

Policy Brief:
**The Impact of
COVID-19 on
South-East Asia**

JULY 2020

Executive summary

The health, economic and political impact of COVID-19 has been significant across South-East Asia, but the virus has not spread as rapidly here as in other parts of the world. There is much to learn from the response to date of countries in the subregion as governments have acted swiftly and despite limited fiscal space to contain the pandemic and avoid its worst effects.

Nonetheless, as in many other parts of the world, the pandemic has inflicted real suffering, with a disproportionate impact on the most vulnerable, and it has highlighted prevailing inequalities, concerns over governance, and the unsustainability of the current development pathway. It has exacerbated existing risks and revealed new challenges, including to peace and security, as well as human rights.

This policy brief examines how the eleven countries¹ of South-East Asia are coping with the immediate impacts of COVID-19, focusing on the subregion's socio-economic response and providing four sets of recommendations for a recovery that leads to a more sustainable, resilient and inclusive future:

➤ **Tackling inequality** needs to be the central feature of both short-term stimulus measures and long-term policy changes and measures for building back better. Policies

could prioritize the reduction of inequalities in income, wealth and access to basic services and social protection. This necessitates increased investments to strengthen health systems in the subregion and accelerate progress towards universal health care. Short- and long-term measures responding to the needs of vulnerable groups – people in the informal economy, women and girls, persons with disabilities, migrants and refugees – are necessary, recognizing that nobody is safe until everybody is safe.

➤ **Bridging the digital divide** across South-East Asia would ensure that people and communities are not left behind in an increasingly digital world, where services and support are increasingly based on digital awareness, literacy and access.

➤ **Greening the economy** needs to be a priority and, to that end, South-East Asian nations could embed long-term sustainability and inclusivity in their COVID-19 response and recovery packages, including scaling up investments in decarbonizing economies.

➤ **Upholding human rights and good governance practices** remains an important bedrock. Building back better, by definition, needs to include respecting and fulfilling

¹ Brunei, Cambodia, Lao PDR, Indonesia, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor Leste and Viet Nam.

fundamental human rights and protecting civic space. All governments in the subregion have supported the Secretary-General's [appeal for a global ceasefire](#), and it will be important for countries to translate that commitment into meaningful change on the ground by ensuring that COVID-19 responses address conflict situations.

At the country-level, the United Nations is supporting government responses to COVID-19 by providing essential medical supplies, offering technical and financial support for social protection programmes, assessing the socio-economic impacts of the virus and developing mitigation strategies. Other efforts include supporting the needs of refugees and returning migrants, helping governments with COVID-19 risk communication and addressing the surge in violence against women and children during the pandemic.

I. How South-East Asia is responding to the immediate impact of COVID-19

PROGRESS ON SUSTAINABLE DEVELOPMENT AND HEALTH BEFORE COVID-19

When COVID-19 emerged in early 2020, South-East Asia was already not on track to achieve the Sustainable Development Goals (SDGs) by 2030, lagging behind in all but two of the 17 Goals (figure 1).² Despite strong economic growth, the subregion is characterized by high levels of inequality, low levels of social protection and a large informal sector,³ as well as a regression in peace, justice and strong institutions, and worrying levels of ecosystem damage, biodiversity loss, greenhouse gas emissions and air quality.

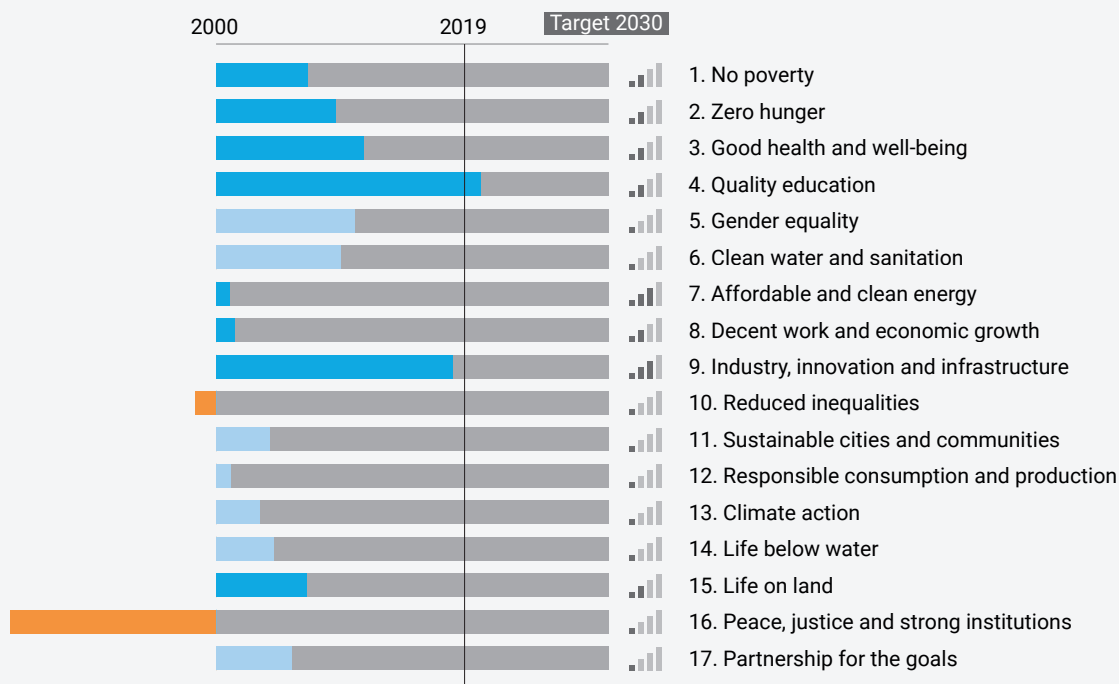
At the same time, most South-East Asian countries had developed good capabilities in responding to public health emergencies,⁴ with capacities in early detection and reporting of epidemics

comparable to those in developed countries.⁵ This reflects the subregion's strong commitment to improving national health-care capacity and adherence to international health norms.⁶

Yet, South-East Asia's health-care sector exhibits varying degrees of preparedness (figure 2).⁷ The World Health Organization's universal health coverage index of service coverage reported a median index of 61 out of 100, suggesting that much more progress is needed. More than half of the subregion's countries are vulnerable because of weak health systems, including Myanmar, Cambodia, Indonesia, Lao PDR, the Philippines and Timor Leste. Among the 11 countries covered in this brief, the situation is particularly concerning for Myanmar and the Philippines, which have pre-existing humanitarian caseloads, and have therefore been incorporated in the recently launched [Global Humanitarian Response Plan](#).

2 Unless otherwise stated, all data in this policy brief is provided by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP).
3 ESCAP, "Inequality of Opportunity in Asia and the Pacific: Education", *Social Development Policy Papers*, #2018-01, 2018.
4 Based on World Health Organization Preparedness Data available on Global Health Observatory Data repository.
5 Based on data from Global Health Security Index, a project developed by the Nuclear Threat Initiative, the Johns Hopkins Center for Health Security and The Economist Intelligence Unit.
6 Ibid.
7 Assessment based on data from World Bank World Development Indicators.

FIGURE 1: SDG SCORECARD FOR SOUTH-EAST ASIA



Source: ESCAP.

FIGURE 2: PREPAREDNESS DASHBOARD OF SOUTH-EAST ASIAN COUNTRIES FOR COVID-19

Low to high	Human Development			Health System			Connectivity		
	Human development index (HDI)	Inequality-adjusted HDI (IHDI)	Inequality in HDI	Physicians	Nurses and midwives	Hospital beds	Health expenditure	Mobile phone subscriptions	Fixed broadband subscriptions
	(index) 2018	(IHDI) 2018	(percentage) 2018	(per 10,000 people) 2010-2018	(per 10,000 people) 2010-2018	(% of GDP) 2016	(per 100 people) 2017-2018	(per 100 people) 2017-2018	
Singapore	0.935	0.810	13.3	23.1	72	24	4.5	145.7	28.0
Brunei Darussalam	0.845	17.7	66	27	2.3	131.9	11.5
Malaysia	0.804	15.1	41	19	3.8	134.5	8.6
Thailand	0.765	0.635	17.0	8.1	30	21	3.7	180.2	13.2
Philippines	0.712	0.582	18.2	12.8	2	10	4.4	110.1	3.7
Indonesia	0.707	0.583	17.5	3.8	21	12	3.1	119.8	3.3
Viet Nam	0.693	0.580	16.3	8.2	14	26	5.7	147.2	13.6
Timor-Leste	0.626	0.450	28.0	7.2	17	59	4.0	103.2	0.0
Lao People's Dem. Rep.	0.604	0.454	24.9	5.0	10	15	2.4	51.9	0.6
Myanmar	0.584	0.448	23.2	8.6	10	9	5.1	113.8	0.2
Cambodia	0.581	0.465	20.1	1.7	10	8	6.1	119.5	1.0

Source: Adapted from the Human Development Index.

