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PHNOM PENH, CAMBODIA

EDITOR'S NOTE

It is my pleasure to introduce this third edition of the *Journal of Greater Mekong Studies*. I along with our entire editorial team and all of my colleagues at the Cambodia Institute for Cooperation and Peace have been thrilled with the reception that the journal has received among scholars and analysts both inside and outside of the Greater Mekong Subregion since its launch in June of last year. Moreover, we are deeply grateful to the Embassy of the United States in Phnom Penh for their continued support for the journal and to our growing network of contributors across the globe for their keen insights into the questions, challenges, and changes that confront the region today.

Today it is quite clear that the predominant, immediate term challenge is the continuing Covid-19 pandemic. While the Mekong subregion has so far avoided the worst effects of this public health crisis, the coronavirus will certainly serve as a critical juncture, altering the trajectories of myriad institutions and effecting the dynamics of economic growth, great power rivalry, the future of inter-state cooperation, and could upset the world order as well. Thus, we have decided to focus this edition of the journal on the diverse impacts of the pandemic.

There are numerous outstanding contributions which deserve our attention in this edition. Ambassador Bilahari Kausikan explores the impact of the pandemic on intra-regional dynamics and the sharpening US-China strategic differences, Professor Sorpong Peou opens up the question of the security implications for the region and Dr. Jean-Pierre Verbiest examines the implications for the future of the subregion's infrastructure development. Our Chinese contributor, Dr. Zhang Weiwei, looks at how the Lancang-Mekong Cooperation mechanism will develop in a post-Covidworld, whilst Dr. Vipat Kuruchittham, makes a clarion call for governments to prioritize their limited resources not simply for the improvement of public health systems, but also to strengthen capacity to coordinate domestic and international responses in future. Dr. Nguyen Minh Quang explores the vital topic of ASEAN's collective response to Covid-19, and Sovinda Po, CICP Senior Researcher, examines the responses of the Mekong governments to the pandemic and discuss the challenges facing these governments, while Ms. Pianporn Deetes, Thailand Campaign Director of International River makes a striking argument that development projects should be designed to reduce social inequality, with transparency, participation, and recognition of the value of healthy ecosystems that contribute to a stronger social safety net in the Mekong Sub-region.

As we move forward with the development of our next edition, which will be released later this year, we will be exploring a wide variety of non-traditional security challenges ranging from climate change to food security to transnational crime, together with additional contributions on a more diverse range of topics. Yet, in light of the overwhelming and path altering impacts of the pandemic – I would like to thank all of the authors in this third edition for their valuable work in shedding much needed light and bringing essential clarity to our understanding of how our region and our world will develop in the context of this public health crisis.

Ambassador Pou Sothirak

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He graduated from Oregon State University in the U.S. in March 1981 with a Bachelor Degree in Electrical and Computer Engineering and worked as an engineer at the Boeing Company in Seattle, Washington from 1981-1985.

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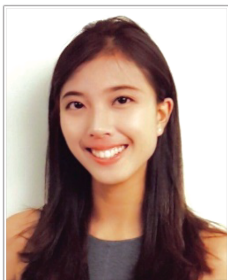
Dr. Bradley J. Murg is Associate Professor of Political Science and Dean of the Faculty of Economics and Administrative Sciences at Paragon International University. Additionally, Dr. Murg holds positions as Distinguished Fellow and Senior Advisor at CICP; Senior Research Advisor at Future Forum; and Distinguished Fellow at the Royal University of Law and Economics. His work, supported by grants from the Social Science Research Council and the International Research and Exchanges Board, focuses on contemporary international relations in Southeast Asia; the political economy of foreign aid; and the Greater Mekong Subregion as a whole. Dr. Murg graduated Phi Beta Kappa from Emory University with a B.A./M.A. in philosophy, received an MSc. in economic history from the London School of Economics, and his M.A. and Ph.D. in political science from the University of Washington.



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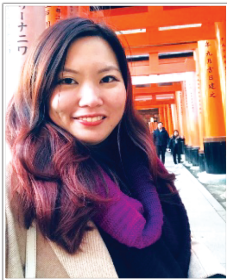


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ASEAN AND THE GEOPOLITICS OF MAINLAND & MARITIME SOUTHEAST ASIA: WILL THE COVID-19 PANDEMIC MAKE A DIFFERENCE?

*H.E. Ambassador Bilahari Kausikan**

Former Permanent Secretary, Ministry of Foreign Affairs, Singapore

Abstract

Despite almost equal division of its membership between mainland and maritime states, ASEAN pays more attention to the sea than the land. Mekong-related issues almost never figure on its agenda and when ASEAN looks at Southeast Asia holistically, it is in functional and economic terms. This is a strategic liability that could further weaken ASEAN unity and centrality. ASEAN-led forums play no role in helping the Mekong riparian states maintain their autonomy. Chinese dams in the upper reaches of the Mekong give Beijing a potential stranglehold over half of ASEAN. This could eventually discourage major powers such as the US, Japan and other ASEAN dialogue partners from factoring ASEAN interests into their strategic calculations in the South China Sea.

The impact of the Covid-19 pandemic on intra-regional dynamics between mainland and maritime Southeast Asia is still open – but it has sharpened US-China strategic differences. Although contiguity and size will always give China significant influence on the mainland, ASEAN is not entirely powerless and there are actions it could collectively take to help its Mekong riparian members maintain autonomy. The most important step would be for all Mekong riparian members to sign on to the UN convention on Non-Navigational Uses of International Watercourses. This would place Mekong issues within a broader international framework. ASEAN should then lobby the 17 countries whose rivers have their headwaters in China to join the Watercourses Convention to create a core body of international support.

** H.E. Ambassador Bilahari Kausikan is Former Permanent Secretary of the Ministry of Foreign Affairs of Singapore. He is currently the Chairman of the Middle East Institute, an autonomous institution of the National University of Singapore.*

Southeast Asia serves as a vital sea link between the Pacific and Indian Oceans. This invests Southeast Asia with a strategic significance for major powers that it might not otherwise have. It is no surprise, then, that ASEAN's strategic orientation has historically been more toward the sea than the land. ASEAN's post-Cold War expansion to include all the mainland states did not change its maritime orientation.

ASEAN has spent an increasing amount of time discussing the South China Sea (SCS). Rightly so, because it is a crucial issue, not just to Southeast Asia, but globally. With the occasional exceptions of Myanmar and Thai-Cambodia border problems, ASEAN almost never discusses Southeast Asia mainland nor Mekong Basin issues even though its members are now equally divided between mainland and maritime states.

Mekong Basin forums and organizations are only loosely related to ASEAN.¹ Non-riparian ASEAN members have minimal, if any, interest in their proceedings and generally do not participate. Sometimes, riparian members try to interest the maritime ASEAN in Mekong-related issues, but are generally met with only polite interest.

Disinterest in Mekong issues is a dangerous failure of strategic imagination by non-riparian ASEAN members. Myanmar, Laos and Cambodia take only a cursory and often reluctant interest in the SCS. In 2012, Cambodia, the ASEAN Chair that year, blocked consensus on a Foreign Ministers' Joint Statement on the SCS issue. Only Thailand and Vietnam take a relatively balanced approach toward both Mekong and maritime issues. But they have an ambivalent attitude towards non-riparian states taking an interest in Mekong-related forums.²

It would be unrealistic to expect riparian and non-riparian members to have identical strategic priorities. Although they sometimes do not seem to have sufficient appreciation of the broader strategic implications of SCS issues, it is reasonable for riparian states to expect non-riparian states to pay more attention to their own interests. Not thinking about Southeast Asia holistically is a glaring gap in ASEAN's strategic orientation. When ASEAN looks at Southeast Asia as a whole, the emphasis is functional

¹ In 1995, the ASEAN-Mekong Development Cooperation (AMDC) was formed. But nobody seems to have had much interest in it and the AMDC has not held a ministerial level meeting since 2014. Its flagship project, the Singapore-Kunming Rail Link, never took off. There have been studies on how to better align the AMDC with other ASEAN projects. But nothing has come of them. This is one example by the ISEAS-Yusof Ishak Institute: <https://www.asean.org/storage/images/2012/Economic/IAI/Comm%20work/AMBDC%20Realignment%20Study.pdf>. Another by the ADB is <https://www.adb.org/sites/default/files/publication/30420/regional-and-subregional-program-links.pdf>. The studies have remained only studies and I doubt many decision-makers have even read them. I do not recommend that anyone not suffering from insomnia do so.

² Some in the Thai Ministry of Foreign Affairs are apparently concerned about somehow "diluting" the Ayeyawady-Chao Phraya-Mekong Economic cooperation (ACMECS) if Mekong issues are taken up in other ASEAN-related forums, which is absurd since the ACMECS has done nothing every much. Vietnam has a broader strategic view, although not entirely free of such attitudes. Traditionally Thailand and Vietnam see themselves as in competition to be the leading power in mainland Southeast Asia. Myanmar, Laos and Cambodia mainly worry about diversion of aid.

and economic.³ The strategic and geopolitical considerations that inescapably underpin these issues rarely surfaced. The preference is still to regard Mekong issues primarily in economic and functional terms and for riparian members to discuss them apart from the broader ASEAN membership.

The Mekong imposes geopolitical coherence on an otherwise culturally and politically diverse group of mainland Southeast Asian countries and distinguishes them from the amorphous Asian landmass. “Mainland Southeast Asia” may appropriately be called “Mekong Southeast Asia.” The Mekong drains into the SCS, linking the mainland with the maritime. The separation of land and sea is artificial and unsustainable. ASEAN should discard the strategically obsolete and increasingly irrelevant division of Southeast Asia into mainland and maritime states, and think of the region as one strategic theatre.

The consequences of avoiding hard issues, imposing an artificial bifurcation on the region, and playing down or neglecting the strategic underpinnings of economic and functional issues are becoming evident in the loosening of ASEAN’s unity and the questioning of “ASEAN Centrality.” This essay will examine the possible consequences of not doing so, suggest what could be done, and assess the effects of the Covid-19 pandemic on Southeast Asia, with particular reference to the region’s mainland and maritime divisions.

Declining Centrality, Threatened Autonomy

One of ASEAN’s primary functions is to help the countries of Southeast Asia maintain autonomy amid major power competition. ASEAN does this by managing relations among its members so as to minimize opportunities for major powers to take advantage of intra-regional issues to advance their own interests, and, more vitally, by encouraging a balance among major powers because small countries can maintain autonomy by navigating the interstices of major power relationships.

The term “balance” is not to be understood in binary neo-Cold War terms as only between the U.S. and China. Important as they are, the U.S. and China are not the whole of reality. The “balance” that ASEAN seeks to promote is an omni-directional and multipolar overlay over U.S.-China relations, comprising countries that have an interest in Southeast Asia, such as Japan, India, Australia, South Korea, Russia and a few European countries.

The U.S. and China are in a category of their own. But an omni-directional and multipolar balance maximizes maneuver space for small countries far more than a simple bipolar structure. ASEAN-led forums, such as the ASEAN Regional Forum, the

³ For example, the Master Plan on ASEAN Connectivity, the ASEAN Economic Community (AEC), and the Initiative for ASEAN Integration (IAI).

East Asia Summit and ASEAN Defense Ministers Meeting, promote this type of balance because they give countries from outside Southeast Asia a legitimate anchor in the region.

ASEAN has done best when it comes to dealing with the SCS. China has not succeeded in deterring the U.S. and its allies from operating in the SCS in support of a rules-based order. An increasing number of countries have expressed concerns about Chinese behavior. This will not make China behave any differently, but as the SCS is now an issue of international concern, no ASEAN claimant can be isolated and coerced into relinquishing their claims. Strategic stalemate in the SCS is not ideal, but good enough.⁴

But the geopolitics of the Mekong Basin are clearly skewed against the ASEAN riparian states. Beijing's control of the headwaters of the Mekong and the cascade of dams it has constructed gives China significant leverage over the riparian states. This ought to be of concern to ASEAN as a whole. If China holds the fate of half of ASEAN in its hands, ASEAN "centrality" – already questioned – is precarious.

Mekong Basin organizations and forums do not promote the kind of omni-directional multipolar balance that exists in ASEAN-led forums. How well they manage relations among ASEAN riparian states, whose own dam projects on the Mekong's tributaries are potentially as threatening as Chinese dams, is questionable.

Almost all the Mekong forums skirt around the core geopolitical issue: water management, which affects a host of related issues, particularly food security. The Mekong River Commission (MRC) deals with water management, but China is not a member, and the MRC is effectively powerless. International awareness of Mekong Basin issues is generally low.

The most active Mekong-related forum, the Lancang-Mekong Cooperation (LMC) is dominated by China. Beijing is using the LMC and its New International Land-Sea Trade Corridor which is part of the Belt & Road Initiative, to link western China with ASEAN. This is potentially very beneficial to ASEAN *if* this is undertaken in the context of obtaining a strategic balance and an international rules-based framework that will allow the ASEAN riparian states to hold their own and not be overwhelmed.

The U.S., Japan, South Korea and Australia have interests in the Mekong Basin. India is a contiguous continental power. Given the constraints of geography as well as other priorities, these countries play only a secondary role to China in the Mekong Basin. But if they better coordinate their efforts collectively, they are not inconsequential. As in the

⁴ Of course, the stalemate cannot be entirely attributed to ASEAN's efforts. Still, despite all the internal stresses and disagreements over the SCS, ASEAN has maintained a minimal formal consensus on the SCS, rejected the pernicious idea that the SCS should only be of concern to regional states, and resisted Chinese pressures to avoid discussion of the issue in ASEAN-led forums. This certainly played a role in shaping the attitudes of other countries towards the SCS.

SCS, even an asymmetrical multipolar balance can create maneuver space for ASEAN. But ASEAN cannot expect any of these external powers to better coordinate or increase their engagement in the Mekong Basin unless ASEAN as a whole does so.

ASEAN's relevance will not be secured by merely persuading Dialogue Partners to repeat the magical mantra of "ASEAN Centrality." The primary strategic interest of the U.S., Japan, Australia, India and other countries in Southeast Asia is freedom of navigation between the Pacific and Indian Oceans. They could well secure that goal by working among themselves. The U.S. has the capability to do it unilaterally and the other countries could hitch a free ride. That they now support ASEAN is not a necessity but a choice. If half of ASEAN falls under China's sway, taking ASEAN into account may not seem worth their while, and they could well make different choices.⁵

There is Always Something That Can Be Done

Size and contiguity will naturally give China significant influence on the mainland countries. Still, no country is ever entirely without agency. There is no reason that ASEAN should helplessly be marginalized.

There are concerns about China everywhere.⁶ It is axiomatic that small countries dealing with a big country should try to involve as many other countries as possible. There is no Southeast Asia country that will willingly align itself with China to the exclusion of relationships with other major powers. There are three things ASEAN could collectively do to ensure it is not isolated on Mekong issues:

First, accelerate the next phase of an ASEAN Economic Community (AEC) and expedite national economic reforms. This will enhance Southeast Asia's role in global supply chains. A substantive AEC and economic reforms are key anchors to keep major countries in the region. They would reap the benefits of proximity to China while minimizing the risks to autonomy.

⁵ Some in Japan question why it should devote so much attention and resources to mainland Southeast Asia when, with the exception of Vietnam, the other countries are already so much under Chinese influence and the U.S. focus is on the maritime. Fortunately, this is not yet a mainstream view in Japan. But see also: <https://www.hindustantimes.com/world-news/quad-is-ready-but-no-more-free-lunches-for-asean-on-south-china-sea/story-Vx16PS5BHqYUtXqUWqf3OP.html>

⁶ This is so even in countries highly dependent on China. In January 2018, the governor of Preah Sihanoukville in Cambodia wrote a letter to the Interior Ministry complaining about how Chinese investment had increased crime, "causing insecurity in the province." The letter was a highly unusual event then, but similar complaints have since regularly resurfaced. In 2016, at the 10th Congress of the Lao People's Revolutionary Party, two politburo members, Choummaly Sayasone, General-Secretary of the Party, and Deputy Prime Minister Somsavat Lengsavat, lost their positions. Whatever the stated reasons for these dismissals, the underlying real reason was that they were too pro-China. Somsavat is ethnic Chinese. Outside Southeast Asia there has been concern about Chinese influence and pushback in a variety of countries including China's "all weather friend," Pakistan.

Second, ASEAN should take the lead to encourage Dialogue Partners to regard mainland and maritime Southeast Asia as one strategic theatre. As a start, why not discuss in the ARF, EAS and ASMM-plus forums the geopolitical implications of Mekong Basin issues as they affect the SCS? ASEAN should produce a strategic outlook that looks at the region holistically. Such a document must be based on a compromise, but the effort to draft acceptable language would force members to think in instructive new ways.

Third, and most crucially, Mekong-focused plurilateral and bilateral agreements and forums should be placed in a broader framework of international law, particularly with regard to water management. A recent scientific study has claimed that Chinese dams has held back water and exacerbated drought in Vietnam, Laos, Cambodia and Thailand. The Mekong raises existential issues, particularly for the smaller mainland economies of Laos and Cambodia. No matter how good relations may appear, it would be extremely imprudent to trust control of such existential issues entirely to another country's favor.

The UN Convention on the Law of the Non-Navigational Uses of International Watercourses is one framework.⁷ But Vietnam is the only ASEAN signatory. The apparent indifference of other Mekong riparian states to this U.N. Convention is baffling. China has not joined it. For obvious reasons, China prefers to deal with such matters bilaterally. But ASEAN should support a broader framework of international law for the Mekong, just as it supports UNCLOS in the SCS.

Seventeen countries in Eurasia have rivers that originate in Chinese territory.⁸ Many are concerned about their vulnerability to Chinese control of the headwaters of these rivers. Instead of shunning the U.N. Convention, ASEAN riparian states should join it and lead an effort to encourage other qualified countries to follow suit. This is a natural group of support that could potentially be mobilized in emergencies. At very least, this effort will subject the Mekong Basin to increased international scrutiny.

But Will It Be Done?

But it cannot be taken for granted that these very modest proposals or anything like them will be accepted. Even the implementation of existing projects such as the AEC has been slow. The essential reason is not so much ASEAN's failure but rather its success.

After almost 50 years of peace in Southeast Asia, a certain complacency seems to have set in. ASEAN decision-making has become overly conservative if not timid. There is an inclination to rest on past laurels and emphasize form rather than decisive action to

⁷ https://treaties.un.org/pages/ViewDetails.aspx?src=IND&mtdsg_no=XXVII-12&chapter=27&lang=en

⁸ Afghanistan, Bangladesh, Bhutan, Cambodia, India, Kazakhstan, Kyrgyzstan, Laos, Mongolia, Myanmar, Nepal, North Korea, Pakistan, Russia, Tajikistan, Thailand, Vietnam.

implement the three community pillars or deal with new issues. It will take a major shock to jolt ASEAN out of set ways. Will the Covid-19 pandemic be a sufficient shock? This is not yet clear.

Southeast Asia is still only at the end of one phase of the pandemic.⁹ It is premature to make definitive judgements about the pandemic's impact, but some tentative conclusions can be drawn about its effects on Southeast Asia.

The pandemic has given a sharper edge to some aspects of the U.S.-China strategic competition. But there has been far too much overexcited and unbalanced commentary about how American and Chinese responses to the pandemic will affect their international support.

There is no doubt that the U.S. under the Trump administration bungled its response and that China acted decisively to contain the virus quickly. But Beijing's initial reluctance to acknowledge the seriousness of the outbreak and the resulting delay that allowed the virus to spread from Wuhan has not been forgotten either. In a federal system like the U.S., responsibility is diffused. Despite the incoherence in Washington, some states have responded well to the pandemic.

No serious government is going to make decisions about strategic alignments based on just one aspect of the policies of the U.S. and China. It is foolish and naive to believe that the provision of masks, test-kits and ventilators (many defective) is going to have more than an ephemeral effect. In the Indo-Pacific, the overall correlation of forces is clearly not moving in China's favor, with increased concerns about Chinese behavior.¹⁰

The immediate geopolitical impact of the pandemic in Southeast Asia will probably accentuate existing trends rather than change their trajectory. Those ASEAN members inclined to be more sympathetic towards China may become more so, while those who look to the U.S. for basic security will not change their orientation either.

While the importance of both the U.S. and China is acknowledged in ASEAN, there is a growing complexity of attitudes toward both powers.¹¹ Whether post-pandemic

⁹ Vietnam, Thailand and Brunei seem to have done well; Malaysia and Singapore, well enough; Indonesia and the Philippines, badly. There is no data that I would consider reliable about Myanmar, Laos and Cambodia.

¹⁰ Clearly there is increasing concern about China in Japan, Australia and India, while South Korea's attitude can at best be described as ambiguous. Nobody is going to shun China, but greater skepticism about Chinese behavior is palpable. Beyond Asia, the same holds true among the major European economies. With skepticism about China probably the only bipartisan issue in the U.S., and even some countries in Africa, Latin America and the Middle East expressing concerns, the overall global correlation of forces is not clearly tilted in China's favor either.

¹¹ See the State of Southeast Asia survey reports for 2019 and 2020, by ISEAS-Yusof Ishak Institute's ASEAN Studies Centre. https://www.iseas.edu.sg/images/pdf/TheStateofSEASurveyReport_2019.pdf and https://www.iseas.edu.sg/images/pdf/TheStateofSEASurveyReport_2020.pdf

geopolitical alignments will forge greater common interests between mainland and maritime Southeast Asia or deepen their strategic divergence is still an open question.

Geo-economics will be a major long-term influence on the strategic alignments of the two parts of Southeast Asia and relations between them. Even before the pandemic, labour costs as well as concerns over U.S.-China trade tensions and security concerns were already relocating production and supply chains out of China to some ASEAN countries. The supply-chain disruptions caused by the pandemic will almost certainly accelerate this trend.

What is still unclear are two inter-related factors. First is the *extent* to which supply-chains will diversify out of China to Southeast Asia. Second is the *character* of the supply chains that do so.

Reorienting production out of China is not a straightforward matter of just building new factories and shifting machinery to new locations. The new facilities have to be supported by an eco-system of appropriately skilled labor and secondary services. Most mainland Southeast Asian countries lack such eco-systems except at a very basic level. Thailand and Vietnam are partial exceptions but still lag behind Malaysia and Singapore.

Unless there is an urgent effort to develop such ecosystems on the mainland, the probability is that mainland nations, in particular Cambodia, Laos and Myanmar, will be dominated by industries at the lower end of the value chain. A few maritime countries, primarily Malaysia and Singapore, will receive the bulk of relocated production at the high end of the value chain.¹²

This could enhance the inequalities and divergences between mainland and maritime Southeast Asia. Since the bulk of low-end, labor-cost sensitive production is likely to be Chinese or linked to the China market, this could sharpen differences in the calculations of interests and strategic alignments within Southeast Asia.

Supply-chain security and compliance with U.S.-imposed technology export restrictions will be increasingly crucial considerations for Western companies contemplating the relocation of high-technology industries. Their assessments on security and compliance measures are likely to be based on the overall posture of potential host countries and their ability to maintain an independent position vis-à-vis China. If a country, for example is viewed as playing down or overlooking Chinese behavior in the SCS, it may not be considered a very desirable location.

¹² Anecdotal evidence suggests that this sort of distribution is already occurring, particularly on the mainland. I know of no good empirical study of this possible trend and it is best regarded as a hypothesis to be tested by future research. If anyone knows of such a study, I would be grateful if I could be informed.

Southeast Asia will not be the automatic alternative destination if supply chains are diversified out of China. A lot depends on whether ASEAN members will enhance their attractiveness in both business and security terms, and that, in turn, depends on domestic politics.

The 1997 Asian financial crisis catalyzed structural political changes in Indonesia, Malaysia and Thailand. Whether the Covid-19 pandemic will lead to equivalent changes is unclear, although there will certainly be some political impact.¹³ The pandemic has enhanced inequality within countries. This will have implications for political stability within individual member states and hence for ASEAN unity as a whole. If the social inequality takes on a racial dimension that implicates Southeast Asian overseas Chinese communities, with China being “blamed” for the outbreak, the consequences could get even unpredictable and ugly.¹⁴

A key factor is whether political changes will make economic nationalism less manageable. No ASEAN member has yet pulled out of either the Trans-Pacific Partnership 11 or the Regional Comprehensive Economic Partnership, suggesting a commitment to economic openness. While ASEAN’s collective response to the pandemic was not brilliant¹⁵ – no regional organization anywhere responded well – it did not fail in its essential purpose of managing relations among its members despite the drastic actions that some ASEAN members were forced to take against each other. There have been less tensions than in 1997.

Our conclusion therefore must be sober but need not be pessimistic, only open. The future is still ASEAN’s to influence.

¹³ We have seen some political shifts in the recent Singapore general election. There have been demonstrations in Thailand. Malaysian politics was already in flux before the pandemic and could hold a snap election at very short notice. It defies all reason to think that Indonesia which has surpassed China in number of inflections will not see internal stresses enhanced. Myanmar will hold a general election this year and the Philippines is facing a presidential election in two years’ time. The only countries where political continuity can be assumed are Vietnam, Laos, Cambodia and Brunei, and political developments in the last three are inconsequential for ASEAN. See also; <https://thediplomat.com/2020/06/the-politics-of-pandemic-in-southeast-asia/>

¹⁴ This may already be beginning in Indonesia where there are two groups that harbor deep reservations about China and ethnic Chinese: the military and political Islamists. See <https://amp.scmp.com/lifestyle/article/3081930/coronavirus-spreads-anti-chinese-feeling-southeast-asia-prejudice-goes>

¹⁵ There was no meaningful collective response beyond pious aspirational statements. Concrete assistance was bilateral. But given the vast differences in conditions among member states, it is difficult to envisage what a meaningful collective response could have been.

COVID-19 AND IMPLICATIONS FOR FUTURE SECURITY IN EAST ASIA

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Abstract

This article critically assesses the impact of Covid-19 as a non-military source of threat to human, societal, national and even regional security in East Asia. It compares the response to the Covid-19 pandemic between authoritarian and democratic governments and between developed and developing economies. It also examines the impact of the Covid-19 pandemic on health systems, mental health issues, economic security and civil rights in affected countries. The Covid-19 pandemic has also affected relations among regional states in both positive and negative ways. Finally, it advances the argument that states, particularly those in Southeast Asia, need to give much more careful policy attention to this actual and potential threat.

While only a relatively small proportion of Covid-19 infections have resulted in death, the number of cases and fatalities is not something to be taken lightly. By early June 2020, approximately 6.5 million cases and at least 378,300 fatalities were recorded globally. The total numbers vary from region to region. In East Asia, there were no more than 10,000 fatalities, of which nearly half were reported in China (4,634). People in this region are more fortunate than those in other regions such as Europe and North America, where Spain, Italy, Britain and the United States alone suffered far greater fatalities: 27,127, 33,475, 39,045, and 107,061, respectively, as of early June.

