

DISCUSSION SUMMARY

ASEF Expert Webinar Series

on Post-Pandemic Socio-economic Recovery Efforts:

“How Do We Build Resilient and Connected Societies?”

Friday 9 April 2021 @16:00 (SGT)

ASEF held the first of two expert webinars in support of ASEM post-pandemic socio-economic recovery efforts on 9 April 2021. ASEF Director of Communications Lawrence Anderson moderated a distinguished panel comprising Prof Piotr Chlebicki, Infectious Diseases Specialist, Mount Alvernia Hospital (Singapore); Dr Darnp Sukontasap, ASEF Governor (Thailand); and Dr Maaïke Okano-Heijmans, Senior Research Fellow from the Clingendael Institute of International Relations (Netherlands), all of whom provided insightful comments to an online audience of officials from the relevant Ministries/government agencies of ASEM Partners.

2 ASEF Executive Director Amb Toru Morikawa in his welcome address highlighted that the world has declared COVID-19 an unparalleled global health crisis that has caused grave disruptions to the global economy, trade and travel. The pandemic has resulted in unprecedented job losses, as well as negatively affected the lives of people and economies of ASEM Partners. Hence, the focus of both webinars is on ASEM’s post-pandemic recovery efforts that would have a real and lasting impact for the people of ASEM Partners. ASEF is focusing on the way forward in dealing with the consequences of the COVID-19 pandemic, rather than looking back into the past. This webinar series is timely, given that the pandemic has not spared any country in the world. The webinars also serve as ASEF’s contribution to ASEM’s 25th Anniversary this year.

Key Takeaways

3 This first webinar is essentially “three webinars in one”. The key takeaways from the experts speaking on their respective areas of expertise are as follows.

PROF. PIOTR CHLEBICKI

“How can ASEM countries contribute to global efforts (e.g., COVAX) to ensure the vaccines are available, accessible, and affordable for all and how can they ensure that citizens are able to make timely and informed decisions on COVID-19 vaccines?”

- Over the last 16 months, COVID-19 has affected 131 million people and resulted in the death of 2.8 million people. We are seeing 2nd and 3rd waves of infections. The pandemic will only end when countries have reached herd immunity i.e., when a large majority of people in the country are already immune and the virus has a hard time to find another target; at that point, transmission stops.

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- At the moment, we are only slowing down the rate of infection - “flattening the curve” - through interventions such as social distancing, closure of our schools, workplaces and public transport, and stopping international travel.
- These are very costly measures. Low-income countries have no option to introduce lockdowns and must use vaccinations, which come with a price. The Pfizer and Moderna vaccines are effective. But they are expensive and require “cold chain” logistics. Basically, they must be kept in a very cold temperature until ready for use, and some countries will not be able to use them on a wide scale.
- Which vaccine you are using in your country will largely depend on the diplomatic relationships and political situation in your country. So, we are reading a lot about vaccine diplomacy. Pfizer and Moderna vaccines are being predominantly used in Europe and the US, while Sputnik V and SinoPharm are used mostly in Asian countries. It largely depends on the relationship of the country to the producer of vaccine.
- What do we do to make sure that everybody will have access to the vaccine? The COVAX facility is an initiative of several international organizations donating money or vaccines to enable poor countries with lower income to vaccinate their people. But this is in tens of millions of doses. We are all in the planning stage. It is slowly starting to happen, but we are very far from delivering these numbers.
- One thing that can slow us down is “vaccine hesitancy”. Somewhere between 40% to 60% will not be sufficient to achieve herd immunity.

DR. DARM P SUKONTASAP

“What practical measures can ASEM countries undertake to reorganise global supply chains to ensure sustainable balanced growth of ASEM partners and how can the public and private sectors jointly finance growth, support demand, and promote high-skilled jobs in ASEM partners?”.

- COVID 19 has become “an accelerator to shift and change global context in various dimensions”. National priorities have shifted. For instance, wealth creation is now secondary to health creation. Digital technology is now more important than ever. All countries are now entering into the great unknown.

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- Most countries are still struggling with COVID-19. While we see encouraging signs of economic recovery in some countries, there are still many facing hardships and struggling to stay afloat.
- The effectiveness and speed of vaccination roll-out is a determining factor for how quickly or strongly a country can recover economically. But there are other factors such as the recovery of the manufacturing sector, recovery of the financial sector, logistics and market demands. Meanwhile, governments are still carrying the burden of cash, handouts, and economic stimulus packages.
- There are external factors to consider also - the trade war between major trading partners, skyrocketing household debt, increasing poverty and income disparity, and even social dislocation due to economic hardships.
- This brings us to the SDGs. Both Asia and Europe attach high importance to the achievement of sustainable development goals after 16 months since the spread of the pandemic. It is becoming increasingly clear that COVID-19 is going to delay the target dates of most countries.
- Evidence has also shown that the income gap has widened. It will take years before we return to a positive trend. A recent study, the IMF showed that in 2020, the unemployment rate in Asia went up significantly with direct impact on household earnings and the widening income gap. Socio-economic sectors are also severely affected, such as on education, the quality of life of women and children, gender equality and social security, since much of the available resources are being re-allocated to more immediate sectors.
- But the pandemic is not all bad and could be a blessing in disguise for many sectors. The environment is getting the rest it deserves. A less active manufacturing sector means less pollution, less energy consumption, less tourists. Post-pandemic, we can return to clean oceans, green forests and wildlife.
- Through the years the partnership between Asia and Europe has become increasingly interdependent. Using Thailand as an example, 60% of Thai exports are to ASEM countries and over 75% of imports is from ASEM member.
- Moving forward to a more resilient and connected Asia and Europe, I would like to propose that it is now timely for the governments of Asia and Europe to have a serious discussion on how we can work together, to revive tourism between the two regions. Until the start of 2020, Europe generated 35% of the world's international tourism expenditure. Europe accounted for 70.5 million trips to

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developing country destinations in 2018, a growth of 14% compared to 2017. The top 10 destinations in Asia alone received over 17 million European travellers in 2018.