CONTAINING THE SPREAD OF THE VIRUS

Currently, on a per-capita basis, the subregion has reported significantly lower confirmed COVID-19 cases and related deaths than most other global regions, with some variations across countries.⁸ Cambodia, Lao People's Democratic Republic, Timor Leste and Viet Nam had recorded zero fatalities at the time of writing. However, the spread of the virus has not yet stabilized. To date the hardest hit South-East Asian countries in terms of reported fatalities have been Indonesia and the Philippines.⁹

While COVID-19 arrived in South-East Asia earlier than in the rest of the globe, its governments also generally took more rapid containment actions,¹⁰ alerting the public about the virus soon after the first global confirmed case was reported. For example, Thailand publicly reported the first case of COVID-19 on 13 January 2020.¹¹ On average, it took South-East Asian countries 17 days to declare a state of emergency or lockdown after 50 cases were confirmed (figure 3).¹² They were also attuned to the importance of testing after the 2003 SARS outbreak, but have varying national-level testing capacity. In some, such as the Philippines, mass testing is not yet available. This may be leading to under-detection and a lower capacity for monitoring the evolution of the epidemic. More granular analysis of epidemiological data is needed to understand the dynamics at local levels, including in highly populated settings such as mega

cities, slums, detention centres and prisons. This extends to conflict and humanitarian settings, as well among returning migrant workers.

Additionally, sourcing personal protective equipment (PPE) from outside the subregion has become challenging.¹³ Some countries that produce PPE still face shortages, as containment measures prevent manufacturing. Imports of PPE from trading partners outside of ASEAN free trade agreements face high tariff barriers. Inadequate PPE and supplies have made healthcare workers more vulnerable to the virus and they have also been stigmatized.

Most containment measures in the subregion have been enacted under existing national disaster management or public health emergency legislation without necessarily a specific reference to human rights, or the scrutiny required for the official declaration of a state of emergency. In some circumstances, questions have been raised on the application of emergency measures, including whether they meet the requirements of necessity, proportionality, non-discrimination and adherence to international legal norms, as set out in the Policy Brief on COVID-19 and Human Rights. Vaguely worded provisions without necessary safeguards and limitations have the potential to restrict the rights to information, privacy, and freedom of movement, expression, association, peaceful assembly and asylum. In some cases, there are no safeguards such as sunset or review clauses, in order to ensure return to ordinary laws as soon as the emergency situation is over and it will therefore be important to review their application in line with international human rights law.

8 Using data from the European Centre for Disease Prevention and Control and World Bank World Development Indicators.

9 World Health Organization, available at <https://experience.arcgis.com/experience/56d2642cb379485ebf78371e744b8c6a>, <https://worldhealthorg.shinyapps.io/wproccovid19>.

10 Based on data from Oxford COVID-19 Government Response Tracker.

11 World Health Organization COVID-19 Timeline, available at <https://www.who.int/news-room/detail/27-04-2020-who-timeline---covid-19>.

12 ESCAP calculation based on CEIC (accessed 28 May 2020) and various national sources.

13 Sithanonxay Suvannaphakdy, "COVID-19: Who supplies protective equipment in ASEAN?", *Jakarta Post*, 4 May 2020, available at <https://www.thejakartapost.com/academia/2020/05/04/covid-19-who-supplies-protective-equipment-in-asean.html>.

During this pandemic, governments, such as those of Singapore and Viet Nam, have won the confidence of their citizens by recognizing the problem, communicating early, leveraging existing institutions, outlining effective mitigation efforts and speaking with a coherent voice. This often translated into greater social compliance with physical distancing rules and greater public access to information.

ADDRESSING IMMEDIATE HEALTH NEEDS, VULNERABILITIES AND INEQUALITIES DURING COVID-19

The pandemic has exposed the challenges faced by vulnerable communities, groups and individuals that often lack access to health services and are left out of formal policy and social protection measures. These include migrants, refugees, stateless persons and displaced persons, indigenous populations, people living in poverty, those without access to water and sanitation or adequate housing, persons with disabilities, women, older persons, LGBTI people, children, and people in detention or other institutions.

Non-nationals are at particular risk of exclusion from public health responses due to legal or practical barriers.¹⁴ This creates a systemic vulnerability for disease control in the subregion.

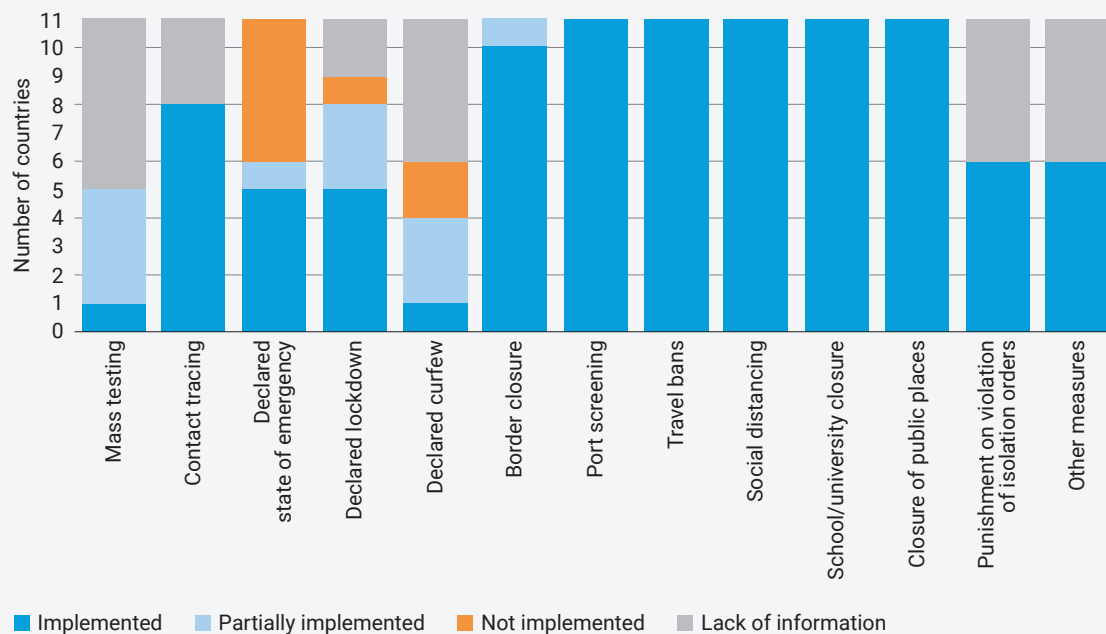
Hence, several countries, including Cambodia, Malaysia, Singapore and Thailand, have extended free COVID-19 testing and treatment to all non-citizens, and provided them information on containment measures in their own languages. NGOs and civil society organizations are also supporting these efforts. Despite this, Singapore had a second wave of infections attributed to poor living conditions among more than 300,000 migrant workers. Persons deprived of their liberty are also more vulnerable, particularly in overcrowded prisons and detention centres. Some governments have taken steps to reduce overcrowding through early release schemes and other alternatives to detention.

Countries in conflict are particularly at risk. In Myanmar, approximately 130,000 internally displaced persons from different communities are confined in camps in Rakhine State, while more than 800,000 – mostly Rohingya who were forced to flee in 2017 – are refugees in Bangladesh. Ongoing hostilities continue to displace communities, inflict casualties and reduce humanitarian access.

COVID-19 restrictions have also impacted the movement of aid workers and humanitarian assistance. For example, vaccination campaigns were halted in the Philippines, where outbreaks of measles, dengue and polio are still ongoing. Two million children below the age of two might not be protected from preventable diseases this year.

¹⁴ World Bank, “Potential Responses to the COVID-19 Outbreak in Support of Migrant Workers”, available at <http://documents.worldbank.org/curated/en/428451587390154689/pdf/Potential-Responses-to-the-COVID-19-Outbreak-in-Support-of-Migrant-Workers-May-26-2020.pdf>.

FIGURE 3: COVID-19 CONTAINMENT AND MITIGATION MEASURES ACROSS SOUTH-EAST ASIA



Source: ESCAP, based on information available up to 13 May from IMF Policy Responses to COVID-19, ILO COVID-19 Country Policy Responses, Oxford COVID-19 Government Response Tracker, and various national sources and news.

USING INNOVATIVE TECHNOLOGIES TO COMBAT THE PANDEMIC

South-East Asian countries have moved rapidly to develop and apply technological tools, often using locally developed technologies to address COVID-19, as in Indonesia, Malaysia, the Philippines, Singapore, Thailand and Viet Nam. Contact tracing using smartphones, Bluetooth

and mapping interfaces can quickly identify the possible contacts of the infected individual. Big data gathered from such technology can enable researchers to better understand transmission patterns and take appropriate action. Without proper controls, however, these apps can be abused by security services or could have implications, such as for the right to privacy. Such measures need to incorporate meaningful data protection safeguards, as well as be non-discriminatory, proportionate and justified by legitimate public health objectives.¹⁵

¹⁵ United Nations, "Policy Brief: COVID-19 and Human Rights – We are all in this together", available at https://www.un.org/sites/un2.un.org/files/un_policy_brief_on_human_rights_and_covid_23_april_2020.pdf.

CONTINUED VIOLENCE IS AN OBSTACLE TO RESPONSE AND RECOVERY

Several South-East Asian countries are affected by long-running conflicts, notably in Myanmar between the military and ethnic armed groups. The call for a global ceasefire by the Secretary-General on 23 March 2020 initially yielded a few positive results in the subregion, but these have expired or in some cases broken down. In Myanmar, although the Myanmar Armed Forces declared a temporary national ceasefire on 9 May with reference to the Secretary-General's global appeal, it excluded the most conflict-affected areas. An escalation in the fighting in Rakhine state has widened the trust deficit in the peace process and undermined the civilian leadership's efforts to promote an inclusive COVID-19 response.

