockdowns. Myanmar has grounded domestic flights and suspended domestic tourism. When Bali reopened to local tourists, the number of COVID-19 cases shot up. Vietnam opened, closed then re-opened Da Nang after a second-wave outbreak. In Rayong, Thailand, the report of a single case in July sent the country into a panic. "Every country is now going through a tough time," said Kunjara diplomatically. "They will to work together is there but we need to pass this phase first."

Yet, Kunjara sees ASEAN as key to a successful recovery: "ASEAN provided almost as many tourists as China. The spend is vastly different but we got the numbers. I think that once the dust settles, ASEAN will continue to be that force we can depend on."

The numbers back him up: some 4 million arrivals to Thailand from Malaysia in 2019, over 2 million from Laos and over 1 million from Vietnam. While many trips are just cross-border hops, travellers with more spending power are travelling more. "Now they go to Chiang Mai or Phuket like any other tourist," says Kunjara. "They are reaping the benefits of investment in those countries, so they have more money to spend. Also they are coming for medical tourism." "There is no magic wand," he said pragmatically. "The demand is there, we just have to keep building it." That holds true for his country and the region as a whole. "

**Mr. Vincent Vichit-Vadakan** is a Bangkok-based travel journalist. He writes about tourism, current affairs and culture in English and in French.

### **Spotlight: COVID-19: Repercussions and Responses**

## Roundtable: Economic Impact of COVID-19 in ASEAN

The COVID-19 pandemic has ravaged ASEAN's economies and upended the global supply chains in its trail. *ASEANFocus* invites experts\* to share insights on the pandemic's economic impact and the prospects of post-COVID-19 recovery in the region.



**Dr. Jayant MENON**Visiting Senior Fellow, Regional
Economic Studies Programme,
ISEAS-Yusof Ishak Institute



Prof. YEAH Kim Leng
Professor of Economics, Sunway
University, Malaysia



**Dr. Marjorie C. PAJARON**Assistant Professor, School of Economics, University of The Philippines



**Dr. CHUA Hak Bin** Senior Economist, Maybank Kim Eng



Ms. LEE Ju Ye Economist, Maybank Kim Eng



Assoc. Prof. Dr. Chayodom SABHASRI Former Dean, Faculty of Economics, Chulalongkorn University, Thailand

### **Regional Perspective**

AF: What are the impacts of COVID-19 on ASEAN's economic growth?

**MENON:** The economic impacts of COVID-19 on ASEAN countries remain unpredictable, subject to the pandemic's trajectory and regional governments' response. The International Monetary Fund (IMF) predicted in June that the world output this year would contract by 4.9%, with growth in most ASEAN countries being either flat or negative. The projected short-term growth rates vary significantly from -6.7% in Thailand to 2.7% in Vietnam. The Asian Development Bank (ADB) projects that ASEAN as a group will expand by 1% this year, while the ASEAN+3 Macroeconomic Research Office (AMRO) expects it to contract by about the same rate.

The above forecasts were made before the second quarter 2020 GDP numbers were available. The year-on-year (YOY) contraction in the second quarter was highest in Malaysia (17.1%), followed by the Philippines (16.5%), Singapore (13.2%) and Thailand (12.2%). Indonesia's economy contracted by 5.3%, which could be attributed to its less rigorous social distancing measures and lower reliance on international demand.

Growth is expected to bottom-out in the second quarter of 2020 for those countries that have got community transmission of the virus under control. For those that have not, it may take longer before their economies can turn the corner. The COVID-19's negative impact on growth is expected to taper-off before this year-end, with a strong rebound expected in 2021. The ADB, AMRO and IMF project that all ASEAN countries, except Brunei and Singapore, will grow by 5% or more next year.

AF: How would COVID-19 affect ASEAN's economies in global value chains (GVCs)? Will we likely see a greater localisation of GVCs post-COVID-19?

MENON: The very dynamism that defines GVCs is that they continuously adapt and adjust to changing conditions and shocks through restructuring and relocation. Although some aspects of GVCs can be quite resilient, the more labour-intensive activities are highly footloose. In that context, COVID-19 has reinforced and accelerated a number of pre-existing trends in the GVCs restructuring. Rather than attribute the on-going disruptions to COVID-19, we should look more closely at underlying causes and distinguish them from correlations or coincidences.

The GVCs' shift out of China towards ASEAN has been underway for some time, driven by higher wages and more stringent environmental regulations in China, accelerated by the US-China trade war, and now hastened by the pandemic. In a survey by the Institute of Supply Management in February-March 2020, nearly 75% of companies reported supply chain disruptions due to COVID-19-related transportation restrictions.

The COVID-19 disruptions have further incentivised countries and businesses to find alternative suppliers or embrace near-shoring and re-shoring to manage risks. In April 2020, Japan announced that a USD 2 billion package to help its multinationals leave China for home or Southeast Asia. ASEAN countries that are best prepared to attract those GVC-relocated investments will benefit the most. At present, they appear to be Vietnam, Malaysia and Thailand, but newer ASEAN members may also benefit from Japan's "China Plus One" policy.

### AF: Do you think the recovery in ASEAN's economies will be in V, U or L-shape?

**MENON:** The ADB, IMF and World Bank (WB) all expect the economic recovery to be likely in V-shape. The less prolonged the downturn, the more likely it will be a V-shaped rebound. Conversely, a protracted recession would lead more firms into bankruptcy which will not return post-pandemic, making a U- or L-shaped recovery more likely.

ASEAN countries that are struggling to contain the virus' community spread, such as the Philippines and Indonesia, are less likely to rebound sharply than those that appear to have it under control. However, the COVID-19 pandemic trajectory can change quickly. Fears remain that a second wave could sweep through the ASEAN countries that currently appear to have the pandemic under control. If this happens and more stringent safe distancing measures or lockdowns are reintroduced, we will have to revisit the shape and timing of the expected rebound.

Whatever the shape of the recovery, the lingering effects will remain. As experienced from previous economic crises, the poor are disproportionately negatively impacted by the downturn, and they do not share equally in the ensuing recovery. This was certainly the case in those ASEAN countries that were most severely impacted by the 1997-1998 Asian Financial Crisis. The end-result is that there is a larger pool of the poor that is left behind, which could reverse years of progress in poverty reduction, and add to a greater level of inequality, which could take decades to reverse.

### AF: What has ASEAN done to mitigate the negative economic impact of the pandemic?

**MENON:** ASEAN was slow to respond to the pandemic, and its response has been relatively weak. But ASEAN is not alone here as this is also true of other regional and global organisations, including the G7, G20 and the UN.

COVID-19 is a global health problem best addressed through a coordinated multilateral response. It is both an imperative and an opportunity for regional groupings like ASEAN to play a bigger role, especially given the void at the global level.

ASEAN's first response was to convene a Special ASEAN-China Foreign Ministers' Meeting in Vientiane on 20 February, where both sides agreed to strengthen cooperation to fight the disease without specifying any concrete action. A month later, ASEAN Senior Health Officials met online and agreed to involve the +3 countries (China, ROK, Japan) as with previous epidemics. The virtual ASEAN and ASEAN+3 summits on 14 April agreed to establish an ASEAN COVID-19 response fund and a regional reserve of essential medical supplies. However, financial constraints will be a drag to these initiatives. If actions require funding, the ASEAN+3 countries must be involved. Although more has been done through the ASEAN+3 than ASEAN alone, geopolitical tensions amongst some members could limit progress going forward. Therefore, national actions will likely continue to dominate the economic response in the region.

### AF: What more can be done by ASEAN to strengthen the region's ability to withstand and overcome the crisis?

MENON: ASEAN should now focus on coordinating national measures, including stimulus programmes, across its member states to limit the extent of economic downturns and hasten recovery. Divergent national policies, even if they are all in the same direction of monetary easing, can add to financial market volatility. Coordinated monetary and fiscal responses will increase their impact nationally and reduce free-riding. For example, coordination would limit exchange rate instability, which may result in competitive devaluations and other beggar-thy-neighbour attempts, as well as destabilise inflation expectations.

While awaiting an effective vaccine, the journey towards a new normal should also be coordinated to minimise the risk of recurrence and speed up economic recovery. For instance, for those ASEAN or ASEAN+3 members that have controlled COVID-19 spread, a quarantine-free travel corridor between pairs or more could be set up. To avoid duplication of quarantine requirements, and to facilitate tourism and intra-regional flows, quarantine periods in participating countries could be mutually recognised.



### **ASEANFocus**

For travel and tourism to bounce back, it needs to go beyond the current essential business traffic being pursued bilaterally (e.g. Singapore-China) with stringent quarantine requirements. While this may be a step in the right direction, it is having only a minimal impact on these distressed sectors. There is a need to reassess risks between countries where community spread is low. In such cases, cross-border travel may pose a lesser risk than domestic movement, if testing is conducted at exit and entry points. There are other similar anomalies that could be eliminated without increasing risk levels while supporting economic recovery. Even if such negotiations are more likely to take place bilaterally, ASEAN can still play a supportive role by providing the institutional negotiating forum and framework.

As for trade in goods, fast-tracking of customs procedures for essential items such as food and medical supplies, and accelerated efforts to restart logistics networks across air, sea and land freight should be pursued. The mechanisms to pursue this already exist within ASEAN's economic integration agenda.

### **Country Perspectives**

### AF: What are the impacts of COVID-19 on your country's economy?

YEAH: Malaysia's economy contracted by 17.1% YOY in the second quarter due to a two-month lockdown. Gross fixed capital formation, total trade and private consumption fell by 29%, 20.8% and 18.5% respectively. Services and manufacturing sectors that account for 80% of the GDP contracted by 16.2% and 18.3% respectively. Unemployment rate rose to 5.1% from 3.5% in the first quarter. Other short-term adverse impacts include rising delinquent loans and bankruptcies, widened fiscal deficit and higher government borrowing. These negative shocks far outweigh the positive effects, including lower prices of goods and services, environmental quality improvement, reduced pollution and congestions, and increased usage of online services and digital tools.

The long-term adverse impacts include decreased potential output due to reduced capital deployment and investment that could lower the country's growth trajectory. Income gap could further widen since the lower income households are more adversely impacted by the economic downturn while the higher income ones are better able to leverage the economic rebound. Furthermore, fiscal stimulus packages during COVID-19 would likely constrain government spending ability and induce higher taxes in the future. On the other hand, the ongoing shift towards a digital economy would accelerate, and precautionary savings would increase as households and firms adopt more cautious behaviour.