What can be learned from this cross-regional experience? On one hand, an argument can be made that governments in East Asia have been more effective than those in Europe and North America. One could also make the case that authoritarian states have done better than democratic ones. China was effective in mitigating the effects of this virus because of the fact that it is a dictatorship capable of enforcing lockdown policy measures. Vietnam has demonstrated an impressive competency in mitigating the effects of the virus, boasting an exceptionally low infection rate of only 1 in 291,282_{as}

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of June 3.¹ When the country recorded six confirmed cases, Prime Minister Nguyen Xuan Phuc declared a national epidemic, taking aggressive preventative action with sweeping social closures, extensive surveillance on citizens, and large-scale quarantines.² Singapore has been lauded for its swift response to the pandemic by taking aggressive action to contain the virus, engaging in meticulous testing, contact tracing and targeted quarantine measures, and employing high-tech tracing apps.³ Early in June, Cambodia recorded only 125 cases with no deaths.

Therefore, we are left to wonder whether authoritarian regimes are more effective in pandemic management because of their capacity to ensure coherent policy responses and effective interventions. But the success of authoritarian states and greater challenges faced by more democratic states, such as Indonesia and the Philippines, should not be taken to mean that democracy is the problem.

Upon closer examination, democratic states in the region have also done well in terms of mitigating the virus' harmful effects. Japan, a stable democracy with a population of 126 million, saw fewer than 1,000 fatalities in early June. Two other stable democracies in the region, South Korea (with a population of about 51 million) and Taiwan (with a population of close to 24 million), saw far fewer fatalities: only 272 and 7, respectively. These democracies have been praised for their effective efforts at pandemic management. South Korea successfully flattened the curve and has begun to export its expertise.⁴ Prime Minister Chung Sye-kyun attributed his country's success to speed, transparency, innovation, and voluntary civic participation. South Korea's mitigation strategy has helped guide successful pandemic-response efforts by other state leaders in the region.

Overall, there seems to be no correlation between pandemic-related fatalities and regime type. Democracies in Europe and North America were not as effective in confronting the threat of Covid-19, but the experience of liberal democracies in East Asia – notably South Korea – seems to lend support to the point that democratic regimes can also be effective in pandemic management.

¹ "Coronavirus Map: Tracking the Global Outbreak." The New York Times. January 28, 2020. www.nytimes.com/interactive/2020/world/coronavirus-maps.html.

² Vu, Minh, and Bich T. Tran. "The Secret to Vietnam's COVID-19 Response Success." The Diplomat. April 28, 2020. <http://www.thediplomat.com/2020/04/the-secret-to-vietnams-covid-19-response-success/>.

³ Searight, Amy. "Strengths and Vulnerabilities in Southeast Asia's Response to the Covid-19 Pandemic." Center for Strategic and International Studies. June 9, 2020. www.csis.org/analysis/strengths-and-vulnerabilities-southeast-asias-response-covid-19-pandemic.

⁴ Ferrier, Kyle, and Soojin Hwang. "How South Korea Is Building Influence Through COVID-19 Testing Kits." The Diplomat. April 30, 2020. <http://www.thediplomat.com/2020/04/how-south-korea-is-building-influence-through-covid-19-testing-kits/>.

Several other lessons can be drawn. Firstly, pandemics have the ability to kill people regardless of regime type. Many healthcare systems in the region still do not have the capacity to respond effectively to a deadly pandemic. While Taiwan, South Korea and Singapore, as role models in pandemic management, have suffered little damage to their healthcare systems, others are less fortunate. Due to shortages of personal protective equipment, intensive care units and medical facilities, Japan's rise in Covid-19 infections threatened to derail its healthcare system. In eldercare homes, the pandemic has stretched already tight staffing, creating dismal conditions for Japan's rapidly aging population.⁵ With a severely overstretched healthcare system, the Philippines has found itself short-handed by an estimated 23,000 nurses nationwide as a result of the medical brain drain as Filipino medical professionals seek better working conditions and salaries abroad.⁶

Secondly, Covid-19 has taken a toll on personal health. The economic downturn caused by the virus has created pervasive financial anxiety for developing and developed countries alike. In February 2020, a review of 24 studies documented the psychological impact of quarantine.⁷ Quarantined people are more likely to develop psychological stress and disorder symptoms, including anger, insomnia, and anxiety, among many other effects. The effects extend to frontline workers. A study on the mental health effects of Covid-19 on healthcare workers in China found that anxiety, depression, insomnia, and distress was greatest in "nurses, women, those directly caring for virus patients, and those working at the epicentre in Wuhan."⁸ As a result of this virus, suicide rates have also increased. The Asia-Pacific region alone accounts for some 60% of the world's suicides.⁹ For instance, Thailand has experienced a rise in suicides due to the state's lack of financial aid for its most vulnerable amid the pandemic.¹⁰ Covid-19 was also expected to have a heavy toll on Japan. In March, Tokyo Keizai reported on the

⁵ Lies, Elaine. "In Japan's Elder-Care Homes, Coronavirus Tests Limits of Overstretched Staff." Reuters. May 12, 2020. www.reuters.com/article/us-health-coronavirus-japan-elderly/in-japans-elder-care-homes-coronavirus-tests-limits-of-overstretched-staff-idUSKBN22O0T8.

⁶ Lopez, Ditas B., and Claire Jiao. "Supplier of World's Nurses Struggles to Fight Virus at Home." Bloomberg Quint. April 24, 2020. <https://www.bloombergquint.com/coronavirus-outbreak/philippines-sends-nurses-around-the-world-but-lacks-them-at-home>.

⁷ Samantha K. Brooks et al., "The Psychological Impact of Quarantine and How to Reduce It: Rapid Review of the Evidence," *The Lancet* 395, no. 10227 (February 26, 2020): 912-20, doi: [https://doi.org/10.1016/S0140-6736\(20\)30460-8](https://doi.org/10.1016/S0140-6736(20)30460-8)

⁸ Roy-Byrne, Peter. "Mental Health Effects of COVID-19 on Healthcare Workers in China." *NEJM Journal Watch*. March 27, 2020. <https://www.jwatch.org/na51190/2020/03/27/mental-health-effects-covid-19-healthcare-workers-china>.; Jianbo Lai et al., "Factors Associated with Mental Health Outcomes Among Health Care Workers Exposed to Coronavirus Disease 2019," *JAMA Network Open* 3, no. 3 (March 23, 2020): 1-12, doi:10.1001/jamanetworkopen.2020.3976)

⁹ Ying-Yeh Chen et al., "Suicide in Asia: Opportunities and Challenges," *Epidemiologic Reviews* 34, no. 1 (December 07, 2011): 129-44, doi:10.1093/epirev/mxr025)

¹⁰ Salva, Ana. "Thailand: The Coronavirus Suicides." *The Diplomat*. May 11, 2020. <https://thediplomat.com/2020/05/thailand-the-coronavirus-suicides/>.

increase in railway-related suicide deaths since the onset of the pandemic-related economic slowdown.¹¹ Between March 16 and 22, more than 30 suicides were registered. While a recent study shows a decline in suicides due to shifting stress factors,¹² it is likely that Japan's suicides will quickly rebound if economic pressures persist.

Thirdly, pandemics threaten economic security. Countries in East Asia are highly open to trade, investment and tourism, all of which have been disrupted by the spread of Covid-19. The pandemic also has had devastating impacts on even the most advanced economies. Although Taiwan appears to face a relatively milder economic impact than its neighbors, its GDP grew only 1.54% in the first quarter of 2020.¹³ Other countries like Japan also must bear the brunt of economic devastation. The virus has dealt a big blow to Japan's coveted trade surplus with an 11.7% drop in exports,¹⁴ and has created an estimated USD 5.4 billion to USD 18 billion in damages as a result of the postponement of the 2020 Tokyo Olympic Games.¹⁵ The Philippines's lockdown in Metro Manila has been among the longest in the world,¹⁶ exacerbating the effects of Covid-19's economic downturn.

Fourthly, Covid-19 poses a threat to personal freedoms. In Southeast Asia, the pandemic threatens to throw fledgling democracies off their course. Amidst fear and uncertainty, authoritarian governments in Southeast Asia have capitalized on the additional powers granted by the state of emergency. The Philippines, Thailand, Cambodia and Myanmar ignored calls from the U.N. High Commissioner for Human Rights, Michelle Bachelet, to protect human rights and have relied on the need for a unified response to achieve greater legal powers and silence the opposition. Cambodia's National Assembly, for instance, passed a state of emergency law in early April, granting the government the

¹¹ Brasor, Philip. "COVID-19 Puts the Squeeze on Japan's Most Vulnerable." *The Japan Times*. April 18, 2020. <https://www.japantimes.co.jp/news/2020/04/18/national/media-national/coronavirus-health-employment/>.

¹² Blair, Gavin. "Japan Suicides Decline as Covid-19 Lockdown Causes Shift in Stress Factors." *The Guardian*. May 14, 2020. <https://www.theguardian.com/world/2020/may/14/japan-suicides-fall-sharply-as-covid-19-lockdown-causes-shift-in-stress-factors>.

¹³ Wang, Cindy, and Samson Ellis. "Taiwan Clings to Growth as Economy Dodges Worst of Virus Impact." *Bloomberg*. April 30, 2020. <https://www.bloomberg.com/news/articles/2020-04-30/taiwan-dodges-worst-economic-impacts-of-virus-and-keeps-growing>.

¹⁴ Pesek, William. "Covid-19 Kills Japan's Coveted Trade Surplus." *Asia Times*. April 24, 2020. <https://asiatimes.com/2020/04/covid-19-kills-japans-coveted-trade-surplus/>.

¹⁵ Bermingham, Finnbar, He Hui Feng, and Su-Lin Tan. "Coronavirus Damage to Japan's Economy Outweighs Olympic Games Delay." *South China Morning Post*. March 25, 2020. <https://www.scmp.com/economy/global-economy/article/3076943/coronavirus-tokyo-olympic-games-delay-blow-japans-economy>.

¹⁶ Castaneda, Jason. "Why Duterte Won't Lift World's Longest Lockdown." *Asia Times*. May 15, 2020. <https://asiatimes.com/2020/05/why-duterte-wont-lift-worlds-longest-lockdown/>.

ability to carry out surveillance, control the media, and restrict movements.¹⁷ In the Philippines, President Rodrigo Duterte has even given the armed forces the power to kill quarantine violators¹⁸ and has shut down a television network.¹⁹

The best way to manage the threat of pandemics is not for governments to broaden their authoritarian rule. Although there is no relationship between the success or failure of pandemic management and regime type, it is worth emphasizing that governments should not take the easy way out by adopting draconian measures that may weaken their political legitimacy. Perhaps a lesson from South Korea and China can be drawn. The spread of Covid-19 in China not only deepened domestic dissatisfaction with the government but also heightened the vulnerability of the Chinese Communist Party.²⁰ In contrast, South Korea was the first country to hold a nation-wide election, on April 15, amid the pandemic and recorded its highest voter turnout in a legislative election since 1996.²¹ More than 61.2% of South Koreans voted for the Democratic Party of President Moon Jae-in. The election results reflected South Korea's successful Covid-19 response and its citizens' faith in public health measures.

Last but not least, Covid-19 has altered tensions between and among states in the region. On one hand, the virus appears to have promoted warmer relations between some states. The pandemic, for instance, allowed Beijing to leverage its Health Silk Road and "mask diplomacy," which consisted of delivering medical supplies to other countries. Cambodia extended its hand in friendship for help from Beijing, making it the first in the region to secure medical aid from China.²² In late March, China shipped 40 tons of medical equipment to Indonesia,²³ one of the worst-hit nations in the region. China has

¹⁷ Ratcliffe, Rebecca. "Fears as Cambodia Grants PM Vast Powers under Covid-19 Pretext." *The Guardian*. April 10, 2020. <https://www.theguardian.com/world/2020/apr/10/fears-as-cambodia-grants-hun-sen-vast-power-under-covid-19-pretext>.

¹⁸ Billing, Lynzy. "Duterte's Response to the Coronavirus: 'Shoot Them Dead'." *Foreign Policy*. April 16, 2020. <https://foreignpolicy.com/2020/04/16/duterte-philippines-coronavirus-response-shoot-them-dead/>.

¹⁹ Gutierrez, Jason. "Duterte's Shutdown of TV Network Leaves Void Amid Coronavirus Crisis." *The New York Times*. May 14, 2020. <https://www.nytimes.com/2020/05/14/world/asia/duterte-philippines-tv-network-ABS-CBN.html>.

²⁰ Pei, Minxin. "China's Coming Upheaval." *Foreign Affairs*. May/June 2020. <https://www.foreignaffairs.com/articles/united-states/2020-04-03/chinas-coming-upheaval>.

²¹ Kim, Dongwoo. "Democracy in the Time of COVID-19: South Korea's Legislative Election." *Asia Pacific Foundation of Canada*. April 23, 2020. <https://www.asiapacific.ca/publication/democracy-time-covid-19-south-koreas-legislative-election>.

²² Southern, Nathan Paul, and Lindsey Kennedy. "Hun Sen's Coronavirus Crackdown." *Foreign Policy*. April 23, 2020. <https://foreignpolicy.com/2020/04/23/hun-sen-coronavirus-pandemic-crackdown-cambodia-authoritarianism/>.

²³ Massola, James. "China's Face-mask Diplomacy Could Reshape Power in South-east Asia." *The Sydney Morning Herald*. April 3, 2020. <https://www.smh.com.au/world/asia/china-s-face-mask-diplomacy-could-reshape-power-in-south-east-asia-20200402-p54gkv.html>.

also pushed its mask diplomacy in the Philippines. In early April, Beijing dispatched a team of medical experts to Manila to assist and advise the Philippines in its efforts to curb the spread of the virus.²⁴ President Rodrigo Duterte has counted on his “friendship” with China in securing a cure for the disease.²⁵ On the other hand, some governments in the region have viewed China’s assistance with suspicion, regarding such aid as a form of soft power to expand Chinese influence in the region.

Moreover, Covid-19 has created tensions between some states in the region. In spite of the recent rapprochement between China and the Philippines, tensions in the South China Sea remain. China’s recent moves in the area have been called into question. In April, a near naval encounter led Manila to file a diplomatic protest against China, citing violations of international law and Philippine sovereignty.²⁶ Two days later, the Chinese embassy in Manila released a music video dedicated to frontline health workers. Rather than encouraging warmer China-Philippines relations, the video provoked domestic anger among the Filipino public because of the song’s indirect reference to the South China Sea. Evidently, the China-Philippines rapprochement did not seem to make them feel that their country’s interests were protected. On June 2, “in light of political and other developments in the region,”²⁷ the government in Manila stated that it would reverse an earlier decision to end its Visiting Forces Agreement with the United States, China’s principal strategic rival, and renewed it instead

Sino-U.S. relations have also worsened since the outbreak of Covid-19. Although over the last decade, the U.S. and China have been rivals seeking to increase their influence in Southeast Asia, the pandemic has made their rivalry more intense. Beijing has not reduced its activities in the contested area. On May 16, for instance, China held a battle simulation/island seizure simulation in the South China Sea. This move prompted fears of a new Cold War, as U.S. navy ships, soon after entered the area to counter Chinese assertiveness.

Covid-19 also has had a negative impact on relations between Japan, a U.S. security ally, and China. Although Prime Minister Shinzo Abe refrained from openly blaming Beijing

²⁴ "China's Medical Expert Team Arrives in Philippines to Help Fight COVID-19." XinhuaNet. April 5, 2020. http://www.xinhuanet.com/english/2020-04/05/c_138949480.htm.

²⁵ Merez, Arianne. "Philippines Hopes It Will Be Prioritized by China on COVID-19 Cure." ABS-CBN News. April 16, 2020. <https://news.abs-cbn.com/news/04/16/20/philippines-hopes-it-will-be-prioritized-by-china-on-covid-19-cure>.

²⁶ Gomez, Jim. "Philippines Protests China's Sea Claim, Weapon Pointing." ABC News. April 22, 2020. <https://abcnews.go.com/International/wireStory/philippines-protests-chinas-sea-claim-weapon-pointing-70286561>.

²⁷ Locsin, Teddy Jr. (@teddyboyllocsin). 2020. "I issued this diplomatic note to the US ambassador. It has been received by Washington and well at that. The Note is self-explanatory and does not require comment except from me. The abrogation of the Visiting Forces Agreement has been suspended upon the President's instruction." Twitter, June 2, 2020, 7:55 AM. <https://twitter.com/teddyboyllocsin/status/1267786798731628545>

for the virus, his government joined the U.S.-led anti-China balancing effort. In April 2020, Japan passed a defense budget of USD 46.3 billion, the largest since the end of World War II.²⁸ Defense-related spending has been aimed at shielding Japan against the threat of North Korea, but Japanese military insiders believe that the new hike in defense spending is also directed at China.

In short, pandemics have the potential to cause human, social, national and regional insecurity, especially when governments take draconian action to mitigate their harmful effects. If ineffectively managed, pandemics can kill untold numbers of people (including health professionals and members of armed forces), create social chaos or unrest, weaken political legitimacy (thus destabilizing political regimes), cause conflict among states (when the balance of power shifts), and even determine outcomes of war. Governments, not least in Southeast Asia, therefore, should do their utmost to improve healthcare quality but avoid giving the impression that they can use a pandemic to gain geopolitical or strategic advantages.

²⁸ Lintner, Bertil. "Japan Could Carry the Day in a US-China Conflict." Asia Times. May 13, 2020. <https://asiatimes.com/2020/05/japan-could-carry-the-day-in-a-us-china-conflict/>.

POST-COVID-19 OUTLOOK FOR INFRASTRUCTURE AND DEVELOPMENT PROJECTS IN THE GREATER MEKONG SUBREGION?

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Abstract

The aftermath of the Covid-19 pandemic is bound to severely affect investment in infrastructure and development in the Mekong region countries, probably leading to several cancellations or long implementation delays. Since the early 1990s, investments in GMS infrastructure and development projects, both national and cross-border, supported by bilateral and multilateral financial assistance as well as by national governments, have been a striking feature of development in the Greater Mekong Subregion.

Reflecting the region's geopolitical and strategic importance, a large number of regional cooperation initiatives, at least 13, are under implementation, making it a very crowded field. However, coordination among these initiatives has been very weak and in some cases non-existent. With increasingly severe pressure on financial resources for development expenditure due the Covid-19 pandemic, an obvious immediate response would be better coordination between the numerous regional cooperation frameworks to create synergies, improve efficiency and transparency, and save financial resources. It is suggested to first start a joint ACMECS-LMC-GMS coordination mechanism to develop a pipeline of priority potential regional investment projects.

Finally, while enhanced regional cooperation will be important, the governments of each of the Mekong region countries must also show leadership and prioritize infrastructure and development projects. Crucially, they should also implement taxation and other structural reforms to raise additional government revenues and improve their business climates to boost regional development prospects in the post-Covid-19 future.

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The Covid-19 pandemic hit the Mekong subregion¹ from January 2020. It has since created havoc all over the world, requiring complete lockdowns of populations in many countries and resulting in massive economic losses. Fortunately, rapid responses by governments in the Mekong subregion have managed to limit the health impact of Covid-19. This is remarkable. However, the economic impact will be huge as governments had to allocate massive budgetary resources to support the many people who lost their incomes and livelihoods in the emergency phase. In the months to come, struggling businesses will require further government financial support. In view of the massive increases in fiscal deficits and depending on each countries' pre-pandemic financial situation, Covid-19 is bound to significantly affect development expenditures in the Mekong subregion in the coming years. The extent of the impact will depend on the structure of each economy, with countries heavily dependent on tourism, for example, affected most. It is important to also understand that the pandemic came as the world economy was still struggling with structural changes following the 2007-09 financial crisis² and with the background of the intensifying China-U.S. trade war. In addition, the pandemic is seriously affecting the economy of China, a key player in development of the Mekong subregion. This paper provides a short assessment of the impact of Covid-19 on regional infrastructure and development projects, and highlights some of the major geopolitical and economic changes to be expected in the Mekong subregion.

Over the past three decades, the Greater Mekong subregion has experienced remarkable changes with robust economic growth -- in spite of experiencing two major economic crises. From a group of countries largely isolated from each other and from much of the rest of the world, and ravaged by decades of conflicts -- with the notable exception of Thailand -- the so-called GMS has become a vibrant integrated region. New and improved road networks have helped provide economic opportunities for tens of millions of people in rural areas. Expanded and upgraded highways -- the GMS "corridors" -- airports, railways and seaports, have dramatically enhanced physical connectivity internally and with the rest of the world. Market reforms in CLMV³ countries and improvements in their business climate have made the region highly attractive for foreign direct investment. At the same time, the Mekong subregion has hugely benefited from rapid economic growth in China, its direct northern neighbor, from which it was largely isolated before the 1990s.

Since the early 1990s, investment in infrastructure projects, both national and cross-border, supported by bilateral and multilateral financial assistance as well as by national

¹ Defined as the region comprising Cambodia, Lao PDR, Myanmar, Thailand and Vietnam.

² Roubini, Nouriel, The Coming Greater Depression of the 2020s. Stern Research opinion, New York University, available at <https://www.stern.nyu.edu/experience-stern/faculty-research/coming-greater-depression-2020s>

³ Cambodia, Lao PDR, Myanmar, Vietnam

governments, have been one of the most remarkable features in the Mekong subregion. Besides transport infrastructure projects, other areas such as agriculture, tourism, health and communicable diseases, human resources development and education and environment protection have also benefited from large public and private investments. Road transport corridors spanning north to south and east to west totaling over 10,000 km have been built since 1992. About 500 km of railways have been constructed or upgraded, and more are underway. Other transport infrastructure includes cross-border facilities, inland container terminals and river and port infrastructure. Transport and trade facilitation has also been given high priority. In energy, numerous power generation plants, cross-border grid interconnections and rural and urban connections have been developed. In the information and communication technology area, a regional information superhighway is under development as well as several national broadband networks. E-commerce cooperation and exchanges have been established with strong support from China in particular. Finally, significant investments in urban development and in border economic zones to transform transport corridors into economic corridors have been made or are planned.

A broad perspective of the scale of development projects in the Mekong subregion⁴ is provided in the regional investment frameworks (RIF) prepared under the Asian Development Bank's Greater Mekong Sub-region program.⁵ The latest, the RIF 2022, lists projects between 2014 and 2022, although some earlier large and lengthy projects are also listed, such as the Dali-Ruili railway project going from China's Yunnan province to the Myanmar border, which started in 2006. The list includes projects financed by national governments (70 percent or US\$26 billion), the ADB (18 percent or US\$7 billion), bilateral development partners (6 percent or US\$2.4 billion) and the private sector (6 percent or US\$2.5 billion). All the projects, estimated at a total of US\$66 billion, are linked to Mekong regional integration. While a few large development projects are unlisted, this otherwise quite comprehensive list represents the bulk of budget allocations for development projects in most of the GMS countries except for China, Thailand, and to some extent Vietnam. In China, only regional projects relating to cross-border connectivity in Yunnan province and Guangxi are accounted for. For Thailand, the high-speed railway line from Bangkok to Nong Khai on the Lao border, which is under discussion between Thailand and China, is not included in the pipeline. Some other railway and road projects in Thailand are also not included. As of March 2018, financing had been identified for 59 percent of the RIF 2022 projects. The pipeline is indicative of the broad priorities of the Mekong region governments.

Not surprisingly transport projects represent most of the expenditure at about US\$55.7 billion. Within this, railways account for 62% or US\$35 billion of the total because of

⁴ Including the Yunnan province and the Guangxi Zhuang Autonomous Region of PRC (Guangxi ZAR).

⁵ ADB, GMS Regional Investment Framework 2022, available at <https://greatermekong.org/gms-regional-investment-framework-2022>

their greenfield nature and extensive civil works. Under bilateral assistance, China finances the Boten-Vientiane railway in Lao PDR for a total investment estimated at US\$5.8 billion. It also finances the Daili-Ruili domestic railway line section, eventually connecting to Myanmar and Mandalay via Muse, for US\$3.9 billion. Thailand has various new lines under consideration in addition to existing line improvements, for a total investment of US\$7.4 billion, included in the pipeline. The more recent ADB GMS Transport Sector Strategy 2030⁶ approved in November 2018 by the Mekong governments including China estimates that a total of 68 projects valued at US\$32.5 billion should start implementation in 2020. Of these, 42 projects valued at US\$28.6 billion are in the transport sector, of which railways account for 64 percent.

Impact of Covid-19

The outbreak of the Covid-19 pandemic in early 2020 is bound to severely affect the development projects described above, and could lead to several cancellations or long implementation delays. The economies of the Mekong subregion are all highly dependent on external trade, international tourism, and foreign direct investment. They also have close links with the Chinese economy. The Covid-19 pandemic and its huge impact on the world economy will disproportionately affected the Mekong countries, with growth rates projected to fall sharply in 2020 and most likely remaining very weak at least through 2021.⁷ A V-shaped recovery is increasingly viewed as unlikely, and a prolonged L-shaped depression has been projected by a number of economists.⁸ Slow growth and in many cases negative growth in 2020, combined with the implementation of large stabilization and stimulus packages to support the most affected populations and businesses is leading to large increases in fiscal deficits and surging public sector debt. At the same time and importantly, loss of income for many households and companies means that private-sector debt has also been increasing rapidly, further depressing future consumption spending and investment.

What are some of the post-Covid-19 options to sustain investment and restore stable growth for the Mekong countries?

To benefit from wider regional links and cooperation, it is essential for the Mekong subregion to continue raising its competitiveness. In supporting improved competitiveness, regional cooperation initiatives have been playing a major role in the financing of development projects starting with the ADB-initiated GMS program in

⁶ ADB, Transport Sector Strategy 2030, available at <https://www.adb.org/documents/gms-transport-sector-strategy-2030>

⁷ World Bank, East Asia and the Pacific in Time of Covid-19 -regional Economic Update- April 2020, available at <https://www.worldbank.org/en/region/eap/publication/east-asia-pacific-economic-update>

⁸ Roubini, Nouriel, The Coming Greater Depression of the 2020s. Stern Research opinion, New York University, available at <https://www.stern.nyu.edu/experience-stern/faculty-research/coming-greater-depression-2020s>

1992. Reflecting the geopolitical and strategic importance of the Mekong subregion, a large number of regional cooperation initiatives -- 13 initiatives -- are under implementation, making it a very crowded field.⁹ However, coordination among these initiatives has been weak and in some cases non-existent.¹⁰ Excluding the Mekong River Commission (MRC) and the ASEAN-sponsored Initiative for ASEAN Integration (IAI), nearly all Mekong regional cooperation initiatives include connectivity, communications and ICT, energy, agriculture, tourism, trade and investment, education, and environment and climate change in their sector priorities, all of which are key areas making the region highly attractive to foreign direct investment and supporting domestic national investment.

The Covid-19 pandemic will put enormous pressure not only on the budgets of the Mekong countries but also on those of development partners. Over the next few years and possibly over the next decade -- financial resources for development expenditures will be far more limited. For the Mekong subregion, an obvious immediate response would be better coordination between the numerous regional cooperation frameworks to create synergies and improve efficiency and transparency. Much has been written about these issues¹¹ but few concrete actions have so far been pursued. Modest progress was made at the 8th ACMECS (Ayeyawady - Chao Phraya - Mekong Economic Cooperation Strategy) Summit held in Bangkok in June 2018.¹² There, international financial institutions such as AIIB and ADB as well as many development partners were invited to the opening of the summit and to the related CEO Forum.