At the same time, illicit trafficking and organized crime in the subregion appear not to have been much affected by the national lockdowns and movement restrictions. There has, for instance, been no decrease observed in drug production and trafficking. Meanwhile, there has been an increase in people smuggling in the Bay of Bengal and the Andaman Sea.¹⁶ Citing COVID-19 concerns, countries have refused to allow refugees at sea to disembark, despite implementing health screening and quarantine measures in the case of previous disembarkations.

BUILDING ON REGIONAL COOPERATION THROUGH ASEAN TO RESPOND TO COVID-19

Regional cooperation has been robust. ASEAN has a framework for COVID-19 response across multiple sectors and with a strong element of South-South cooperation. At a Special Summit on 14 April 2020, chaired by Viet Nam, ASEAN leaders, along with the leaders of China, Japan and the Republic of Korea committed to act jointly and decisively to control the spread of COVID-19.¹⁷ They resolved to further strengthen public health cooperation and joint research on vaccines and anti-viral medicines, enhance public communication and reduce stigmatization and discrimination, and to establish the COVID-19 ASEAN Response Fund for joint procurement and research. ASEAN sectoral bodies agreed to collective strategies to ease the pandemic's impact in sectors, such as tourism, defense cooperation, economic resilience, health, agriculture and forestry, labour and employment.¹⁸ Under the ASEAN-UN Comprehensive Partnership, the United Nations will adapt its technical support to ASEAN to support these efforts.

16 "Joint statement by UNHCR, IOM and UNODC on protection at sea in the Bay of Bengal and Andaman Sea", available at <https://www.unhcr.org/news/press/2020/5/5eb15b804/joint-statement-unhcr-iom-unodc-protection-sea-bay-bengal-andaman-sea.html>.

17 Declaration of the Special ASEAN Summit on Coronavirus Disease 2019 (COVID-19), available at <https://asean.org/storage/2020/04/FINAL-Declaration-of-the-Special-ASEAN-Summit-on-COVID-19.pdf>.

18 For example, ASEAN Labour Ministers issued a "Joint Statement on the Response to The Impact of Coronavirus Disease 2019 (COVID-19) on Labour and Employment", which pledged to strengthen cooperation on safeguarding occupational safety and health of workers and protecting livelihoods through reinforced social protection systems, including for migrant workers, available at <https://asean.org/category/asean-statement-communicues>.

Recommendations

- 1. Strengthen health systems in the subregion, accelerate progress towards universal health care and invest in resilient health systems with strong focus on primary health care.** These areas are critical for better preparedness and response to COVID-19 and future pandemics. The evidence exists. Countries that had already enhanced their health systems were better positioned to mitigate the impacts of this pandemic. Access to PPE could be enhanced by eliminating tariffs on imports of these products from non-FTA partners.
- 2. Address the needs and rights of vulnerable segments of society in the socio-economic response.** States need to ensure that economic policies account for the informal economy and its workers. A gender lens to response measures is also needed, as is the disaggregation of data and the inclusion of women with care responsibilities in social

assistance programmes.¹⁹ All pandemic responses need to be disability-inclusive, and include consultation with persons with disabilities.²⁰ Refugees and asylum-seekers must be included in national COVID-19 response plans. Where inclusion in national economic assistance programmes is not feasible, financial support for refugees and asylum-seekers should mirror that provided to vulnerable nationals.

- 3. Ensure that immediate response measures address conflict situations.** Parties to conflicts should silence their guns, in line with the Secretary-General's call for a global ceasefire, and facilitate the safe, timely and unimpeded passage of humanitarian cargo and personnel into and within countries. A stronger rights-based approach needs to be integrated in national disaster and health emergency protocols. The peace-making and peacebuilding instruments of the United Nations are at the disposal of all parties to enable an inclusive, human rights-based response that benefits all people.

¹⁹ United Nations, "Policy Brief: The Impact of COVID-19 on Women", available at https://www.un.org/sites/un2.un.org/files/policy_brief_on_covid_impact_on_women_9_apr_2020_updated.pdf.

²⁰ "ESCAP Policy Brief on Ensuring Disability Rights and Inclusion in the Response to COVID-19", available at <https://www.unescap.org/resources/policy-brief-covid-19-and-person-disabilities>.

II. Socio-economic policy responses – reviving economies and livelihoods

The subregion is now facing a socio-economic crisis following on from the health crisis and response. It is estimated that GDP will contract on average by 0.1 per cent in 2020,²¹ compared to a pre-COVID forecast of 4.5 per cent growth. Limitations in the movement of people, including tourism, and reduced flow of goods and services have caused sharp downturns in economic production. Large-scale, comprehensive responses are needed, with a focus on the most vulnerable countries and people. It will be important to apply the lessons of austerity measures following the last recession in order to focus on a people-centered recovery.

A key near-term policy aim needs to be to sustain people's livelihoods and economic activity. Lost income reduces demand and deepens the recession, while inequality exacerbates social cleavages. Sustainable and resilient supply chains locally and globally are necessary to complement recovery efforts. A key immediate step could be to reduce trade tariffs and open borders for goods to restart trade, at least regionally.

Economic effects, including unemployment, are having a devastating impact on the most marginalized. Economic and social rights have been affected, exacerbating vulnerabilities, including the right to health, social protection and decent work, as well as the rights to adequate food,

water and sanitation. This particularly affects the urban poor, those in rural areas, indigenous people, persons with disabilities, migrant workers and informal economy workers. The crisis threatens to destroy the livelihoods of South-East Asia's 218 million informal workers, who represent anywhere between 51 and 90 per cent of the national non-agricultural workforces in countries of the subregion.²² Without alternative income, formal social protection systems or savings to buffer these shocks, workers and their families will be pushed into poverty, reversing decades of poverty reduction.

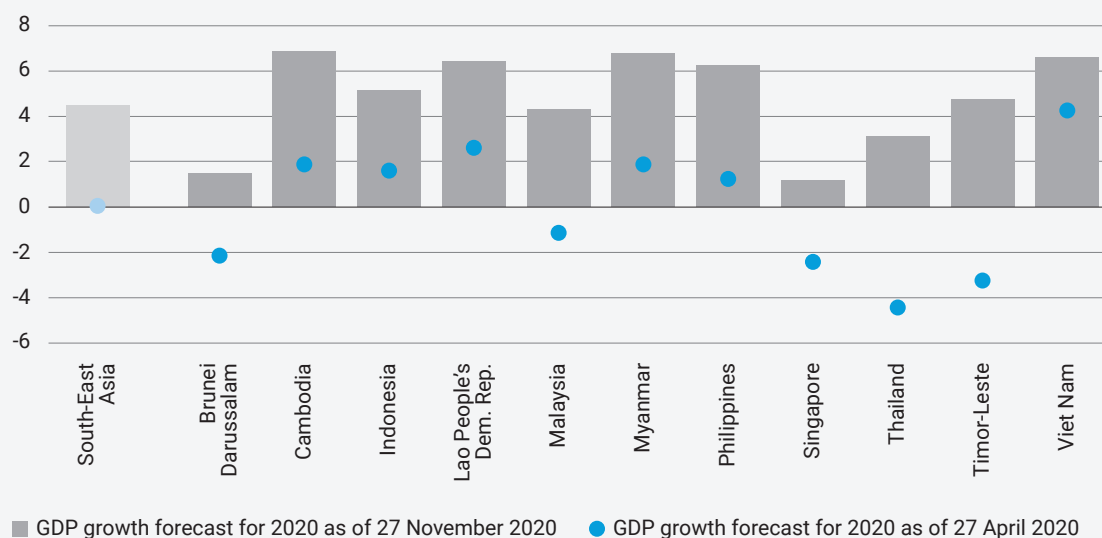
ECONOMIC IMPACTS AND CHANNELS

Countries will bear economic losses unevenly (figure 4). For instance, supply chain disruptions due to lockdowns and quarantine measures are affecting countries dependent on merchandise trade, notably Singapore, Viet Nam, Cambodia, Malaysia and Thailand. Travel bans and temporary closure of public places have weighed on services, especially on tourism. Countries reliant on remittances, such as the Philippines, are being hit hard as declining remittances weaken consumption and investment.

²¹ ESCAP, based on DESA's World Economic Forecasting Model.

²² International Labour Organization (ILO), ILOSTAT, available at <https://ilostat.ilo.org/data> (assessed on 24 June 2020).