**PAJARON:** The Philippines' GDP growth rate dropped by 16.5% YOY in second quarter of 2020, the lowest quarterly growth since 1981, due to a slow-down in almost all economic sectors, except agriculture. The hardest hit sector was transportation and storage, which decreased

by 59.2%, given the different forms of lockdown and quarantine measures in place since March 17. The strictest stay-home order lasted for over a month, and was imposed on Luzon island, home to 57% of the country's population. Construction and manufacturing took a nosedive too, decreasing by 33.5% and 21.3% respectively.

While the demand from households declined by 15.5% and imports fell by 40%, public expenditures increased by 22.1% as a result of the government's efforts to curtail COVID-19. Unemployment increased to a record-high of 17.7% (or 7.3 million) as of April 2020, with all sectors registering a decrease in employment. Unemployed Filipinos in the industrial and services sectors recorded about 2.3 million and 5 million, respectively. The subsectors with the highest employment decline were construction (4% points) and accommodation and food services (1.4% points).

**CHUA & LEE:** Singapore sunk into the deepest recession since independence in the second quarter of 2020, as the COVID-19 pandemic and business shutdowns disrupted and paralysed economic activities. GDP contracted by 13.2% YOY, led by sharp declines in construction (-59.3%) and services (-13.4%). Manufacturing also slipped but not as severely (-0.7%), with electronics and pharmaceuticals proving rather resilient.

In the first half of 2020, about 148,000 jobs were lost, most of which were in the services sector and borne by foreigners. Services jobs are more labour-intensive, and many involve social interactions, which were curbed by shutdowns and social distancing rules. Total job losses are expected to reach 180,000-220,000 for the full year and job growth to turn positive in 2021. In addition, Singapore's aviation hub status is threatened by strict border controls, quarantine requirements and the collapse in connecting flights and global travel.

The longer-term structural impact remains uncertain. Manufacturing, trade and financial flows have been much less impacted by this crisis, compared to services and people flows. Singapore will likely strengthen its manufacturing supply chain network and global financial centre standing, as these trade and financial flows were largely uninterrupted.

SABHASRI: Thailand's GDP in 2020 will likely be in the double-digit negative zone for the first time since the 1997 Asian Financial Crisis. Thailand's export and import of parts/components from China fell due to factory closures and other supply chain disruptions in both countries. Tourism, which contributes 12% of GDP, ground to halt with the shutdown of tourism-related businesses (hotels, air transport, entertainment, restaurants, travel agency, and even medical tourism). Household debt will soon be a challenge as businesses ceased and workers were laid off or got paid minimally. In addition, high demand and speculation led to a shortage of essential medical supplies, including masks, gloves, and Personal Protective Equipment (PPE).

In the long-term, consumer and investor confidence in spending remain low due to the uncertainty over COVID-19 vaccines and the virus' mutations. Investor confidence may return in mid-2021 when businesses will hopefully be resumed, despite the emergence of sporadic new COVID-19 cases. Thailand needs to seek new opportunities from the possible restructuring of the global supply chains. Most countries try to secure their supply chains by reducing reliance on production imports and more on domestically produced products. Moving forward, the economy will be driven more by domestic market than by exports, hence the imperative for government policies that support local producers to create new jobs. Further, the risk in the tourism sector needs to be diversified as the country can no longer rely on foreign tourists as its major source of income.

### AF: Which sectors of the economy are likely to recover faster, and which sectors more slowly?

YEAH: The export-oriented manufacturing sector (22.3% of Malaysia's GDP) is expected to recover faster. Following a 37% YOY plunge in April, manufacturing output rose by 4.7% in June with 72 out of 132 industries (54.5%) recording positive growth, with different rates across industries. For example, the rubber products industry's value-added growth increased by 48% in the second quarter due to the pandemic-triggered demand surge for gloves and PPE. The domestic demand-driven services sector (57.8% of GDP) is likely to stage a modest recovery with varying growth performance across industries. The retail, hotel and restaurant, transportation, hospitality and other tourism-related sectors, which are most affected by the pandemic, are expected to post weak growth amid cautious consumer spending and COVID-19 resurgence risk. The recovery momentum of the mining sector (largely petroleum and natural gas) and the agricultural sector (including palm oil) could be volatile, subject to fluctuating global commodity prices and domestic production conditions. Given the oversupply in the property sub-sector, the recovery in the construction sector is likely to be subdued, dependent on major infrastructure projects being implemented or planned by the government.

**PAJARON:** The services sector, including education, health, transportation and restaurant industries, could recover slowly, given that the businesses involved require physical and face-to-face interactions. More difficult recovery could arise especially in the wake of business closures and shutdowns. According to the survey by the Philippine Department of Trade and Industry (DTI) on 4-17 June, about 26% of businesses have closed operations (including temporary shutdowns). It all depends on how fast the economy can recover once the quarantine is fully lifted and the epidemic curve has flattened substantially.

**CHUA & LEE:** The current crisis is largely a broad-based "services recession" rather than a "manufacturing-led recession". Manufacturing was more resilient as the sector was categorised as essential and remained open. Some manufacturing segments, including pharmaceuticals and electronics, grew at a healthy pace during the lockdown

period, cushioning the downturn. In contrast, the sectors with slowest recovery include tourism-related and consumer-facing services, which were the worst hit during the second quarter. These include accommodation and food services (-41.4% in the second quarter), retail trade (-41%) and transportation & storage (-39.2%). Bright spots included finance & insurance (+3.4%) and infocomm (-0.5%), as workers could partly operate from home. Air transport saw an unprecedented 99% plunge in traffic volumes. Construction came to a standstill as thousands of foreign workers were quarantined, with the sector contracting by almost 60% in the second quarter.

**SABHASRI:** The sectors with fast recovery include agriculture, processed foods and wellness. Health-related products, work-from-home, and home-living products and services such as pharmaceuticals, medical supplies, onlineshopping, food delivery, local logistics, communication and home decoration are growing businesses. Labourintensive industries such as construction and textile will not recover soon because many foreign workers have gone back to their countries, and quarantine will be applied upon their return. Import- and export-oriented industries such as automotive and electrical appliances that depend on the international value chain will recover slowly as their production processes need to be shifted towards greater self-reliance. It will take time for tourism to recover. In the meantime, all related industries such as foods and beverage, transportation, travel agency, entertainment, hotel and accommodation need to find new sources of income.

### AF: What is your government's policy response to mitigate the economic impact of COVID-19 in the short-and long-term?

**YEAH:** The Malaysian government has launched four stimulus packages representing about 20% of its GDP. The first two packages in February and March largely focused on ensuring adequate funding for public health services to combat COVID-19 and offsetting the economic impact on households. Low- and middle-income households were provided with income support to alleviate hardships due to job and income losses. More extensive fiscal and financial reliefs for businesses were enhanced in the third and fourth packages in April and June. These include one-



### **ASEANFocus**

off cash handouts to low-income households and targeted groups, retirement savings (EPF) withdrawals, reduced employers and employees' contributions, six-month loan repayment moratorium, utility and wage subsidies, and tax and financing reliefs. As the economy recovers tentatively in the second half of 2020, the fiscal support will likely continue with more specific measures to revitalise affected industries and facilitate the restructuring of distressed firms.

Long-term policy responses to the pandemic are being deliberated by the government in consultation with various stakeholders for incorporation into the 12<sup>th</sup> Malaysia Plan (2021-2025). Apart from addressing pandemic-related issues, the plan will likely push aggressively towards automation and digitalisation while harnessing the current strengths in electronics manufacturing and tapping the ASEAN market to expand healthcare and e-commerce industries. The government also seeks to implement its Shared Prosperity Vision with a strong focus on growth, inclusivity and sustainability in line with the 2030 UN Sustainable Development Goals.

**PAJARON:** The Philippine Congress has ratified the Bayanihan to Recover as One Act, which provides mechanisms and funds to address COVID-19 and accelerate economic recovery. These mechanisms include, among others, socio-economic relief efforts such as PHP5,000-8,000 (USD100-165) to affected low-income households and displaced workers (unemployment benefit), a unified database to accurately identify beneficiaries, enhanced healthcare capacity, sustainable testing and tracing of COVID-19 cases, and accelerated economic recovery.

Funds are also allocated to finance credit programmes under government financial institutions (GFIs) and provide low-interest loans to the affected industries. For example, about PHP39.5 billion will be allocated as capital infusion to GFIs. In addition, a total of PHP30.5 billion is proposed to finance health-related responses including, but not limited to, procurement of PPE, Department of Health

PETI MATICOVID - 15

PETI MATICOVID - 15

PROPILE WALKS STATE ACCOUNTY OF A POSTER ON COVID-19 in Jakarta, Indonesia

hospital operations, life insurance and hazard pay for frontline health workers, construction and maintenance of isolation facilities, and hiring of contract tracers. Additionally, several billions of pesos were proposed to finance activities by government agencies to stimulate the economy. The Act is awaiting the President's signature for enactment into law.

**CHUA & LEE:** The Singapore government has implemented both fiscal and financial policies to contain COVID-19's economic and social fallout. Its four fiscal packages totalling about \$\$93 billion (almost 20% of the GDP) are expected to avert a GDP loss of about +5.5% points in 2020 and +4.1% points in 2021. The fiscal injections are estimated to have reduced the rise in unemployment rate by 1.7% points.

The SGD26 billion (based on our estimates) Jobs Support Scheme (JSS) is the centrepiece of the fiscal package. It subsidises wages (ranging from 25% to 75% up to cap of SGD4,600) of citizens and permanent residents for up to 17 months (October 2019-March 2021). The amount is paid out to firms with the objective of preserving jobs. Without the wage subsidies, Singapore would have been drowned by an avalanche of retrenchments in the airline, hospitality and retail sectors, which will increase the unemployment rate to about 4% to 4.5% by year-end. We estimated that the extended and tapered JSS payouts will amount to around SGD3.1 billion in March 2021 and SGD1.9 billion in June 2021.

Singapore also saw interest rates fall to near historical lows and a weaker exchange rate to support the economy. The Monetary Authority of Singapore (MAS) has eased the Singapore dollar nominal effective exchange rate (S\$NEER) policy stance to a zero appreciation bias and re-centred the band slightly downwards at end-March, in an off-meeting move. The 3-month Singapore Interbank Offered Rate (SIBOR) has fallen to 0.41% as the US Fed cut its benchmark policy rate to zero and launched a massive USD700 billion quantitative easing programme. Singapore's interest rates will likely remain low until 2022, as the Fed will begin normalising only when the US economy is near full employment and at 2% inflation.