Recent research by the Mekong Institute¹³ suggested that one initiative could be to progressively build a joint ACMECS-LMC-GMS coordination mechanism to develop a pipeline of potential regional investment projects, replacing the GMS framework. LMC and GMS have the same membership while ACMECS is “central” to the Mekong subregion and covers most areas of cooperation. Its membership also links it to ASEAN. To fast track coordination under this proposal, an ACMECS-LMC-GMS joint working group to review sub-regional cooperation frameworks might be set up, reporting to a senior-level institutional mechanism. Indeed, Mekong regional cooperation

⁹ Zawacki, Benjamin, *Implications of a Crowded Field: Sub-Regional architecture in ACMECS Member States*, The Asia Foundation, San Francisco, CA. USA, August 2019

¹⁰ Nguyen Vu Tung and Le Trung Kien, *Closer Coordination would aid multilateralism in the Mekong Subregion*, *Journal of Mekong Studies*, Vol.02, Issue 01, February 2020; Kavi Chongkittavorn, *Mekong Region: Indefinite Endgame Among Major Powers*, *Journal of Mekong Studies*, Vol 01, June 2019.

¹¹ Kavi Chongkittavorn, *Op. Cit.*

¹² ‘Ministry of Foreign Affairs of the Kingdom of Thailand’ Declaration of the 8th ACMECS Summit; June 2019, available at <http://www.mfa.go.th/main/en/news3/6886/90570-BANGKOK-DECLARATION-OF-THE-8TH-AYEYAWADY-%E2%80%93-CHAO-PH.html>

¹³ Mekong Institute, *Regional Cooperation Mechanism on Priority Areas under the Mekong Lancang Cooperation Framework*, Unpublished, Khon Kaen, Thailand, January 2020.

mechanisms, with their potential to enhance coordination and complementarity, should be the “new post-Covid-19 normal.”

Established only four years ago (ironically the March 2020 third LMC Summit was canceled due to Covid-19) the Lancang-Mekong Cooperation program initiated by China has proceeded at a rapid pace, although there are significant concerns about lack of transparency in its implementation and its future direction. In contrast to earlier sub-regional cooperation initiatives focusing mainly on infrastructure and economic development, the LMC is a much broader initiative under three main pillars: (i) political and security issues; (ii) economic and sustainable development; and (iii) social, cultural and people-to-people exchanges, mirroring the three pillars of the ASEAN Community Vision 2025.¹⁴ Furthermore, the second pillar focuses in an interim phase (2018-19) on five priority areas: (i) connectivity; (ii) production capacity; (iii) cross-border economic cooperation; (iv) water resources; and (v) agriculture and poverty reduction.¹⁵

From 2020 onwards, the priority areas will be expanded under a 5+x formula. Official documents adopted by LMC leaders and foreign ministers clearly state that LMC will “complement and develop in synergy with the existing sub-regional cooperation mechanisms.”¹⁶ The Phnom Penh Declaration¹⁷ summarizes well the ambition of the LMC initiative under the economic and sustainable development cooperation pillar as “enhancing hard and soft infrastructure connectivity and facilities, deepening industrial restructuring and urbanization, unimpeded trade, financial integration, information and communication technology, science, technology and innovation, environment, energy, and better cooperation between the government and the private sector.” A Five-year Plan of Action for LMC (2018-22) has been approved, supported initially by a US\$300 million LMC fund. Although the link with LMC is not clear, China appears to have committed concessional loans for US\$1.6 billion and credits totaling US\$10 billion. In addition, LMC will seek to leverage existing financial mechanisms offered by the AIIB, ADB, World Bank and the Silk Road Fund.¹⁸ One question, however, is the lack of clarity about the relationship between China’s LMC and BRI initiatives. For instance, the LMC Economic Corridor is mentioned in several documents without specifying the content and location.

¹⁴ ASEAN, ASEAN Community Vision 2025, ASEAN, available at <https://www.asean.org/wp-content/uploads/images/2015/November/aec-page/ASEAN-Community-Vision-2025.pdf>

¹⁵ Mekong Institute, Regional Cooperation Mechanism on Priority Areas under the Mekong-Lancang Cooperation Framework, Unpublished, Khon Kaen, Thailand, January 2020

¹⁶ The Sanya declaration of the First Lancang-Mekong Leaders’ Meeting, March 2016, available at http://www.china.org.cn/china/Off_the_Wire/2016-03/23/content_38096975.htm

¹⁷ The Phnom Penh Declaration of the Second Lancang-Mekong Cooperation Leaders’ Meeting, January 2018, available at <https://pressocm.gov.kh/en/archives/21699>

¹⁸ Phnom Penh Declaration, Op. Cit.

Obviously, for political, strategic and economic reasons, China attaches great importance to the Mekong subregion. The ambitious LMC has largely replaced the web of bilateral relationships China maintained with the Mekong countries, although bilateral relations remain important, as shown by its large financial commitments to flagship projects. The main projects are: (i) in Cambodia, the Phnom Penh-Sihanoukville Expressway; (ii) in Lao PDR, the Boten-Vientiane railway; and (iii) in Myanmar, the China-Myanmar Economic Corridor (CMEC), the Kyaukphyu Special Economic Zone and deep sea port, and possibly a Muse-Mandalay railway under study connecting to China. On the border with Vietnam, large border economic zones are being developed on the Chinese side of the border in Hekou (Yunnan province), Pingxiang and Dongxing (Guangxi Zhuang AR). In China, these zones are connected to the rest of the country through large highways and high-speed railway lines.

What Next for China's LMC?

China had planned to scale up its LMC plans at the Third LMC Leaders' Summit in March 2020, and in the process create the most comprehensive regional cooperation program in the Mekong region. Under current thinking, the delay is only a small setback. In fact, the Covid-19 pandemic is providing China with a unique opportunity to considerably strengthen its economic and political relations with the Mekong subregion, and perhaps through this, its relationship with ASEAN as a whole. This changing regional balance of power should also be seen in the context of deteriorating Sino-U.S. relations on both the trade and political fronts. Further, the pandemic will also have a huge impact on how value chains are viewed and operated -- not least, the aftermath is likely to accelerate "reshoring" of some manufacturing activities to the US, Canada, Mexico and some EU countries. There were already signs of such changes before the pandemic, amid progress on the "fourth industrial revolution." In short, as Narongchai Akrasanee observed, "globalization will increasingly move towards regionalization."¹⁹

For China and the Mekong subregion countries, the post-Covid-19 period offers a unique opportunity to significantly deepen their cooperation in the three pillars of the LMC, with LMC possibly becoming the overarching regional cooperation framework. China appears likely to become the first economy to return to a "new" normal, and direct contacts at senior political level with Mekong leaders are likely to resume as early as the third quarter of 2020. Other non-regional players in Mekong cooperation are recovering more slowly from Covid-19, and will face significant budget constraints, most likely affecting funding for Mekong regional cooperation. In contrast, China is likely to remain strongly committed to the sub-regional framework for both strategic and economic reasons. Its development funding for the region might even increase as the region's economies "integrate" further.

¹⁹ Akrasanee, Narongchai, Pandemic: "Globalization will become regionalization", USC Marshall Business Class podcast, May 22, 2020.

China also has the technological capabilities to support Mekong subregion countries in addressing the challenges of the Fourth Industrial Revolution.²⁰ Through the Mekong subregion, it can support ASEAN's "Vision 2040" plan for the "digital and fourth industrial revolution and ASEAN economic transformation."²¹ At China's CCP Politburo Standing Committee meeting on March 4, 2020, a "New Infrastructure Initiative" was launched to offset the economic impact of the Covid-19 pandemic and to boost sustainable growth. It targets projects to facilitate innovation and social development such as artificial intelligence, 5G networks, blockchain technology and the industrial internet. Investment for this initiative is estimated at about US\$14.2 billion but is part of China's planned US\$2.4 trillion investment effort in public-private projects."²² If realized, the Mekong subregion could also benefit from these very large innovation and digitalization investments. Finally, while transport connectivity is a key area of support under LMC, enhancing production capacity is also one of LMC's priorities – in fact, LMC is the only Mekong cooperation initiative that includes "production capacity" in its priorities. This is a complex area of cooperation and appears to deal with interconnected economic zones and industrial parks. However, the draft action plan on production capacity suggests a very top-down approach which needs further clarification. The inclusion of the production capacity priority in LMC clearly indicates China's aim to eventually integrate its economy with that of the Mekong subregion countries.

This study has emphasized the importance of Mekong regional cooperation initiatives in financing post-Covid-19 infrastructure and development projects in the GMS region. Given the large financial resources that all countries, including those in the GMS, have had to allocate just to mitigate the immediate impact of Covid-19 on populations and businesses, available funding for development projects over the next few years will be scarce, and the efficiency of ongoing regional cooperation programs will need to be substantially improved. An obvious way to do this is to more closely coordinate programs in order to create greater synergies and better use existing resources. A good place to start is to promote coordination between the three main regional cooperation mechanisms -- namely ACMECS, GMS and LMC. Other major changes partly linked to Covid-19, namely the likely post-Covid-19 reevaluation of global-value chain dynamics, and the steady deterioration of Sino-US relations, combined with start of the Fourth Industrial Revolution, suggest that in a post-Covid-19 world, China will expand in a major way its interactions and integration with the Mekong subregion.

²⁰ ADB, ASEAN 4.0: What does the Fourth Industrial Revolution Mean for Regional Integration, available at <https://www.adb.org/publications/asean-fourth-industrial-revolution-regional-economic-integration>

²¹ ERIA, Asia Vision 2040: Towards a Bolder and Stronger ASEAN Community, Jakarta, March 2019, available at https://www.eria.org/uploads/media/0.AV2040_VOL1.pdf

²² Coco Liu, Lauly Li and Cheng Ting-Fang and Kenji Kawase, China has laid out an ambitious plan for high-tech infrastructure in hopes that it will help kickstart the economy, available at <https://asia.nikkei.com/Business/China-tech/China-bets-on-2tn-high-tech-infrastructure-plan-to-spark-economy>

Through its BRI and LMC mechanisms, China is likely to provide major additional support to infrastructure improvement and development in the Mekong subregion. While enhanced regional cooperation will be important, the governments of each of the Mekong countries will also have to show leadership and play key roles in prioritizing infrastructure and development projects. In addition, rising public debt and tight budgetary situations in all the Mekong countries will require reforms to mobilize additional tax resources and attract private sector investment. The post-Covid-19 period provides a unique opportunity for tax reforms, addressing inequalities, reducing the power of monopolies and oligopolies, and raising taxes on land, properties and other areas not yet or little taxed. Ultimately, a significant review of government policies and regulations among GMS countries will be crucial in the post-Covid-19 period to sustain the pace and quality of development in the region.

HOW ASEAN CAN BEST ADDRESS THE IMPACTS OF COVID-19

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Abstract

Covid-19 has resulted in unprecedented costs for ASEAN and the world in terms of human lives and economic growth. This essay will discuss ASEAN's role and relevance in helping the region cope. While the key actors responding to the pandemic are national governments, ASEAN has several critical functions to fulfil. The organization has enabled timely exchanges of information and best practices among its members through existing cooperative mechanisms to establish a baseline for national initiatives. The pandemic presents an opportunity for ASEAN to strengthen regional economic integration by removing trade barriers, especially for essential items and medical supplies.

ASEAN needs to play a balancing role in ensuring that the rival great powers of China and the U.S. do not exploit the pandemic to undermine the group's strategic autonomy. Moving forward, ASEAN's next steps and priorities should include helping the region reopen in a safe and sustainable manner and ensuring that vulnerable and marginalized communities receive attention and protection and are treated with dignity. ASEAN's roles in facilitating dialogue, exchanges and cooperation amongst its member states; holding the region to its economic commitments; maintaining the region's strategic position; and reminding member states of their moral obligations, must not be understated. These are ever more important in the time of Covid-19.

Given the interconnectedness of the region, ASEAN must respond with a coherent, multi-sectoral and multi-stakeholder approach between member states. If this is done, the pandemic of Covid-19 can surely prove to be a pivotal point of growth for ASEAN integration and solidarity.

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The Covid-19 pandemic has resulted in unprecedented costs not only to public health, but also to the global economy. Southeast Asia has not been spared, although responses to the outbreak vary across the region. While some governments took precautions at an early stage, others played down the crisis for fear of economic repercussions. Nonetheless, as the outbreak worsened, most governments across ASEAN eventually restricted movement and economic activity and ordered a “lockdown” with travel bans, work-from-home arrangements, safe distancing measures and other restrictions. With some levelling in the number of infections and amid concerns with increasing economic impacts, most ASEAN governments started to ease restrictions by early June, with plans to embrace a “new normal.”

This essay puts forth ways in which ASEAN may best involve itself and assist its members to address the impacts of Covid-19. The primary respondents to the pandemic have been national governments and we believe this will remain the case going forward. However, ASEAN can best respond with four complementary functions: (1) to maintain baseline efforts by governments; (2) defend and deepen regional economic integration; (3) help ensure strategic balance and regional autonomy; and (4) recognize the importance of social protection. We will discuss each of these functions below, starting with current efforts and then suggesting next steps.

Maintain baseline efforts amongst governments

ASEAN does not have the mandate to compel its members to take specific actions in response to the pandemic, but the regional group can guide national governments toward formulating a baseline of effective and prudent action plans. By forging platforms for information sharing and dialogue, ASEAN can help the region coordinate policies based on a common framework.

The effort thus far in enabling timely exchange of information and best practices among its members can be seen through various regional mechanisms. One example is the ASEAN Emergency Operations Centre for Public Health (ASEAN EOC),¹ led by Malaysia. The ASEAN EOC provides public health officials across the region with daily updates of new cases in each state and the measures taken by national governments in response. With access to information on each individual state’s national circumstances, member states are able to learn from the successes and mistakes of their neighbors and lend a helping hand when the need arises.²

¹ “ASEAN Health Sector Efforts in the Prevention, Detection and Response to Coronavirus Disease 2019 (COVID-19),” Home, ASEAN, February 13, 2020 (accessible at: https://asean.org/?static_post=updates-asean-health-sector-efforts-combat-novel-coronavirus-covid-19)

² Other noteworthy cooperative mechanisms include the ASEAN BioDiaspora Virtual Centre led by Philippines, the Regional Public Health Laboratories Network led by Thailand, the ASEAN+3 Field Epidemiological Training Network, the ASEAN Risk Assessment and Risk Communication Centre and more.

ASEAN has also been proactive in coordinating meetings between its members regularly and at critical junctures and should continue to do so. On top of ministerial meetings, ASEAN held a virtual Special ASEAN Summit on April 14, 2020. The Summit endorsed several collective steps to fight the pandemic, including the establishment of a Covid-19 ASEAN Response Fund which health ministries of member states will be able to tap to procure medical supplies and equipment for frontline workers.³

On the same day, ASEAN also coordinated a Special ASEAN+3 Summit, where leaders of ASEAN member states plus China, Japan and South Korea discussed measures to enhance national and regional healthcare capacities, medical supplies and equipment. ASEAN has also convened dialogues with its external partners, such as the World Health Organization (WHO), the European Union (EU), the U.S. and Northeast Asian countries. These have helped member states draw on international expertise to fine-tune not only their individual national responses but also a regional response to the pandemic.

Next steps

As restrictions and lockdowns ease, ASEAN can do more to promote communication and cooperation, especially on testing and contact tracing capabilities. This may be in the form of encouraging donations of reliable test kits to member states facing shortages, as Singapore⁴ and Vietnam⁵ have done. ASEAN can also facilitate information-sharing on contact tracing techniques. Countries with deeper expertise should help those who are less-equipped. For example, Singapore could share how its mobile application, “*TraceTogether*,”⁶ is envisioned to assist officials in conducting contact tracing domestically. Working together, members in the short-term may even be able to develop a similar application that can assist in regional contact tracing. This would make a case for the lifting of travel bans.

At present, levels of testing across the region differ greatly – with Singapore having tested 69,867 per million people as of June 3 and Myanmar on the other end of the spectrum, having only tested 520 per million people.⁷ An accurate assessment of

³ Dian Septiari, “Leaders support establishment of ASEAN COVID-19 response fund,” The Jakarta Post, April 14, 2020 (accessible at: <https://www.thejakartapost.com/seasia/2020/04/14/leaders-support-establishment-of-asean-covid-19-response-fund.html>)

⁴ Jean Lau, “Singapore sends coronavirus test kits to the Philippines,” The Straits Times, March 24, 2020 (accessible at: <https://www.straitstimes.com/singapore/health/singapore-sends-coronavirus-test-kits-to-the-philippines>)

⁵ Minh Phuog, “500 Vietnamese-manufactured COVID-19 test kits arrived in Indonesia,” Vietnam Times, April 8, 2020 (accessible at: <https://vietnamtimes.org.vn/500-vietnamese-manufactured-covid-19-test-kits-arrived-in-indonesia-19257.html>)

⁶ For more information, see <https://www.tracetogogether.gov.sg/>

⁷ “Reported Cases and Deaths by Country, Territory or Conveyance,” Worldometer, as of June 3, 2020 (accessible at: <https://www.worldometers.info/coronavirus/>)

infection levels and transmission rates, alongside more efficient contact tracing techniques can not only prevent a second outbreak, but also increase trust. With higher confidence in their neighbors' abilities to contain the outbreak, member states will be more willing to ease travel restrictions and form travel "bubbles" to restart cross-border movement of people. The resumption of travel will facilitate labor supply and essential business meetings, and can also restart tourism, which is a key economic driver in many countries of the region.

Defend and deepen regional economic integration

Covid-19 has brought disruptions to supply chains and cross-border flows of essential goods, people and services. The World Trade Organization has predicted that world trade will plummet between 13% and 32% in 2020 as a result of the pandemic.⁸ ASEAN has a key role to play in reiterating to its members the importance of maintaining their productive capacity and supporting a rules-based international trading system. Consistent flow of food and medical supplies is essential to ensure the region's wellbeing. More broadly, keeping markets open and supply chains moving will be key to maintaining external and internal confidence in the region as a trade and investment hub.⁹

Even before Covid-19, ASEAN had taken strides towards greater connectedness, trade resilience and competitiveness with the ASEAN Economic Community (AEC) Blueprint, formed in 2015.¹⁰ Reducing barriers to trade such as tariffs and other non-tariff barriers have resulted in a rapid increase in trade flows between member states and the world. ASEAN's efforts towards promoting itself as Single Window and an integrated supply base have also reaped results as evidenced in recent years by an increase in foreign investment into the region. By 2018, ASEAN's combined gross domestic product (GDP) stood at US\$3 trillion, making it the fifth-largest economy in the world.¹¹

It is commendable that despite the pandemic, members' commitment to economic integration has not seen major backsliding. Supply chains have largely been kept open, both within ASEAN and with some of its key partners. New initiatives have also been

⁸ "Trade set to plunge as COVID-19 pandemic upends global economy," Press Release, World Trade Organisation, April 8, 2020 (accessible at: https://www.wto.org/english/news_e/pres20_e/pr855_e.htm)

⁹ Tan Hsien-Li, "From SARs to COVID-19: Reflections on ASEAN's collective response to public health crises," The Business Times, June 1, 2020 (accessible at: <https://www.businesstimes.com.sg/asean-business/from-sars-to-covid-19-reflections-on-asean%E2%80%99s-collective-response-to-public-health>)

¹⁰ At the 27th ASEAN Summit in 2015, ASEAN leaders endorsed the ASEAN Community Vision 2025, a roadmap which articulates ASEAN political, economic and socio-cultural goals. The ASEAN Economic Community (AEC) Blueprint 2025 outlines ASEAN's economic aspirations. The ASEAN Secretariat, "ASEAN Economic Community Blueprint 2025," ASEAN, 2015 (accessible at: https://www.asean.org/storage/2016/03/AECBP_2025r_FINAL.pdf)

¹¹ The ASEAN Secretariat, "ASEAN Key Figures 2019," ASEAN, 2019 (accessible at: https://www.aseanstats.org/wp-content/uploads/2019/11/ASEAN_Key_Figures_2019.pdf)

taken. Singapore and New Zealand have agreed to a trade pact to ensure the continued flow of essential items through seaports and airports. Seven other countries followed, including Brunei, Laos and Myanmar from ASEAN, and pledged their commitment to keep supply chains for essential products working.¹²

This comes on top of a similar statement by the trade ministers of the Asia-Pacific Economic Cooperation (seven ASEAN member states are also APEC members). Aware that emergency measures might be enacted in a crisis, they have emphasized that such measures must be “targeted, proportionate, transparent [and] temporary,” especially for food, medical supplies and other essentials.¹³

Next steps

The disruption of the pandemic should also be seen as an opportunity for ASEAN to strengthen its commitment to economic integration and fortify trade flows. The group is undertaking a Mid-Term Review of its plans for closer integration by 2025. ASEAN should step up efforts to remove any barriers and obstacles to trade. This is especially needed for essential items, medical supplies and their intermediate materials. In doing so, the needs of smaller and more import-dependent states should be recognized and protected, and where an exporting state may face a shortage of essentials domestically, an arrangement should be brokered for equitable sharing and win-win outcomes. Further efforts can also be made to increase the pool of essential resources regionally. This may be through joint sourcing or joint production by two or more member states. Additionally, governments can also endeavor to collaborate with the private sector, which may be incentivized to repurpose their production lines.¹⁴

Where lockdowns and safe-distancing measures have pushed small and medium enterprises in ASEAN member states towards online transactions in order to remain in business, ASEAN should also continue to encourage its members to wholly embrace digital commerce so as to unlock a wider consumer base both during the pandemic and in the long-run. To tap this potential, ASEAN must work on addressing the digital divide across and within member states, in terms of infrastructure, skills, and also in terms of rules and regulations concerning digital privacy, security and ethics.¹⁵ The

¹² Lena Loke, “New Zealand sends first batch of essential supplies to Singapore, as part of pact to keep trade flowing amid Covid-19,” Today Online, April 22, 2020 (accessible at: <https://www.todayonline.com/singapore/new-zealand-sends-first-batch-essential-supplies-singapore-part-pact-keep-trade-flowing>).

¹³ “Statement on COVID-19 by APEC Ministers Responsible for Trade,” Meeting Papers, Sectoral Ministerial Meetings, Asia-Pacific Economic Cooperation, May 5, 2020 (accessible at: https://www.apec.org/Meeting-Papers/Sectoral-Ministerial-Meetings/Trade/2020_trade)

¹⁴ “Coronavirus: manufacturing change in the fight against Covid-19,” Out-Law Analysis, Pinsent Masons, March 25, 2020 (accessible at: <http://pinsentmasons.com/out-law/analysis/coronavirus-manufacturing-change-covid-19>)

¹⁵ Lim Hock Joi, “ASEAN solidarity and response in the face of COVID-19,” The Jakarta Post, June 2, 2020 (accessible at: <https://www.thejakartapost.com/academia/2020/06/02/asean-solidarity-and-response-in-the-face-of-covid-19.html>)

digital economy had been highlighted during Singapore's chairmanship of ASEAN and continued to be prioritized under the chairmanships of Thailand and Vietnam.

Help ensure strategic balance and regional autonomy

With Covid-19, tensions between China and the U.S. have intensified. The U.S. has resorted to finger-pointing with President Donald Trump terming Covid-19 the "Chinese virus"¹⁶ and blaming the "incompetence of China" for causing "mass worldwide killing".¹⁷

ASEAN members live in the intersection of the interests of both China and the U.S. and must avoid being caught in the middle and forced to choose between the two.¹⁸ This was already a concern for ASEAN even before the pandemic, and the region must continue to maintain a balance in its relations with both China and the U.S. so that ASEAN can remain united, and collectively reinforce its strategic autonomy. This way, smaller countries need not succumb to the security or economic pressures of either power.

Thus far, in its engagements with both China and the U.S., ASEAN has been able to avoid being permanently on one side or the other. On Feb. 20, 2020, ASEAN met with China's Foreign Minister in a Special ASEAN-China Foreign Ministers Meeting in Laos to discuss the impacts of Covid-19.¹⁹ ASEAN later engaged with China again in April, but it did so at a Special ASEAN+3 Summit and managed to frame China's assistance within a broader "plus three" arrangement that includes Japan and South Korea.

On April 23, 2020, ASEAN also convened a virtual meeting with U.S. Secretary of State Mike Pompeo. Notably, while Mr. Pompeo had voiced sharp criticisms against China during the session, ASEAN had managed to remain at some distance from such criticisms and the steer the conversation back to how the U.S. and ASEAN can share knowledge and work together to combat Covid-19.²⁰

¹⁶ "Coronavirus: Trump warns that China could face consequences for outbreak," The Straits Times, April 19, 2020 (accessible at: <https://www.straitstimes.com/asia/east-asia/coronavirus-trump-warns-china-could-face-consequences-for-outbreak>)

¹⁷ "Trump blames China for 'mass worldwide killing'," The Straits Times, May 21, 2020 (accessible at: <https://www.straitstimes.com/world/united-states/trump-blames-china-for-mass-worldwide-killing>)

¹⁸ Lee Hsien Loong, "The Endangered Asian Century: America, China and the Perils of Confrontation," Foreign Affairs, June 4, 2020 (accessible at: <https://www.foreignaffairs.com/articles/asia/2020-06-04/lee-hsien-loong-endangered-asian-century>)

¹⁹ Tan Hui Yee, "Coronavirus: China, Asean ministers vow to boost cooperation to fight epidemic," The Straits Times, February 20, 2020 (accessible at: <https://www.straitstimes.com/asia/se-asia/coronavirus-china-asean-ministers-vow-to-boost-cooperation-to-fight-epidemic>)

²⁰ Grant Peck, "US blasts China at Southeast Asian meeting on coronavirus," ABC News, April 23, 2020 (accessible at: <https://abcnews.go.com/US/wireStory/us-blasts-china-southeast-asian-meeting-coronavirus-70306609>)

Next steps

As the Sino-American conflict heats up, it is unlikely that they will be able to unite and offer global leadership in dealing with the pandemic and its economic impacts. ASEAN cannot offer global leadership, but it can and should deepen cooperation with key regional partners including Japan, South Korea, Australia and New Zealand. These countries have not only proven effective at managing the pandemic, but also share ASEAN's concerns of balancing relations with China and the U.S. The broad effort would be to offer a plurilateral alternative to regional order. Cooperation should also be increased for inter-regional efforts working with others further away such as the European Union.

In an uncertain global order and with uncertain established leadership, like-minded countries can nonetheless begin to help themselves and each other, and their efforts can form a patchwork of necessary initiatives.²¹

History has shown that ASEAN has the ability to initiate small efforts that in time deliver big impacts. For example, in the early 2000s, when negotiations slowed at the World Trade Organization, the region started its own Free Trade Agreements (FTAs) as a back-up plan. These FTAs have grown, with the Regional Comprehensive Partnership (RCEP) covering almost all major economies in Asia, and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) extending across the Pacific. It is also significant that the earliest bilateral regional trade agreement in 2000 did not involve China or the U.S., but New Zealand and Singapore.²² Chile and Brunei later joined the two countries to launch a Trans-Pacific Strategic Economic Partnership, and this plurilateral initiative later transformed into the CPTPP, which has prevailed despite the retreat of the U.S.²³

Recognize the importance of social protection

There are millions of people in the ASEAN region who are especially vulnerable to the pandemic and its economic impacts, including migrant workers, ethnic minorities, the elderly, people with disabilities and the many who still live in poverty, whether in rural villages or urban settlements. Across the region, instances have arisen during the pandemic that demonstrate how these vulnerable communities require greater recognition and assistance.