FIGURE 4: COVID-19 IMPACT ON 2020 GDP GROWTH FORECASTS FOR SOUTH-EAST ASIA (percentage)



Source: ESCAP, based on DESA's World Economic Forecasting Model

Meanwhile, the measures to contain COVID-19 have affected the labour market. For instance, unemployment is expected to increase in Indonesia by 2.5 percentage points, Malaysia by 1.5 points, and the Philippines by 1.2 points (figure 5).²³ Lack of secured income and sufficient social protection could force tens of millions of people into extreme poverty in this region.²⁴

All South-East Asian countries have announced fiscal packages to help affected businesses and households, with a median value of about 3.5 per cent of GDP.²⁵ Examples of fiscal measures include support to health responders and businesses, or employees through wage subsidies (figure 6). Increased spending and

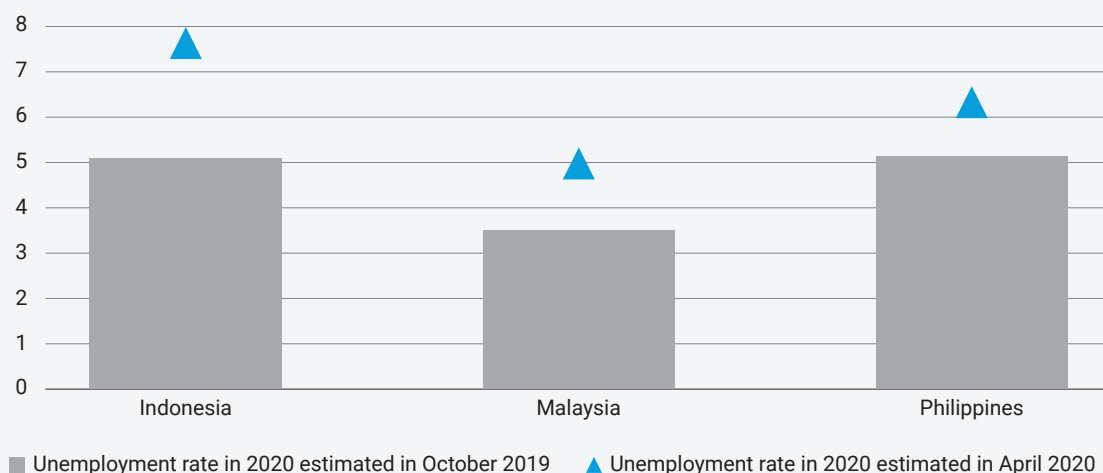
weakened economic conditions are expected to deteriorate countries' fiscal positions. The IMF estimates the deterioration for South-East Asian countries could reach 15 per cent of GDP (figure 7). Levels of public debt are also expected to increase. Not all South-East Asian countries have the capacity to borrow from domestic or international capital markets. To support increasing spending, South-East Asian countries have consolidated fiscal budgets (Lao PDR), reprioritized government expenditures (Cambodia, Malaysia), and improved efficiency in revenue collection and allocation (Lao PDR). Viet Nam is taking additional measures to accelerate disbursement of public investments.

²³ The share of informal employment in non-agricultural employment accounts for 75 per cent in Indonesia (in 2019), 91 per cent in Cambodia (in 2012), 76 per cent in Lao PDR (in 2017), 80 per cent in Myanmar (in 2019), 51 per cent in Thailand (in 2018), 54 per cent in Timor-Leste (in 2013) and 58 per cent in Viet Nam (in 2019). Source: ILOSTAT (assessed on 24 June 2020).

²⁴ Daniel Gerszon Mahler and others, "Updated estimates of the impact of COVID-19 on global poverty", 8 June 2020, available at <https://blogs.worldbank.org/opendata/updated-estimates-impact-covid-19-global-poverty>.

²⁵ Announced as of 15 June 2020.

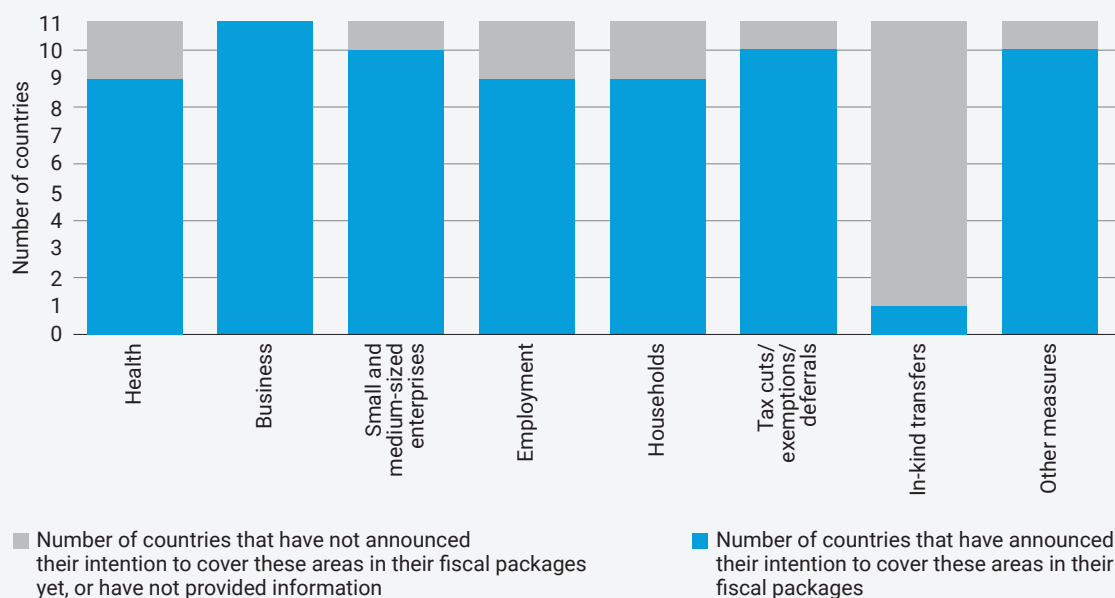
FIGURE 5: FORECAST OF UNEMPLOYMENT RATE IN 2020 FOR SELECT SOUTH-EAST ASIAN COUNTRIES BASED ON AVAILABLE DATA (percentage)



Source: ESCAP, based on IMF World Economic Outlook Database (accessed on 24 June).

Note: Countries are selected based on data availability.

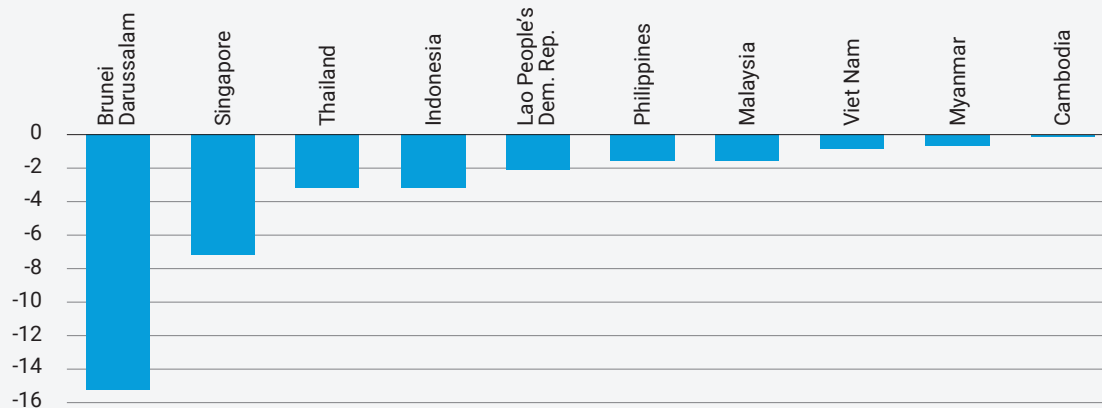
FIGURE 6: AREAS THAT FISCAL PACKAGES COVER IN SOUTH-EAST ASIA



Source: ESCAP, based on information available up to 15 June 2020 from IMF Policy Responses to COVID-19, ILO COVID-19 Country Policy Responses, OECD Country Policy Tracker, Oxford COVID-19 Government Response Tracker, and various national sources.

Note: Fiscal support covers: health sector; businesses; SMEs; households. Tax cuts, exemptions and deferrals cover both businesses and households. Other measures include budget saving or infrastructure investment. Some of the categories may overlap.

FIGURE 7: FISCAL BALANCE: DIFFERENCE BETWEEN OCTOBER 2019 AND APRIL 2020 PROJECTIONS FOR SOUTH-EAST ASIA (percentage of GDP)



Source: ESCAP, based on World Economic Outlook database (April 2020 and October 2019 versions).

Some countries have turned to multilateral institutions to fill financing gaps. For instance, Cambodia, Indonesia, Lao PDR, Myanmar, and the Philippines have benefited from the World Bank's COVID-19 Fast-Track Facility and other forms of financial support.²⁶ Indonesia, Lao PDR, and the Philippines have also received financial assistance from the Asian Development Bank.²⁷

To create fiscal space without excessive debt, governments could re-examine budget policies and address 'fiscal termites' – long-standing problems that undermine national budgets such as tax competition, tax evasion, transfer pricing, and fossil fuel subsidies. Delivering large stimulus packages, while maintaining policies that undermine the SDGs, such as fossil fuel subsidies,²⁸ will not be effective.²⁹ In South-East Asia, debt service relief will only create fiscal space if it is additional to other support, with modalities

limiting net capital outflows from developing countries and safeguarding continued remittance inflows. The resulting fiscal space could be used in support of SDG attainment.

Complementary monetary and fiscal policy measures are enabling economic activities to be sustained without a liquidity and credit crunch. South-East Asian countries have adopted expansionary monetary policy stances through interest rate cuts; open market operations; and temporarily easing rules and conditions for banks and financial organizations to improve liquidity. Many countries are actively supporting financial markets to reduce volatility by measures, such as reducing the debt burden of businesses and SMEs; or easing stock market volatility by temporarily prohibiting short-selling and exempting fees for securities services.

²⁶ "World Bank Group's Operational Response to COVID-19 (coronavirus) – Projects List", 17 July 2020, available at <https://www.worldbank.org/en/about/what-we-do/brief/world-bank-group-operational-response-covid-19-coronavirus-projects-list>.

²⁷ <https://www.adb.org/what-we-do/covid19-coronavirus/financial-packages>.

²⁸ These issues are covered in section III.