**SABHASRI:** The Thai government has issued a series of financial and fiscal stimulus measures in 3 phases. The first two phases focused on alleviating burdens for businesses and affected individuals through soft loans, tax exemptions or tax-filing deadline extensions, tax deduction increments, reducing Social Security Fund (SSF) contributions and refunding electricity meter deposits. Phase 1 measures aimed to lower the financial burden for individuals in daily expenses such as utility subsidies, and increase liquidity for firms through tax reduction, soft loans and tax deductible programmes. Phase 2 included a package of THB5,000 per month for three months for workers not covered by the SSF, and 50% of salary for unemployed employees, and a package of special loans and tax deductible programme for small- and medium-sized enterprises (SMEs).



Phase-3 with THB1.9 trillion (12% of GDP) is for the longer term. This sizable budget is backed by three Emergency Decrees: the first one grants up to THB1 trillion in loans to alleviate the COVID-19's economic impacts; the second allows the Bank of Thailand to provide THB500 billion in soft loans to SMEs; and the third stabilises the financial system via the establishment of a Bond Stabilization Fund (BSF) with a budget of THB400 billion. Moving forward, the government should focus more on restructuring the economy towards greater self-reliance.

### AF: Do you think the economic recovery will be in V, U or L-shape? What are possible government measures to ensure a V-shaped recovery?

YEAH: Barring a resurgence of the virus outbreak that entails a nation-wide shutdown, the Malaysian economy is expected to rebound in 2021. However, the V-shaped recovery of between 5.5% and 8% in 2021 projected by the government as well as the World Bank (WB) and the IMF may be more muted given that the global pandemic has shown no signs of abating. The deleterious effects of the pandemic on the global economy would be compounded if an effective vaccine or treatment remains unavailable by 2021. A more subdued global economic recovery would lower the net trade contribution to Malaysia's growth and shift the burden to domestic sources of growth. To facilitate a V-shaped recovery, the government needs to provide further fiscal and monetary stimulus to boost domestic demand, particularly private consumption and investment, while increasing income support and social spending to improve the livelihood of low- and middle-income households. Concurrently, it needs to elevate capital spending on large physical and digital infrastructural projects that have multiplier effects on the economy.

**PAJARON:** It is premature to predict the recovery shape of the Philippine economy at this point. There remain many unknown and uncertain elements such as the actual data on businesses that cease operations during the

COVID-19 pandemic and its impact on poverty. Perhaps the more pressing issue is not the shape of the recovery but when the pandemic would be brought under control for the economy to start to rebound. The Philippines currently has among the highest number of COVID-19 cases in the region. And epidemiological indicators suggest that the country has not experienced the peak of the outbreak yet.

CHUA & LEE: The growth recovery will likely be more U-shaped than V, with GDP levels returning to prepandemic levels only in early 2022. Singapore's recession is the third deepest in Asia, after the Philippines and Malaysia. Singapore regarded manufacturing as "essential" and kept most of manufacturing and the supply chains operating during the circuit breaker. Growth will improve in the second half with the reopening of the economy and move into Phase Two from 19 June. But the economic recovery will likely be choppy and sluggish, dampened by the slow reopening, border controls, strict social distancing rules and foreign worker shortages. The speed of recovery and endgame to this pandemic crisis will depend on a medical solution and a vaccine becoming widely available. Until then, the economy may be subject to periodic lapses and lockdowns, if a subsequent wave emerges.

**SABHASRI:** The recovery will likely be U-shaped but it will take time since the Thai economy has a high degree of international exposure in both trade and investment. There remains uncertainty in the control of and recovery from COVID-19 among Thailand's key trade and investment partners. In the short and medium term, more focus will be given to the processed food, wellness, and creative industries as the economy's driving forces. Apart from COVID-19, the ongoing political instability has also threatened the Thai economy, making the V-shaped recovery more unlikely.

\*The views expressed are their own, and do not necessarily reflect the positions of their respective institutions and governments.

Spotlight: COVID-19: Repercussions and Responses

### ASEAN Must Embrace Sustainable COVID-19 Recovery

**Melinda Martinus** and **Sharon Seah** argue that the region's COVID-19 responses must pave the way for long-term sustainable development.

he coronavirus pandemic has ripped through ASEAN economies like a whirlwind. Trade, tourism and travel have stalled as a result of enforced lockdowns to curb virus transmissions. The Asian Development Bank (ADB) predicts that Southeast Asia's overall GDP growth would contract by 3% in 2020. Based on its latest forecasts for 2020, Thailand's GDP contraction of -8.0% will the most severe in the region, followed by the Philippines (-7.3%), Singapore (-6.2%) and Malaysia (-5.0%).

Millions of job losses, household income decline and weakening consumer spending have led ASEAN member states (AMS) to launch stimulus packages to keep their economies afloat. As of July 27, all ten AMS have authorised approximately USD350 billion in stimulus packages, equivalent to 3.74% of ASEAN's total GDP. Cambodia, Indonesia, Laos, Myanmar, the Philippines, and Vietnam have borrowed a total of USD6.7 billion from the World Bank, ADB, and the Asian Infrastructure Investment Bank (AIIB) to complement their national packages.

Most of these stimulus packages target immediate responses, such as strengthening emergency healthcare facilities, testing capacity and treatment of COVID-19 patients; disbursing cash assistance to retrenched workers; supporting micro, small, and medium enterprises



(MSMEs) operations; and providing fiscal assistance and incentives to the heavily-hit sectors, especially aviation and tourism. Beyond immediate responses, ASEAN governments must shore up the resilience of their economies to withstand future shocks and set the region towards advancing the UN Sustainable Development Goals (SDGs).

Leveraging the COVID-19 crisis for sustainable recovery will guarantee longer-term economic resilience and environmental sustainability. A recent survey of 200 senior economists from 53 countries by the University of Oxford found that spending COVID-19 stimulus packages on green policy initiatives can help the world achieve carbon emission reductions, offer the best returns in poverty reduction, and avoid both stranded assets and jobs. The recent UN Virtual Forum on Responsible Business and Human Rights in Asia and the Pacific called for action to enhance protection for vulnerable groups and promote equitable business practices. Paving the way for sustainable recovery through workforce reskilling and digitalisation, social protection enhancement, and decarbonisation of the economy is critical.

#### Economic Sustainability: Reskilling and Digitalisation

COVID-19 has exposed the vulnerabilities of ASEAN's labour force, particularly in the manufacturing sector. COVID-19-induced disruptions in the supply chains and weakening export demands have led to production halts which in turn have created mass layoffs.

Before the pandemic, Cisco and Oxford Economics predicted that technology and digitalisation would negatively affect ASEAN's labour force employed in the services, agriculture and manufacturing sectors. More than 10% of ASEAN's current workforce could be displaced across its six largest economies by 2028. By then, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam will require 28 million fewer workers to maintain the same level of output as today.

ASEAN has a relatively young workforce, with 60% under 35 years old. They will drive the future of ASEAN's critical economic sectors and attract foreign direct investment (FDI). Given adequate investments in digital education and re-skilling, one of the promising sectors that ASEAN can tap on is digital economy.

These opportunities and challenges must inspire the regional bloc to transform the work skills landscape. Many AMS have prioritised assistance packages such as cash assistance and subsidies to labourers and incentives for industries to continue operations during the pandemic. The COVID-19 stimulus packages should focus more on reskilling workers, equipping them with digital and technology skills.

Singapore and Malaysia have shown a strong commitment to utilise their COVID-19 stimulus packages to reskill or upskill workers for the future. In May 2020, Singapore introduced the SGUnited Jobs and Skills Packages to expand employment opportunities for new, mid-career and unemployed jobseekers. In June 2020, Malaysia launched a massive stimulus package which offers salary subsidies for reskilling programme for young and unemployed workers and for MSMEs to go digital.

### Social Sustainability: Social Protection for the Poor

Ending poverty, the first of the SDGs, has always been ASEAN's long-term goal. As a response to the 1998 crisis, the ASEAN Senior Officials on Rural Development and Poverty Eradication set up the ASEAN Task Force on Social Safety Nets which brought the issue of social protection for vulnerable workers to the regional agenda for the first time.

One of the most pertinent issues facing ASEAN today is the economic development divide among its member states. There is a big GDP per capita gap in ASEAN, ranging from USD1,390 in Cambodia to USD57,713 in Singapore, according to the World Economic Outlook 2018. ASEAN is committed to reducing poverty and narrowing the development gap between its member states. Although AMS have made certain progress in poverty alleviation, the ASEAN-China-UNDP report on Financing Sustainable Development Goals in ASEAN indicates that 36 million people in the region still live below the poverty line, 90% of whom are in the Philippines and Indonesia.

In the short term, ASEAN governments have no choice but to disburse cash assistance to the poor as the main strategy to enhance consumption and spending during the COVID-19 recovery. To ensure long-term development, governments must use the momentum from this crisis response to accelerate the establishment of comprehensive and stronger social protection systems for the poor. These systems should include reforms in employment benefits, medical insurance, and retirement savings. So far, countries such as Indonesia and the Philippines have done much in the crisis-phase management of social protection, including improving social service delivery and transparency, and building institutional capacity to disburse assistance effectively.

### Environmental Sustainability: Decarbonising the Economy

One of the hallmarks of sustainable stimulus packages is the impetus to green the economy. ASEAN economies are highly reliant on fossil fuels. Current projections estimate that ASEAN will be responsible for 6.5% of global carbon emissions by 2040, up from 4.1% today. In addition, emissions from electricity power generation, transportation and industry sectors will rise by 61% in 2025 under business-as-usual scenarios.

AMS have made commitments under the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement to pursue efforts to limit the global temperature increase to 1.5°C. The COVID-19 stimulus packages must provide opportunities to transition to low-carbon economies and work towards decarbonisation. This would help the region achieve the Paris Agreement ambitions and recharge the economy in the long run.

Despite the Paris Agreement commitment, all ten AMS have yet to incorporate robust strategies to decarbonise their economies as part of the COVID-19 stimulus packages. There is, as yet, no sign of investments in green technologies or infrastructure, acceleration of adoption of renewable energy or cuts in fossil fuel subsidies.