²¹ Simon Tay and Jessica Wau, "As the US and China clash, what can other countries do?" South China Morning Post, May 21, 2020 (accessible at: <https://www.scmp.com/week-asia/opinion/article/3085306/what-third-countries-can-do-improve-global-cooperation-amid-us>)

²² Singapore and New Zealand sign upgraded agreement," Press Release, Ministry of Trade and Industry Singapore, May 17, 2019, (accessible at: <https://www.mti.gov.sg/Newsroom/Press-Releases/2019/05/Singapore-and-New-Zealand-sign-upgraded-agreement>)

²³ "Trans-Pacific Strategic Economic Partnerships," Trade, New Zealand Foreign Affairs and Trade (accessible at: <https://www.mfat.govt.nz/en/trade/free-trade-agreements/free-trade-agreements-in-force/p4/>)

In the Philippines, a month-long lockdown for Metro Manila resulted in dozens of slum residents staging protests due to hunger and poverty, having not received food packs and other relief supplies that had been promised by the government.²⁴ In Thailand, the decision for construction work to continue despite the country's lockdown has exposed hundreds of migrant construction workers to heightened risks of Covid-19 transmission.²⁵ In Singapore, a breakout in crowded worker dormitories has resulted in more than 25,000 migrant workers contracting the virus.²⁶ While national governments are now giving these communities more attention, ASEAN should continue to give voice to these special and vulnerable groups in the time of a pandemic.

Next steps

The more immediate need is to ensure that these communities are given protection from and treatment for the pandemic. Testing, accurate information on Covid-19, food and medical supplies must reach them, and extra efforts will be necessary. Where suitable, ASEAN may assist national governments in their efforts and this can be done through its humanitarian mechanisms such as the ASEAN Coordinating Center for Humanitarian Assistance on Disaster Management.²⁷ Funding for these efforts should be considered on a regional level, and the Covid-19 ASEAN Response Fund may be considered as a source of funding. This would be consistent with the calls for ASEAN to respond in a spirit of "solidarity."

There is also a broader effort to be made to recognize the need for social protection. The 2013 ASEAN Declaration on Strengthening Social Protection²⁸ declares that all the region's peoples are entitled to equitable access to "social protection that is a basic human right." The Declaration also defines social protection to include "social welfare and development, social safety-nets, social insurance, social assistance, social services" and calls for governments to "allocate adequate financial resources for social protection".

²⁴ Jason Gutierrez, "'Will we die hungry?' A Teeming Manila Slum Chafes under Lockdown," The New York Times, April 15, 2020 (accessible at: <https://www.nytimes.com/2020/04/15/world/asia/manila-coronavirus-lockdown-slum.html>)

²⁵ Rina Chandran, "Thai coronavirus lockdown leaves migrant workers exposed," Reuters, March 23, 2020 (accessible at: <https://www.reuters.com/article/us-health-coronavirus-construction-thail/thai-coronavirus-lockdown-leaves-migrant-workers-exposed-idUSKBN21A1XW>)

²⁶ Cheryl Tan, "2 pre-school staff, including My First Skool employee, among 614 new coronavirus cases in S'pore," The Straits Times, May 22, 2020 (accessible at: <https://www.straitstimes.com/singapore/614-new-covid-19-cases-in-singapore-taking-total-past-30000>)

²⁷ Beginda Pakpahan, "Asean: Mobilize AHA Centre, all partners for Covid-19," April 20, 2020 (accessible at: <https://www.thejakartapost.com/academia/2020/04/20/asean-mobilize-aha-center-all-partners-for-covid-19.html>)

²⁸ The ASEAN Secretariat, "ASEAN Declaration on Strengthening Social Protection," ASEAN, 2016 (1st Reprint 2018) (accessible at: <https://asean.org/storage/2019/01/26.-November-2018-ASEAN-Declaration-on-Strengthening-Social-Protection-1st-Reprint.pdf>)

While Covid-19's impact on livelihoods has prompted ASEAN members to announce economic stimulus packages and hand-outs to the less-privileged, these are stopgap measures. To make an effective post-pandemic recovery and to be more prepared for future crises, governments must take on long-term commitments and do more. Building upon the Declaration, ASEAN should thus encourage member states to scale up social protection expenditures and broaden the coverage of social protection systems. The current state of social protection in the region is uneven and underdeveloped. Compared to Europe, which spends approximately 25% of its GDP on social protection programs, ASEAN countries spend only an estimated 6%.²⁹ Further, most social protection schemes in the region are in the form of pensions and health insurance, which only cover salaried employees with stable jobs. As such, informal, part-time and migrant workers who make up about 70% of ASEAN's workforce often fall through the cracks.

Where migrant workers are concerned, ASEAN must emphasize that both documented and undocumented migrants need protection. Turning a blind eye to their health, well-being and cramped and unhygienic living conditions is likely to result in a high risk of Covid-19 transmission within these communities, which may also translate into risks to society at large. Their movement across borders also exposes them to increased vulnerabilities from the virus as well as mistreatment.

ASEAN would do well to step up its dialogue on social protection and share lessons across governments in the wake of the pandemic, and as each government tries to restart the economy.

Conclusion

ASEAN is an intergovernmental organization and not a supranational body; the responsibility to contain and effectively manage the pandemic lies with national governments. Nevertheless, when considering how ASEAN can best respond to Covid-19, there are clear ways it has helped and more that it can do. ASEAN's roles in facilitating dialogue, exchanges and cooperation amongst its member states; holding the region to its economic commitments; maintaining the region's strategic position; and reminding member states of their moral obligations must not be understated. These are ever more important in the time of Covid-19. Given the interconnectedness of the region, ASEAN must respond with a coherent, multi-sectoral and multi-stakeholder approach between member states. If this is done, the pandemic of Covid-19 can surely prove to be a pivotal point of growth for ASEAN integration and solidarity.³⁰

²⁹ Lee Chen Chen, "Outbreak exposes weak social protection for poor," Bangkok Post, April 8, 2020 (accessible at: <https://www.bangkokpost.com/opinion/opinion/1895365/outbreak-exposes-weak-social-protection-for-poor>)

³⁰ Tan Hsien-Li, "From SARs to COVID-19: Reflections on ASEAN's collective response to public health crises," The Business Times, June 1, 2020 (accessible at: <https://www.businesstimes.com.sg/asean-business/from-sars-to-covid-19-reflections-on-asean%E2%80%99s-collective-response-to-public-health>)

POST-COVID-19 IMPACT ON THE MEKONG REGION'S MOST VULNERABLE COMMUNITIES

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Abstract

Moving beyond the anecdotal reports that have dominated the discussion of the impacts of Covid-19 on the most vulnerable regions in the Greater Mekong Subregion, this article brings together a diversity of data sources in order to explore how the pandemic has impacted the poorest segments of the subregion's population. Paying particular attention to the impact on workers in the informal economy, migrants, and those beyond the reach of state-based social safety net, the authors' highlight the issues in both GMS and ASEAN coordination, the role of informal networks and the NGO sector in providing support to those who have lost their means of support, and highlight the scale of the impacts on poverty reduction for the subregion as a whole. The article concludes by highlighting the need for fresh agendas for social safety net construction and the fresh urgency that the pandemic has brought to the development of these across the subregion.

One of the many cruel ironies of the Covid-19 pandemic is that among Asia's so-called "Covid-19 winners," countries of the Lower Mekong region also rank among Southeast Asia's biggest economic losers.¹ While these states saw minimal rates of infection and mortality, all five countries (Cambodia, Laos, Myanmar, Thailand, and Vietnam) have suffered severe disruptions due to lockdowns and social distancing measures as well as drastic slowdowns in exports and a near-paralysis of travel and tourism. In some of these countries, factors beyond the pandemic - including, in Thailand, drought and growing public opposition to emergency rule, and, in Cambodia, the imposition of EU sanctions over human rights issues - contributed to the malaise.

Throughout the Mekong region, pandemic-related fallout exposed yawning holes in social safety nets, healthcare systems, fiscal management, and state capacities to

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¹ World Health Organization: WHO Coronavirus Disease (Covid-19) Dashboard (live). https://covid19.who.int/?gclid=CjwKCAjw1K75BRAEEiwAd41h1LAVtbH4li6NGnGIZumULFhiVBRyMoTcXMF0Js0FX9Z2Ztxsaf6m5BoCtoAQAvD_BwE

respond. It also highlighted the region's inherent vulnerability – more than governments foresaw – to external economic factors including disruptions in raw material supply, international trade, transport, and tourism.

While Mekong countries struggled from May onward to reopen their economies and jumpstart business activity, fears of second and third-wave infections underscored the fragility of the situation – highlighted by Vietnam's discovery in July 2020 of a new "Covid-19 cluster" in Danang and subsequent lockdowns.² This development, along with two cases of Covid-19 infection among foreign visitors to Thailand, prompted Bangkok in late July to shelve the planned launch of "travel bubbles" with certain countries and extend restrictions on foreign visitors.³

On the surface, life in urban centers had acquired a semblance of normalcy by August – minus the familiar crowds of tourists that mark the region's more popular destinations. However, the fragile nature of the reopening and the lag effect of lockdown measures underscored growing hardship for the region's most vulnerable communities, particularly the estimated 55-60 percent of workers who rely on the informal economy. Within Asia, the Mekong subregion has a disproportionately high dependence on these hard-hit sectors, and hosts relatively large communities of vulnerable people – informal workers, migrant workers, and populations living below the poverty line.⁴

As the pandemic took hold in Asia, the rapid implementation of lockdown measures outpaced the capacity of most Mekong subregion countries to provide adequate social safety nets or even basic emergency relief for those affected by mass closures of factories, suspension of tourism and transport facilities, and other businesses. Efforts to roll out relief programs were plagued by delays, excessive red tape and uncertain funding.

Even in better times, employment in these vulnerable sectors is dominated by workers who are paid day wages, rely on unsecured contracts, are employed in family-run microenterprises, or who are self-employed, i.e., those considered most at risk. Overall, in ASEAN, 41 percent of the workforce – 133 million workers – earned their living in these hardest hit sectors, while 218 million in total – or nearly two-thirds of all workers in ASEAN relied on the informal economy.⁵

² Onishi, Tomoya, "Vietnam fights new Covid-19 strain with higher infection rate." *Nikkei Asian Review* (Aug. 5, 2020). <https://asia.nikkei.com/Spotlight/Coronavirus/Vietnam-fights-new-COVID-19-strain-with-higher-infection-rate>

³ Setboonsarng, Chayut: "Tourism-reliant Thailand shelves 'travel bubble' plan as Asia virus cases rise." *Reuters* (Aug. 6, 2020) <https://www.reuters.com/article/us-health-coronavirus-thailand-tourism/tourism-reliant-thailand-shelves-travel-bubble-plan-as-asia-virus-cases-rise-idUSKCN2520QM>

⁴ Hutt, David: *Asia Times* (June 20, 2020). <https://asiatimes.com/2020/05/mass-unemployment-the-new-normal-in-se-asia/>

⁵ International Labour Organization: "COVID-19 crisis and the informal economy: Immediate responses and policy challenges"; ILO (May 5, 2020). https://www.ilo.org/global/topics/employment-promotion/informal-economy/publications/WCMS_743623/lang-en/index.htm

Amid continuing fears of a resurgence of Covid-19, and in the absence of an effective vaccination, the region has fallen prey to what some economists termed a “third shock,” subsequent to the US-China trade war and the direct impact of Covid-19 itself.⁶ While Covid-19 itself does not discriminate among its victims in medical terms, in terms of social and economic impact, it has exacted the highest price from the poorest and the powerless. Bearing the brunt in the Mekong subregion, with a population of 243 million in 2018, are tens of millions of people at the bottom rungs of society.⁷

The ‘Third Shock’

Even as the region began emerging from lockdown after June, the “third shock” tightened its hold, exacerbated by dwindling relief measures, including some government subsidies and welfare payments. In Thailand, a three-month emergency program that paid out 5,000 baht (about US \$160) per month to 14.5 million needy people ended on July 31, and the initial outpouring of aid from donors began to dry up, leaving the poor and unemployed with few options. Some turned to the black economy, particularly loan sharks, already an endemic problem among the region’s poor, as reflected in rising household debt levels which in Thailand surpassed 80 percent of GDP (or \$431 billion) in the 2020 first quarter.⁸ In Cambodia, where microfinance debt had already reached precarious levels before the pandemic,⁹ survey work conducted in May 2020 with village chiefs indicated that 44.7% saw an increase in household indebtedness within their communities.¹⁰

In Thailand, between the first and second quarters of 2020, the number of “economically insecure,” defined as those living on less than \$5.50 per day, more than doubled to an estimated 9.7 million people. Two surveys from April and May show that 73.2 percent of households suffered a decline in income since the pandemic took hold, with 39.9 percent of these reporting a drop exceeding 50 percent. Nearly a third of households

⁶ Robinson, Gwen: “World Bank warns of ‘third shock’ after coronavirus and trade war.” *Nikkei Asian Review* (March 31, 2020). <https://asia.nikkei.com/Editor-s-Picks/Interview/World-Bank-warns-of-third-shock-after-coronavirus-and-trade-war2>

⁷ Open Development Mekong: Population and Census. ODM (March 25, 2019). <https://opendevelopmentmekong.net/topics/population-and-censuses/>

⁸ Sriring, Orathai: “Thai first quarter household debt at 80% of GDP, highest in four years.” *Reuters* (July 20, 2020). <https://www.reuters.com/article/us-thailand-economy-household-debt/thai-first-quarter-household-debt-at-80-of-gdp-highest-in-four-years-idUSKBN2481HX>

⁹ Lindsay, Skylar: Cambodian workers owe \$10 billion in microfinance debt as COVID-19 wipes out incomes. *VOA Cambodia* (April 30, 2020). <https://www.aseantoday.com/2020/04/cambodian-workers-owe-10-billion-in-microfinance-debt-as-covid-19-wipes-out-incomes/>

¹⁰ Future Forum and Angkor Research, Covid-19 Economic Impact Study. Headline Results Brief Round 1 Data Collection. May 2020. <https://www.futureforum.asia/publications/> (August 9, 2020)

said the consequent stress was unmanageable, as desperation was reflected in a marked increase in suicides and calls to helplines.¹¹

Throughout the region, the economic picture darkened in the third quarter as already gloomy projections - issued at the height of the lockdowns in the first two quarters - were steadily lowered across a range of indicators. These included estimates by the World Bank in March that 24 million fewer people would escape poverty in Southeast Asia this year as a result of the pandemic and could drive 11 million more people below the poverty line, erasing the hard-earned gains of economic growth since the 1997 Asian Financial Crisis.¹² By August, many regional economists were warning that the number of individuals falling below the poverty line could far exceed those figures.

For ASEAN as a whole, economic forecasts in July and August suggested that annual GDP growth could experience severe contraction¹³, or in the best case scenario, barely reach 1 percent in 2020 (against 4.6 percent in 2019).¹⁴ Within the Mekong subregion, reflecting wide disparities between the five economies, forecasts ranged from expected contractions of 8.5 percent in Thailand and 2.9 percent in Cambodia to growth of 2.8 percent in Vietnam, 0.5 percent in Myanmar and 0.5 percent in Laos.¹⁵

On the labor front, fears of growing job losses also intensified in subregion, underscoring the International Labor Organization's June 30 prognosis of a "considerably larger decline in global working hours in the first half of 2020 than previously estimated." In Southeast Asia, in the second quarter alone, working hours equivalent to 77 million full-time jobs were lost, up from 13 million in the first quarter, collectively equaling a total loss of 90 million jobs, according to the ILO.¹⁶ Similarly,

¹¹ International Crisis Group, Covid-19 and a Possible Political Reckoning in Thailand, IV (B); (Aug. 4, 2020). <https://www.crisisgroup.org/asia/south-east-asia/thailand/309-covid-19-and-possible-political-reckoning-thailand>

¹² World Bank: East Asia and the Pacific in the Time of Covid-19 - Regional Economic Update (March 27, 2020). <https://www.worldbank.org/en/region/eap/publication/east-asia-pacific-economic-update>

¹³ Hayat, Raphie: "How COVID-19 will impact ASEAN: Deep recessions and a weak recovery." Raboresearch (May 19, 2020). <https://economics.rabobank.com/publications/2020/may/impact-covid-19-asean-recessions-and-weak-recovery/>

¹⁴ Vashakmadze, Ekatarine T.: Outlook for East Asia and the Pacific in eight charts. World Bank Blogs (June 12, 2020). <https://blogs.worldbank.org/eastasiapacific/outlook-east-asia-and-pacific-eight-charts-coronavirus-covid19>

¹⁵ Based on projections from various sources including Thailand's Ministry of Finance ((July 30, 2020) <https://www.reuters.com/article/thailand-economy-forecast/update-1-thai-finance-ministry-slashes-2020-gdp-outlook-to-8-5-contraction-idUSL3N2F128F>); regional media and ASEAN data (<https://e.vnexpress.net/news/business/economy/asean-research-agency-sees-3-1-percent-gdp-growth-for-vietnam-4142333.html>)

¹⁶ ILO: Covid-19 and the world of work, pp 6-7. Fifth edition (June 30,2020) https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/briefingnote/wcms_749399.pdf

larger than expected declines in exports, consumer confidence, household debt servicing and other variables suggested further downgrades to forecasts for the remainder of 2020 and well into 2021.¹⁷

In Thailand alone, 7 to 8 million jobs had already been lost by July 2020, according to the country's central bank, a figure that independent economists and business groups warned could rise to 10 million job losses by year's end, or nearly 28 percent of the entire active labor force.¹⁸

In Cambodia, amid the near paralysis of the garment industry (which accounts for nearly 80 percent of the country's exports), forecasts of 1.7 million job losses – nearly 11 percent of the workforce – were also revised down by August. Echoing Thailand's reliance on key services and manufacturing exports, Cambodia's three most affected industries, tourism, garment exports, and construction, contributed more than 70 percent of growth and 39.4 percent of total paid employment in 2019.¹⁹

A survey conducted by the independent think tank Future Forum in partnership with Angkor Research, showed startling statistics about the effects of the pandemic in Cambodia.²⁰ The country's monthly median household income was reported to have dropped by over 50 percent, from around \$1,600 to \$800. Nearly 60 percent of respondents attributed the fall to business/factory closures and loss of working hours. Among households with existing debt, nearly 90 percent reported either reductions, changes, or defaults or delays in payment.

In Vietnam, a total of 30 million people suffered pay cuts or lost work hours while nearly 8 million lost jobs in the first half of 2020.²¹ Collectively, the five Mekong region countries could see one quarter to one third of jobs wiped out by the end of the year – severely cutting into government tax receipts and household consumption after years of steady increases.²²

¹⁷ World Bank: Global Economic Prospects (June 30, 2020). <https://www.worldbank.org/en/publication/global-economic-prospects>

¹⁸ Reuters: Thailand may have lost 7-8 million jobs during lockdown: cenbank. Reuters (July 24, 2020). <https://www.reuters.com/article/thailand-economy/refile-thailand-may-have-lost-7-8-million-jobs-during-lockdown-cenbank-idUSL3N2EV161>

¹⁹ Turton, Shaun: Cambodia avoids coronavirus carnage but faces economic disaster. Nikkei Asian Review (June 3, 2020). <https://asia.nikkei.com/Spotlight/Coronavirus/Cambodia-avoids-coronavirus-carnage-but-faces-economic-disaster>

²⁰ Future Forum and Angkor Research. Covid-19 Economic Impact Study: Headline Results Brief Round 1 Data Collection. May 2020. <https://www.futureforum.asia/publications/> (August 9, 2020).

²¹ Dtinews: Vietnam experiences highest unemployment for a decade due to Covid-19 (July 1, 2020). <http://dtinews.vn/en/news/018/68651/vietnam-faces-highest-unemployment-for-a-decade.html>

Grim as they were, official figures across the region for job losses by mid-year underplayed the real picture, due to the time lag in recording layoffs and the indefinite nature of job suspensions and furloughing. Experts estimated in July that the real number could be double to three times the official calculation of job losses. In addition, many Asian countries define even one hour of work a week as a “part-time” job, categorizing such individuals as “employed.”²³

Economic Mitigation

As pandemic fears spread in April, governments in the subregion moved to implement unprecedented stimulus spending and relief measures. Thailand enacted a fiscal stimulus package worth 1.9 trillion baht (about US \$58 billion) or roughly 12 percent of GDP, but disbursement has been plagued by delays and political in-fighting.²⁴ Among the smaller Mekong subregion governments, policy responses were also relatively rapid, although relief and stimulus packages were much smaller. In emerging and less developed economies around the world, Covid-19-related stimulus packages collectively averaged about 2.3 percent of GDP, reflecting their more constrained fiscal capacity.²⁵ Such emergency spending was broadly structured in the form of subsidies and other support for business and agriculture, as well as stimulus spending on projects and relief payments for the needy. In addition, international financial institutions, bilateral aid agencies, and the various multilateral institutions pledged varying amounts for Covid-19 relief.

While precise details of amounts and allocation of funds are difficult to track in the Mekong region, from government and media reports, much of the spending was aimed at businesses, under the logic that companies must be kept afloat to provide employment and banks should be supported to push out credit and offer moratoriums on debt and interest payments.

Interestingly, in terms of reaching the most vulnerable, massive donations and relief efforts across the region by NGOs, individuals, and broader civil society helped offset

²² Hutt, David, Asia Times (May 29, 2020) <https://asiatimes.com/2020/05/mass-unemployment-the-new-normal-in-se-asia/>

²³ Broadly conceptualized, informal workers tend to be lower-skilled and lower-paid, with less access to finance or social safety nets than those in the formal sector. They often live and work in crowded conditions. On average their incomes are 19 percent to 50 percent lower than formal workers in equivalent jobs and they often have heavy personal debt loads. A survey of Thai workers in June 2020 found that 25 percent of this group had lost their jobs or had been suspended due to lockdown measures, while the 45 percent who kept their jobs had suffered pay cuts. Notably, in a finding echoed throughout the region, the hardest hit group were those with monthly salaries below 16,000 baht (about US \$500).

²⁴ Thai PBSWorld: “14.5 million Thais eligible for the monthly 5,000-baht state subsidy” (May 15, 2020) <https://www.thaipbsworld.com/14-5-million-thais-eligible-for-the-monthly-5000-baht-state-subsidy/>

²⁵ Pragyant Deb et al., “The Economic Effects of COVID-19 Containment Measures”, Covid Economics, Vetted and Real-Time Papers, VoxEU. (May 17, 2020) <https://voxeu.org/article/economic-effects-covid-19-containment-measures>

some glaring shortfalls in government relief measures.²⁶ These included the establishment of food kitchens, informal relief operations, and in Thailand and Myanmar, operations by volunteer health and social workers. It is difficult to calculate the poverty-alleviation value of such efforts. However, initial anecdotal data and media reports indicate that millions of meals, tons of supplies (including protective equipment and personal hygiene products) and welfare support were provided by such groups through lockdown periods. By August, however, the aid flow was drying up along with government emergency cash handouts in countries that implemented such schemes.²⁷ In Cambodia²⁸ and Vietnam²⁹ which implemented modest packages of economic assistance for the needy, systems for registration and delivery of relief aid were slow or in many cases, inaccessible, due to complicated application processes and overly strict criteria. In Myanmar³⁰ and Laos³¹, official relief for the poor was modest to negligible.

At the same time, vulnerable communities throughout the region faced further blows in the form of: sharp falls in remittances from relatives due to job losses in urban centers and abroad; the marked shift to online commerce and “working from home”; and the repatriation of newly unemployed migrant workers whose incomes had supported their families in their home countries. While more advanced economies embraced the shift to tele-commuting and e-commerce, in the Mekong subregion, inadequate or unaffordable internet access and the heightened vulnerability of informal workers to lockdown measures exacerbated the effects of the economic downturn.³²

²⁶ Zahedi, Kaveh and Nguyen, Van: “The New Poor Post-pandemic: Time for Cushioning the Most Vulnerable in Southeast Asia.” IPS News (Aug. 4, 2020) <http://www.ipsnews.net/2020/08/new-poor-post-pandemic-time-cushioning-vulnerable-southeast-asia/>

²⁷ Media reports from around the region, and firsthand interviews by the authors with affected groups from March to August 2020 indicate large numbers of people have been excluded from relief measures due to difficulties in applying, or official rejections.

²⁸ Medina, Ayman Felak, “Cambodia Issues Additional Support for Workers and to Revive Economy.” ASEAN Briefing (Aug. 5, 2020). <https://www.aseanbriefing.com/news/cambodia-issues-additional-support-for-workers-and-to-revive-economy/>

²⁹ KPMG, “Vietnam, Government and institution measures in response to Covid-19.” KPMG (July 22, 2020). <https://home.kpmg/xx/en/home/insights/2020/04/vietnam-government-and-institution-measures-in-response-to-covid.html>

³⁰ Baker McKenzie: “Myanmar: The Covid-19 Economic Relief Plan” (May 18, 2020). <https://globalcompliancenews.com/myanmar-the-covid-19-economic-relief-plan-20200504/>

³¹ KPMG: “Lao PDR, Government and institution measures in response to Covid-19”. (June 17, 2020). <https://home.kpmg/xx/en/home/insights/2020/04/lao-pdr-government-and-institution-measures-in-response-to-covid.html>

³² Brussevich M., Dabla-Norris E. and Khalid Salma: “Who Will Bear the Brunt of Lockdown Policies? Evidence from Tele-workability Measures across Countries.” IMF Working Paper No. 20/88, (June 12, 2020). <https://www.imf.org/en/Publications/WP/Issues/2020/06/12/Who-will-Bear-the-Brunt-of-Lockdown-Policies-Evidence-from-Tele-workability-Measures-Across-49479>

Migrant Workers

Understanding realities for the subregion's most vulnerable requires a closer analysis of migrant workers, who straddle both the informal and formal sectors – particularly in Thailand which has become a central hub. Estimates of the migrant worker population in Thailand ranged well above 3 million in early 2020, with 2.79 million registered, and many more undocumented, primarily from Myanmar, Cambodia, Laos, China, and Malaysia. In addition, undocumented workers could run into the hundreds of thousands, according to NGOs engaged with migrant workers.³³

From March 2020, Thailand's lockdown triggered an exodus of migrant workers, owing both to job losses and panic about their legal status if unemployed. By June, available data on returnees suggested that around 10 percent of registered migrant workers – approximately 280,000 to 300,000 people – had left the country. The NGO Migrant Working Group estimates that among those remaining in Thailand at least 700,000 to 1 million workers had lost their jobs and legal status, including work permits, by July. Many had been laid off or forced to take unpaid leave but due to lag-time in recording job losses, the real numbers were not reflected in Thai government data.