²⁹ ESCAP, "Policy responses to COVID-19: Combating COVID-19 in Asia and the Pacific: Measures, lessons and the way forward", available at <https://www.unescap.org/resources/policy-responses-covid-19-combating-covid-19-asia-and-pacific-measures-lessons-and-way>.

VALUE CHAINS, TRANSPORT AND DIGITAL TRADE CONNECTIVITY

COVID-19 has exposed the fragility of global value-chains by interrupting cross-border trade and transport. As 40 per cent of South-East Asia's exports rely on global value-chains, with strong linkages to multiple nodes, this sub-region is the most exposed to supply-chain risks. A reassessment of the value of supplier diversification rather than just "reshoring" may also create opportunities, as South-East Asian economies are potential locations for firms seeking supply diversification and higher flexibility in global value-chains.

Ports provide an "essential service" in the subregion's coastal and archipelagic countries and remained open during the crisis. Cross-border freight continued to flow, but transport connectivity suffered because of lockdown measures and insufficient coordination and information sharing on subregional and national trade and transport policies.

Digital technology is important for the agility of supply chains during and after the COVID-19 crisis. To strengthen digital supply chains, global value-chain participating countries could consider digital integration in five dimensions: (i) reducing digital trade barriers; (ii) digital trade facilitation;³⁰ (iii) digital trade regulatory frameworks and digital trust policies; (iv) digital development and inclusion; and (v) institutional coordination within and across countries along the value chains. The

ASEAN digital integration framework offers an example of a holistic standard which covers critical aspects of digital trade integration.

FOOD SECURITY AND NUTRITION

Approximately 61 million people in South-East Asia are undernourished³¹ and this number may increase following the COVID-19 pandemic. Lockdowns and physical distancing have hit vulnerable populations and informal workers the hardest, compelling them to rely on higher-priced supermarkets and formally registered markets rather than informal vendors. While food supplies have been adequate, lower incomes have reduced poor people's ability to afford diverse and nutritious food. If prolonged, diminished sales and losses of perishable stock may lead to rising debts for producers, traders and retailers.

Even before COVID-19, there was a need for a holistic food system enabling food security and nutrition while promoting sustainability, as recommended in the Policy Brief on the Impact of COVID-19 on Food Security and Nutrition. Now, a paradigm shift to more resilient forms of agriculture is more urgent than ever to address food-chain disruptions. A welcome development is the commitment by ASEAN members to keep markets open for trade and to enhance efforts to ensure food security, including through the possible use of the ASEAN+3 Emergency Rice Reserve.

³⁰ A dedicated United Nations treaty on trade facilitation, the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia the Pacific, has been established to facilitate contactless trade by enabling exchange of trade-related data and documents in electronic form.

³¹ FAO, UNICEF, WFP, WHO *State of Food Security and Nutrition in the World 2019*, available at <http://www.fao.org/state-of-food-security-nutrition>.

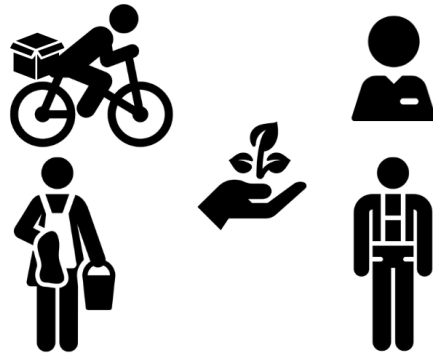
COVID-19 AND MIGRANTS – HEALTH IMPACT

Healthcare access



Migrants face increased challenges accessing health services

High-risk occupations



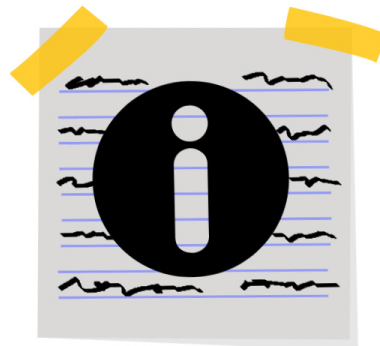
Migrants in essential sectors are highly susceptible to contracting COVID-19

Gender-based violence



Migrants women and girls face greater risks of physical and emotional abuse

Language barriers



Health information may be limited for migrants due to language barriers

MIGRANTS, REFUGEES AND STATELESS PERSONS

There are over 18 million migrant workers outside their country of origin in South-East Asia, with the highest numbers from the Philippines (5.4 million), Indonesia (2.9 million), Myanmar (2.6 million) and Viet Nam (2.6 million).³² Only Cambodia, the Philippines and Timor-Leste have ratified the Convention and Protocol relating to the Status of Refugees, which provides a legal framework to protect refugees' rights.³³ In 2019, South-East Asian countries received over \$77 billion in remittances,³⁴ which provide a vital source of income in many countries. The World Bank projects that migrant remittances to East Asia and the Pacific could decline by 13 per cent in 2020, reversing progress on poverty, health and education.³⁵ There are high proportions of women migrant workers among those in informal employment,³⁶ who are particularly affected by the pandemic through lack of access to justice, services, employment, income and social protection.

Migrants, especially low-skilled, undocumented and temporary migrants, and refugees in South-East Asia have been particularly vulnerable in the context of the pandemic as their living conditions limit physical distancing and other protective measures. In many cases they may be excluded from public health responses. Non-citizens have also faced xenophobia, including violence and

discriminatory practices, and have been unfairly blamed for spreading the virus.³⁷ Although other countries in the subregion traditionally have received refugees in solidarity pending durable solutions, without a domestic legal refugee framework, many refugees and asylum-seekers are deemed to reside without proper documents under national immigration laws. This places them along with migrants in irregular situations at risk of arrest and immigration detention, with the additional risk of exposure to COVID-19 due to crowded conditions. Several countries in the subregion have seen spikes of infection in such centres. Meanwhile COVID-19 has also increased risks of refoulement of refugees and asylum-seekers. Border closures for non-nationals have not ensured essential safeguards for those seeking international protection, and people using maritime routes have been pushed back, placing their lives at grave risk.³⁸

Refugees' lack of access to the national health, social welfare, economic assistance, and recovery programmes, and to formal employment poses additional challenges. As they principally work for daily wages, a primary impact of COVID-19 is the loss of income. One exception has been the Philippines, where refugees and stateless persons have been included in social support schemes.

Large numbers of migrants are expected to return to their home countries because of the effects of the pandemic, with estimates of up to 500,000 returning to the Philippines

32 Asia Pacific Migration Network, "Factsheet", available at <http://apmigration.ilo.org/resources/ilms-database-for-asean-international-migration-in-asean-at-a-glance>.

33 https://treaties.un.org/Pages/ViewDetails.aspx?src=TREATY&mtdsg_no=V-2&chapter=5&Temp=mtdsg2&clang=en.

34 ESCAP calculation utilising World Bank staff calculation, data from IMF Balance of Payments Statistics database, data releases from central banks, national statistical agencies, and World Bank country desks. April 2020 update.

35 Knomad, *Migration and Development Brief 32. COVID-19 Crisis through a Migration Lens*, April 2020, available at <https://www.knomad.org/sites/default/files/2020-05/Migration%20and%20Development%20Brief%2032.pdf>.

36 UN-Women, "COVID-19 and Women Migrant Workers in ASEAN", 2020, available at <https://www2.unwomen.org/-/media/field%20office%20eseasia/docs/publications/2020/06/covid%20and%20women%20migrant%20workersfinal%20040620.pdf?la=en&vs=5144>.

37 International Organization for Migration, "Migrants and the COVID-19 pandemic: An initial analysis", 2020, available at <https://publications.iom.int/system/files/pdf/mrs-60.pdf>.

38 "Joint statement on Bay of Bengal and Andaman Sea", available at <https://www.unhcr.org/news/press/2020/5/5eb15b804/joint-statement-unhcr-iom-unodc-protection-sea-bay-bengal-andaman-sea.html>.

alone in 2020³⁹ This will compound the effect of lack of remittances and increase the unemployment burden at national levels. Returning migrants who have yet to pay off their debts to recruiting agents or money lenders will be particularly vulnerable to exploitation and abuse and will be among those most in need of services and support.

Although other countries in the subregion have so far tolerated refugees housed in camps or awaiting resettlement with UNHCR, border closures related to COVID-19 are likely to have closed off these avenues. People using maritime routes to access protection have increased risks of pushback, putting their lives in danger.⁴⁰ Since the beginning of 2020, 164 Rohingya refugees and other migrants have died at sea while fleeing difficult circumstances.⁴¹ Increased regional cooperation under the Bali Process Framework has the potential to address these maritime movements of refugees in the subregion. Ultimately, underlying grievances will need to be addressed to prevent further tragedies.

GENDER-BASED RESPONSE AND RECOVERY

Across every sphere, the impacts of COVID-19 are exacerbated for women and girls, as detailed in the Policy Brief on the Impact of COVID-19 on Women. Surveys show that fewer women than men are receiving information to prepare for COVID-19.⁴² For instance, in the Philippines, 79 per cent of female respondents indicated they did not receive any information⁴³ on the virus compared to 57 per cent of men. Assessments indicate women are experiencing increased barriers in accessing health care.⁴⁴ With overwhelmed health care systems, the crisis has hit pregnant women and women with infants and young children particularly hard, disrupting access to health care services, medical supplies and hygiene products.