Several countries in Asia have demonstrated commitments to decarbonise their economies in response to COVID-19. South Korea launched the New Green Deal as part of its USD110 billion stimulus package to introduce carbon tax and phase out domestic and overseas coal financing by public sector institutions. Japan has substantiated its green recovery commitment by introducing USD74 million in subsidies for energy-efficient public spaces and incentives for companies willing to relocate manufacturing bases to Japan and adopt renewable energy.

#### Conclusion

Advancing the SDGs is a long-term goal of ASEAN and its member states. The momentum from the COVID-19 response should be leveraged to strengthen sustainable recovery in economic growth, social advancement, and environmental protection.

While some AMS have embarked on reskilling programmes, digitalisation and improving social protection schemes, the commitment to decarbonise the economy remains lacklustre across the region. The tendency to go back to the old playbook of bailing out national companies, boosting infrastructure spending and subsidising fossil fuel consumption – all with no "green strings" attached must be avoided. It is imperative for ASEAN to make sure that every dollar of stimulus delivers an equal return on green investment. Otherwise, regional economies would run the risk of falling even further behind in the sustainable cycle.

Ms. Melinda Martinus is Lead Researcher (Socio-Cultural Affairs) of the ASEAN Studies Centre (ASC) at ISEAS-Yusof Ishak Institute. Ms. Sharon Seah is Coordinator of the ASC and Coordinator of the Climate Change in Southeast Asia Programme at ISEAS-Yusof Ishak Institute.

Spotlight: COVID-19: Repercussions and Responses

## COVID-19 Infodemic in Southeast Asia

Nuurrianti Jalli examines COVID-19 misinformation trends and government responses in the region.

s the COVID-19 pandemic turns the world upside down, the fear of the unknown new strain of coronavirus fuels another kind of pandemic on social media – the 'COVID-19 infodemic'. The term was coined to describe the over-abundance of both accurate and false information about COVID-19, which makes it difficult for people to find reliable sources and guidance when they need it.

There is a wide range of misinformation about COVID-19, including medical misinformation, cyberattack disinformation, rumour, stigma and conspiracy theories. From selling fake COVID-19 cures online to conspiracy theories on the origins of COVID-19 to resistance towards mask-wearing, these conversations, particularly in the online sphere, were found highly influential in affecting people's behaviour, creating confusion and fear among the public, and hindering effective public health responses.

Social media giants such as Facebook, Twitter, and Google have reported that millions of accounts were removed to curb the spread of false information. Facebook detected over 50 million pieces of inaccurate content on COVID-19 on its platform and flagged them as disinformation in April 2020. Twitter similarly "challenged" 1.5 million users for sharing false information on COVID-19 in April 2020. A study conducted by Carnegie Mellon University found that 45% of the 200 million tweets on COVID-19

### Hoax Trends in ASEAN in January-August 2020

Bogus medical remedies

Gargling with water and salts or vinegar could eliminate COVID-19 viruses (March 2020, Thailand).

False information on government's action

Prime Minister Lee Hsien Loong would make an announcement on April 17 about an impending "partial lockdown" (April 2020, Singapore).

Misinformation on new COVID-19 positive cases COVID-19 had allegedly spread to Ha Tinh, a northern central province in Vietnam (March 2020, Vietnam).

Hoaxes related to COVID-19 and religious belief Uyghur Muslims in China were not infected by COVID-19, and people in China scrambled to get Al-Quran, the Islamic holy book

Misinformation about COVID-19 and medical workers

Medical workers exposed to COVID-19 are the virus "carriers", hence dangerous to the general public (March 2020, the Philippines).

HOAX

Source: Trends observed by author, using CrowdTangle, a public insights tool owned and operated by Facebook and Netlytic

collected in January-May 2020 were sent by accounts that behaved more like computerised robots than humans. Google also implemented a more stringent approach to tackling misinformation, including removing thousands of videos on YouTube, blocking millions of scam emails and ads capitalising on COVID-19, and giving governments and non-governmental organisations free ad space on the video service.

### COVID-19 Hoax Trends in the Region

In Southeast Asia, misinformation surrounding COVID-19 quickly surfaced on social media, particularly at the beginning of the outbreak in the region. Based on analyses of conversations on social media sites such as Facebook, Instagram, Twitter and YouTube, some significant trends found in Malaysia, Indonesia and Singapore include claims of bogus medical remedies, false information on government actions, misinformation on new COVID-19 cases, medical workers and COVID-19 patients, hoaxes related to COVID-19 and religious belief. If left unchecked, this could lead to panic and fear among the public, increase stigma towards certain groups of people, and jeopardise public health in general.

For example, it was shared widely in March that Thailand would impose national lockdown and food supplies were running out. This led to panic buying and hoarding of food and essential goods like facemasks and sanitisers at the expense of more vulnerable groups. In April, a taxi driver shared a hoax message on Facebook claiming closures of food outlets in Singapore due to virus transmission from food container, leading to panic buying in the country.

Another misinformation trend is claims of bogus COVID-19 medical remedies. In Vietnam in April, a medical hoax went viral on instant messaging apps and social media, claiming that a paste made of black cats can cure COVID-19 patients. This caused an uproar among animal activists as market demands for black cat paste in the country shot up.

In Indonesia and Malaysia, hoaxes on COVID-19 are associated with Islam as the majority of the population in these countries are Muslim. In Indonesia, a public Facebook group 'Manusia Merdeka' shared in March a fake video showing Muslims performing Friday prayers in China and claiming that two million Chinese had converted to Islam after finding out that Muslims would not be infected by COVID-19. Similarly, there were claims shared on WhatsApp and social media in both Indonesia and Malaysia in February that Uyghur Muslims in China were not affected by COVID-19, so Muslims in general

were safe from the pandemic. This narrative on Islam and COVID-19 was soon debunked after COVID-19 infections increased sharply following a Tabligh gathering involving thousands of Muslims in March in Malaysia.

#### Government Counter-Measures

ASEAN member governments are taking serious measures to combat the spread of COVID-19 misinformation, first of all by establishing a strategic communication channel to relay latest daily updates to the public. The Myanmar Ministry of Health and Sport (MOHS) has launched a dedicated website and used its official Facebook page to provide the latest data on the number of new cases and recommendations based on the World Health Organization (WHO). Between January and August, MOHS's Facebook page got a 484.10% increase in likes, and garnered 3.65 million new fans.

In Malaysia, the government has also convened press conferences and used social media and national broadcast channels to provide daily updates and medical advice since March 2020. Its Ministry of Health's Facebook site gained traction since January with a sudden surge of new 520,000 fans in March (142.74%). In general, official Facebook pages for all ASEAN health ministries saw an increase in term of new 'likes' and interactions with the public. This trend suggests that people are looking for reliable local channels for COVID-19 information and oftentimes refer to government channels as the focal point for reliable information.

### **New Likes on Facebook Pages of ASEAN Health Ministries**

(from January to September 2020)



	, , , , , , , , , , ,		
	Country	New Likes	Growth (%)
کمنترین کصیحتن KEMENTERIAN KESIHATAN MINISTRY OF HEALTH	Brunei	6,600	44.09%
	Cambodia	510,700	365.99%
KEMENTERIAN KESHATAN REPUBLIK INDONESIA	Indonesia	1350,000	1239.6%
	Laos	88,300	1%
KEMENTENNA KASIN'ALIN MALANSIA	Malaysia	1,510,000	135.11%
Myanma		3,820,000	512.43%
	Philippines	3,070,000	263.67%
MINISTRY OF HEALTH SINGAPORE	Singapore	165,900	207.99%
	Thailand	277,000	1%
AC Y TO	Vietnam	55,300	17.30%
	TOTAL	10,850,000	298.62%

Source: Author's compilation

Another common countermeasure is the use of factchecking agencies to debunk COVID-19 misinformation in the region. In Singapore, fact-checkers such as Black Dot Research and government-linked Factually assist in debunking false claims surrounding COVID-19. In Indonesia, independent fact-checking agency Masyarakat Anti Fitnah Indonesia (MAFINDO) works closely with the government to proactively hinder the spreadof COVID-19 hoaxes. These fact-checkers are gaining more attention from the public. Based on the data from CrowdTangle, between January and September 2020, interactions with both independent and governmentowned fact-checking agencies in the region have noticeably increased. For example, Sebenarnya.my, a fact-checking department under the Ministry of Communication and Multimedia Commission of Malaysia saw an exponential growth (618.63%) of followings on Facebook since January.

ASEAN member governments have also adopted and enforced legislations against misinformation peddlers, including fake news laws, penal code, computer laws, among others. In Singapore, the newly enacted Protection from Online Falsehood and Manipulation Act (POFMA) has been used to charge individuals sharing COVID-19 falsehood on social media, which carries maximum imprisonment of 10 years or/and SGD1 million (USD735,5000) fine. The Indonesian government has since 2018 proposed revisions of its Criminal Code to specifically address hoax sharing as a criminal offence. Currently, the 'de-facto' fake news law in the country remains the Electronic Information and Transactions Law (UU ITE) which punishes hoax producers and spreaders up to six years of imprisonment and IDR1 billion (USD70,290) fine.

In Thailand, from January to June 2020, around 40 cases were charged under the Computer Crime Act (CCA) for creating or spreading misinformation, including cases related to COVID-19. In April 2020, Vietnam introduced a new decree that criminalises fake news with a hefty fine of VND10-20 million (US\$426 - US\$853). In the Philippines and Malaysia, there have been arrests of individuals sharing COVID-19 hoaxes. In February 2020, the Philippine Department of Justice assigned the National Bureau of Investigation to arrest fake news peddlers under the Republic Act No. 10175 or the Cybercrime Prevention Act 201. In Malaysia, the government is using the 2018 Communication and Multimedia Act and the Penal Code to charge individuals sharing falsehoods.

Across ASEAN, critics have raised concerns over the use of harsh laws to contain misinformation as they could be used to stifle the freedom of expression and silence criticismover governments' incompetence in dealing with COVID-19 pandemic. To win public trust and deal with the COVID-19 infodemic effectively, regional governments should prioritise transparency through active and effective communications, and take swift and positive actions in bringing the virus spread under control.

Nuurrianti Jalli is Assistant Professor of Communication Studies at the Northern State University, South Dakota, USA.