Many who lost their jobs failed to receive any form of redundancy payment, a legal obligation under Thai law, or termination letters from employers, impeding the process of extending visas and work permits. In effect, stranded migrant workers were “left in limbo,” according to one NGO which surveyed over 70 companies in June that had dismissed migrant workers. Only three had compensated the workers while only one had paid those on furlough the required 75 percent of their salaries.³⁴

With the vast majority of Thailand's migrant workers coming from neighboring countries – particularly Myanmar, Cambodia, and Laos – Covid-19 lockdown and travel restrictions had a direct and pervasive effect in the region. Many migrant workers returned from Thailand or neighboring countries to their home villages in the Mekong subregion, adding to a stream of workers from urban areas within these countries returning after layoffs or suspensions. The Future Forum/Angkor Research study previously referenced found that among households continuing to receive remittances from abroad, between January and April there was a reported decline of one third from a median amount of \$150 to \$100.³⁵

³³ International Labour Organization: “COVID-19: Impact on migrant workers and country response in Thailand”; pp 3-4 (July 3, 2020) https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---sro-bangkok/documents/briefingnote/wcms_741920.pdf

³⁴ Boonlert, Thana. Bangkok Post (July 26, 2020) <https://www.bangkokpost.com/thailand/general/1957587/help-urged-for-migrant-workers-in-limbo>

³⁵ Future Forum and Angkor Research, Covid-19 Economic Impact Study. Headline Results Brief Round 1 Data Collection. May 2020. <https://www.futureforum.asia/publications/> (August 9, 2020)

Regional Coordination

The 10 member countries of ASEAN collectively earned international praise for efforts at intra-regional communication during the pandemic, holding an unprecedented “virtual summit” between leaders and online meetings between senior officials with key dialogue partners. However, apart from a virtual meeting between ASEAN foreign ministers and an ASEAN-China meeting in February, such efforts were slow in coming and followed months of semi-paralysis in ASEAN coordination mechanisms, including the postponement by 10 weeks of the 36th ASEAN summit.³⁶

Mekong subregion states were also slow to coordinate their responses, as each government focused on its own internal challenges, losing critical time for effective cross-border cooperation. For example, from mid-March 2020 through April, there was poor coordination on border closures, flight suspensions and immigration regulations which changed repeatedly. This disconnect deepened confusion as lockdowns drove an estimated 700,000-800,000 migrant workers across borders, primarily from Thailand. Other, smaller but significant intra-regional movements occurred between Vietnam, Cambodia, Laos and China. Concrete attempts at coordination did not really gain momentum until June 2020. It was only then, ahead of the first ASEAN virtual summit, that senior officials of the Greater Mekong Subregion met to discuss coordinated approaches to post-Covid-19 recovery.³⁷

Whither the Pandemic Response?

To escape the grip of the “third shock,” the region’s governments need to act, both collectively and individually, to address critical issues arising from the lockdowns, particularly the impacts of the deepening economic crisis on vulnerable communities. Highlighting the urgency of the situation, the IMF warned in unusually strong terms in April that the resulting economic shock from the Covid-19 fallout could deepen existing inequalities and, in some countries, “fuel already smoldering political tensions” -- particularly if policy actions to mitigate the Covid-19 crisis were “perceived as insufficient or as unfairly favoring large companies rather than people, or when those policies are withdrawn.” Such unrest, it warned, could exhaust reform momentum in other areas such as pension or energy subsidies and place public finances at risk.³⁸

³⁶ Chongkittavorn, Kavi. Rebooting connectivity after Covid-19. Bangkok Post (June 9, 2020). <https://www.bangkokpost.com/opinion/opinion/1931608/rebooting-connectivity-after-covid-19>

³⁷ Greater Mekong Subregion Secretariat: GMS Senior Officials Convene Meeting on Covid-19 Response (June 25, 2020): <https://www.greatermekong.org/greater-mekong-subregion-senior-officials-convene-meeting-covid-19-response>

³⁸ IMF Fiscal Monitor, pp 13-14. International Monetary Fund (April 2020). <https://www.imf.org/en/Publications/FM/Issues/2020/04/06/fiscal-monitor-april-2020.#Chapterpercent203>

For the Mekong subregion, the challenges ahead are both short and long term. With little room to maneuver on monetary policy for the region's larger central banks, fiscal policy is key to facilitating economic recovery. In the immediate term, governments need to further relax budget constraints, raise debt levels and inject more cash into their economies. In the longer run, countries must strengthen their health care systems and social safety nets for the bottom 20 percent of the population. Particular attention needs to be paid to those outside the formal economy. Providing economic stimulus to businesses, particularly small and medium enterprises, while ensuring satisfactory employment conditions will further help to ensure adequate protection for the subregion's most vulnerable. Policies affecting larger corporations, as essential employers, should be adjusted to provide a better mix of incentives, for example on taxation and regulatory issues.

Downside risks include fresh outbreaks of Covid-19 or external shocks such as increased volatility in commodity prices, prolonged stress in global financial markets and extreme weather events. In the Mekong subregion, dominated by authoritarian governments, the prospect of social unrest looms if government responses fall short. That probability will only increase if the population perceives that their survival is at risk, in light of spiraling job losses, dwindling employment prospects for new graduates, and inadequate government support. In some countries, the prospect of political turbulence is a distinct possibility, including in Myanmar, with elections scheduled in November, and Thailand, now facing growing calls for political reform.

For the most vulnerable, caught in the post-Covid-19 "shock wave," the most urgent issue is identifying options for those who relied on sectors that remained closed, suspended or in crisis, particularly in services and manufacturing.

Rural Solutions?

A lesson for the region's economic planners could well lie in the rural economies that still support a substantial part of the regional population, from nearly 80 percent in Cambodia to 49.6 percent for Thailand. The other three subregional countries share a similar rural/urban split, with Vietnam's rural population standing at 66.4, Myanmar at 65.9 percent, and Laos at 61.3 percent (based on census and other official data 2015-18).³⁹

The Covid-19 pandemic has highlighted another irony, this time in the rush by some of the region's governments to modernize and urbanize over recent decades. While rural regions remain poorer than urban centers and contribute less and less to GDP, the recent lockdowns underlined the strength of informal rural social support networks and

³⁹ Population and Census. Open Development Mekong (March 25, 2019). <https://opendevlopmentmekong.net/topics/population-and-censuses/>

localized subsistence economies. Throughout the five Mekong countries, many city workers who returned to home villages during the lockdowns were able to fall back on support networks of family and community for food and accommodation.

Cambodia has tried to set a model. Encouraged by government urgings and planned incentives for people to return to the countryside, hundreds of thousands of workers who had been laid off or furloughed in cities and towns returned to their home provinces.⁴⁰

Critics warned that the shift would weigh on rural areas already overburdened by the return of migrant workers. They also pointed to the practical challenges of urban workers trying their hand at small-scale farming. But in the government's view, these rural networks with their own "mini-ecosystems" could provide temporary subsistence for those with local support networks. In Cambodia's case, the idea converged neatly with the government's desire to offset the impact of the EU's planned withdrawal of tariff-free trade privileges in protest of the government's human rights record. With Cambodian rice and agricultural products exempt from sanctions, the timing seemed uniquely beneficial to push city workers back to the countryside. Even so, survey data shows that between January and April there was a 9.7 percent annual increase in households which opted to halt the sale of their produce and instead consume their full agricultural yield.⁴¹

In one view, the traditional rural model should be reinforced by governments and donors with more support, rather than be seen as anachronistic.⁴² Yet given the steady rise of the subregion's middle class, that still leaves millions throughout the Mekong countries who lack rural roots in the "most vulnerable" category. For the urban poor, Covid-19 fallout has presented a greater threat to livelihood than the virus itself.

If any gains are to arise from the pandemic, it will be through the realization by governments that the speed of social safety net development, health care reform, and protection for the most vulnerable must be accelerated.⁴³ Continued GDP growth alone, even pro-poor growth (i.e., that which disproportionately benefits the bottom two deciles of the population)⁴⁴ as the pandemic demonstrates, is certainly insufficient to

⁴⁰ Ang, Len: Will Cambodia's shift in focus to small-scale farming work? *The Diplomat* (July 29, 2020). <https://thediplomat.com/2020/07/will-cambodias-shift-in-focus-to-small-scale-farming-work/>

⁴¹ Future Forum and Angkor Research, Covid-19 Economic Impact Study. Headline Results Brief Round 1 Data Collection. May 2020. <https://www.futureforum.asia/publications/> (August 9, 2020)

⁴² Waibel, H., Grote, U., Min, S. *et al.* COVID-19 in the Greater Mekong Subregion: how resilient are rural households?. *Food Sec.* (2020). <https://doi.org/10.1007/s12571-020-01069-0>

⁴³ Lee Chen Chen: "Outbreak exposes weak social protection for poor ". *Bangkok Post* (April 8, 2020). <https://www.bangkokpost.com/opinion/opinion/1895365>

⁴⁴ Nanak Kakwani and Ernest Pernia. 2000. "What is Pro-Poor Growth," in *Asian Development Review*, 18:1.

mitigate the impacts of exogenous shocks such as the Covid-19 pandemic. While the days of viewing GDP growth alone – even pro-poor growth – as a panacea for human development are over, the current crisis does depict the need for greater focus on concrete deliverables in the area of social safety net protections.

At the same time, the questions of ASEAN development cohesiveness, and further development of Mekong region coordination and cooperation, underscore the need to address the continued human development gaps between Cambodia, Laos, and Myanmar on one hand and other ASEAN member states on the other. The pandemic could perhaps serve to reframe the main priorities of development in the subregion and in ASEAN as a whole. At the very least, it has necessitated a very different policy agenda in terms of protection of the most vulnerable for the foreseeable future.

COVID-19 AND THE MEKONG-SUB REGION: RESPONSES AND GEOPOLITICAL IMPLICATIONS

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Abstract

This short paper describes the responses to the Covid-19 crisis by the Mekong countries and explains the geopolitical benefits presented by the pandemic to China. How each Mekong country responded to this crisis largely depended on the perception of elites about the severity of the virus. The more damage they believed the virus would cause, the more prepared and responsive they were. The Mekong countries paid less attention to transnational cooperation, creating an opportunity for China to coordinate the response. Chinese influence was enhanced by the China-led Mekong-Lancang Cooperation, through which most of the Covid-19-related medical supplies were donated and delivered. Even though Vietnam appeared to lead the way within ASEAN in helping less capable Mekong countries such as Cambodia and Laos, its limited capability and lack of an institutional mechanism did not permit it to project much influence.

The year 2020 has witnessed an unprecedented crisis. The novel coronavirus, or Covid-19, emerged in the Chinese city of Wuhan in late 2019 and spread across the globe. Even though China undertook aggressive measures to lock down the entire city of Wuhan, this did not prevent the virus from spreading.

The Covid-19 statistics of the Mekong sub-region countries of Myanmar, Thailand, Laos, Cambodia and Vietnam), as of June 8, 2020, indicate remarkable resilience.

| Country ¹ | Confirmed cases | Recovered cases | Deaths |
|----------------------|-----------------|-----------------|--------|
| Vietnam | 329 | 307 | 0 |
| Myanmar | 242 | 156 | 6 |
| Thailand | 3112 | 2972 | 58 |
| Cambodia | 126 | 123 | 0 |
| Laos | 19 | 18 | 0 |

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¹ The data presented in the table is retrieved from <https://aenewstoday.com/2020/covid-19-in-asean-update-for-june-8/> (accessed 08th June 2020)

This short paper explains the responses to the Covid-19 crisis by the Mekong countries and the geopolitical implications arising from the crisis. The response of each Mekong country has depended on the perceptions of their elites about the severity of Covid-19. Simply put, the more damage they believed the virus would cause, the more prepared and responsive they were. This article also explores the geopolitical impact of the pandemic among the Mekong countries and with them and China -- the sole dominant power that had the ability to facilitate cooperation in the region. Unfortunately, the Mekong countries were focused on their own self-preservation, paying less attention to transnational cooperation and relying heavily on China for medical supplies and the technical expertise.

Responses

In managing Covid-19, the Mekong countries have primarily focused on domestic affairs, with the exception of Vietnam, which emerged as a leading donor of medical equipment to its neighboring countries. The perception of the virus's severity is perhaps the most dominant explanatory factor to understand how each Mekong country responded to the virus. Robert Jervis, a renowned international politics theorist, pointed out that "it is often impossible to explain crucial decisions and policies without reference to the decision-makers' beliefs about the world and their images of others."² It is important to note that perception is not static, but dynamic. It evolves as the situation changes. This perception shift is dependent on how state elites come to understand the situation. Action is only taken when elites perceive that it is necessary to fight external threats and secure state interests. This framework can be employed to investigate the responses by the Mekong countries to Covid-19.

Among the five Mekong countries, Vietnam appears to have been the best prepared to manage the Covid-19 crisis. Its perception of Covid-19 as a serious threat was evident through its information-sharing effort starting as early as January and the ban on all flights from China and denial of all foreign visitors as early as February. Various government agencies, from the prime minister's office down to provincial governments, texted the public to keep them informed.³ Soon after Covid-19's emergence, Vietnam closed its borders, imposed quarantine measures, tested thousands of potential cases and employed contact-tracing on a massive scale.

² Jervis, Robert. 1976. *Perception and Misperception in International Politics*. New Jersey: Princeton University Press, p. 28.

³ Ketchell, Misha. 2020, April 21. "Vietnam has reported no coronavirus deaths – how?" *The Conversation*. Retrieved from <https://theconversation.com/vietnam-has-reported-no-coronavirus-deaths-how-136646> (accessed June 8, 2020)

In Myanmar, the initial response was quite positive, but its perception of Covid-19's severity was low. It was positive in that a task force was created to handle the crisis, but its assessment did not predict a serious impact on Myanmar. The response was also fractured between the civilian government under Ang San Suu Kyi and the military. Soon after the first case was confirmed on March 23, 2020, Suu Kyi took to Facebook to communicate directly to the public while also serving as a moderator of discussion sessions with public health officials. The military took the lead in imposing quarantine measures on thousands of returning immigrants from China and Thailand.

Thailand moved slower than other Mekong countries to contain the virus but took a much tougher approach. A border closure was announced on March 22, and a State of Emergency was declared by Thai Prime Minister Prayut Chan-Ocha on March 25. By putting the country in a State of Emergency, the government imposed many restrictions. All nightclubs, spas, massage parlors, playgrounds and similar public locations were ordered to close until further notice. Hoarding of food, drinking water and medical supplies was considered to be a punishable crime.⁴ Schools were also closed. Despite such efforts, Thailand is the most affected nation by Covid-19 among the five Mekong countries, but its recovery rate is also significant. Critics argue Thailand's late border closure was due to the economic benefits gained by the junta by allowing more Chinese tourists into the country after the outbreak in Wuhan.⁵ While this argument holds some truth, it should not detract from how Thai elites, especially Prime Minister Pravut himself, understood the threat of the virus. Serious restrictions were put in place once Pravut fully realized the impact of the virus. The economic explanation may be partially true, but it does not tell the whole story.

In Cambodia, Prime Minister Hun Sen initially did not believe that the virus posed a serious danger to his people. He played down the effects of the virus and threatened to expel journalists who wore masks during his regular press briefings. Even more stunning was that he flew to Beijing to meet Chinese Premier Li Keqiang on February 5, when the virus was widespread in Wuhan and nearby cities. But his perception shifted when the number of new cases kept rising not just in Asia but also in the US and Europe, and when the first case was confirmed in Cambodia. At that point, he instructed the Ministry of Health to begin drafting countermeasures to contain the virus. The Ministry of Health then took actions to disseminate information about the Covid-19 situation in Cambodia and around the world and instructing every Cambodian on what to do to protect themselves. All nightclubs, gyms, pubs and schools were closed indefinitely.

⁴ Straits Times. 2020, March 25. "Coronavirus: State of Emergency declared in Thailand by PM Prayut, with tough new restrictions." Retrieved from <https://www.straitstimes.com/asia/se-asia/coronavirus-state-of-emergency-declared-in-thailand-by-pm-prayut-with-tough-new> (accessed May 15, 2020)

⁵ Crispin, Shawn W. 2020, February 3. "Cash over caution in Thailand's viral response." *Asia Times*. Retrieved from <https://asiatimes.com/2020/02/cash-over-caution-in-thailands-viral-response/> (accessed 15th May 2020)

In Laos, the perception and response to Covid-19 was somewhat similar to the other Mekong countries. Only after the first two cases were confirmed on March 24 did the Lao government begin to take serious actions. It imposed a 14-day quarantine policy on returning Laotians, mostly labor immigrants. All international flights were banned, and the border was closed on March 30. On the same date, Laos also introduced a national stay-at-home order to restrict unnecessary travel, with exceptions for buying daily essentials.

Geopolitical Implications

The biggest challenge for several Mekong countries, particularly Cambodia, Laos and Myanmar (CLM), was the shortage of medical equipment related to treating Covid-19 and the technical expertise required to operate it. This should be expected as no country can fully be prepared for this kind of unprecedented occurrence. Even Thailand, which has a far more advanced healthcare system than the CLM countries, suffered from the virus outbreak. In this regard, one way to tackle the virus for the less capable Mekong countries was to depend on external assistance from various sources. Thailand appeared to be inactive in terms of assisting the less-developed Mekong countries. This was likely because the country was busy handling a huge number of Covid-19 cases. Thus, Covid-19 provided a geopolitical opportunity for both Vietnam and China to take leading roles as they aspire to become regional leaders. To consolidate their power and influence, both Vietnam and China chose a similar approach: medical supplies donations.⁶

In April, Vietnam began to donate Covid-19-related equipment to Cambodia, Myanmar and Laos. On April 3, Vietnam donated 390,000 face masks to Cambodia on a state-to-state level. On a ministry-to-ministry level, the Vietnam People's Army provided 50,000 face masks, 1,000 sets of personal protective equipment (PPE) and 260 gallons of hand sanitizer to the Cambodian Royal Army. On the same date, Vietnam offered Laos a moderate amount of medical equipment that included test kits, 340,000 face masks and PPE worth over USD 300,000. In addition, Vietnam offered a relatively small amount of cash (USD 50,000) to Myanmar as a courtesy gesture.

China, on the other hand, quickly convened a meeting with all the Mekong countries within the framework of Mekong-Lancang Cooperation (MLC) on March 22. Led by China, the state representatives of the five Mekong countries and China discussed ways in which they could fight the virus collectively. Subsequently, China began donating medical equipment to four Mekong countries, excluding Vietnam. This exclusion reflected the fact that Vietnam was one of the least affected countries as well as China's belief that Vietnam could handle the situation on its own.

⁶ Unless otherwise stated, all data in this section is retrieved from the Center for Strategic and International Studies (CSIS), a think tank based in Washington D.C. Available at <https://www.csis.org/programs/southeast-asia-program/southeast-asia-covid-19-tracker-0#china> (accessed May 20, 2020)

On March 18, China provided Cambodia with a substantial amount of medical equipment such as detection kits, ventilators, PPE and face masks on both the state-to-state level and provincial government-to-state levels. The specific amount of donations to Cambodia was not documented. From April 10, China sent a team of medical doctors to Laos to share anti-pandemic practices and conducted training courses for Laotian officials. China also provided Laos with 10,000 PCR testing kits, KN95 masks, and 30,000 face masks. The Industrial and Commercial Bank of China, a Chinese state-owned commercial bank, donated 150,000 medical masks and 2 nucleic acid spectrometers to Laos. On April 8, China sent a team of medical doctors to Myanmar to assist the country and train medical workers to fight Covid-19. Soon after that, 20 ventilators worth USD 400,000 were also provided to Myanmar. On May 12, China donated a large sum of medical supplies to Thailand. The donation included 6 non-invasive ventilators, 10 electrocardiograms, 30 infusion pumps, 100 infrared thermometers, 6,000 Covid-19 PCR test kits, 100,000 single-use medical face masks, 15,000 surgical masks, 10,500 pairs of medical goggles, 7,000 sets of PPE and 120 boxes of gloves for complete nuclear, biological and chemical protection.⁷

This data demonstrates the geopolitical power rivalry between China and Vietnam and the current contest for power and influence over the Mekong region between these two countries. Vietnam sought to further intensify the rivalry by exploiting the geopolitical incentives presented by Covid-19. However, Vietnam's smaller donations did not match the size of those provided by China. In addition, Vietnam does not have an existing multilateral institution to support its aspirations in the Mekong region. In contrast, China has the MLC, which it dominates. Initiated in 2016, the MLC not only enables China to expand its economic and security interests, but also its geopolitical influence in a manner that does not include external powers such as the U.S., Japan and India. Covid-19 has given China a rare opportunity to demonstrate its goodwill and willingness to assist less-developed countries. With Vietnam lacking its capacity to project leadership, China can consolidate its power and influence base.

While Vietnam does not have a Mekong multilateral mechanism, it does rely on the Association of Southeast Asian Nations (ASEAN) to pursue its strategic interest in a broader sense. As the chair of ASEAN during this crisis, Vietnam has been very active in pushing the ASEAN member states to respond collectively to the virus. Under its leadership, Vietnam released a statement on "ASEAN Collective Response to the Outbreak of Coronavirus Disease 2019," outlining several commitments to combat the virus.⁸ However, the ASEAN mandate is too broad to specifically focus on the Mekong

⁷ Bangkok Post. 2020, May 13. "China gives more gear to fight Covid." Retrieved from <https://www.bangkokpost.com/thailand/general/1917024/china-gives-more-gear-to-fight-covid> (accessed May 20, 2020)

⁸ ASEAN. 2020. "Chairman's Statement on ASEAN Collective Response to the Outbreak of Coronavirus Disease 2019." <https://asean.org/storage/2020/02/ASEAN-Chairmans-Statement-on-COVID-19-FINAL.pdf>

sub-region and thus it does not help Vietnam much in competing with China. While Vietnam has gained more respect and recognition from its proactive leadership within ASEAN, this success seems to not have had much of an impact in the Mekong sub-region where China is a more powerful competitor. All in all, China's ability to turn a crisis into an opportunity has helped it score considerable geopolitical points in the Mekong sub-region. Future cooperation between China and the Mekong countries will largely depend on how China perceives its interests.

LANCANG-MEKONG COOPERATION AFTER COVID-19: STABILITY AMID CHANGE

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Abstract

The sudden outbreak of Covid-19 has led to swift and profound changes in international affairs. It has intensified two megatrends in political and economic arenas, namely the deterioration of China-U.S. relations and the restructuring of globalization. China, an important player in the Lancang-Mekong Cooperation (LMC), is adjusting its own development and international strategies according to the new trends. LMC, by design, is not an instrument of power competition but a mechanism for joint development. Therefore, despite the external shifts, the basic framework and theme of LMC will remain intact, although it is likely to add new focuses and measures in specific areas.¹

The story of the Covid-19 virus will be carved deep into history. Whether as a game-changer or an accelerator, the novel coronavirus is transforming the world in rapid and fundamental ways. Most conspicuous of all, it signals the dawn of a more competitive U.S.-China relationship. This factor alone will change the parameters of many international activities. Measures to contain virus have disrupted the world economy in the short-term, but the response will also likely have long-term effects and affect future globalization patterns and socioeconomic development in many nations. Against this backdrop, the Lancang-Mekong Cooperation Mechanism needs to adapt to a new environment while preserving its original cooperative philosophy and framework.

A Changing Environment

A competitive strategy by the U.S toward China triggers a tough response

On May 20, the White House released “*United States Strategic Approach to The People’s Republic of China,*” officially announcing a “competitive approach” toward China. This

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¹ The ideas expressed in this article are solely opinions of the author and do not represent those of the Institute.

should not come as a surprise as the past three years have witnessed increased strains in the bilateral relationship, culminating with tensions over the Covid-19 crisis. In the past months, the U.S. government and politicians have actively engaged in “China-bashing,” blaming it for the virus when the world’s two biggest economies should have been joining hands to address the global public health threat.

The United States now deems China a challenger in almost all fields: security, economics, technology as well as governance. In security, the great strides of China’s military modernization have narrowed the overall gap in the two countries’ relative capabilities to “erode traditional US military advantages in Asia.”² As a result, there have been increased conflicts of interest in areas such as maritime issues, strategic strike capabilities and the traditional issue of Taiwan. In economics, China has quickly caught up to the United States both in terms of the size of its GDP and the quality of its innovation and production. In the past, U.S. companies dominated the upper end of the value chain in terms of innovation and designing, while Chinese companies worked as manufacturers. But Chinese companies rapidly moved up the value chain and became competent in advanced areas like telecommunication, the digital economy and artificial intelligence among other sectors. Although the U.S. still dominates in most high-tech areas, China is narrowing the gap, especially in areas like information and computer technology, nanotechnology and quantum computing. Last but not least, China is viewed by the U.S. as a threat in terms of values and governance, which has further strained bilateral relations. Ever since 1979 when it established diplomatic relations with Beijing, the U.S. has expanded exchanges with China in the hope of making China more and more like the U.S. But after 40 years, it has discovered a much stronger China that still has distinctive Chinese values and governance procedures. To make matters worse, with the ascent of China, these distinctive Chinese characteristics have begun to have some degree of global impact. All the above factors appear to threaten U.S. hegemony, creating strong bipartisan agreement in the U.S. on containing China.

In response, Chinese attitudes toward the U.S. are also changing. Though China still prefers “coordinated, cooperative and stable China-U.S. relations based on the spirit of non-conflict, non-confrontation, mutual respect and win-win,” it is becoming more aware of the hostile policies on the U.S. side. Chinese State Councilor and Foreign Minister Wang Yi said at a press conference on May 24 that “China has no intention either to change the U.S. or to replace it; however the U.S. cannot alter China to its desire, let alone impede the historical modernization process of 1.4 billion Chinese people.”³ The outright lies by U.S. politicians concerning Chinese efforts to contain Covid-19, frantic accusations of Chinese “responsibility” for the virus, restrictive policies against

² Evan S. Medeiros, ‘The Changing Fundamentals of US-China relations’, *the Washington Quarterly*, Fall 2019, p.96.

³ State Councilor and Foreign Minister Wang Yi do Q &A, (现场实录) 国务委员兼外交部长王毅回答中外记者提问, Xinhua Net news, May 24th, http://www.xinhuanet.com/politics/2020lh/202005/24/c_139083738.htm.

Huawei among other actions have increased popular anger in China against the U.S. To some extent, the “wolf warrior” style of some Chinese diplomats is a reflection of domestic discontent toward the U.S. Nevertheless, as Wang Yi proclaimed, “the differences between China and the U.S. do not necessarily mean there is zero room for cooperation.” China still proposes that the U.S. should deal with bilateral relations in a cautious and responsible manner.

Globalization faces readjustments

The process of globalization can be traced back to the middle of the 19th century when technological breakthroughs and capital accumulation significantly promoted human mobility and trans-border economic interactions. Over the course of the last century, globalization has produced a broader range of more diversified goods at ever-cheaper prices, more job opportunities, closer human contact and has delivered more convenience to people’s lives. Nevertheless, the Covid-19 crisis has amplified the dark side of globalization.

Globalization has also led to wider income gaps and inequality both within and among states. Economic globalization is in essence the global allocation of capital to produce the highest economic returns. Those who are the most resourceful, educated, diligent or intelligent advance at the expense of others. Without sound education and training and secure social safety nets, it is almost guaranteed that certain groups of people will find it hard to have decent jobs and make a living. A pandemic can easily exacerbate this situation. In recent months, people with low incomes have proved to be the most vulnerable in many countries, whether it is in terms of having access to Covid-19 tests and treatments or of suffering from unemployment. Globalization has also concentrated manufacturing industries in particular parts of world, which has been revealed to be a weakness in a time of crisis. China, with strong manufacturing capabilities and the world’s most comprehensive range of industries, finds itself in the position to be the quickest to respond to a sudden and huge increase in demand for certain medical supplies such as masks and protective clothing among other essential goods. A lot of other nations, however, suffer from a shortage of these vital medical items due to a sudden breakdown of international production and logistic chains. As a result, developed economies are intensifying discussions about moving some industrial chains back to their own countries or diversifying supply chains to avoid an over-dependence on China.