Compounded economic impacts are felt especially by women and girls who generally earn less, save less, hold insecure jobs or live close to poverty.⁴⁵ Women are concentrated in the sectors hardest hit by the outbreak – manufacturing, tourism and hospitality, retail and service industries and in the informal sector (figure 8).⁴⁶

Women's health is adversely impacted by reallocation of resources and priorities. In South-East Asia, service delivery points have, for example, decreased and there has been a substantial scale down of sexual and reproductive health services.⁴⁷ Unpaid care work – which women

39 In addition, an estimated 260,000 migrants from Cambodia, Lao PDR and Myanmar returned from Thailand from March to April 2020 (International Labour Organization, "COVID-19: Impact on migrant workers and country response in Thailand", 3 July 2020, available at https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---sro-bangkok/documents/briefingnote/wcms_741920.pdf).

40 "Joint statement on Bay of Bengal and Andaman Sea", available at <https://www.unhcr.org/news/press/2020/5/5eb15b804/joint-statement-unhcr-iom-unodc-protection-sea-bay-bengal-andaman-sea.html>.

41 IOM tracker for migrant deaths, available at <https://missingmigrants.iom.int/region/asia>.

42 United Nations, "Policy Brief: The Impact of COVID-19 on Women", available at https://www.un.org/sites/un2.un.org/files/policy_brief_on_covid_impact_on_women_9_apr_2020_updated.pdf.

43 For the Philippines, the sample size was n=1,880. Weights were applied to adjust for age, sex and educational attainment.

44 UN-Women, "Rapid Assessment Survey on the socio-economic consequences of COVID-19 on women's economic empowerment", 29 April 2020, available at <https://data.unwomen.org/resources/surveys-show-covid-19-has-gendered-effects-asia-and-pacific>.

45 United Nations, "Policy Brief: The Impact of COVID-19 on Women".

46 ILO, "Game Changers: Women and the Future Of Work in Asia and the Pacific", available at https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---sro-bangkok/documents/publication/wcms_645601.pdf.

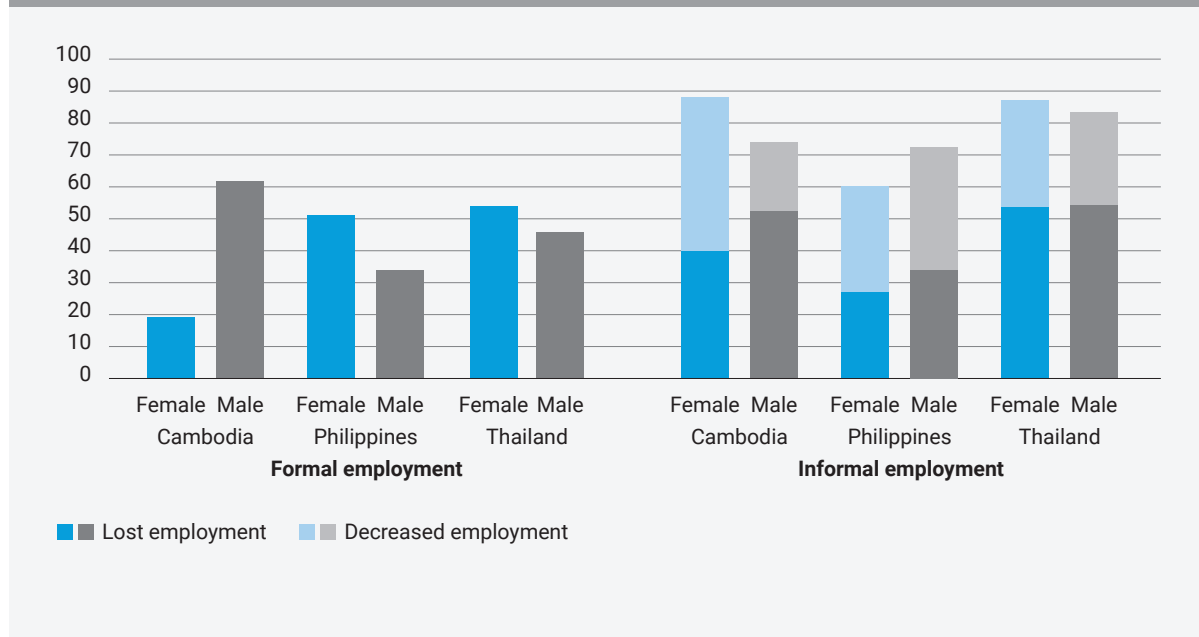
47 International Planned Parenthood Federation, "COVID-19 Response: Situation in East Asia, South East Asia and the Pacific", April 2020, available at <https://www.ippfeseaor.org/sites/ippfeseaor/files/2020-04/RDs%20Update%20-%20Final.pdf>.

perform at four times the rate of men – has increased, owing to care needs of children and older persons. Evidence in the Philippines and Thailand indicates that women are more likely to face increased unpaid domestic and unpaid care work because of COVID-19, exacerbating mental and emotional health concerns.⁴⁸

Heightened economic and social stresses, coupled with restricted movement and isolation, have increased gender-based violence (GBV), a global phenomenon prompting the Secretary-General to call for a ceasefire in the home. Many women are forced to lock down with their abusers just as support services are being disrupted. GBV service providers across the wider

Asia-Pacific region have reported increased incidents of domestic violence,^{49,50} in some cases, recording a tripling of reported cases after the lockdown.⁵¹ GBV response services need to be prioritized in country response plans and recognized as life-saving and essential.⁵² Women in conflict-affected settings are also facing increased marginalization as a result of the pandemic. Pre-existing exclusion from formal and informal peacebuilding settings is being amplified due to a reliance on military responses to control the virus and disproportionate loss of livelihoods for women, reducing their capacity to undertake leadership roles.

FIGURE 8: PROPORTION OF PEOPLE WHO EXPERIENCED JOB LOSSES OR DECREASE IN PAID WORK HOURS SINCE THE SPREAD OF COVID-19, BY SEX (percentage)



48 UN-Women, “COVID-19 and women’s economic empowerment”, 29 April 2020, available at <https://data.unwomen.org/resources/surveys-show-covid-19-has-gendered-effects-asia-and-pacific>.
 49 UN-Women, “The First 100 Days of the COVID-19 Outbreak in Asia and the Pacific: A Gender Lens”, 2020, available at <https://asiapacific.unwomen.org/en/digital-library/publications/2020/04/the-first-100-days-of-the-covid-19-outbreak-in-asia-and-the-pacific>.
 50 UN-Women, “A Guide for Action to Stem Increasing Violence Against Women Amid the COVID-19 Pandemic In Asia and the Pacific”, May 2020, available at https://www2.unwomen.org/-/media/field%20office%20eseasia/docs/publications/2020/05/final%20evaw%20roap%20action%20brief%20covid-19_4%20may%202020_1.pdf?la=en&vs=744.
 51 Ibid.
 52 IASC & GBV AoR, “Interagency GBV Risk Mitigation and COVID-19 Tipsheet”, 2020.



THE GENDERED IMPACT OF COVID-19

Health



Women in Asia and the Pacific disproportionately report their **emotional health** is affected by COVID-19. This is compounded by care work, job losses, and gender-based violence.

Over half the women who responded to a UN Women survey reported they were **not able to see a doctor** when in need.



In some countries, women are **less likely to receive COVID-19 information than men**. This has important consequences for household and family health.

Work

Women in informal employment face high rates of **job loss**, and women working in the informal and formal sectors have seen **reduced hours** during the pandemic.



Women in Asia and the Pacific are more likely than men to experience an increase in time spent performing **domestic work and unpaid care work** during the COVID-19 pandemic.

Gender-Based Violence

Data indicate **increased rates** of violence against women and girls worldwide during lockdowns. In particular, domestic violence is rising.



Recommendations

- 1. Ensure that the immediate crisis response is sensitive to existing vulnerabilities of persons with disabilities, migrants and refugees.** Targeted measures need to be taken to ensure access to prevention, testing and treatment for all. This includes the dissemination of public health information in accessible formats and ensuring that all medical and quarantine facilities are accessible and disability inclusive.⁵³ Furthermore, migrant accommodation should align with international standards and enable adequate physical distancing, infection prevention and control measures. For migrants returning to their home countries, governments should ensure safe passage and sustainable reintegration, including access to medical care. It would also be good for governments to consider a moratorium on arrest and immigration detention of migrants, with alternatives to detention identified. Border crossing points should maintain facilities to ensure access to asylum. Health screening and quarantine arrangements at borders should be non-discriminatory and in accordance with standards of due process. Refugees and asylum-seekers should not be detained for exercising their right to seek asylum, and alternatives to detention should be pursued.
- 2. Continue essential services for survivors of violence and support the return of women to the labour force.** These include health, police, shelter, psychological, social and justice services. Forge strong partnerships with civil society and the private sector to bolster the remote delivery of services, as well as amplify messaging on health and protection issues. To support women's return to the labour force, ensure that social protections target women and extend them to informal workers, alleviate the burden on women owned businesses through tax relief and subsidies for rent and utilities, and include measures to address unpaid care work in mid- to longer-term economic recovery plans.
- 3. Monetary policy can support fiscal measures to sustain business operations and support the health and stability of the financial sector.** This means sufficient liquidity for the banking system, targeted financial support, coordinated debt relief or deferral of debt repayments and coordinated management of capital flows to maintain foreign exchange market stability.