**Spotlight: COVID-19: Repercussions and Responses** 

## Leveraging COVID-19 to Improve the Right to Health of Migrant Workers

**Yuyun Wahyuningrum** suggests a portable universal health coverage for migrant workers to improve their right to health.

he COVID-19 pandemic has affected the lives of everyone. In Southeast Asia, many pandemic containment measures, such as quarantine, lockdowns, travel restrictions, state of emergency, isolation orders, border closure, social distancing and closure of schools and public places, have been imposed to flatten the infection curve.

These measures have impacted economic activities and public life as well as disrupted the realisation of human rights, such as the right to freedom of movement, expression and opinion, peaceful assembly, religion, access to information, privacy, health, work, education, food, housing, and personal security. While many human rights can be restricted in the pursuit of the legitimate aim of public health, the measures must always be subject to the principles of legality, legitimacy, necessity and proportionality.

The policies of the ASEAN member states (AMS) related to COVID-19 so far have been enacted under existing public health emergency or national disaster management legislation with limited reference to human rights. What is actually missing in the region's responses to COVID-19 is the alternative measures to replace the imposed restrictions to ensure that human rights protection can be exercised.

Studies have shown that during the pandemic, the number of domestic violence incidences has increased and transnational crime activities such as trafficking in persons continue to operate using an online platform. However, victims found it difficult to get help as government and

SALSHANMUGA
OVINI Ste Std

BRITISHELIA, NO.74 BUFFALO ROAD

Migrant workers in Singapore

SALSHANMUGA
OVINI Ste Std

BRITISHELIA, NO.74 BUFFALO ROAD

Migrant workers in Singapore

non-government organisation (NGO) shelters and services were closed due to rules on confinement. The pandemic has also impacted the capacity of state authorities and NGOs to provide essential services to the victims as resources have been re-allocated to address COVID-19.

The pandemic has also exposed vulnerable groups of people in the region, especially those who live in countries with weak health systems and those who lack access to health services and are left out of formal policy and social protection measures such as migrants, refugees, stateless persons and displaced people. Migrants workers, in particular, have experienced precarious working and living conditions, resulting in their greater exposure to criminal networks. They have also been targeted by hatred, xenophobia, discrimination and blamed as the virus carriers. As reported by media, Malaysian authorities arrested and detained migrants as part of the measures to contain COVID-19 between May and June 2020.

Interestingly, the public discourse concerning the pandemic has placed a rare spotlight on the crucial role of protecting and promoting economic and social rights, which has never happened before. This period of time has also changed the way health has been publicly perceived, not only as a basic right but also an economic, social, political and security issue.

Health as human rights is recognised in the 2012 ASEAN Human Rights Declaration (AHRD), which emphasised three focus areas of the right to health, namely: (a) the right to medical care and necessary social services as part of an adequate standard of living (Article 28.d), (b) basic and affordable health care services and medical facilities (Article 29.1), and (c) social aspect of the right to health (Article 29.2). Health is also central in the Agenda of the 2030 Sustainable Development Goals (SDGs). One of the focuses of SDG #3 is on Universal Health Coverage (UHC).

The main premise of the UHC is to ensure health for all without causing financial hardships regardless of the place of residence. Nevertheless, its implementation has been varied from one country to another, especially when it comes to migrant workers. In fact, ensuring access to healthcare for migrant workers is one of the concerns stated in the 2017 ASEAN Consensus on the Protection and Promotion of the Rights Migrant Worker as well as the Post-2015 ASEAN Health and Development Agenda.



In relation to mitigating the impact of COVID-19 on the vulnerable groups, the ASEAN Ministerial Meeting on Social Welfare and Development (AMMSWD) has called for AMS to facilitate access to social protection on all essential goods and services to safeguard the well-being of vulnerable groups such as children, elderly, persons with disabilities, women and migrant workers in its Joint Statement on Mitigating Impacts of COVID-19 on Vulnerable Groups in ASEAN on 10 June 2020.

Similarly, the ASEAN Labour Ministers Meeting (ALMM) has requested AMS to provide all workers, including migrant workers, with compensation, social assistance or unemployment benefits from the government where appropriate, as stated in its Joint Statement on Response to the Impact of COVID-19 on Labour and Employment on 14 May 2020. In its press statement on 1 May 2020, the ASEAN Intergovernmental Commission on Human Rights (AICHR) has also called for AMS to centralise human rights in their measures on COVID-19, especially on the right to health and access to healthcare for vulnerable and marginalised groups and take all necessary efforts to reduce stigmatisation, discrimination and misinformation related to COVID-19.

ASEAN has established mechanisms to facilitate regional cooperation on COVID-19 such as the ASEAN Coordinating Council Working Group on Public Health Emergencies and the ASEAN Centre on Public Health Emergencies and Emerging Diseases. Currently, ASEAN is developing a Comprehensive Recovery Framework to provide a reference and set priorities for sectoral bodies across the three ASEAN community pillars. ASEAN is also involving stakeholders to coordinate the reopening of the economy towards ASEAN's recovery and long-term resilience. One of the keys to an effective recovery and long-term resilience programme is inclusivity and sensitivity to migrants-related issues. It is important, therefore, to listen to the experiences and challenges faced by the migrant workers in dealing with health issues.

Despite the fact that the region has no standardised national health system, regional cooperation can begin with mapping of the existing national healthcare systems with the aim to enhance them for the migrants to better respond to health emergency and crisis. Accordingly, ASEAN can play a role in facilitating regional cooperation on a portable UHC for migrant workers with, at least, three characteristics. First, it should incorporate the healthcare needs and address the health barriers of migrant workers on a regular basis. Second, it should be responsive to the vulnerabilities of migrant workers throughout the migration cycle: pre-departure, transit, settlement in the host country and return. Third, it should be accessible, available and acceptable. This includes meeting medical ethics requirements, ensuring quality and being culturally appropriate.

A portable UHC for migrant workers is doable and needed but it is not without challenges. Some issues that need to be resolved collectively include those related to cultural and linguistic accessibility, financing, coordination between the country of origin and destination and data management. ASEAN should undertake initiatives and dialogues to find possible solutions on the above issues and programmes that increase awareness among relevant personnel, health workforce, migrants and other stakeholders about social protection in countries of origin, transit and destination.

COVID-19 is a public health crisis, but it also offers an opportunity to improve human rights protection, especially for the vulnerable groups. Ensuring the fulfilment of the right to health of migrants in the national and regional public health policies will not only protect their well-being but also minimise health risks for the whole population and help us to better address the current and future pandemics.  $\blacksquare$ 

**Ms. Yuyun Wahyiningrum** is the Representative of Indonesia to the ASEAN Intergovernmental Commission on Human Rights (AICHR) 2019-2021.

Spotlight: COVID-19: Repercussions and Responses

## COVID-19 in Asia: None of Us Is Safe Until All of Us Are Safe

**Christine Cipolla** emphasises the imperative to take care of vulnerable populations in COVID-19 response at national and global levels.

OVID-19 has affected us all, both personally and professionally. From street vendors in Jakarta to large global corporates, from village dwellers in Mindanao to those in Singapore, from developing nations to the most advanced countries – everyone has been impacted by the pandemic, albeit not equally.

Since the outbreak of novel coronavirus, the governments, organisations and people at their respective levels have put in place numerous mechanisms to support the most vulnerable populations that are already affected by conflict or other forms of violence.

While writing these lines, I am thinking of Man Sein Nu, a mother of five who has been residing in a camp in Ah Htet Hlay village of Ponnagyan township in Myanmar's Rakhine State. Displaced from her home due to the ongoing fighting, how could she deal with the onslaught that this pandemic has brought on, exacerbating her already tough existence?

Similarly, thousands of displaced people from Rakhine State in Myanmar are currently living in congested camps of Cox's Bazar in Bangladesh, where physical distancing is impossible. Or the people in Afghanistan and in the remote areas of Pakistan and Indonesia, where access to health services is difficult. How could they cope with the challenges brought forth by this pandemic?

As we increasingly hear about the mega figures and analysis about the impacts of COVID-19 on the global economy and development, it is vital to unpack what these impacts mean for the vulnerable populations in developing

countries. Already exposed to conflict or other forms of violence, the affected populations in parts of Afghanistan, Myanmar and the Philippines find themselves in a situation fraught with peril.

In the Philippines, persons with disabilities like Eldi Ampaso were hit doubly hard by the COVID-19 pandemic due to movement restrictions and the resulting economic downturn. A 30-year-old snack vendor, Eldi lost her lower left leg to a 2016 explosion at a night market in Davao City. She resorted to selling clothes online following COVID-19 quarantines. She does not earn as much anymore, while her overall health has suffered as she can hardly go outdoors. Not to mention other disadvantages she is facing such as the lack of healthcare and social security benefits, and exclusion from government employment support.

The situation of migrants and those displaced is even more grave, especially when they are neither recognised nor taken care of by the authorities. The images that we see – of men, women, the elderly and children being rescued from capsized boats – threaten to shake the very foundations of our humanity. Thousands of people are on the move in search of security and a better life. Migrants, including refugees, make up a large part of the population in several countries in the Asia-Pacific, which hosts some of the world's largest migration corridors. According to the International Organization for Migration (IOM), 82.5 million or 32% of the world's international migrants live in the Asia-Pacific. They play a crucial role in these economies and are equally critical for their families' survival back home.



However, migrants also face a range of vulnerabilities, such as being disconnected from their usual support networks, being unable to contact their families back home, immense language barriers and, possibly, not getting access to essential services due to their irregular status. They may be hindered from accessing education and/or health-care facilities, or they might refrain from accessing these for fear of being reported and deported.

We are in a situation where none of us is safe unless we all are safe. It is then critical that all members of the society, irrespective of their legal status, are included in the response mechanisms drawn to effectively address this crisis. This inclusionary approach means delivering life-saving health information in a language understood by migrants, ensuring their access to testing and treatment facilities as well as other special measures in place to prevent the spread of the virus. This is particularly important because the areas inhabited by migrants are often overcrowded and have compromised sanitary conditions.

Avenues for asylum seekers to access international protection should be maintained. As the principle of non-refoulement protects non-derogable human rights, denial of access to territory without safeguards cannot be justified on the grounds of any health risk. This includes movements by sea, and, inter alia, pushbacks and refoulement. In the same spirit, forced returns – and those that are not of a strictly voluntary nature – to countries with a weak health system, should be suspended with a view to preventing the spread of COVID-19. In this respect, the International Committee of the Red Cross (ICRC) has developed a comprehensive set of guidelines and recommendations on the protection of migrants during COVID-19 pandemic for national and regional authorities.