Though it will take time to determine the scope and depth of the global economic restructuring, it is certain that there will be some significant readjustments to ensure that globalization becomes more inclusive, balanced and beneficial to all.⁴

⁴ Ibid.

Implications for the Lancang-Mekong Cooperation

The Lancang-Mekong Cooperation Mechanism (LMC) is a young and robust sub-regional cooperation mechanism aimed at promoting the joint socio-economic development of member states. With this goal in mind, the LMC is sure to adapt to the new environment.

Unwavering commitment

The LMC was initiated by China in 2016. From its inception, it was a cooperative mechanism trying to address the problem of unbalanced development. China has long maintained sound cooperation frameworks with ASEAN, such as 10+1 (ASEAN and China) and 10+3 (ASEAN and China, South Korea and Japan).

There is a need for ASEAN to address the issue of uneven development. In 2015, the average GDP of the five maritime ASEAN countries -- Indonesia, Malaysia, Singapore, Philippines and Brunei -- was around US\$360 billion, while that of the five continental ASEAN countries -- Cambodia, Laos, Myanmar, Vietnam and Thailand -- was around US\$138 billion.⁵ Continental ASEAN countries are geographically adjacent to the southern provinces of China. In the past, cross-border cooperation, including cooperation within the framework of the Greater Mekong Sub-region mechanism of the Asian Development Bank, was mainly conducted between CLMVT countries and the Chinese provinces of Yunnan and Guangxi. By setting up the LMC, China intended to upgrade cooperation with the CLMVT region from the Chinese provincial level to the state level, thus injecting a new impetus and mitigating regional development gaps by employing more targeted policies.

The LMC's cooperation framework of '3+5' and later '3+5+X' reflects a genuine, comprehensive and open agenda for joint development. The "3" represents cooperation in political relations, economics and security and social exchanges. The "5" emphasizes key areas that are crucial for socio-economic development. These include "connectivity," which is fundamental to development as it provides the basic conditions for the movement of capital, people and all production factors and goods. "Production capacity" emphasizes the upgrading of manufacturing capabilities, which are foundational to increasing national income as well as improving human livelihoods. "Cross border economic cooperation" is meant to unleash the great strengths of civic economic activities by reducing obstacles and providing possible solutions. "Water resources" has long been a contentious issue between China and the Mekong countries. By making "water" a priority and setting up a dedicated Water Resource Cooperation Center, the LMC shows it is devoted to cultivating mutual trust and achieving tangible results. "Agriculture" is the basis for prosperity of all countries. Raising agricultural

⁵ Calculated by the author based on the statistics of the World Bank. See link: <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=PH>.

efficiency and modernizing farm production can contribute greatly to lifting people out of poverty. Finally, “X” denotes an openness to the future. Cooperation will not be confined to the above listed areas. Anything deemed important can be added to the agenda.

The pursuit of inclusive and balanced development is an enduring theme for all societies. It is also the original starting point of LMC. Therefore, no matter how the global environment evolves, the above commitments will remain unchanged.

Adaptations to the new environment

In a post-Covid-19 world, the previous power structure will largely disappear. It will take time for the world to find a new pattern of equilibrium. International investment, though still heavily driven by profits, will face checks from governments. People will pay more attention to issues of non-traditional security, and the role technology plays in society will become even more conspicuous. In light of the new normal, the LMC will need to adapt.

Accentuating the theme of development

The LMC should avoid falling into the trap of power competition as much as possible. The LMC should insist on being an open and development-oriented cooperation framework. Any proposal that is conducive to the economic growth and social improvement of the member states should be welcomed. Bearing in mind that China and the U.S. each has unique expertise and experiences to offer, countries should not be forced to choose between the two. Sticking to the criteria of development will prevent things going awry.

Attaching higher importance to inclusive and balanced growth

To a large extent, the recent nationalist resurgence and social unrest taking place in many developed regions have their roots in uneven development. While some groups of people in more advantageous sectors have “won” from globalization, others groups in less competitive sectors have “lost.” This may not seem to be an acute problem when it comes to the Mekong countries at present, but it could become a threat if left unaddressed. The LMC, in its efforts to boost mutual trade and investment and to achieve an “economic development belt,” should include space for creating a social security net by which the less-fortunate can get protection and training to acquire the ability to “win” in the future.

Placing more emphasis on non-traditional security

The Covid-19 pandemic demonstrated the utmost importance of public health, which has often been relegated to the backburner since it was considered a non-traditional security with little public interest. Given the geographical closeness and frequency of cross-border activities, it is urgent for China and the Mekong countries to establish a whole-government cooperation mechanism when it comes to infectious diseases. The LMC should make that a priority. At the 10+3 Special Summit on Fighting against Covid-19, Chinese Premier Li Keqiang announced specific initiatives to strengthen public health cooperation, including joint border management, the sharing of information and experience and setting up an emergency center for medical supplies among other actions.⁶ The LMC can work within that framework.

In addition, climate change, food security and water sustainability are all significant non-traditional security issues which pose an increased threat to lives along the Mekong. Chinese State Councilor and Foreign Minister Wang Yi highlighted a few future priorities of LMC in a press conference in February.⁷

Making technology more attainable to the populace

Technology is changing human societies at an unprecedented rate and scale. From tracing viruses to the treatment of diseases, from the way people communicate to the way societies connect, technology is becoming the deciding factor in more and more sectors. Making advanced technology attainable and dispersing its dividends to the widest number of people is one goal. Providing enough training so that people can be served by technology rather than ruled by it is another. This represents very valuable work. In the future, the LMC can devote more resources to upgrading the level of technological cooperation among member states.

⁶ 李克强在东盟与中日韩抗击新冠肺炎疫情领导人特别会议上的讲话（全文）（Premier Li Keqiang's Address at the 10+3 Special Summit on Fighting against Covid-19），the Lancang-Mekong Cooperation Secretariat website, <http://www.lmcchina.org/zyxw/t1769835.htm>.

⁷ See more details, please refer to 'Wang Yi on Future Emphasis of LMC', the Lancang-Mekong Cooperation Secretariat website, <http://www.lmcchina.org/zyxw/t1748605.htm>

MALAYSIA AND THE GREATER MEKONG SUBREGION: TOWARD GREATER ASEAN INTEGRATION POST-COVID-19

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Abstract

Malaysia has close land connectivity with the Greater Mekong Subregion (GMS) countries, although the importance of this connection has often been understated, particularly in Malaysia's foreign policy priorities. However, the Covid-19 pandemic has accentuated this interconnectedness and prompted some rethinking on regional cooperation, as seen in the calls for greater ASEAN-coordinated response in handling the pandemic. Intensifying great power competition has further reinforced the importance of greater ASEAN integration, while the relative success of containing the pandemic in Southeast Asia has also boosted confidence in greater intra-ASEAN cooperation.

This paper argues that Malaysia should give more emphasis to its relations with the GMS, taking advantage of its geographical position as a maritime nation with a continental root. Greater ASEAN involvement in the GMS Post- Covid-19 is needed in order to exert ASEAN centrality in the highly competitive space in the region, with the AMBDC mechanism well-placed to realise this goal. Malaysia, Thailand and Vietnam are among countries that can play an active role in helping ASEAN to foster greater ASEAN integration between maritime and mainland Southeast Asia, and closer cooperation between the three countries could help provide valuable impetus to that end.

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Introduction

Malaysia, as a maritime nation with a continental root,¹ has close connections with the countries in the Greater Mekong Subregion (GMS). Notably, it shares a land border with Thailand and so is connected to the rest of the Eurasian continent. In addition, Malaysia shares maritime connections with GMS countries such as Vietnam.

However, these close connections have often been understated and underexplored. Despite ASEAN being the cornerstone of Malaysian foreign policy, exploring interactions with its continental neighbors outside of the ASEAN framework is seen to be a low priority. What is not often mentioned is that Malaysia played a leading role in the establishment of the ASEAN Mekong Basin Development Cooperation (AMBDC) in Kuala Lumpur in 1996.²

Covid-19 has provided some impetus in rethinking regional cooperation. First, the pandemic has reinforced the interconnectedness among the countries, as infections have spread due to porous borders and increased air connectivity in the region. The event hosted by the Islamic missionary movement Tablighi Jamaat in Kuala Lumpur in March, which was attended by 16,000 people, not only helped spread domestic Covid-19 infections but also contributed to cases in neighboring countries, including Thailand and Vietnam. As authorities raced to impose border controls, they also faced the challenge of curbing the informal movement of people and goods across the Malaysia-Thai border which was aided by an active trans-boundary crime network.

Second, the relative success of Southeast Asian countries in managing the Covid-19 crisis, particularly in Vietnam and Cambodia³ where reported cases remain low, has challenged the traditional thinking of looking to bigger powers for assistance. This stands in stark contrast with Western countries such as United States and Europe which suffered huge spikes in cases.

Third, lurking in the backdrop is the intensified U.S.-China competition which has manifested itself in becoming a blame game for who is responsible for Covid-19. Southeast Asian countries are loath to get embroiled in this dispute.⁴ Despite recent tensions in the South China Sea, Southeast Asian countries have resorted to a typical

¹ This characterisation is described in the 2019 Malaysian Defence White Paper (Kuala Lumpur, 2020). Accessible here: <http://www.mod.gov.my/images/mindef/article/kpp/Defense%20White%20Paper.pdf>

² AMBDC Overview, ASEAN Secretariat. <https://asean.org/asean-economic-community/asean-mekong-basin-development-cooperation-ambdc/overview/>

³ Charadine Pich, "Cambodia's COVID-19 responses: Preventive and Responsive Measures", ISIS Malaysia (26 May 2020) <https://www.isis.org.my/2020/05/26/cambodias-covid-19-responses-preventive-and-responsive-measures/>

⁴ Cheng Chwee Kuik, "Hedging in Post Pandemic Asia: What, How and Why" (May 2020). The Asan Forum. <http://www.theasanforum.org/hedging-in-post-pandemic-asia-what-how-and-why/?dat=>

“hedging” style⁵ and have maintained good working relations with China on Covid-19 and have not joined Western countries in condemning China for its management of the virus. The ability of Vietnam and Malaysia to provide essential medical items such as masks and gloves to developed countries has offered an alternative to the “Covid-19 medical diplomacy” of the big powers.

Even as Southeast Asian countries primarily responded to the Covid-19 pandemic in a nationalistic manner, Covid-19’s cross-border nature has necessitated cooperation between Malaysia and its neighbors. Malaysia has set up a Special Committee to tackle the issue of stranded workers with Singapore, while a General Border Committee has been instrumental in coordinating border controls with Thailand, including the closure of checkpoints. The pandemic has shown that we need more regional cooperation, not less.

Could Covid-19 spell an opportunity for greater cooperation between Malaysia and its continental neighbors? Will intensified big power competition and the complex security environment that Southeast Asia has to maneuver in the post-Covid-19 world lead to more intra-ASEAN cooperation? What kind of impetus will it create for greater integration between mainland and maritime Southeast Asian countries?

Structure of the paper

This paper will be divided into three parts. First, it will examine the national responses of three countries -- Malaysia, Vietnam and Thailand -- and outline the possible areas of bilateral cooperation in a post-Covid-19 context. Second, it will look at the relationship between Malaysia and the GMS countries and make the case for more emphasis on engaging the GMS in Malaysia’s foreign policy. Finally, it argues for more ASEAN-led responses in the region, with the revival of mechanisms such as the ASEAN-Mekong Basin Development Cooperation (AMBDC) to promote greater intra-ASEAN integration between the maritime and continental Southeast Asia, and explore the role Malaysia, Vietnam and Thailand can play in achieving this goal.

National responses to Covid-19 in Malaysia, Vietnam and Thailand

Vietnam discovered its first case of Covid-19 in January 2020. The government acted swiftly to suspend flights to and from China by early February, as well as close schools and impose quarantines on new arrivals. Its efforts paid off with only 369 cases reported as of July 6, and no deaths recorded. Vietnam’s success has been largely attributed to its quick actions as well as an effective public messaging strategy, which resulted in being one of the first countries to ease its lockdown in April.

⁵ See Cheng Chwee Kuik (May 2020).

Vietnam's remarkable success in controlling the outbreak has won many accolades.⁶ Such stellar management by a less developed country with only a modest health budget has not only impressed many bigger countries, but has also brought to light the value of cooperation with smaller states.

Malaysia also discovered its first Covid-19 case in January. The government was initially reluctant to impose travel bans, only doing so in phases and targeting Chinese provinces in early February. A domestic political crisis in late February also distracted public focus from the issue.⁷ The Tablighi gathering, held from February 27 to March 1, caused an outbreak that contributed to almost half of all cases reported. As of July 6, Malaysia reported 8,663 cases, with 121 deaths.

Despite this setback, Malaysia managed to flatten the curve and get things under control rather quickly. A Movement Control Order (MCO) was enforced on March 18 and extended until June 10. Some restrictions have been lifted since then, but a more relaxed version of the order, a Recovery MCO (RMCO), will be in place until August 31.

In Thailand, the first cases were also discovered in January. A state of emergency was declared on March 24 and extended to May 9. Checkpoints on Malaysian border were closed in late March, leaving thousands of Thai nationals stranded.⁸ Thailand seems to have the situation under control, with 3,190 cases and 58 deaths recorded as of July 6. The government has extended the state of emergency for three times, until July 31, although most businesses are allowed to reopen from July 1 as the virus appeared to be contained.⁹

While Malaysia, Vietnam and Thailand have made good progress in combating the pandemic, great challenges lie ahead. As restrictions on movement eases, caution must be exercised to prevent a resurgence of cases. The economy of the three Southeast Asian countries will be heavily impacted due to their high reliance on the services sector, especially tourism.¹⁰

⁶ Huong Le Thu, "The Vietnam Successful Battle Against Virus" Council on Foreign Relations (30 April 2020). <https://www.cfr.org/blog/vietnam-successful-battle-against-virus>.

⁷ Ivy Kwek, "Managing a Triple Crisis in Malaysia", Frederick Ebert Stiftung (1 June 2020). <https://www.fes-asia.org/news/managing-a-triple-crisis-in-malaysia/>

⁸ "COVID-19: Thailand closes 9 border checkpoints to Malaysia" New Straits Times (23 Mar 2020) <https://www.nst.com.my/news/nation/2020/03/577464/covid-19-thailand-closes-9-border-checkpoints-malaysia> See also: "COVID-19 Thailand Malaysia border gates reopen tomorrow", The Edge (17 April 2020) <https://www.theedgemarkets.com/article/covid19-thailandmalaysia-border-gates-reopen-tomorrow>

⁹ "Thailand to consider reopening more businesses as COVID-19 appears contained", Channel News Asia (10 June 2020) <https://www.channelnewsasia.com/news/asia/thailand-consider-reopening-more-businesses-covid-19-control-12822814>

¹⁰ Thus far, Thailand has rolled out a USD 58 billion package. Malaysia has thus far announced RM295 billion stimulus packages, while Vietnam one totalled USD27.26 billion. See: "Thailand's parliament approves US\$58b economic package to ease Covid-19 impact" Malay Mail (31 May 2020) <https://www.malaymail.com/news/money/2020/05/31/thailands-parliament-approves-us58b-economic->

In light of the pandemic, Malaysia should forge closer cooperation with Thailand and Vietnam on areas that are increasingly relevant to address post-Covid-19 needs. This includes issues such as food security, the Rohingya crisis, trade and economic development and medical supplies.

Intra-ASEAN trade should be boosted in view of weaker global demand as these export-oriented countries can no longer rely on the markets of the United States and China. For instance, Vietnam's trade with China comprises 30% of its total trade volume.¹¹ Meanwhile, disruptions in global supply chains have also underscored the need to increase regional production capacity, as well as to diversify supply chains.

In particular, there will be increasing demand for medical supplies. Malaysia, Thailand and Vietnam, all of which have a strong medical supplies industry, would be well-placed to accelerate cooperation and take leadership in this area. Indeed, Vietnam has been offering medical assistance to other countries, including donating and exporting masks and personal protection equipment to the West, including the United States, Europe and Russia.¹² Malaysia, which is the world's largest producer of medical gloves, swiftly delivered 1.3 million gloves to the U.S.¹³ Meanwhile, Thailand has been pushing to make its own Covid-19 vaccine and has made good progress on vaccine research, which it hopes to have ready by next year in order to boost medical tourism.¹⁴

Closer cooperation between Malaysia, Vietnam and Thailand would also encourage Malaysia to cooperate more with the other GMS countries, while also strengthening ASEAN integration.

Malaysia and the Greater Mekong Subregion

Malaysia's relationship with the countries of the GMS has always been overshadowed by its other foreign policy priorities, notably those with the great powers. This ought to

package-to-ease-covid-19-impac/1871149; "Vietnam economy accelerates to get back to normal state" Vietnam Net Global (18 May 2020) <https://vietnamnet.vn/en/business/vietnam-economy-accelerates-to-get-back-to-normal-state-641903.html>; and Tashny Sukumaran, "Malaysia unveils US\$8.2 billion package to save jobs amid coronavirus recession", South China Morning Post (5 June 2020) <https://www.scmp.com/week-asia/politics/article/3087732/malaysia-unveils-us82-billion-package-save-jobs-amid-coronavirus>.

¹¹ Vietnam-China import-export turnover reaches US\$117 billion", Nhan Dan (15 Jan 2020). [https://en.nhandan.org.vn/business/item/8329202-vietnam-china-import-export-turnover-reaches-us\\$-117-billion.html](https://en.nhandan.org.vn/business/item/8329202-vietnam-china-import-export-turnover-reaches-us$-117-billion.html)

¹² Ralph Jennings, "Vietnam using mask diplomacy to fortify foreign relations" VOA News (22 April 2020) <https://www.voanews.com/covid-19-pandemic/vietnam-using-mask-diplomacy-fortify-foreign-relations>

¹³ Heather Variava and Melissa Brown, "ASEAN US partners in beating COVID-19: Building Resilient and Prosperous Region", The Jakarta Post (19 May 2020). <https://www.thejakartapost.com/academia/2020/05/19/asean-us-partners-in-beating-covid-19-building-resilient-prosperous-region.html>

¹⁴ "Thailand races to create COVID-19 vaccine, eyes possible medical tourism boost", The Star, (1 Jun 2020) <https://www.thestar.com.my/news/regional/2020/06/01/thailand-races-to-create-covid-19-vaccine-eyes-possible-medical-tourism-boost>

change as Malaysia has an interest in ensuring better connectivity and infrastructure development in the region due to its continental connections. Covid-19 has only accentuated the need for greater cooperation.

The ASEAN-Mekong Basin Development Cooperation (AMBDC), which Malaysia helped establish, aims to enhance economic and social cooperation in the region, with the Singapore-Kunming Rail Link (SKRL) being its flagship project. The SKRL is not a new, single railroad project as has often been misunderstood. Instead, it was always meant to connect all existing railroads in seven of the ASEAN member countries and China. This would include double-tracking and electrifying the tracks, building missing rail links and laying spur lines.¹⁵ It was the first regional rail network plan, and is included in the Masterplan for ASEAN Connectivity 2025.¹⁶ As of its last meeting in 2014, 22 projects had been initiated covering eight areas, including infrastructure, trade and investment, agriculture, forestry and minerals, industry, tourism, and human resource development as well as science and technology, with an estimated aggregated cost of USD 338.8 million.¹⁷

Interest in AMBDC fizzled out following the Asian Financial Crisis in 1998. The progress of SKRL has been slow and uneven across countries,¹⁸ which is mostly attributable to sparse project funding as well as difficulties in land acquisition. The lack of ASEAN's leadership in the region has created a vacuum which has led to a plethora of multilateral mechanisms established by external powers, in particular China, Japan and the United States.¹⁹ Altogether, there are now about 12 mechanisms in the region, the most notable ones include the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS), an initiative by Thailand; the Greater Mekong Subregion (GMS); Lower Mekong Initiative (LMI), an initiative by the U.S. launched in 2009; the Mekong River Commission (MRC), which consists only of the CLMV (Cambodia, Laos, Myanmar and

¹⁵ David Lampton, Selina Ho and Cheng-Chwee Kuik, "Rivers of Iron: Railroads and Chinese Power in Southeast Asia", University of California Press. Forthcoming.

¹⁶ "Masterplan for ASEAN Connectivity 2025". Retrieved from the website of ASEAN Secretariat <https://asean.org/asean/asean-connectivity-2/>

¹⁷ "Joint Statement of the 16th Ministerial Meeting of the ASEAN-Mekong Basin Development Cooperation (AMBDC)", 28 August 2014, Nay Pyi Taw, Myanmar. Retrieved from the website of the Ministry of International Trade and Industry, Malaysia. [https://www.miti.gov.my/miti/resources/Joint_Media_Statement_of_The_16th_Ministerial_Meeting_of_the_ASEAN-Mekong_Basin_Development_Cooperation_\(AMBDC\).pdf](https://www.miti.gov.my/miti/resources/Joint_Media_Statement_of_The_16th_Ministerial_Meeting_of_the_ASEAN-Mekong_Basin_Development_Cooperation_(AMBDC).pdf)

¹⁸ Malaysia and Thailand have made great progress, completing a total of 606km and 586km of lines upgrade respectively. Meanwhile, Vietnam's three double track rail projects (Hanoi-Ho Chi Minh city, Hanoi-Hai Phong, Hanoi-Lao Cai) are all still in planning stages.

¹⁹ Thomas Parks, "ASEAN Shaping the Future of Regional Development in Southeast Asia", Asia Foundation (24 Oct 2018). <https://asiafoundation.org/2018/10/24/asean-shaping-the-future-of-regional-development-in-southeast-asia/> See also: Prashanth Parameswaran, "The Mekong in US's Asia Strategy: Opportunities and Challenges", The Diplomat (8 July 2019). <https://thediplomat.com/2019/07/the-mekong-in-us-asia-strategy-opportunities-and-challenges/>

Vietnam) countries; and the Lancang-Mekong Cooperation (LMC), a Chinese initiative established in 2015.²⁰

ASEAN Covid-19 Response - What can Malaysia and the GMS countries do?

The leadership of Malaysia, Thailand and Vietnam will be crucial in driving forward a more proactive response in ASEAN toward Covid-19, especially in face of great power relations in the wake of Covid-19. A minilateral arrangement between the three countries, formal or otherwise, can act as a “connector” between mainland and the maritime ASEAN countries to solidify regional integration.

Despite the challenges posed by the pandemic, Vietnam has done well in steering ASEAN toward building a more robust response to Covid-19. It has held a number of online summits and conferences, including the Special ASEAN+3 summit and Special ASEAN Summit on COVID19 in April, as well as other meetings with dialogue partners including China, the European Union, and the U.S.²¹ ASEAN has agreed on a “Whole of ASEAN Community Approach,” which includes the ASEAN+3 Medical Supply Stockpile, early warning and real time information exchanges, activating the ASEAN+3 Emergency Rice Reserve, and strengthening the ASEAN Humanitarian Assistance (AHA) Centre. ASEAN Foreign Ministers have also set up a Covid-19 response fund.²²

Even so, there is a general feeling that ASEAN can do more in facing the great challenges posed by Covid-19. For one, disaster preparedness can be strengthened through the ASEAN Militaries Ready Group (AMRG) and the ASEAN Center of Military Medicine (ACMM). The ASEAN Humanitarian Assistance (AHA) Centre, which has been attuned to disaster management, must also be beefed up to include a pandemic response, with masks, test kits and other medical supplies for Covid-19 added to emergency stockpiles.²³

A revival of AMBDC can also deepen ASEAN integration between maritime and mainland Southeast Asia. Like the Initiative for ASEAN integration (IAI), it was established with the goal of fostering closer ties with and closing the development gap between the ASEAN-6 and the CLMV countries that joined ASEAN in the late 1990s.²⁴ However, there has increasingly been a sentiment that ASEAN is neglecting its newer members.²⁵

²⁰ Harris Zainul, “ASEAN and the Dammed Mekong”, New Straits Times (8 Nov 2019). <https://www.nst.com.my/opinion/columnists/2019/11/536714/asean-and-dammed-mekong>

²¹ Bich T Tran, “Vietnam leads ASEAN through COVID-19. East Asia Forum (1 June 2020). <https://www.eastasiaforum.org/2020/06/01/vietnam-leads-asean-through-covid-19/>

²² Frederick Kliem, “Leveraging ASEAN to respond to COVID-19”, East Asia Forum (21 May 2020). <https://www.eastasiaforum.org/2020/05/21/leveraging-asean-to-respond-to-covid-19/>

²³ Hoang Thi Ha, “COVID-19 challenges ASEAN to act as one”. The Straits Times (Mar 2020) <https://www.straitstimes.com/opinion/covid-19-challenges-asean-to-act-as-one>

²⁴ Rodolfo Severino, “The ASEAN Development Divide and the Initiative for ASEAN Integration”. ASEAN Economic Bulletin, ISEAS-Yusof Ishak Institute (April 2007). <https://muse.jhu.edu/article/216148/summary>

A 2016 report by ISEAS Singapore suggested AMBDC be fine-tuned to the ASEAN Economic Community and streamlined with programs under the Initiative for ASEAN integration. It proposed that the AMBDC should be more ASEAN-driven, instead of running on a parallel track, and therefore should report to the ASEAN Economic Ministers. An AMBDC Development Fund has also been suggested.²⁶

Apart from the rail projects, ASEAN via the AMBDC should also build synergy with other existing development cooperation mechanisms, in particular on public health, which will be pertinent in a post-Covid-19 environment. This includes the Asia Development Bank, which has been supporting the GMS countries with a Regional Communicable Diseases Control Project,²⁷ as well as the GMS Public Health Strategy 2019-2023.²⁸ China, which has been offering assistance to Southeast Asian countries since emerging from the pandemic, has stated its intention to strengthen cooperation on the Health Silk Road and Digital Silk Road.²⁹

Similarly, the U.S. launched the Health Futures Initiative with ASEAN on April 22 during a virtual meeting with ASEAN foreign ministers. As of May 4, the U.S. had reportedly released more than USD 57.5 million to help Southeast Asian countries to fight the virus. In the last 20 years, the US has given more than USD 3.5 billion in public health assistance to ASEAN countries.³⁰

With increased external power competition in the GMS, greater ASEAN involvement will be needed to assert ASEAN centrality and to ensure proper resources management.³¹

²⁵ Kavi Chongkittavorn, "20 years of mixing ASEAN old and new", Bangkok Post, (14 May 2019). <https://www.bangkokpost.com/opinion/opinion/1677152/20-years-of-mixing-asean-old-and-new>

²⁶ Denis Hew, "Study to Realign the AMBDC with the ASEAN Economic Community" ISEAS Singapore (February 2009). Retrieved from ASEAN Secretariat. <https://www.asean.org/storage/images/2012/Economic/IAI/Comm%20work/AMBDC%20Realignment%20Study.pdf>

²⁷ Arjun Goswami, "Asia-Pacific overcome COVID-19 by working together" Asia Development Bank (27 March 2020). <https://blogs.adb.org/Asia-Pacific-overcome-COVID-19-by-working-together>. See also: Project Overview "Viet Nam: Second Greater Mekong Subregion Regional Communicable Diseases Control Project" <https://www.adb.org/projects/41508-013/main>

²⁸ "Greater Mekong Subregion Health Cooperation Strategy 2019-2023" Asia Development Bank, (June 2019) <https://www.adb.org/sites/default/files/institutional-document/511771/gms-health-cooperation-strategy-2019-2023.pdf>

²⁹ Ngeow Chow Bing, "COVID-19 speeds up China's Health Silk Road". East Asia Forum (26 May 2020). <https://www.eastasiaforum.org/2020/05/26/covid-19-speeds-up-chinas-health-silk-road/>. See also: Pepe Escobar, "China rolls out the Health Silk Road", Asia Times (2 April 2020). <https://asiatimes.com/2020/04/china-rolls-out-the-health-silk-road/>

³⁰ See Heather Variava and Melissa Brown (May 2020).