⁵³ "ESCAP Policy Brief on Ensuring Disability Rights and Inclusion in the Response to COVID-19", available at <https://www.unescap.org/resources/policy-brief-covid-19-and-person-disabilities>.

III. Recovering better – charting a pathway to a new normal

The South-East Asia region has an opportunity through its recovery from this pandemic to take steps towards a new normal that is more inclusive, sustainable and resilient, safeguarding the planet's natural systems, social fabric and people's prosperity. To achieve this, the region would need to reset the regulatory system – addressing market failures and recalibrating incentives for consumers, producers, and investors – and focus on tackling inequality; bridging the digital divide; launching a green recovery; and upholding human rights and good governance.

TACKLING INEQUALITY

The recovery phase is an opportunity to address poverty, inequalities and gaps in social protection, as well as to apply a gender lens to economic policies to ensure full participation of women in economic activities, providing equal pay and equal opportunities, while removing gender biases in social protection schemes.⁵⁴

The long-term solution is to substantially increase social protection, anchored in domestic resources. An important element of social protection is to establish a universal health care system covering all persons within a

country, such as Thailand has built over the past 20 years; and to broaden social protection coverage to include all people throughout their lives. COVID-19 fiscal stimulus packages need to distinguish between the short-term social protection measures and longer term new social protection schemes with greater coverage and employment benefit schemes.

Countries could also benefit from channeling sizeable parts of their stimulus packages to small and informal businesses, avoiding the use of stimulus to disproportionately enrich those with means. Given the scale of the informal employment sector, support schemes only targeting formal employment will have limited reach. They exclude gig-economy workers, daily wage earners, refugees, migrants and slum-dwellers. To reach these groups, stimulus packages need to sustain employment and provide adequate income support to all. Similarly, policies should address the limited capacity of Micro, Small and Medium Enterprises (MSMEs) to absorb the shock of the COVID-19 outbreak because they have less inventory, smaller client bases, fewer cash reserves and more limited credit options than larger companies. Such policies and measures could also focus on MSMEs led by women, who face a number of additional barriers compared to their

⁵⁴ United Nations, "Policy Brief: The Impact of COVID-19 on Women", available at https://www.un.org/sites/un2.un.org/files/policy_brief_on_covid_impact_on_women_9_apr_2020_updated.pdf.

male counterparts, including limited access to finance, information, education, and business networks; higher unpaid care responsibilities; and discriminatory laws and regulations.⁵⁵

Decent employment opportunities need to build on existing normative frameworks and be guided by the SDG framework and the ILO Centenary Future of Work Declaration as well as International Labour Standards, and could in addition be guided by the ideas laid out in the [Policy Brief on The World of Work and COVID-19](#).⁵⁶

BRIDGING THE DIGITAL DIVIDE

COVID-19 has highlighted the role of digital technologies in responding to global pandemics and of the vulnerabilities posed by lack of digital access. Before the pandemic, countries such as Viet Nam and Thailand had installed critical digital infrastructure, allowing effective use of digital technologies in combating cluster outbreaks and quickly sharing credible information. Public information on the Internet and social media platforms made important contributions to leaving no-one behind. Digital platforms enabled by digital connectivity helped maintain livelihoods and enabled delivery of high value-added professional services. Applications such as 3D printing, disinfecting robots and

online retail are being used in the fight against COVID-19. Internet access has emerged during the crisis as a new type of public good.

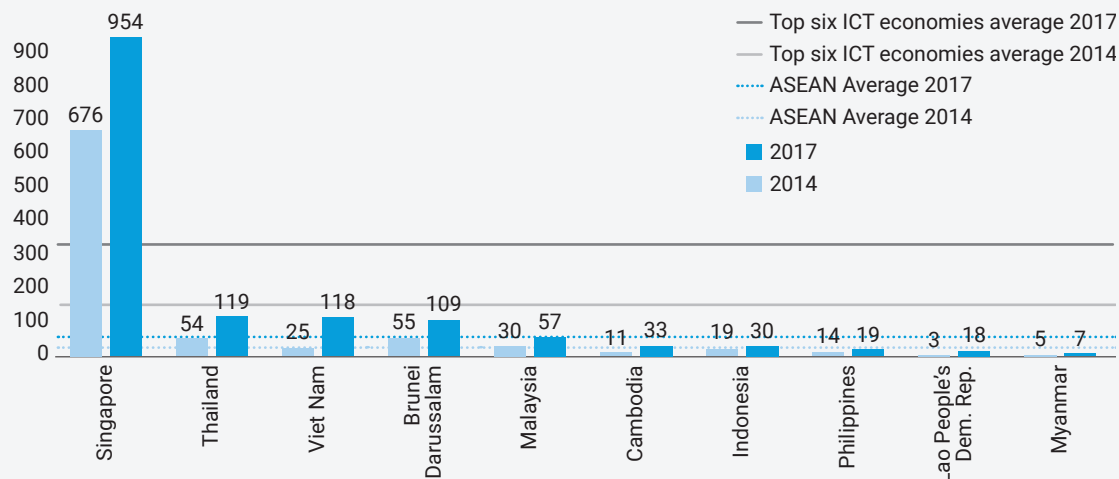
To enable these innovative digital responses to manage the pandemic and recover better, South-East Asia will need to bridge the growing digital divide. Some 55 per cent of South-East Asia's population remains offline. Singapore has four times higher Internet bandwidth than Thailand, Viet Nam and Malaysia and 58 times that of Myanmar (figure 9). Internet access prices are highest in the countries least able to afford it. The United Nations has advocated for accelerated investments in ICT infrastructure, if supply is to keep pace with future bandwidth demands and to achieve universal, safe, inclusive, and affordable access to the Internet for all by 2030, as called for in the [Secretary-General's Roadmap for Digital Cooperation](#).

Electronic payments and supporting regulation can ensure stimulus payments reach recipients with limited leakage. Accordingly, affordable internet access and digital literacy have emerged as public goods that require investment. Governments need to create the legal and regulatory basis for the digital economy and enable digitized public services to citizens and businesses. This will help build trust in government, in turn setting the stage for a new social contract. Without such accelerated actions, the digital divide may become the new dimension of inequality.

⁵⁵ ADB and the Asia Foundation, *Emerging Lesson's on Women's Entrepreneurship in Asia and the Pacific*, 2018.

⁵⁶ ILO, *ILO Standards and COVID-19*, Geneva, April 2020.

FIGURE 9: INTERNATIONAL BANDWIDTH (KBIT/S) PER INTERNET USER IN ASEAN COUNTRIES, 2014 AND 2017 (kbit/s)



Source: Produced by ESCAP based on data from the ITU, World Telecommunication/ICT Indicators database 2019 (December 2019 Edition) Note: The top six ICT advanced economies are the most advanced economies in terms of the ICT development index (IDI); the Republic of Korea, Hong Kong China, Japan, New Zealand, Australia, and Singapore.

GREENING THE RECOVERY FOR SOUTH-EAST ASIA

Even before the pandemic, South-East Asia was not on track to achieve the climate-related Goals of the 2030 Agenda and the Paris Agreement. At the same time, Thailand and Viet Nam are among the top 10 countries in the world most severely affected by climate change. Therefore, the recovery needs to advance South-East Asia towards a sustainable, resilient and low carbon future.⁵⁷

One key opportunity emerging from stimulus packages is to accelerate transition away from fossil fuels towards low-carbon technologies and support climate change mitigation efforts. Cost declines in renewable energy and energy

efficiency make these options better avenues for investment than carbon intensive technologies, with more opportunities for job creation and environmental co-benefits. There are a number of sectors where targeted stimulus can also leverage gains in energy efficiency and reductions in emissions (table 1).

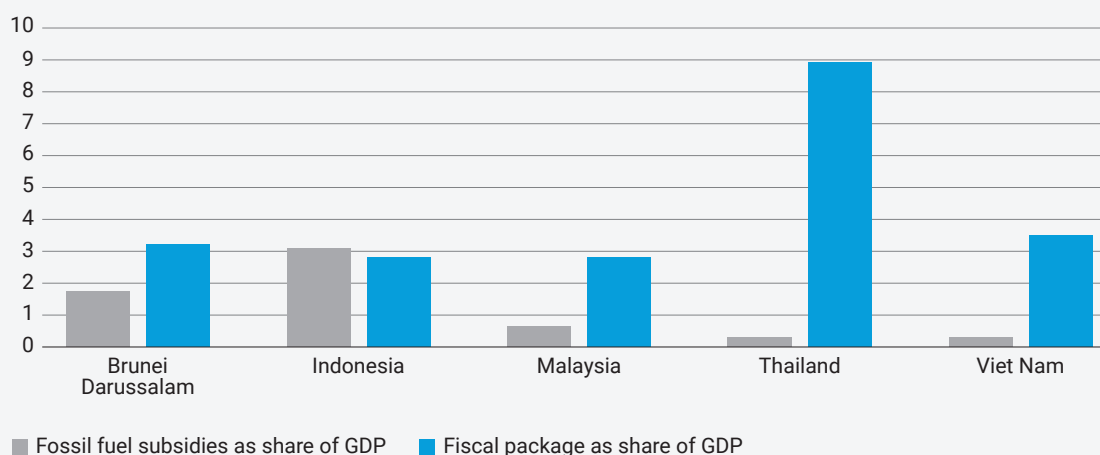
Current low oil and gas prices offer an opportunity to impose carbon pricing mechanisms and eliminate wasteful fossil fuel subsidies. By phasing out fossil fuel subsidies, countries such as Brunei Darussalam and Indonesia could finance most or all of their current stimulus packages (figure 10). Such measures would create massive fiscal space and greatly boost low carbon alternatives such as renewable energy and energy efficiency.