Another particularly vulnerable group constitutes detainees and people deprived of their liberty as they can suffer further from the consequences of the pandemic in terms of access to healthcare and losing contact with their families. In this respect, specific protocols have been shared and implemented in prisons, penitentiaries and detention places in coordination with detaining authorities of several countries in the Asia-Pacific.

Drawing on our operational presence in the Asia-Pacific and along migration routes, the ICRC together with our Red Cross and Red Crescent Movement partners are actively engaged in the humanitarian response to COVID-19 in the region. This includes providing medical and forensic assistance, supporting detaining authorities, building shelters for hosting migrants and scaling up water supply and hygiene measures in hospitals and detention facilities. In parallel, the ICRC together with the International Federation of the Red Cross and Red Crescent Societies (IFRC) had made a joint coordination with the ASEAN Secretariat to share the overall Red Cross/Red Crescent Movement's responses to COVID-19 in the region and to seek possible areas of cooperation with ASEAN. Similarly, discussions are taking place with ASEAN to supplement its ongoing pandemic response in the health sector.

COVID-19 does not discriminate on basis of race, social or economic status or geographical boundaries. Though some long-term humanitarian impacts of the pandemic are already visible, it is impossible to predict how severe these will turn out to be. Eight months into the crisis, we already see huge pressure on the hard-won development gains. In Asian countries, there are school closures, lost livelihoods, collapsing businesses and pre-existing health needs jeopardised by the additional strain on fragile health capacities. Like other regions, the countries in the Asia-Pacific are grappling with some hard choices between carefully reopening the economies and addressing the public health concerns.

Humanitarian organisations like the ICRC are also facing difficulties. Restrictions on access, supply chain disruptions and closed borders are hindering our work. ICRC's top priority is to continue protecting and assisting people affected by armed conflict and violence. We are focusing on our areas of expertise such as support to health and penitentiary systems.

This global crisis requires a global response and solidarity across borders. To minimise the mid- and long-term impact of COVID-19 that is no longer only a public health issue, a well-coordinated, well-resourced and inclusionary response mechanism involving national and international actors is required. We are calling on states, public and private organisations, humanitarians in the Asia-Pacific and across the world to stand together.

Because none of us is safe until all of us are safe!

**Ms. Christine Cipolla** is the Regional Director for Asia and the Pacific at the International Committee of the Red Cross (ICRC).



### **ASEAN in Figures**

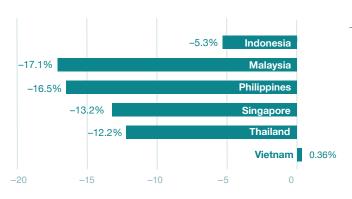
## Impacts of COVID–19 on Southeast Asia

#### COVID-19 Cases and Casualties (1)

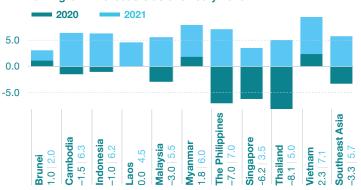
(as of 28 September 2020)

Country	Cases	Deaths	Mortality Rate
Brunei	146	3	2.1
Cambodia	276	0	0
Indonesia	275,213	10,386	3.8
Laos	23	0	0
Malaysia	10,919	134	1.2
Myanmar	10,734	226	2.1
The Philippines	304,226	5,344	1.8
Singapore	57,700	27	0.05
Thailand	3,523	59	1.7
Vietnam	1,074	35	3.3
ASEAN	663,834	16,214	2.4

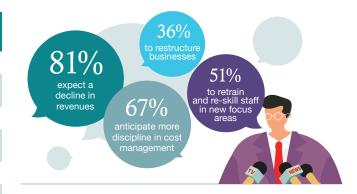
### Year-on-year GDP contraction/growth in the 2<sup>nd</sup> quarter of 2020 (2)



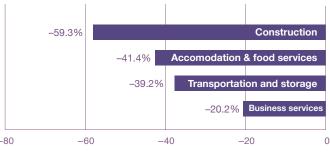
### GDP growth forecasts as of 31 July 2020 (3)



### Pulse surveys of ASEAN businesses (4)



Singapore's most affected sectors in Q2/2020 year-on-year contraction percentage (5)



Myanmar (6) Reported temporary closures among 39% of the service sector, 12% of manufacturers; 6% of agricultural firms

s Reported reduction in sales among 89% of manufacturers; 75% of agricultural firms

Thailand

The world's second worst affected country in tourism with 9% of GDP loss (7)

Revenue decline by at least threequarters among 75% of small tourism related businesses (8) 11% of micro and small businesses verging on permanent closure (8)

Philippines (6) Closures among 77% of micro and small firms, and 62% of medium-

sized firms

66.5% drop in sales for those firms still in operation

### Job losses induced by COVID-19 in Indonesia as of July 2020: 6.4 million $^{(9)}$

430K	500K	1.4M		2.1M
- Hosp	itality	Footwear	Land Transportation	Textile

### Lao households survey in June 2020 (10)

1 in every 2 person reported income reduction due to job loss or pay cut 42% reduction of monthly income











Malaysia 2 million jobs (8% of workforce) at risk by end-2020 (11)

Philippines (12) April 2020

Unemployment rate: 17.7% Unemployed number: 7.3 million

Singapore (13) June 2020

Unemployment rate: 2.9% Unemployed number: 79,600, 20%-increase from March 2020

Thailand Monthly income decline by 47% in 70% of workforce (8)

8.4 million workers at risk of job loss: (14)

1.5M Industry Service Tourism

Vietnam (15) July 2020

Unemployment rate at 4.46% - the highest in 10 years **900,000** out of work Less income for 18 million

Most affected sectors in terms of job disruption:

				•	•
2	5.1%	67.8%			2%
- A	griculture	, forestry and fishery	Industry a	and construction	n Service

#### Youth job losses and unemployment rate, 2020 estimates (16)

Country	Youth Job Loss (Fulltime Equivalent)		Youth Uner Rate 20	1 7
	Short containment	Long containment	Short containment	Long containment
Cambodia	175,000	255,000	9.4	13.1
Indonesia	1,263,000	1,881,000	22.7	25.5
Laos	6,000	9,000	2.4	2.7
Philippines	687,000	1,019,000	15.1	19.5
Thailand	465,000	683,000	16.4	22.1
Vietnam	370,000	548,000	10.8	13.2

#### Impact on migrant workers



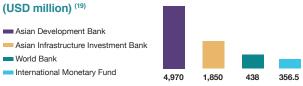
**700,000** migrant workers in Thailand have lost jobs since March 2020.

At least **310,000** migrant workers have returned to Cambodia, Laos, and Myanmar in March-June 2020, mainly from Thailand. <sup>(14)</sup>

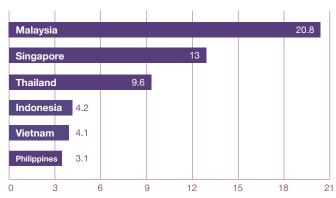
Up to 500,000 migrant workers are expected to return to Philippines in 2020  $^{(17)}$ 

by US\$11.7 billion The Philippines is the most affected with remittances falling over 20%. (18)

### International Financing for COVID-19 in Southeast Asia



### Fiscal and quasi-fiscal response packages, % of GDP (20)



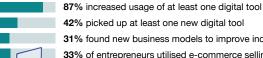
### **Reskilling Programme** Singapore (21) Brunei (14) Support for 8000 traineeships in 2020 in i-Ready Apprenticeship Programme stension from 18 to 36 months

Indonesia: Non-cash food assistance to 20 million poor households (23)



Philippines: Cash assistance to 18 million poor households (24)

#### ASEAN youths go digital during COVID-19 (25)



42% picked up at least one new digital tool

31% found new business models to improve income

33% of entrepreneurs utilised e-commerce selling more actively One in four were first-time users

#### Remote working / study difficulty among ASEAN youths (25)

31%	69%
Easy	Difficult

#### Online education (25)



64% of surveyed full-time students used online education 30% were first-time users

70% believed that their increased usage of online education will last beyond COVID-19

### COVID-19 lockdown and air quality in ASEAN cities (26)

CITY	US-BASED AIR QUALITY INDEX (USAQI) February May		
Phnom Penh	<b>—</b> 107	<b>—</b> 69	
Jakarta	<b>82</b>	<b>—</b> 127	
Vientiane	<b>—</b> 110	<del>- 73</del>	
Kuala Lumpur	<b>—</b> 57	<b>=</b> 53	
Yangon	<b>1</b> 55	<del> 77</del>	
Manila	<b>—</b> 54	<b>—</b> 40	
Singapore	<b>48</b>	<b>3</b> 6	
Bangkok	<b>=</b> 121	<b>4</b> 9	
Hanoi	<b>157</b>	<b>—</b> 105	
Ho Chi Minh City	<b>—</b> 83	<b>—</b> 41	
■ Good ■ Moderate ■ Unhealthy for Sensitive Groups ■ Unhealthy			

### Source:

(1) John Hopkins University of Medicine (2) Compiled from different sources (3) UNESCAP, 2020 (4) Korn Ferry pulse surveys of Asia-Pacific businesses in March, April, May 2020 (5) Singapore's Ministry of Trade and Industry, August 2020 (6) World Bank, June 2020 (7) UNCTAD, July 2020 (8) AsiaTimes, 14 August 2020 (9) Indonesia Chamber of Commerce and Industry, July 2020 (10) World Vision International, July 2020 (11) Ministry of Finance, Malaysia, June 2020 (12) Philippine Statistics Authority, 5 June 2020 (13) The Straits Times, 30 July 2020 (14) ILO, July 2020 (15) Vietnam's General Statistics Office, 11 July 2020 (16) ILO and ADB, August 2020 (17) UN, July 2020 (18) ADB, August 2020 (19) ISEAS Perspective no. 107/2020. ISEAS-Yusof Ishak Institute, September 2020 (20) Roland Rajah, Stephen Grenville, Policy Brief for the Lowy Institute, 3 July 2020 (21) Singaporebudget.gov.sg (22) Opengovasia.com, 28 February 2020 (23) Jakarta Post, 8 May 2020 (24) Nikkei Asian Review, 17 April 2020 (25) World Economic Forum, ASEAN Youth Survey 2020 (26) Southeast Asia Globe report based on IQAir data, May 2020

**Insider Views** 

# Envisioning a Strong and Responsive ASEAN in the 21st Century

**Tan Sri Dr. Jemilah Mahmood** shares her journey as an advocate for humanitarian action and her views on the future of ASEAN's development agenda.