³¹ Shawn Ho and Kaewkamol Pitakdumrongkit, "Can ASEAN play a greater role in the Mekong Subregion?" (30 Jan 2019) The Diplomat. <https://thediplomat.com/2019/01/can-asean-play-a-greater-role-in-the-mekong-subregion/>

Conclusion

Given the increasingly uncertain geopolitical situation caused by intensified US-China competition, greater ASEAN integration can serve as a buffer for big power relations. Several ASEAN member states have faced pressure from China when it comes to the South China Sea or the GMS where China's dam activities caused a severe drought in 2019.³² A more united ASEAN front would help mitigate these risks and withstand Chinese pressure. In that respect, the GMS platform, which includes China's Yunnan and Guangxi provinces, is ideal for greater ASEAN-China cooperation.

Malaysia, Thailand and Vietnam are well-placed to play a leadership role in connecting both maritime and continental Southeast Asia in a post-Covid-19 world. In particular, the Covid-19 pandemic has helped Vietnam build its international profile and increased its soft power appeal. All three countries have both maritime and continental concerns, hence the interest in ensuring better land and sea connectivity in the GMS and ASEAN. Closer relations among the three in the form of minilateral arrangement can provide some impetus toward that goal.

Covid-19 has shown the need for more regional cooperation. ASEAN must play a more active role in driving a regional Covid-19 response and coordinate assistance and development programs in the region that involve external powers. Greater ASEAN integration and intra-regional cooperation between mainland and maritime Southeast Asia is long overdue. Reviving mechanisms such as the AMBDC can help realize such goals. It is hoped that Covid-19 will provide a catalyst to spur progress.

³² Charles Dunst, "Is the Mekong becoming the New South China Sea?" 9Dashline, (11 June 2020) <https://www.9dashline.com/article/is-the-mekong-becoming-the-new-south-china-sea>

MEKONG SUBREGION IN THE CONTEXT OF POST-COVID-19 ASEAN DYNAMICS

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Abstract

The Covid-19 pandemic has unexpectedly raised the profile of the Mekong region and its developmental progress. All five of the region's lower riparian countries surprised the world with the speed of their responses and their ability to contain the virus outbreaks. The resulting newfound confidence among regional leaders, based largely on their public health sector responses, comes after the Mekong region began morphing into a new strategic and economic battleground between major powers. The clearest trend in the past two years has been Washington's renewed enthusiasm for the region. The U.S. has steadily deepened and broadened its engagement the Mekong and is now urging its allies and friends to work together on Mekong-related issues and projects. The new strategic environment has prompted ASEAN to rethink its sub-regional economic cooperation. Under Vietnam's chairmanship of ASEAN in 2020, the Mekong Region has started incrementally to integrate with ASEAN's overall community-building initiatives to strengthen the grouping's centrality. Most important, even as ASEAN partly drives the Mekong's developmental process, it can and should help mitigate potential conflicts and tensions among major powers in the heart of Southeast Asia.

The Covid-19 pandemic is a blessing in disguise for the Mekong subregion. The good news is that the coronavirus has not totally wreaked havoc on the daily life of the region's 245 million people. All the governments in the Mekong subregion (Cambodia, Laos, Myanmar, Vietnam and Thailand) have done well in mitigating the spread of virus, tracing new infections and implementing quarantine. According to the World Health Organization (WHO), as of July 8, there were only 4,068 confirmed cases in the region, with the highest rate of fatalities in Thailand at 58 and six deaths in Myanmar. Laos, Cambodia and Vietnam have not reported any deaths at all.¹

These statistics showcase the Mekong subregion's resiliency in managing health security and shows its future growth potential. The governments in the Mekong region

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¹ WHO Coronavirus Dashboard, https://covid19.who.int/?gclid=CjwKCAjwxqX4BRBhEiwAYtjX7YQKIsgyrMGQ5eQNjitz2d1wB1hjaCdgpQFBiP9D9eDBNmp2r2Yt1xoCaGAQAvD_BwE

have placed a high priority on the protection of public health out of a fear that any disruption of their agriculture-based communities would have a far-reaching impact on livelihoods and the economy. Early and stringent quarantine measures deployed in late January by Vietnam and by mid-March in Laos, Cambodia and Thailand enabled them to manage the pandemic efficiently. They believed that saving lives meant saving the economy as well. Difficult as it has been, the Mekong countries have provided economic stimulus packages, including cash handouts and other incentives, to help their populations survive the socio-economic impact caused by the pandemic.

The small number of fatalities in the past six months has surprised Western observers who earlier concluded that the governments in Mekong subregion were either not telling the truth or that they just ignored testing those who might be infected. As the situation elsewhere in the world has deteriorated, more attention is being paid to the region. With increased reporting by medical experts and the foreign press investigating the situation on the ground, there is a growing conclusion that the Mekong countries were well-prepared due to their past experience with the SARS pandemic in 2003. In the Mekong subregion, communicable diseases are common, so when there are campaigns to fight seasonal diseases, the public engages enthusiastically. Wearing face masks and adopting social distancing are measures normally practiced throughout the region and lack any political opposition, unlike in the West. This helps explain the full public cooperation that has made governments' task in mitigating the outbreak easier.

The Covid-19 pandemic can be expected to lead to better inter-state coordination and cooperation on public health issues among the Mekong countries. Obviously, regional leaders will want to use their newly-earned credibility and confidence to build and develop future economic recovery frameworks. They hope that their improved image will attract more businesses and investment related to tourism, hospitality and connectivity. Since 2015, development programs and activities have been carried out under the Lancang-Mekong Cooperation (LMC).² Hundreds of projects have been implemented under the LMC framework covering the economy, agriculture, connectivity, poverty reduction, water resources and production capacity.

The Mekong countries, under such mechanisms as the Ayeyawady-Chaophraya-Mekong-Economic Cooperation Strategy (ACMECS), want to strengthen cooperation. Thailand and Vietnam have recently been more visible in taking the lead to ensure that the ACMECS Master Plan (2019-2023) would involve both hard and soft infrastructure. In March, senior officials agreed to set up a special ACMECS seed fund of USD 500 million to help its members finance new projects. Thailand has already committed to contribute USD 200 million over the next five years. The contributions of the other members would be calculated based on their respective GDP. For instance, Vietnam has

² The Lower Mekong Initiatives was set up in 2010 by the Obama Administration to assist the Mekong riparian countries to advance sustainable economic development.

a GDP of nearly USD 836 billion which would translate into around USD 61 million in funding. In the case of Myanmar, it would be almost USD 28 million.³ Both Laos and Cambodia also agreed in principle to join the seed fund. In addition, several ASEAN dialogue partners, including the U.S., China, Australia, New Zealand, Japan and South Korea, have pledged to help the ACMECS.

Under Vietnam’s chairmanship, Mekong cooperation has been high on the ASEAN agenda. Since joining ASEAN in 1995, Hanoi has wanted to bridge the development gap between new and old ASEAN members. A stronger Mekong subregion will also mean a stronger ASEAN. Hanoi’s plan to highlight the Mekong subregion’s potential and broaden partnerships this year has been delayed due to the Covid-19 outbreak, which also disrupted a planned special ASEAN-U.S. summit in March in Las Vegas. The original plan called for the establishment of a new Mekong-U.S. Partnership, an upgraded version of the Lower Mekong Initiative, established in 2010. The U.S. has indicated it intends to proceed with plans to upgrade the relationship.

Vietnam has been trying to upgrade the involvement of developmental partners in the Mekong subregion, including the U.S., Japan, Australia and other countries. In July, Hanoi was able to set up an inaugural dialogue forum to discuss more effective ways to develop the Mekong subregion. There are at least a dozen frameworks associated with the Mekong region. Vietnam has indicated its hope that increased dialogue and consultations among the Mekong countries and other ASEAN members, and also with external dialogue partners, will help to streamline overlapping projects and launch new ones.

In the future, a prominent trend will be the growing linkage of Mekong development plans, especially within the ACMECS Master Plan and with the ASEAN Master Plan of Connectivity 2025. During the pandemic, all the ASEAN leaders expressed a strong commitment to closely work together to speed up the economic recovery of their countries. They pledged to keep their borders open to free trade and more investments, not only among themselves but with the “ASEAN plus three” dialogue partners— China, Japan and South Korea.

In April, it took the “ASEAN plus three” partners less than five weeks to organize a virtual summit after the idea was raised. At the time, all the members were in lockdown and physical connectivity had been completely disrupted. China, Japan and South Korea are the region’s largest trading and investment partners. The video conference on April 24 was an excellent opportunity for them to reaffirm their commitment to fight Covid-19 together. Most importantly, these three external partners, like ASEAN, are

³ The amount of contribution is still under discussion among the senior officials. Thailand would like to have additional funding from dialogue partners.

committed to keep their markets open to trade and investment and enhancing cooperation in food security. They also agreed to strengthen regional supply chains, especially for food, medicine and medical supplies.⁴

The summit ended with a joint pledge not to create unnecessary barriers to trade or cause disruption to regional supply chains while adhering to World Trade Organization rules. Furthermore, they agreed to maintain travel connectivity in the region. As a result, by mid-June some ASEAN members had set up travel corridors with these three Northeast Asian countries. By early July, nearly all ASEAN members had decided to admit business visitors and tourists from that region – although renewed concerns about a second wave of infections tempered the pace of re-opening borders. ASEAN governments clearly hoped that with economic recovery underway in China, Japan and South Korea, their own recoveries will be less painful. Whether that will be the case will only be seen in 2021.

Embedding the Mekong development plan into the ASEAN agenda will help strengthen the fabric of the grouping as a whole and improve interaction between all member countries. In that context it will also contribute to equitable development and promote increased cohesion. This will allow the consolidation of key connectivity plans envisioned by Mekong and ASEAN leaders. At the same time, the non-Mekong members of ASEAN will be able to participate as stakeholders in developing mainland Southeast Asia's most important strategic region.

⁴ Chairman's Statement of the 36th ASEAN Summit, 26 June 2020.
<https://asean.org/storage/2020/06/Chairman-Statement-of-the-36th-ASEAN-Summit-FINAL.pdf>

CORONAVIRUS CHALLENGE FOR A COHESIVE ASEAN: UNDERSTANDING ASEAN'S COLLECTIVE RESPONSES

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Abstract

While ASEAN leaders are vowing to build a “Cohesive and Responsive ASEAN Community,” the global health crisis that originated in China appears to have tested their joint approach. This article aims to understand the approaches of ASEAN member states to curbing Covid-19 and identify intra-bloc issues and emerging “coronavirus diplomacy” challenges that hampered collective action. It first outlines the diverse intergovernmental policies developed by the ASEAN member states since the outset of Covid-19 in order to explore their nature and examine their effectiveness. Initial evidence shows that progress in ASEAN-driven pandemic responses remained limited due to a lack of coordinated action. This highlights the need for better collective strategies to cope with the fallout from the pandemic and other regional crises. While most of ASEAN’s policies have not substantially translated into action at the national and local levels, its member states have separately reached out to undertake multiple measures to curb the spread of Covid-19. Ironically, CLMV countries, notably Vietnam, with less-developed healthcare systems and closer geographic proximity to China, have demonstrated better virus response capacities than the more-developed ASEAN-6, such as Indonesia, Malaysia and the Philippines, which have seen higher death tolls. An explanation for this is given. The article concludes with a discussion on how proactive engagement with the United States and China, among other external players, in ASEAN’s recent pandemic response policies could reshape the regional power balance and the bloc’s relations with external powers in the post-Covid-19 era.

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ASEAN's Collective Response to Covid-19: Too Much or Too Little?

While not reaching the levels seen in Europe and the U.S., the level of Covid-19 infections and deaths reported in ASEAN highlights a need to reconsider the group's existing approach to regional crises. It is undeniable that ASEAN proactively kept itself informed about the development of the novel coronavirus as early as December 2019, when the "Wuhan Health and Medical Commission issued an alert on cases of a respiratory syndrome, of unknown cause, associated with the Wuhan Seafood Market."¹ In response, the health division of the ASEAN Secretariat immediately sent communications to the Senior Officials Meeting for Health Development and activated existing regional mechanisms in early January. In mid-February, ASEAN travelers were advised by the ASEAN Tourism Crisis Communications team to keep an eye on travel advisories as well as updates on the outbreak situation in tourist destinations. On Feb. 15, Vietnam, as the ASEAN chair, issued a statement stressing the need to prioritize response measures to Covid-19 and to work closely with ASEAN's multiple partners and the international community to mitigate adverse impacts.

Four days later, on Feb. 19, the ASEAN Defense Ministers Meeting in Hanoi adopted a Joint Statement on Defense Cooperation against Disease Outbreaks. The statement reaffirmed the ministers' collective commitment to promoting defense cooperation, including military medicine cooperation, and called on defense establishments to support the efforts of national health authorities, including leveraging "the ASEAN Network of Chemical, Biological and Radiological defense experts" to manage infectious disease outbreaks.²

On March 10, the 26th retreat of ASEAN Economic Ministers in Da Nang released a Joint Statement on Strengthening ASEAN's Economic Resilience in Response to the Outbreak of Coronavirus Disease, which called for collective action to mitigate the negative economic impact of the pandemic. Three key strategies highlighted in the statement were (1) fostering supply chain connectivity by "leveraging technology, digital trade, and trade facilitation platforms such as the ASEAN Single Window;" (2) improving long-term supply chain resilience and sustainability, particularly through the implementation of the Master Plan on ASEAN Connectivity (MPAC) 2025; and (3) promoting non-tariff measures to ensure the smooth flow of goods and services in supply chains.³

¹ ASEAN (2020a), ASEAN Health Sector Efforts in the Prevention, Detection and Response to Coronavirus Disease 2019 (COVID-19). https://asean.org/?static_post=updates-asean-health-sector-efforts-combat-novel-coronavirus-covid-19

² Singapore Ministry of Defense (2020), Dr Ng: Productive ASEAN Defence Ministers' Meeting (ADMM) Retreat and ASEAN-Australia Defence Ministers' Informal Meeting. https://www.mindef.gov.sg/web/portal/mindef/news-and-events/latest-releases/article-detail/2020/February/19feb20_nr

³ OECD (2020), COVID-19 crisis response in ASEAN Member States. <http://www.oecd.org/coronavirus/policy-responses/covid-19-crisis-response-in-asean-member-states-02f828a2/>

On March 31, the ASEAN Coordinating Council Working Group on Public Health Emergencies held its first teleconference under the chair of Vietnam to promote a collective response to the crisis. On April 7, the ASEAN Health Ministers Meeting adopted a Joint Statement on Enhancing Cooperation on the Covid-19 Response. In light of the budget constraints in coping with the pandemic, ASEAN Foreign Ministers at the 25th ASEAN Coordinating Council Online Meeting on COVID-19 on April 9 endorsed the establishment of a regional Covid-19 response fund that would aim to address the shortage of medical supplies, support research on medicines and vaccines, and prepare for emergency responses. On April 14, ASEAN Leaders chaired by the Prime Minister of Vietnam adopted the Declaration of the Special ASEAN Summit on Covid-19, which reaffirmed the bloc's political commitment to prevent further infections and cross-border infections in the region, strengthen public health cooperation measures to protect the public, and assist small- and medium-sized enterprises.⁴

So far, ASEAN has implemented diverse regional mechanisms in response to the pandemic. These include the Cambodia-chaired ASEAN Plus Three Senior Officials Meeting for Health Development, the ASEAN Public Health Emergency Operations Centre Network led by Malaysia, the ASEAN Plus Three Field Epidemiology Training Network currently chaired by Malaysia and coordinated by Thailand, the ASEAN BioDiaspora Virtual Centre for big data analytics and visualization led by Philippines, the ASEAN Risk Assessment and Risk Communication Centre led by Malaysia, the Public Health Laboratories Network under the purview of the ASEAN Health Cluster 2 on Responding to All Hazards and Emerging Threats, and the Regional Public Health Laboratories Network, led by Thailand through the Global Health Security Agenda platform.^{5 6}

Those multi-level and cross-sectorial regional talks and cooperation platforms reveal the regional grouping's extensive political commitment and stellar efforts to address the pandemic. However, the months up to July witnessed fewer collective actions than proposed by those pledges, while new high-profile epicenters were confirmed in Indonesia, Singapore, Malaysia and the Philippines, increasing death tolls in the region from March onward.

ASEAN member states have also implemented their own individual strategies on the ground in alignment with their national interests, sometimes working at cross-purposes with each other. Singapore and Vietnam swiftly prepared for a long-term "war" on the

⁴ Xinhua (2020), ASEAN leaders prioritize COVID-19 pandemic control. http://www.xinhuanet.com/english/2020-04/14/c_138975310.htm

⁵ OECD (2020)

⁶ Djalante, Riyanti and Nurhidayah, Laely and Lassa, Jonatan and Minh, Hoang Van and Mahendradhata, Yodi and Phuong, Nguyen Thi Ngoc and Trias, Angelo Paolo L and Myoe, Maung Aung and Djalante, Susanti and Sinapoy, Muhammad Sabaruddin (2020), The ASEAN's Responses to COVID-19: A Policy Sciences Analysis. SSRN. <http://dx.doi.org/10.2139/ssrn.3595012>

virus by ramping up production of testing kits and medical supplies for early containment, and took quick actions in respect to strategic testing, aggressive contact tracing, effective public communication campaigns, etc. Tourism, aviation, public transportation and other economic activity in Vietnam practically ground to a halt to prevent intrastate and trans-boundary infections. In contrast, miscalculations and misconceptions about the dire impact of Covid-19 in the early stages led more-developed ASEAN countries to overestimate their level of preparedness. Some states seemingly remained focused on economic interests. As a result, a late response shortages of testing kits and healthcare equipment resulted in thousands of infections, high death rates and the continued spread of the virus.^{7 8 9}

Transnational health security is one of the non-traditional security threats recognized in the ASEAN Community Vision 2025 and the ASEAN Political-Security Community (APSC) Blueprint 2025. Both expressed the aspirations of ASEAN to be “able to respond proactively and effectively to the emerging threats and challenges presented by the rapidly changing regional and global landscape.”¹⁰ The coronavirus pandemic therefore appears to test how ASEAN has been preparing to face the complex threats stemming from the rapidly changing security environment as well as to reflect the capacity of its member states to cope with these challenges. From the perspectives of geopolitics and crisis management, non-traditional security threats such as climate change and pandemics, among other challenges, are of a ‘glocal’ nature – that is, a global or transnational problem that is felt on the local level and whose solutions demand a polycentric approach, and a multi-level and multi-actor response. ASEAN member governments have proactively introduced a number of strategies in recent months in response to the outbreak. However, insufficient resources and crisis governance capacity have impeded their efforts to mitigate the tangible impacts of the pandemic. This highlights a new need to mobilize resources and manpower from non-governmental sources and necessitates multi-actor engagements at multiple levels.¹¹

For now, ASEAN’s current responses to the Covid-19 reflect a state-centric approach and a dependence on intergovernmental and inter-agency cooperation without significant engagement with non-state actors and/or civil society organizations. Accordingly, while the ASEAN bloc has seemingly done much to eliminate the virus by

⁷ Beltran, Michael (2020), *The Philippines’ Pandemic Response: A Tragedy of Errors*. *The Diplomat*. <https://thediplomat.com/2020/05/the-philippines-pandemic-response-a-tragedy-of-errors/>

⁸ Ha, Hoang Thi (2020), *Covid-19 challenges Asean to act as one*. *The Straits Times*. <https://www.straitstimes.com/opinion/covid-19-challenges-asean-to-act-as-one?>

⁹ Rakhmat, Muhammad Zulfikar (2020), *Amid COVID-19, Indonesia should stop prioritizing the economy: lessons from other countries*. *The Conversation*. <https://theconversation.com/amid-covid-19-indonesia-should-stop-prioritising-the-economy-lessons-from-other-countries-138546>

¹⁰ ASEAN (2015), *ASEAN Vision 2025: Forging Ahead Together*. Jakarta: ASEAN Secretariat.

¹¹ Caballero–Anthony, Mely (2017), *From Comprehensive Security to Regional Resilience: Coping with Nontraditional Security Challenges*. Economic Research Institute for ASEAN and East Asia. https://www.eria.org/ASEAN_at_50_4A.7_Caballero-Anthony_final.pdf

all means available, the community infection rate and death toll, with the exception of Vietnam, is still high in some ASEAN member states, demonstrating little progress in the regional collective fight against the pandemic.

ASEAN in the Covid-19: ASEAN-6 vs. CLMV

Southeast Asian countries (except Singapore and Brunei) appeared highly vulnerable to the outbreak of Covid-19 due to their poor healthcare systems and limited resources. The outbreak of Covid-19 began in the region in mid-January when the first cases of Covid-19 were confirmed in Thailand, and then in Vietnam, Singapore, Malaysia, Cambodia and the Philippines. Existing regional health cooperation mechanisms were activated to respond to the threat. National prevention and control strategies were launched to contain the outbreak, including public health measures on preparedness, prevention, control and detection. Personal response strategies were communicated to the public, including frequent hand washing, the appropriate use of masks, the proper way to contain coughing and sneezing, and other personal hygiene and sanitation measures.¹² Some ASEAN member states, notably Singapore and Vietnam, employed strict containment measures to minimize the coronavirus outbreak and initially limited the number of cases to 96 and 16, respectively, without any reported Covid-related deaths.

Despite initial achievements in the first stage of the outbreak, problems reemerged in March as all 10 ASEAN member states reported a rapid increase in new cases, with Myanmar and Laos registering their first cases in late March.¹³ By June 6, 2020, ASEAN countries had over 101,640 cases confirmed, including 3,003 deaths.¹⁴ ¹⁵The number of new cases continued to increase in the region in June, but the rate of growth generally slowed due to national lockdowns and social distancing measures. Ironically, the more developed ASEAN-6 countries -- Singapore, Indonesia, Philippines, Malaysia and Thailand and with the exception of Brunei -- were the hardest-hit member states in the region with 100,778 cases (accounting for 99.2 per cent of the region's cases) and 2,995 deaths (99.7 per cent of the death toll). Meanwhile, the less developed CLMV (Cambodia, Laos, Myanmar, and Vietnam) bloc, which has less advanced healthcare systems, closer geographic proximity and deep trade interconnectedness with China, has performed outstanding work against the pandemic. With the exception of Myanmar, which announced six deaths as of June 6, Cambodia, Laos and Vietnam appear to have successfully conducted their own "war" on Covid-19 with zero confirmed deaths since they reported their first cases in January (in the case of Vietnam and Cambodia) and March (Laos).

¹² ASEAN (2020a)

¹³ ASEAN Health Sector Efforts in the Prevention, Detection and Response to Coronavirus Disease 2019 (COVID-19).

¹⁴ ASEAN Briefing (2020)

¹⁵ Worldometers (2020), Reported Cases and Deaths by Country, Territory, or Conveyance.
<https://www.worldometers.info/coronavirus/>

There are several reasons why the healthcare systems of most ASEAN-6 countries failed to curb the spread of Covid-19. First, the lack of transparency, insufficient recognition of the scale of the pandemic and the slowness of the initial response to the outbreak highlighted the inadequate approaches of Indonesia, Malaysia, and the Philippines.¹⁶ While Singapore and Vietnam took early initiatives on travel restrictions and deployed containment measures, Indonesia and Malaysia left their borders open and prioritized economic growth. These two leading regional economies were slow to acknowledge the source of the threat and act accordingly despite warning signals from China and the hardest hit countries in Europe.¹⁷ To make things worse, Malaysia allowed a massive religious gathering at a mosque which was attended by 16,000 people in late February. This event is believed to have led to a widespread outbreak of Covid-19 in the country, making it Southeast Asia's epicenter.¹⁸ Second, while Vietnam, Laos and Cambodia are nation-states with centralized, top-down administration and political systems that enable a whole-of-government mobilization in response to the pandemic, other, more geographically fragmented countries like Indonesia or federal-based countries such as the United States and Brazil have seen their national crisis response undermined by different, or even conflicting, growth policies and/or different response strategies at the local level.

Is coronavirus reshaping a new power balance in ASEAN?

It is worth observing that ASEAN has diversified its financial and technical sources as it mobilizes against the pandemic. Given its geostrategic importance, ASEAN is now becoming an emerging "coronavirus diplomacy hotspot" where external rival powers are trying to enhance their soft power via financial and non-monetary assistance. An ASEAN-U.S. high-level interagency video conference on public health emergencies took place on April 1 where both sides discussed challenges related to Covid-19 and identified bilateral cooperation mechanisms, including a new US\$18.3 million fund to support ASEAN countries.¹⁹ Other ASEAN-U.S. bilateral meetings included the Special ASEAN-United States Foreign Ministers' Meeting on Coronavirus Disease via video conference on April 23 and the Special Video Conference of Health Ministers of ASEAN and U.S. in Enhancing Cooperation on COVID-19 Response on April 30. These conference calls all called for strengthening collective efforts through well-established existing networks and platforms to mitigate the impact of COVID-19 and safeguard

¹⁶ Ha 2020; Rakhmat 2020; Beltran 2020

¹⁷ du Rocher, Sophie Boisseau (2020), What COVID-19 Reveals About China-Southeast Asia Relations. The Diplomat. <https://thediplomat.com/2020/04/what-covid-19-reveals-about-china-southeast-asia-relations/>

¹⁸ Ha (2020)

¹⁹ Parameswaran, Prashanth (2020), What's Next for US-ASEAN Cooperation Amid the Global Coronavirus Pandemic? The Diplomat. <https://thediplomat.com/2020/04/whats-next-for-us-asean-cooperation-amid-the-global-coronavirus-pandemic/>

public health in the region.²⁰

ASEAN has kept in close touch with China at multiple levels and sectors since the outset of what was then unexplained pneumonia clusters in Wuhan²¹ On Feb. 20, a special conference of ASEAN-China Foreign Ministers to discuss cooperation over responses to the pandemic took place in Vientiane, Laos. The meeting discussed ways to cope with the Covid-19 epidemic, including sharing information and best practices through available cooperative channels and strengthening ASEAN-Chinese cooperation and solidarity to “turn the crisis into an opportunity.”^{22 23} Several other ASEAN-China bilateral video conferences at the expert and official levels were held in March, April and May. All of them reaffirmed the commitment of each side to mutual assistance and staying united in the fight to contain the coronavirus.