⁵⁷ Experience from the global financial crisis indicates that green recovery packages provided higher rates of return, created short-term jobs, and generated more long-term cost savings than traditional fiscal stimulus. Source: <https://academic.oup.com/oxrep/advance-article/doi/10.1093/oxrep/graa015/5832003>.

TABLE 1: OPPORTUNITIES FOR LOW CARBON DEVELOPMENT THROUGH STIMULUS PACKAGES (SOURCE: UNEP)

Energy and electricity	Investment in renewable energy projects.
	Investment in grid infrastructure to strengthen smart grid management technologies.
	Fiscal reform on fossil fuel subsidies.
Land-transport and mobility	Investment in walking and cycling infrastructure in cities.
	Incentives for zero emission shared mobility.
	Investment in smart and zero emission public transport.
	Financial incentives for zero emission vehicles.
Aviation	Conditional support for aviation industry to adopt energy efficiency.
	Incentivize use of rail to replace short haul flights.
Industry	Support the uptake of energy efficiency measures.
	Make support conditional on energy efficiency and emissions targets.
Buildings	Support for energy efficiency retrofits of existing buildings.
	Support for construction of new zero emission buildings.

FIGURE 10: SOUTH-EAST ASIAN COUNTRIES WITH FOSSIL FUEL SUBSIDIES, COMPARISON WITH COVID-19 FISCAL PACKAGES (percentage of GDP)



Source: IEA; ESCAP, based on information available up to 13 May 2020 from IMF Policy Responses to COVID-19, ILO COVID-19 Country Policy Responses, OECD Country Policy Tracker and various national sources.

UPHOLDING HUMAN RIGHTS AND GOOD GOVERNANCE PRACTICES

The pandemic has placed great stress on societies and political systems in South-East Asia, sparking fear and uncertainty. While concern over transmission and government-imposed lockdowns may have deterred manifestations of popular discontent, longstanding concerns in relation to human rights, social cohesion, democratic space, justice and the rule of law remain. In some countries of the subregion, rising inequality and socio-economic challenges of the current crisis could spark further instability and social unrest.⁵⁸

The alarming spike in hate speech in the context of COVID-19, often targeting migrants and refugees, is a concern for the subregion. Independent fact-checking initiatives provide a good model to monitor content on social media and to minimize the circulation of false information that might exacerbate tensions. The Secretary-General has urged faith leaders to challenge “inaccurate and harmful messages” that are fueling “rising ethno-nationalism, stigma and hate speech” and called on them to encourage communities to “promote non-violence and reject xenophobia, racism and all forms of intolerance”.⁵⁹ In South-East Asia, religious leaders have played a positive role in the context of the pandemic, echoing government calls for physical distancing and promoting messages of solidarity and harmony.

To address the suffering of those in situations of conflict and violence, leaders are urged to implement the global ceasefire call, which all governments in the subregion have endorsed. This call is meant to provide the necessary impetus for opposing sides to engage in meaningful negotiations towards a long-lasting political solution to the various conflicts in the subregion. This could include embarking on a path towards accountability for past human rights violations and one which is inclusive of communities and victim’s groups affected by these conflicts and ensures the participation of women. Despite the current restrictive environment, the engagement of women and youth in peace processes and political dialogue should continue and be enhanced through virtual means.

COVID-19 can also pose challenges for democracies that are planning elections this year. In countries with highly polarized political landscapes, inclusive and sustained political dialogue can mitigate tensions, including those stemming from perceptions that ruling parties will seek to exploit the situation for political gain or to limit the opposition’s space to campaign. In countries proceeding with elections, governments will need to strike a balance between credible elections and the effectiveness of COVID-19 preventive measures. Citizens need to be confident that the outcome of elections reflects their will. United Nations good offices and election-related technical support remain available to Member States.

The pandemic has also stalled other political processes in the subregion. In some countries, political tensions pre-dating the pandemic remain unresolved, and competing political parties have politicized the pandemic response for their own

58 United Nations, “Policy Brief: COVID-19 and Human Rights – We are all in this together”, available at https://www.un.org/sites/un2.un.org/files/un_policy_brief_on_human_rights_and_covid_23_april_2020.pdf.

59 United Nations, “Appeal to Address and Counter COVID-19 Hate Speech”, 8 May 2020, available at <https://www.un.org/sg/en/content/sg/speeches/2020-05-08/appeal-address-and-counter-covid-19-hate-speech>.

objectives. The pandemic also risks diverting attention from peace processes that are underway. The pandemic should provide an impetus for dialogue and reconciliation. For instance, in Myanmar, formation of a COVID-19 coordinating committee to facilitate an effective response in areas operated by Ethnic Armed Organizations is a promising step. Building on this cooperation should help in building trust, which can help set a positive tone in the election period and could address the disenfranchisement of ethnic communities, ensuring their political participation in Myanmar’s democratic consolidation.

Globally, the impact of corruption has been further magnified in the context of the pandemic.⁶⁰ A United Nations survey⁶¹ indicated that South-East Asian countries used cash payments or

grants, with a majority also using tax rebates and loans to disburse emergency funds, estimated to range from \$110 million to \$60 billion (table 2).

For the peace operations of the United Nations, the commitment of many South-East Asian countries (Indonesia, Malaysia, Cambodia, Thailand, Viet Nam, Brunei Darussalam, the Philippines, and Timor-Leste) has been significant and all countries in the region have signed up to the Declaration of Shared Commitments in the Secretary-General’s Action for Peacekeeping initiative. Despite constraints imposed by the pandemic, United Nations peacekeeping operations and special political missions continue to fulfill their mandates and the continued support of these countries to these United Nations field presences is essential for their success.

TABLE 2: DISBURSEMENT CHANNELS FOR EMERGENCY FUNDS IN SOUTH-EAST ASIA

	Cash payments or grants	Economic stimulus package	Food allowances and subsidies	License fee exemptions and reductions	Loans	Moratorium on loan repayments	Subsidies for electricity bills	Subsidies for transportation and trade	Tax rebates	Wage subsidy
Cambodia	✓								✓	
Indonesia	✓	✓							✓	
Lao PDR	✓									
Malaysia	✓				✓	✓			✓	✓
Myanmar	✓		✓	✓	✓				✓	
Philippines	✓									
Singapore	✓								✓	
Timor-Leste	✓		✓		✓		✓	✓	✓	✓
Thailand	✓				✓					
Viet Nam	✓				✓				✓	

60 WHO Director-General’s opening remarks at the media briefing on COVID-19 - 11 March 2020, available at <https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020>.

61 The May 2020 study covered Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor-Leste and Viet Nam (See <https://www.unodc.org/southeastasiaandpacific/en/what-we-do/anti-corruption/topics/covid-19.html>).

Recommendations

- 1. Embed long-term inclusivity in recovery packages, prioritizing the reduction of inequalities in income, wealth and access to basic services and social protection.**
In the short term, sufficiently large and well-targeted fiscal support is needed to ease labour market shocks and guarantee minimum living standards. In the long term, aligning fiscal stimulus packages with the 2030 Agenda for Sustainable Development is an effective way to enhance their long-term sustainability. Scaling up investments in social protection programmes, including through reexamining related ASEAN guidelines, will build resilience.
- 2. Prioritize bridging the digital divide across South-East Asia.** A regionally coordinated and scaled up effort and financing mechanisms are needed to realize the next generation gigabit infrastructure networks for South-East Asia.
- 3. Green the economy as a part of recovery packages.** Stimulus packages should be directed to industries that are low carbon, resource efficient and aligned with environmental and climate objectives. They could be used to promote standards and policies that tackle climate change, air and water pollution and biodiversity loss. Implementing carbon pricing and removing fossil fuel subsidies can unleash low carbon investment and jobs that underpin the fourth industrial revolution in South-East Asia. Tax incentives and smart de-risking investments should support climate and environmentally friendly technologies, such as renewable energy and energy efficiency.
- 4. Respect fundamental human rights and protect civic space to build back better.** Now is a time for political leaders and other influential actors to examine gaps in state-people governance relationships; leverage community-based organizations; promote inclusion, participation and unity, and to speak out against discrimination.

Conclusion

The COVID-19 pandemic is unprecedented, not only in South-East Asia but worldwide. It has placed the subregion at a crossroads. One pathway could lead to a prolonged, deep recession, exacerbated by closed borders and characterized by rising social tensions, vulnerabilities and a return to environmentally unsustainable development. The second pathway involves adopting globally and regionally coordinated policies that recognize the imperative of an inclusive, resilient and sustainable approach to development.

Through the recovery process there are opportunities to build back better, including through effective and inclusive governance; by reversing

systemic inequalities; reducing vulnerabilities; aligning stimulus measures with the SDGs; and developing low carbon technologies.

An effective health-response will require putting aside decades-old differences and re-focusing on building cooperation and trust between parties to conflict. It will also require inter-governmental cooperation and coordination to protect populations at risk.

As the recovery gains momentum, the United Nations stands ready to work with the countries of South-East Asia, ASEAN and the global community to ensure progress towards the SDGs, recovery from COVID-19 and increased resilience to future pandemics.