In November 2019, I was awarded the ASEAN Prize for services to the community. It was an important and unforgettable moment in my life, as a citizen of Malaysia and resident of ASEAN, who started out believing that my country could be home to credible humanitarian organisations. I founded a non-profit non-governmental organisation called MERCY Malaysia in 1999, with some of my savings and a few close family members and friends supporting the journey. Little did I know that many thousands of Malaysians, like me, were looking for a platform to serve humanity, be that in their own country or beyond our shores.

As a medical doctor, a woman and an Asian, it was clear that we were not well represented in the broader humanitarian system back then. I was fortunate to have colleagues and volunteers who worked tirelessly to run and grow the organisation, and most importantly to ensure it focused on high quality services with accountability to not only donors but more importantly to the people we served. MERCY Malaysia became the first Asian and third global

organisation to be certified by the Geneva Humanitarian Accountability Partnership in 2007. As the adage goes, the rest is history, and MERCY Malaysia continues to be one of the most important organisations in the Global South and notably ASEAN.

MERCY Malaysia was and is active in all crises in ASEAN, and has built trust among governments within and outside the region, donors, and partners whether from the private or non-profit sector. It is partnership and trust that form the foundations of the organisation. But equally, MERCY Malaysia believed in the importance of local leadership, and over the past 20 years, I have championed the role and cause of local actors who are often sidelined by international humanitarian organisations and those who pay for them when a disaster strikes.

Leadership is also about renewal, and so I left the organisation in 2009, ten years after I had established it, knowing that good governance, partnerships and operating systems were in place. My next 11 years were

spent in international organisations including the United Nations and the International Federation of Red Cross and Red Crescent Societies, where my learning and leadership experiences continued. During my journey I have tried to continue to uphold the principles that I believe were fundamental to the founding of MERCY Malaysia: accountability to the people we help; partnership based on equality; and honesty with everyone I meet, from heads of state to people whose lives have been shattered by disasters or conflicts.

As I write this, the world is grappling with the COVID-19 pandemic which has affected close to a million people, robbed thousands of lives, and destroyed livelihoods and economies. ASEAN is not spared, and the virus can only be beaten if an all-of-society approach is taken. And so it is essential that governments in the region work hand in hand with civil society actors, the private sector and communities themselves, who hold the key to breaking the chain of transmission. Unless behaviours and habits change, and safe public health measures are undertaken, the most sophisticated health systems will not be able to end the spread of the pandemic. The second wave that we are seeing sweeping across Europe should be a warning signal to all of us not to let down our guard, to work together with our neighbours and not to stand on sovereignty when it is clear that we are dealing with a threat that does not respect borders.

### ASEAN in the 21st Century

ASEAN will always be home to some of the most disasterprone countries in the world. The impact of climate change, increasing environmental degradation and growing urban settlements places a heavy burden of risk to hydro-meteorological disasters and transboundary haze. Earthquakes, volcanic eruptions and infectious diseases threaten the lives of millions of people and pockets of conflict add layers of complexity and threats to the region.

As I indicated earlier, it is always my intention to speak truth to power. And so when pondering these risks and threats, I ask myself whether ASEAN is adequately prepared to meet these immense challenges, working as the glue that brings together the ten member states, as the interlocutor with other regional organisations and the face of the region within the international system. And my sense is that we have come a very long way in a very short time. Our disaster management legislation and infrastructure is developing well and there is political will to do more. For this, we must be proud and grateful to the dynamism of our leaders. But this political will, no matter how strong, will not ensure that we are adequately prepared without commensurate resourcing, human, political and perhaps most importantly, financial.

On the human side, I would suggest that ASEAN considers bringing together some of its key thinkers to examine future threats and grant them a free mandate to provide realistic recommendations, no matter how difficult or unpleasant, to our leaders on how we might best prepare and respond, taking into account existing agreements and frameworks, but working out where we must do more

to protect our region. The list is endless but the focus is barely visible: plastic waste, air pollution, desertification, unsustainable resource extraction, increasing numbers of people living in dangerous locations, sinking cities in Indonesia, Vietnam, Thailand and others, conflict in several ASEAN states. We have many academics and practitioners whose views could be brought to bear to work out how we improve our management, mitigation and reduction of risk.

On the political side, my suggestion is that ASEAN member states need to empower the Secretary-General of ASEAN to really and truly lead regional disaster response, to ensure that there are clear procedures (at the political level) between ASEAN member states on how to work together during times of disaster; and work out ways to address transnational boundary threats like pandemics and forest fires. Focus is also needed to solve uncomfortable problems. It is shameful that the situation in Rakhine State remains unresolved and that ASEAN has not managed to play a more central role in its resolution through diplomacy.

On the financial aspect, we cannot expect to be taken seriously by our international partners if we are unwilling to pay our way. We are not a poor region, but we continue to rely on donor nations to pay our ASEAN bills. Resourcing our instruments ourselves will mean that we truly own them and that we can use them in the ASEAN Way, that we can hold our heads up high and stand shoulder-to-shoulder with our international partners as we take on the tremendous challenges that we must face, as ASEAN member states and as responsible members of the international community.

As I close this essay and continue with my journey, I am reminded that at the end of the day, we are One ASEAN, One Response, Many Challenges.

Tan Sri Dr. Jemilah Mahmood is the recipient of the 2019 ASEAN Prize. She currently serves as Special Advisor to the Prime Minister of Malaysia on Public Health. She is an experienced humanitarian leader with more than two decades working in national and international organisations including MERCY Malaysia, the United Nations and the International Federation of Red Cross & Red Crescent Societies.



**Sights and Sounds** 

## Mourning the Dead in the Time of COVID-19

**Glenn Ong** explains how COVID-19 has disrupted rituals for the dead in the region, and what implications this has for the living.

OVID-19 has wreaked havoc on life and death alike in Southeast Asia. While governments and businesses scramble to revive economies and establish safety nets, an unexpected bureaucratic and logistical problem – intertwined with cultural sensitivities – has also surfaced: How can regional authorities ensure that those who have succumbed to the pandemic will not endanger the living, while according them a dignified send-off that accommodates the region's varied and complex rituals surrounding the afterlife? Thereafter, how can the living continue practicing rituals to remember the dead when public gatherings will remain unsafe for the foreseeable future?

The COVID-19 pandemic has not only upended many assumptions about life as we know it but also disrupted customs and practices surrounding burial rituals in the region. It is not uncommon, for instance, for Malaysians working or residing in Singapore to shuttle across the Causeway to attend to family emergencies given the longstanding and fluid movement of labour between both countries. With COVID-19 restrictions in place, however, many returning Malaysians were only allowed three hours at burial ceremonies, fully clad in personal protective equipment and constantly under the watchful eye of accompanying health officials to ensure strict compliance with safety protocols.

These stipulations mean that even final goodbyes to loved ones have to be rushed and uncomfortable, and the intimacy and privacy of the gatherings diminished by the presence of surveillance personnel. A recent viral video in Singapore depicting the plight of a Malaysian bus captain, who was distraught upon learning of her husband's unexpected demise in Malaysia, highlighted the anxieties that COVID-19 has brought to an already grieving experience.

Unfortunate as these encounters might be, the situation remains somewhat manageable in Malaysia, which has seen 133 people – or just over 1% of patients – succumb to the disease. In neighbouring Indonesia, however, the staggering death toll of more than 10,000 patients – a fatality rate of over 4% – has alarmed policymakers and placed a crippling psychological strain on the population.

Indeed, Indonesian Muslims often perform elaborate funeral rituals which demand constant contact with the corpse. Islam mandates that all bodies must lie facing the holy city of Mecca without caskets, and that they cannot be cremated but should be buried within 24 hours. Before burial, family members must first wash the body with "soap and scented water", before wrapping the deceased in a "seamless cloth that is tied at the head and feet". Prayers of forgiveness are then recited at the gravesite before the



deceased is finally laid to rest. These customs mean that the contagious bodies of the recently departed will remain exposed, and that family members and clergy have to handle the body while the virus may still be active.

To slow the spread of the virus, Indonesian authorities have mandated that COVID-19 victims must be "wrapped in plastic and buried quickly" and that family members cannot linger at cemeteries, meaning that the departed cannot receive full burial rites. Health officials have also assumed the duties of performing such rituals – often in a simplified format – in place of the bereaved. Although Indonesian officials understand the importance of a proper send-off, the heavy responsibility of performing rites on behalf of family members has placed additional strains on already overworked healthcare and graveyard workers.

Many grieving Indonesians, in turn, have understandably rebelled against such protocols, viewing them as violations of their religious convictions. These frustrations mushroomed amidst a climate of popular distrust or nonchalance towards the government's communications efforts. Indeed, some Indonesians have taken these frustrations to an extreme. In June, hospitals in Makassar city reported being besieged by waves of distraught relatives who snatched the bodies of deceased family members to perform proper funeral rites. Many of them had been swaved by rumours that their relatives had succumbed to illnesses unrelated to COVID-19, and therefore did not require swift, impersonal burials. Similar corpse snatching incidents were also reported in Bekasi and Surabaya. In one instance, at least 15 villagers in East Java were infected after opening the casket of a COVID-19 victim to perform a bathing ritual despite warnings.

Yet, the tension between religious customs and coronavirus restrictions is perhaps nowhere more keenly felt in Indonesia than in the Hindu-majority province of Bali. There, the native Truyanese people do not bury or cremate their dead. Instead, owing to a syncretic blend of "animist beliefs and traditional village customs with their own interpretation of Hinduism", the Truyanese leave the bodies in bamboo cages under the taru menyan ("fragrant tree") to decompose in the open. Once the flesh have disintegrated, the skulls are removed and placed on an altar of stones, where they have since become an iconic if morbid tourist attraction.

Despite the danger that infected, unburied corpses pose, officials have found it difficult to persuade the Truyanese to compromise their tradition. Because of their somewhat remote location, the island's natives have also reasoned that they remain a safe distance away from the coronavirus' epicentre in Java. The complexity and heterogeneity of cultural practices within Indonesia alone highlight the sheer difficulty regional officials face in crafting consistent guidelines around the management of funeral practices.