In return for ASEAN’s public sympathy and support for China when Covid-19 broke out in Wuhan, Beijing donated medical supplies to the ASEAN Secretariat in April, and confirmed in May a two-year fund to support ASEAN countries to fight the pandemic.²⁴ The mutual assistance between ASEAN and China and China’s generous financial and medical assistance to the most highly affected ASEAN member states reflects the prevailing pro-China policy within ASEAN. China’s initial effort to downplay the severity of the coronavirus by claiming the virus was not subject to human-to-human transmission drew some international criticism that it had misled the world and eventually caused the global pandemic.^{25 26} But many Southeast Asian leaders publicly pledged their solidarity and trust in China, and praised Beijing’s rapid emergency response capacity.²⁷ The same ASEAN member countries avoided blaming China in the media and diplomatic forums for the spread of Covid-19, even though all the first reported cases of infection in the region were connected to Wuhan, where the

²⁰ ASEAN (2020b), Co-Chairs’ Statement of the Special ASEAN-United States Foreign Ministers’ Meeting on Coronavirus Disease 2019 (COVID-19). <https://asean.org/co-chairs-statement-special-asean-united-states-foreign-ministers-meeting-coronavirus-disease-2019-covid-19/>

²¹ ASEAN (2020a)

²² Vietnamnet (2020), ASEAN, China enhance cooperation in response to COVID-19. <https://vietnamnet.vn/en/politics/asean-china-enhance-cooperation-in-response-to-covid-19-618299.html>

²³ Xinhua (2020b), China, ASEAN pledge joint efforts to combat coronavirus outbreak. http://www.xinhuanet.com/english/2020-02/20/c_138802892.htm

²⁴ Pizaro, Gozali Idrus (2020), China ‘ready’ to include ASEAN in \$2B COVID-19 aid. <https://www.aa.com.tr/en/asia-pacific/china-ready-to-include-asean-in-2b-covid-19-aid/1857846>; ASEAN (2020a)

²⁵ Judd, Emily (2020), China, WHO ‘totally responsible’ for coronavirus pandemic: US-China expert. Al Arabiya English. <https://english.alarabiya.net/en/features/2020/04/21/China-WHO-totally-responsible-for-coronavirus-pandemic-US-China-expert>

²⁶ CNBC (2020), China hid severity of the virus so it could hoard supplies, intelligence documents show. <https://www.cnn.com/2020/05/03/us-intelligence-documents-accuse-china-of-covering-up-coronavirus-outbreak.html>

²⁷ du Rocher (2020)

virus originated.²⁸ The Philippines, Indonesia, Malaysia, and Thailand did not initially halt flights to and from China, largely due to concerns about the economic impact on the tourism industry which is highly dependent on Chinese tourists.²⁹

These responses by ASEAN member states underscore the extent of Chinese influence in the region, and demonstrate Southeast Asia's "de facto acceptance" of China's practices, standards, and soft power.³⁰ For China, a nation that has long sought to secure its place as a world power, the coronavirus outbreak and its dire impact on Southeast Asia has presented Beijing with an opportunity within a crisis. While the U.S. and the EU were still struggling through June to contain the pandemic, China was fully engaging in what may be called "coronavirus diplomacy" by providing generous financial and medical support to individual ASEAN member states. The benefits of this strategy might be far-reaching as a favorable view of China seems to be on the rise in ASEAN despite regional criticism of China's mismanagement of upstream Mekong waters³¹ and problematic policies in the South China Sea.³²

Amidst continued U.S.-China tensions, the question worth asking is how much the power balance in Southeast Asian is being reshaped as ASEAN moves closer to China. The answer may depend on the Trump administration's response and on how much progress ASEAN can make in its collective fight against the pandemic.

Final Thoughts

Since the World Health Organization declared the new coronavirus disease a global pandemic on March 11, 2020, it has brought havoc globally as more than 7.5 million people in over 210 countries and territories had been infected as of June 11, 2020.³³ The pandemic is not just a global health crisis. Its dire impact has been felt in every socio-economic sphere. As a trans-national virus, solutions to Covid-19 demand international cooperation and no country can resolve them on its own. When it comes to ASEAN, opportunities exist to develop collective response capacity to contain the pandemic. ASEAN's fight against the SARS outbreak in 2003 and H1N1 in 2009 have provided enduring lessons for regional cooperation and pandemic preparedness.³⁴

²⁸ Ibid.

²⁹ Ibid.; Rakhmat (2020)

³⁰ du Rocher (2020)

³¹ Eyler, Brian and Weatherby, Courtney (2020), How China turned off the tap on the Mekong River. Stimson. <https://www.stimson.org/2020/new-evidence-how-china-turned-off-the-mekong-tap/>

³² Zhou, Laura (2020), Beijing's South China Sea fishing ban threatens to raise tensions with rival claimants. South China Morning Post. <https://www.scmp.com/news/china/diplomacy/article/3083572/beijings-south-china-sea-fishing-ban-threatens-raise-tensions>

³³ Worldometer (2020)

³⁴ Djalante et al. (2020)

However, divergent responses to the crisis among ASEAN member states demonstrate that the bloc's collective goals to combat Covid-19 are far from being achieved. The gap between ASEAN-level talks and tangible actions at the local level has resulted in widespread, trans-boundary outbreaks and high death tolls. The reason for this regional failure is little coordinated action on the ground among the member states.³⁵ Even though Southeast Asia has witnessed growing convergence in the response policies of the member countries since mid-March 2020,³⁶ it is necessary for ASEAN to be more coherent and adopt a polycentric approach that reflects a collective response in accordance with the group's proclaimed spirit of a "Cohesive and Responsive ASEAN."

As the 2020 ASEAN chair, Vietnam's widely recognized success in containing the pandemic provides important lessons for neighboring nation-states and shows the full potential that can be achieved in defeating the virus if it is scaled up at the ASEAN level. Even though the success story of Vietnam may not be applicable if it is replicated in federal-based or fragmented countries, the Vietnamese approach represents a clear policy alternative of pursuing a self-reliant regional pandemic response strategy instead of waiting in vain for saviors to emerge among external powers.

³⁵ Ha (2020)

³⁶ Djalante et al. (2020)

STRENGTHENING PUBLIC HEALTH CAPACITY TO WITHSTAND FUTURE PANDEMICS

*Dr. Vipat Kuruchittham**

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Abstract

The Covid-19 pandemic demonstrated how quickly a localized infectious disease can spread and impact lives across a globalized world. In the Mekong region, as elsewhere, the pandemic should serve not only as a wake-up call for governments to prioritize their limited resources towards strengthening public health systems, but also build their capacity to better coordinate domestic and international responses. In addition, fostering a sense of social responsibility among citizens and improving public health literacy are necessary to set the foundation for effective public responses to infectious disease threats in the future. As the region becomes increasingly interconnected, the strength of our collective public health system is only as strong as its weakest link. We must unite, not only on a sub-regional and regional basis but also worldwide, to strengthen our capacities to withstand the impact of future pandemics.

As of mid-July 2020, Covid-19 had infected more than 13.1 million people, and caused more than 574,000 deaths¹, resulting in estimated economic losses of USD 8.8 trillion worldwide.² Although the collective losses stemming from the disease may not have been fully preventable, experts estimate that smart investments to strengthen public health systems and make them more resilient and responsive to emerging disease threats would have yielded an annual return of at least 10 times the initial investment.³ With the unprecedented impact on lives, livelihoods, and economies from Covid-19, countries must examine how they can strategically invest their limited resources to enhance their capacities and improve their readiness to prevent, detect and respond to current and future disease threats. Given the interconnectedness of our world, this article advocates for a systems approach, recommending that countries consider

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¹ Johns Hopkins University, n.d., "COVID-19 Dashboard by the Center for Systems Science and Engineering (CSSE)," Accessed July 15, 2020, <https://coronavirus.jhu.edu/map.html>.

² Asian Development Bank, 2020, "COVID-19 Economic Impact Could Reach \$8.8 Trillion Globally – New ADB Report," May 15, 2020, <https://www.adb.org/news/covid-19-economic-impact-could-reach-8-8-trillion-globally-new-adb-report>.

³ Schar, Daniel L., Gavin M. Yamey, Catherine C. Machalaba, and William B Karesh, 2018, "A framework for stimulating economic investments to prevent emerging diseases," *Bulletin of the World Health Organization* 96(2): 138-140, <https://doi.org/10.2471/BLT.17.199547>.

strengthening three primary components to effectively withstand future pandemics: public health systems, nationwide coordinated responses and the social responsibility of citizens, including increased public health literacy.

Public health systems

Public health surveillance abilities are essential to the early detection of outbreaks. Since outbreaks originate at the community level, formal disease surveillance by health facilities should be enhanced by community-based surveillance to systematically detect and report suspected cases from local residents.⁴ The importance of such a system is clear: community-based surveillance can detect cases that would not have been otherwise reported by routine surveillance, such as public interaction with healthcare providers. After a case is detected in the community, contact tracing, testing and containment must be aggressively employed to prevent and control the further spread of disease. It is also crucial that financial concerns do not impact the public's ability to get tested or treated. To effectively prevent the spread of disease, every infected person should be treated regardless of their ability to pay. For suspected cases, those individuals should be isolated either at home or in state-based quarantine facilities during the 14-day incubation period.

Pandemics hit all countries irrespective of their wealth and income. Covid-19 has demonstrated that countries with more resources, such as Italy and the United States, do not necessarily respond better to pandemics than countries with fewer resources, such as Thailand and Vietnam. or those with weaker public health infrastructure in terms of trained healthcare personnel, medical supplies and personal protective equipment, or laboratory capacity for testing.

Indeed, no country has the necessary resources to handle outbreaks that grow exponentially unless quick and decisive government measures to reduce transmission rates are taken. Flattening the epidemic's curve is essential for an effective government response because it permits the healthcare sector to absorb the increased demand for services. Countries with fewer resources face additional difficulties in prioritizing their limited resources to those most in need, especially high-risk individuals and vulnerable populations. But an effective government response can lighten the burden.

Cross-sector coordination is also important. When health professionals are overwhelmed with demands for testing, tracing and treating the disease, governments can assist them by engaging with academic institutions to increase their capacities to handle the surge as well as engage with non-governmental and international organizations. During times of strain on traditional health systems, cross-sector

⁴ Technical Contributors To The June WHO Meeting, 2019, "A definition for community-based surveillance and a way forward: results of the WHO global technical meeting, France, 26 to 28 June 2018," *Euro Surveillance* 24(2):pii=1800681, <https://doi.org/10.2807/1560-7917.ES.2019.24.2.1800681>.

responses are especially helpful. Academic institutions, for instance, are producers of a competent and sustainable pool of health professionals and can play a pivotal role in helping governments increase their national capacities to fight outbreaks. They can increase diagnostic testing and contact tracing capabilities, provide research on treatment and preventative vaccines, use data analysis and disease modeling to predict the number of new cases and deaths based on different public policy measures, deliver science-based information to policymakers, and develop innovative low-cost solutions.

Strengthening public health defense systems, however, requires long-term investments to be effective. Although a significant amount of funding might be required up front, the real return on investment will not become apparent until a country experiences a pandemic event. When the time comes, countries with well-prepared public health systems and contingency plans will reap both economic and social benefits. For this reason, countries should seriously consider developing their capabilities to enhance their public health infrastructure, especially by increasing the capacities of local health professionals who serve as the necessary foundation in any national effort to prevent, detect and respond to public health emergencies.

Nationwide coordinated responses

As demonstrated, an outbreak affecting a local community, which is classified as an epidemic, can quickly spread to several countries and continents and become a pandemic within a few months.⁵ The impact of Covid-19 was unprecedented. No one could have imagined when it was first detected that the global economy and the regular functioning of societies would be brought to a standstill, with many countries going into lockdown, international and domestic flights grounded, and global supply chains disrupted. While the threat remains, it is nevertheless essential that governments start laying the groundwork for future resilience. As it stands, the strain on our natural environment, caused by growing populations, urbanization, and increased demands on food supplies, makes it more difficult to prevent future outbreaks. We can, however, significantly improve our response to the threat of diseases to make it less likely that epidemics will evolve into pandemics. Toward this goal, all nations should strengthen their public health emergency preparedness plans. They should not only enhance coordinated domestic responses, but also help streamline coordinated international responses. Since the world's response to pandemics is only as strong as its weakest link, international aid and coordinated responses should be raised above politics in order to effectively utilize resources.

A pandemic requires coordination and collaboration among government agencies and across domestic and international sectors. Leadership by heads of government is needed to ensure proper coordination between government ministries and civil society, such as

⁵ World Health Organization, 2020, "WHO Timeline - COVID-19," Last modified April 27, 2020, <https://www.who.int/news-room/detail/27-04-2020-who-timeline---covid-19>.

the ministries of health and agriculture which generally lead epidemic responses. Countries that display decisive leadership and balanced empathy and promote the use of science-based information to implement measures to contain diseases, are more effective in reducing the negative impacts of pandemics.⁶ Indeed, the risks of an uncoordinated and ineffectual response are heavy. António Guterres, the U.N. Secretary-General, urged all the nations to be transparent, responsive and accountable, and leave no one behind in responding to Covid-19. Otherwise, public health and economic crises could develop into intractable human rights crises.⁷

Transparency in public communication must be promoted to build up social trust, as misinformation can spread like wildfire during times of crisis, potentially leading to panic. Living in the era of social media, we often consume news from multiple sources and promptly share the information, in many instances without verifying the authenticity of the source. It is impractical to correct all the misinformation posted online. What government can do, however, is encourage citizens to access verified and up-to-date information from official daily briefings delivered by designated spokespersons and backed by phone hotlines and authorized media channels on Facebook and websites that are dedicated to disseminating information and advisories. The information provided must be swift, clear and concise so the public understands how to protect themselves. The U.S. Centers for Disease Control and Prevention recommends six principles for Crisis and Emergency Risk Communication (CERC) in an outbreak.⁸ They include the need to be first, right, credible, empathetic, action-oriented and respectful. Following these principles, public trust is boosted and easier to maintain.

Social responsibility of citizens

Human beings are social animals. It is against our nature to practice social distancing and reduce physical interaction, one of the primary measures to reduce disease transmission.⁹ Without slowing the transmission, healthcare systems have less time to respond and could become overwhelmed. When governments request citizens to take measures to reduce the spread of Covid-19, such as physical distancing, the use of face

⁶ Phillips, Tom, Richard Orange, David Smith, Emma G. Harrison, and Eleanor A. Roy, 2020, "Covid-19: how world leaders responded to the crisis," *The Guardian*, April 12, 2020, <https://www.theguardian.com/world/2020/apr/12/covid-19-how-world-leaders-responded-to-the-crisis>.

⁷ Guterres, António, 2020, "We are all in this Together: Human Rights and COVID-19 Response and Recovery," April 23, 2020, <https://www.un.org/en/un-coronavirus-communications-team/we-are-all-together-human-rights-and>.

⁸ Centers for Disease Control and Prevention Office of Public Health Preparedness and Response, n.d., "CERC in an Infectious Disease Outbreak," Accessed June 7, 2020, https://emergency.cdc.gov/cerc/resources/pdf/315829-A_FS_CERC_Infectious_Disease.pdf.

⁹ Chu, Derek K, Elie A Akl, Stephanie Duda, Karla Solo, Sally Yaacoub, and Holger J. Schüneman, 2020, "Physical distancing, face masks, and eye protection to prevent person-to-person transmission of SARS-CoV-2 and COVID-19: a systematic review and meta-analysis," *The Lancet*, June 1, 2020, [https://doi.org/10.1016/S0140-6736\(20\)31142-9](https://doi.org/10.1016/S0140-6736(20)31142-9).

masks, and frequent hand washing, an individual's sense of social responsibility largely influences whether they will follow the recommended guidelines and sacrifice personal convenience. In an outbreak, the stakes are high. A careless action by a single individual can help fuel exponential infection rates, potentially leading to soaring caseloads and more deaths. Lying about one's travel history to high-risk areas during a hospital visit could unnecessarily jeopardize many healthcare professionals and the lives of others. For this reason, a sense of social responsibility is hugely important. If we can nurture people's sense of social responsibility, asking them to follow government guidelines can become less daunting as long as they have access to basic necessities, such as food and face masks, needed to weather the storm. Increased social responsibility and trust makes infection prevention and control during a pandemic more effective.

Although we can instill a sense of social responsibility at a young age, formal education is also needed. Regarding the threat of pandemics, public health literacy and an understanding of the interdependencies between humans and animals in a shared environment, known as One Health, is crucial. With Covid-19, we have witnessed the global impact of a virus whose origin is suspected to be from a wet market selling wildlife meat for human consumption.¹⁰ Wildlife serves as a reservoir for 72% of known zoonoses, which are diseases transmitted from animals to humans.¹¹ For this reason, addressing wildlife trade in meat for consumption cannot be ignored if we are to lessen the spillover of diseases originating from wildlife and prevent future pandemics. The public must be educated about such dangerous actions in our shared environment that could potentially ripple outwards and have a devastating global impact.

Conclusion

In summary, the COVID-19 pandemic demonstrated how quickly a localized infectious disease can spread and impact lives across a globalized world. In the Mekong region, as elsewhere, Covid-19 should serve not only as a wake-up call for governments to prioritize their limited resources towards strengthening public health systems, but also to build their capacity to better coordinate domestic and international responses. In addition, fostering a sense of social responsibility among citizens and improving public health literacy are necessary to set the foundation for effective public responses to infectious disease threats in the future. As the region becomes increasingly interconnected, the strength of our collective public health system is only as strong as its weakest link. We must unite, not only on a sub-regional and regional basis but also worldwide, to strengthen our capacities to withstand the impact of future pandemics.

¹⁰ World Wildlife Fund, 2020, "COVID-19 and Wildlife Trade: Perspectives and Proposed Actions," April 14, 2020, <https://www.worldwildlife.org/pages/covid-19-and-wildlife-trade-perspectives-and-proposed-actions>.

¹¹ Jones, Kate E., Nikkita G. Patel, Marc A. Levy, Adam Storeygard, Deborah Balk, John L. Gittleman, and Peter Daszak, 2008, "Global trends in emerging infectious diseases," *Nature* 451: 990-993, <https://doi.org/10.1038/nature06536>.

COVID-19 EXPOSES INEQUALITY IN MEKONG REGION

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Abstract

The Covid-19 pandemic has exposed problems surrounding natural resources that provide a social safety net for marginalized populations. In the Mekong region, forests, rivers, and wetlands are sources of food and income for people affected by the pandemic and lockdowns and who have limited social protection. However, major rivers and natural resources are under threat. Extensive hydropower development in the Mekong basin has worsened the situation. The resource base is being degraded. Access to these resources is being reduced as a result of poor governance regionally. Inequality in the Mekong region is a critical issue and has become more urgent due to the Covid-19 lockdown. Dam projects have contributed to this problem, depriving people of livelihoods. The Mekong region must be viewed in the wider context of natural resource management needs and trans-boundary accountability. Development projects should be designed to reduce social inequality, with transparency, participation, and recognition of the value of healthy ecosystems that contribute to a stronger social safety net.

Inequality is at the root of problems in the Mekong subregion. Environmental destruction and social dislocation issues in the region have been intensified by the Covid-19 crisis. With protracted lockdowns and economic fallout from the pandemic, many people, particularly informal workers such as laborers, taxi drivers and others in the services and tourism sector, have been returning from the cities to rural areas. Many of 3 million migrant workers in Thailand have returned to their home countries, including Laos, Cambodia and Myanmar.

The pandemic has also highlighted the importance of natural resources in helping provide a critical social safety net. In times of crisis, forests, rivers and wetlands – nature’s “supermarkets” – should be able to provide food, nutrients and alternative sources of income for populations affected by the pandemic and lockdowns who otherwise have limited social protection.

However, the ability of the Mekong, the Salween and other major rivers to sustain communities is under threat. Declines in fish stocks and natural resources are making life more difficult for people living along the rivers. This situation has been made worse

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due to extensive hydropower development in the Mekong basin on both mainstream rivers and tributaries. This development has destroyed fisheries, reduced the productivity of farmers and altered flow regimes that people rely on for livelihood. The resource base is being degraded. Moreover, access to these resources is being reduced as a result of poor governance.

The social displacement caused by dams and other large infrastructure projects increases the vulnerability of local populations. For example, the Office for the U.N. High Commissioner for Human Rights recently raised concerns over deteriorating living conditions and food shortages faced by villagers who lost their homes and farmland after the collapse of the Xe-Pian Xe-Namnoy dam in southern Laos in 2018.¹ “Thousands of survivors lost everything and continue to face uncertainty and neglect. Governments, as well as companies and banks, stand to profit handsomely from the hydropower project, yet communities who lost everything have received only broken promises,” it said.

Internally displaced persons and refugees of Myanmar’s war-torn Shan state have called upon Thailand and China to stop investing in the gigantic Mong Ton dam on the Salween River (known in Myanmar as Thanlwin) because it threatens to exacerbate human rights violations and the destruction of natural resources.² The dam also threatens the status of the Salween as one of the last large free-flowing rivers in the world.

The impacts of the pandemic have been uneven, with marginalized groups most affected since their lives have already been disrupted by the dam projects. In northern Laos, growing numbers of villagers are reportedly collecting non-timber products and hunting wildlife after losing jobs and income during the pandemic shutdown.³ Villagers displaced by the cascade from the Nam Ou dams in Laos are facing hardship at relocation sites, suffering from increased social conflicts and food and water shortages.⁴ Although the dams are described as social development projects, the Covid-19 outbreak has revealed the projects’ high social costs. Local populations affected by the construction of the dams are struggling, having received inadequate compensation and

¹ OHCHR (April 2020). “Lao dam disaster: UN rights experts call for justice two years on.” Available at: <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=25839&LangID=E>

² Shan Human Rights Foundation (June 2020). “Still waiting for justice: remembering the Hsai Khao and Tad Fa Ho massacres.” Available at: <https://www.shanhumanrights.org/eng/index.php/392-still-waiting-for-justice-remembering-the-hsai-khao-and-tad-fa-ho-massacres>

³ Radio Free Asia (June 2020). “ໂຄວິດ-19 ຮະບາດ ຊາວບ້ານ ອອກລ່າສັດ.” Available at: <https://www.rfa.org/lao/daily/economy/Villagers-take-up-hunting-during-pandemic-Laos-06032020084649.html>

⁴ Radio Free Asia (June 2020). “ເຂົ້າອຸ່ນນ້ຳອູ 4 ກັກນ້ຳ ຮົ່ວສອນ ຈົມນ້ຳ.” Available at: <https://www.rfa.org/lao/daily/environment/nam-Ou4-dam-floods-villages-agriculture-phongsaly-01062020074311.html>

being forced to move to unsuitable farmland. Many have sought to illegally return to their old villages to farm.

On the Andaman coast in southern Thailand, Moken “sea gypsy” communities were evicted from their homes and ancestral lands in five provinces after the 2004 tsunami because their fishing grounds was transformed into state conservation zones. The beaches that once housed their villages are now the site of luxury hotels and tourist resorts. Many of them have turned to tourism-related work and services, but Covid-19 has deprived them of income due to the collapse of tourism. Even though they can still fish to sustain themselves, they cannot take their catch to markets catering to the tourism industry.⁵

On a more positive note, strong solidarity remains among local communities in the face of Covid-19. Ethnic Karen communities in northern Thailand, including those in the Salween basin, have mobilized by collecting rice they have cultivated from rotational farming to donate to Covid-19-affected communities.

What we are seeing is that communities, which organized to resist destructive large-scale infrastructure projects, are using that same solidarity to protect their families and communities during the pandemic. They are relying on strong community-to-community networks to exchange information and experiences to cope with problems caused by Covid-19.

The Covid-19 pandemic may also change official thinking on the necessity of the dam projects as the lockdown brought a temporary halt to the dam construction in the Mekong basin. There is already growing support for alternative energy solutions that respect community rights and natural resources.

Most of the hydropower dams in the Mekong basin are meant to export power to neighboring countries, with Thailand as the main buyer of electricity. But Thailand saw a drastic reduction in electricity demand due to the Covid-19 lockdown, with 86% of its energy capacity lying dormant in March and April.⁶ This variation suggests that Thailand has excess electricity supplies, with a large portion of installed capacity not being utilized. Even before the Covid-19 outbreak, energy demand in Thailand was already considered to have peaked with no increase forecast for at least the next few years.

The massive power plants on the Mekong are not only causing hardship for marginalized people, but also creating a financial burden for consumers who pay

⁵ Bangkok Post (June 2020). “Sea gypsies still strive for security.” Available at: <https://www.bangkokpost.com/opinion/opinion/1932868/sea-gypsies-still-strive-for-security>

⁶ Matichon Online (April 2020). “อ.เดชารัต แฉ ‘ค่าความพร้อมจ่าย’ ให้โรงไฟฟ้าเอกชนไทย เป็นเหตุ ค่าไฟแพง!” Available at: https://www.matichon.co.th/news-monitor/news_2149738

expensive electricity bills. Under the power purchase agreements with the hydroelectric power plants, state utilities must pay a fixed amount for the electricity reserves whether it is used or not.

Without growing domestic demand, Thailand's electricity utility, EGAT, is becoming a middleman in selling the power produced by the dams elsewhere by planning for regional electricity connectivity. An ASEAN power grid, which has been proposed under a trilateral memorandum of understanding signed by Laos, Thailand and Malaysia,⁷ has been used as a rationale to support the building of future power hydroelectric dams. Under this plan, electricity from Laos would be sold to Malaysia through Thailand's transmission lines. However, no detailed information has been provided to the public about how this scheme would be achieved.

The pandemic has raised questions about whether such a plan is justified. Who will benefit and at what cost and what are the hidden social and environmental costs of the project? The likely answer is that the corporations, state enterprises and banks that finance and build the dams will have the most to gain. Even during the Covid-19 crisis and the consequent sharp drop in electricity demand resulting from the economic slowdown, they continued to enjoy stable cash flow as a result of the current power purchase agreements.

Since large dams can destroy rivers and people's livelihoods, the pandemic provides an opportunity to stop the projects and replace them with more sustainable and equitable energy options. This would offer a future option for the Mekong River that could be both just and environmentally sound.

Inequality in the Mekong subregion is a critical issue and one that has been exacerbated by Covid-19. Dam projects have contributed to this problem. The Mekong subregion must be viewed in the wider context of natural resource management needs and trans-boundary accountability. Development projects should be designed to reduce social inequality and this means they should be transparent, participatory, and recognize the value of healthy ecosystems that contribute to a stronger social safety net. With meaningful participation and community solidarity, better development can be achieved in the future that leaves no one behind, with or without Covid-19.

⁷ BenarNews. (September 2019). "Laos, Malaysia and Thailand Agree to Expand a Trilateral Power Deal" Available at: <https://www.benarnews.org/english/news/thai/asean-energy-09062019171641.html>

20,024,263

Infected

733,995

Deaths

12,898,238

Recovered



Source: <https://thenextweb.com/corona/2020/03/10/best-coronavirus-dashboards-map-spread-covid-19/>

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