Soon after the departed in Southeast Asia are laid to rest, the living engage in an annual tradition of commemoration that includes grave visits, mass prayers and the burning of offerings in some cultures. These traditions, which are a way for the living to make peace with the death of their loved ones, are necessarily social affairs. Such gatherings







### **ASEANFocus**



are now difficult due to social distancing measures induced by COVID-19.

In Vietnam, the gates to the netherworld are customarily thrown wide open during the annual Hungry Ghost Festival. This year, urbanites in Hanoi performed their seventh month prayers virtually as temples resort to live streaming their ceremonies to keep laity safe. Businesses specialising in religious goods have reported a 30-40% decline in sales, as temples postpone bulk purchases and individuals tighten their purses to cope with the economic fallout from the pandemic.

The Hungry Ghost Festival is also noticeably quiet in Singapore, where boisterous live auctions and spirited getai shows (live outdoor performances) have been decentralised and live-streamed, removing the social element of the celebrations and diluted the income of singers, opera troupes and event organisers. Furthermore, it remains to be seen if COVID-19 will do lasting damage to the viability of the seventh month performance industry, where a lack of traction among Singaporean youths has

rendered it a near-dying art form. Beyond economic losses, the pandemic might accelerate existing socio-cultural trends and alter the cultural makeup of a community.

#### **Conclusion**

The far-reaching impact of COVID-19 has affected people in more worlds than one. Southeast Asia's experience has highlighted the importance of effective communication not just between governments, but also within each country and among various ethno-religious communities. Funeral practices and commemoration rituals are perhaps more important to the living than they are to the dead. If managed without tact and sensitivity, missteps by authorities can undercut their political capital and public trust which is badly needed for effective pandemic response.

To promote trust, goodwill and consistency, governments must partner with medical professionals and religious leaders to devise guidelines that accommodate the variety of customs that exist in this diverse region in order to secure the buy-in of the people. This is particularly pertinent in many parts of Southeast Asia, where religious authority might hold more weight than that of a bureaucrat or doctor. COVID-19 has and will continue to test the resilience of a country in its entirety. It takes not just adequate physical infrastructure, but also political acumen and a society's psychological fortitude to build a resilient ecosystem that adapts to this new reality.

**Mr. Glenn Ong** is Research Officer at the ASEAN Studies Centre, ISEAS – Yusof Ishak Institute.



### Herbs that Heal

### Anuthida Saelaow Qian traces the survival and revival of traditional medicine in the region.

In a homely kitchen bathed in the rising morning sun, 50-year-old Handayani is busy preparing for the day ahead. The 20-year veteran *jamu gendong* vendor deftly stirs a simmering mixture of turmeric, galangal and ginger on the stove, skilfully filling up a number of tall bottles with the tonic concoction and packing them into a bamboo basket that she slings across her back. Handayani will spend the day going door to door in Pesanggrahan, South Jakarta, to peddle a variety of *jamu*, a herbal medicine drink touted for its many health benefits.

Jamu is just one among the many traditional medicines and therapies in Southeast Asia. The region's rich heritage of traditional medicine systems draws from a multitude and combination of cultural and religious influences, and has been in practice for thousands of years. Despite the prominence and continuing expansion of the Western medicine system, as well as the resulting criticisms of traditional medicine as placebo or superstition, traditional medicine remains deeply embedded in the region's cultural fabric. Advocates of traditional medicine believe that such forms of healing can complement, or sometimes even replace, Western medicine. There is also a deeprooted belief, particularly among indigenous peoples and rural communities, that many ailments unexplained by science, such as those related to spiritual causes or inner imbalances, can be cured with the help of plant- or animal-based medicines, manual techniques and spiritual

While various forms of traditional medicine are practised in all Southeast Asian countries, most of them often bear a shared focus on achieving a balance of mind, body and spirit. Some of the oldest and most established healing systems are traditional Indian (Ayurveda), Chinese, and Malay medicines. Ayurveda, which can be loosely translated from Sanskrit as "the sacred knowledge of life and longevity", combines a variety of treatments like herbal remedies, massages, and dietary or lifestyle interventions to ensure the equilibrium of mental, physical, and spiritual health. The Ayurvedic tradition also serves as the foundation of other indigenous medicine systems that have developed in the region, such as that in Myanmar.

At the heart of traditional Chinese medicine (TCM) is the concept of *qi*, an energy or vital life force that flows through the body. TCM practitioners known as *sinsehs* offer a gamut of services ranging from herbal medication and acupuncture to *tui na* (therapeutic massage) and cupping, with each prescription being customised to the patient's condition, age, gender and body type. TCM halls and clinics that cater to anything from allergies to acne to aches are commonly found in the region, especially in countries with large ethnic Chinese populations like Indonesia, Malaysia, Singapore and Thailand.

Similarly, traditional Malay medicine seeks to nourish the body by merging herbalism, physiological therapies, and ritualistic elements. Some healing ceremonies, such as *main puteri*, are performed publicly and accompanied by music and dance to "evoke psychosomatic catharsis". Traditional Malay practitioners such as the *bomoh*, *pawang* or *dukun* treat myriad ailments from headaches to spiritual and psychological illnesses, while the *bidan* specialises in women's health, particularly midwifery and postnatal care.

The widespread use of traditional medicine in Southeast Asia has led to its recognition and integration into national healthcare systems and the wider health landscape in ASEAN. Traditional medicine practices and products are supported and supervised by national policies and regulatory bodies, as well as under regional frameworks such as those established by ASEAN's Product Working Group for Traditional Medicines and Health Supplements. Additionally, a number of research institutions, training centres and graduate courses in the region undertake research and development of safe and effective uses of traditional medicine.



### **ASEANFocus**





Once confined to medicine halls or religious sites, traditional medicines are now widely available through mainstream channels. For instance, although mbok jamus – jamu women – like Handayani are becoming an increasingly rare sight on the streets of Indonesia, the drink remains a mainstay of the country's medicinal tradition. Some young jamu enthusiasts have even taken to modernising the classic tonic. One example is Acaraki café in Jakarta, which takes inspiration from coffee brewing techniques to extract and distil aromatic jamu brews. Acaraki combines traditional blends such as beras kencur (rice and galangal) and kunyit asam (turmeric and tamarind) with ice cream, milk and soda. These trendy concoctions are not only delectable; they also cultivate a taste for jamu among the youth and help to preserve the drink's unique cultural heritage. Other natural therapies like yoga and guided meditation, once primarily practised only by ascetics, have also been increasingly incorporated into people's daily routines, in part owing to the growing popularity of self-care-based lifestyles.

More recently, against the backdrop of the COVID-19 pandemic, traditional medicines and health practices have experienced yet another renaissance. On top of adhering to governments' recommended safety measures such as social distancing and mask-wearing, many have turned to familiar wisdom passed down from previous generations to allay their worries of catching the virus.

In Malaysia, customers have stocked up on dried herbs like goji berries and red dates, believing that consuming such ingredients in the form of herbal soups can boost immune systems and alleviate COVID-19 symptoms. Some of them are even willing to shell out extra for premium herbs prized for their health-protective properties, such as ginseng, dried scallops and dried sea cucumbers. Similarly, prices of turmeric, red ginger and cinnamon the main components of *jamu* – skyrocketed in Indonesia as COVID-19 cases rose and after Indonesian President Joko Widodo gave a testimony espousing the drink's health benefits. Home remedies said to stave off the virus have quickly spread online, with "cures" such as drinking boiled garlic water going viral on Cambodian social media and recipes for disinfecting fumigant consisting of garlic, lemon juice, and alcohol being circulated in Vietnam.

Even medical professionals are turning to plant-based medicines and treatments in the race to finding a cure for COVID-19. The Department of Thai Traditional and Alternative Medicine and Government Pharmaceutical Organisation has been exploring the medicinal plant Andrographis paniculate as a potential inroad to treating the coronavirus, while the Philippine Food and Drug Administration and Department of Science and Technology have launched clinical trials to test the efficacy of virgin coconut oil and herbal medicine lagundi in tackling the virus.

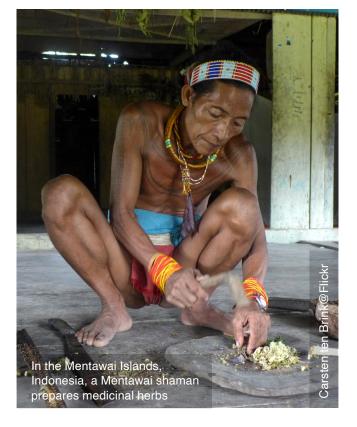
While traditional medicine has provided a treasure trove of health and wellness benefits to people all over Southeast Asia, it has left many plant and animal species in a precarious state. For instance, environmentalists have



warned about the degradation of the Tibetan Plateau's ecosystem following the harvesting of cordyceps, a herb typically prescribed for respiratory problems in TCM. Southeast Asia is also notorious for being an epicentre of illegal wildlife trafficking, with some of the most endangered species, such as pangolins, bears, elephants and tigers, extensively poached and traded for their parts in the 'Golden Triangle' border region that joins Laos, Myanmar and Thailand.

For many Southeast Asians, traditional medicine is often a viable – or even the only – alternative to modern medicine. While preserving the shared heritage of traditional medicine, it is also vital that we maintain respect for the very environment that sustains it and ensure that patients and consumers are protected. As acknowledged by the World Health Organization, "traditional medicines, of proven quality, safety, and efficacy, contribute to the goal of ensuring that all people have access to care".  $\blacksquare$ 

**Ms. Anuthida Saelaow Qian** is Research Officer at the ASEAN Studies Centre, ISEAS-Yusof Ishak Institute.







### Patuxai

### Laos

Patuxai, meaning Victory Gate, is a prominent war memorial in Vientiane, Laos. The monument was built between 1957 and 1968 to commemorate those who fought for Laos' independence from France. Though largely inspired by the Arc de Triomphe in Paris, Patuxai boasts distinct Lao and Buddhist motifs and architecture including stupas, lotus leaf carvings, and figures of Kinnaly, a mythological half-woman, half-bird creature. The monument features four arches facing the cardinal points as well as five towers that symbolise the Buddhist principles of thoughtful amiability, flexibility, honesty, honour, and prosperity. Visitors can climb the spiral stairs spanning seven storeys, passing souvenir shops and a museum before arriving at the top of Patuxai, where they can enjoy a panoramic view of the city. (Source: Ministry of Information, Culture and Tourism, Laos; Vientiane Times; Lonely Planet)