- Travel and tourism have brought tremendous economic benefits to both Asia and Europe. For instance, in 2019, travel and tourism contributed 9.6% to France's GDP and over 21% to Thailand's GDP. The number of European travellers to Asia was growing at a rate of 5% per year to reach almost 90 million travellers in 2019. At the same time, Asian travellers to Europe was growing at a rate of 13% per year, reaching 33 million travellers in 2016, and roughly 40 million in 2019. In that same year from China alone, there were over 155 million travellers - 10% of that, or roughly 15 million people, went to Europe. By the end of 2020, however, the number of Asians traveling to Europe and Europe to Asia dropped to almost zero.
- We should think about re-establishing physical connections between Asia and Europe. A serious, in-depth discussion on this topic is timely. If a "vaccine visa" is needed, so be it. But let's discuss and agree on the way forward. This is because a very strong foundation already exists between the two continents and their people on travel and tourism. No replacement for physical contact and physical interaction between the peoples of the two continents. Technology is a temporary substitute.

DR. MAAIKE OKANO-HEIJMANS

"What practical solutions and possible projects can ASEM engage in to better connect citizens including by narrowing the digital divide between developing and developed countries of Asia and Europe?"

- Discussion between Asia and Europe on connectivity peaked in 2018 with the establishment of areas of tangible cooperation on sustainable connectivity and on the future of digital connectivity or the digital economy.
- Having "1.5 track" dialogues where it's not just governments, but also companies and experts involved, might be a way to facilitate discussions. At the same time, investments need to be done in specific projects with the focus on where there are real needs.
- We have seen a fall in the progress on connectivity discussions within ASEAN, while the EU is an example of where we see a shift towards more bilateral agreements, such as the EU-Japan connectivity partnership and EU-ASEAN. We

also see ad hoc issues-based coalitions being created within Asia such as supply chain initiative, and the “blue dot network”.

- If we look at the top 100 companies worldwide, US and Chinese companies now rule the digital markets. So that's a challenge, not to be crunched by those companies and the way that they might also push out some of the smaller start-ups that are being created in the smaller ASEM countries.
- That is one of the reasons why the EU has invested so much in data regulation and governance. There is also the need to invest in education. We do not want just digitally literate people, i.e., citizens who can use the Internet. We want digitally skilled citizens who know what they are doing when they click on ‘OK’.
- We need to facilitate dialogue and interaction in “track 1.5” settings. So, it’s not just between governments, but also involves companies and experts. How can some countries assist other countries to build infrastructure? In the digital domain many things start with the need for infrastructure.

Question-and-Answer Session

4 Moderator Mr Lawrence Anderson kicked off the first Q-&A session by asking Prof Chlebicki on the most effective ways governments could ensure that the public receive accurate information on the vaccines and sound advice whether people should take them. Prof Chlebicki responded that the pandemic had taught us many lessons, and that one very important lesson was crisis communication. Governments needed to ensure that communication was “timely, frequent, reliable and simple”. Whenever any of these elements was lacking, people turned to social media. In response to questions posed by the online audience on which vaccine(s) to be used, Prof Chlebicki was of the view that by referring to scientific data, then “the vaccine will have no nationality”, meaning so long as the vaccine had passed through the required clinical trials and the results published in the relevant scientific journals, then it should not matter which country the vaccine came from. On achieving “herd immunity”, he was of the view that countries would need to vaccinate more than 80% of their respective populations. Vaccination not only prevented the virus, but also limited its spread.

5 Mr Anderson asked Dr Darmp Sukontasap, given the latter’s extensive experience in both the public and private sector, on the practical measures that ASEM Partners could undertake to reorganise global supply chains to ensure sustainable balanced growth. Dr Darmp responded that Asia and Europe needed to take a holistic approach because nearly every economic sector, especially the travel and tourism industry including MICE, had a “very long supply chain”. By working together through the post-pandemic recovery efforts, Asia and Europe would be able to stimulate their

respective economies and across regions. In response to a question on protectionism, he was of the view that countries were indeed becoming more protectionist, but he hoped that this would not be a “long-term trend” as we were now living in a “global village”. Dr Damp reiterated the point that institutional cooperation would help promote greater cooperation and hence prevent protectionism. On looking at alternative supply chains, Dr Damp was of the view that businesses could afford to simply stock up on inventory, as not many businesses could afford to “sink cash” into storage for their products for a long time, especially during the pandemic. Businesses would look at smaller distribution centres spread throughout the region, for instance, or throughout various parts of the world.

6 Mr Anderson asked Dr Maaike how we could share knowledge and encourage collaborative action on Connectivity among different stakeholders, from research and business to policymakers and civil society. The latter responded that in the first place it was important to create the right environment for stakeholders to know and understand that the discussions on Connectivity would be a “long-term commitment to engage” with one another. In the area of Connectivity, there were differences not just between countries but also within countries. Hence, quite often countries were working on Connectivity but at cross purposes. In response to questions from the audience, Dr Maaike highlighted that even before COVID-19, there was already a general trend towards higher-end technology in Connectivity. The Netherlands attached great importance to Connectivity and has been actively looking into cyber security initiatives, even posting digital attachés in various key countries around the world. Mr Anderson commented that there is a sort of balance between physical infrastructure and the level of digital connectivity. Dr Maaike concurred that digital connectivity has “very much an infrastructural element”, citing the example that for telecommunications infrastructure, there was now a lot of talk about undersea marine cables that also facilitated digital connections between countries.

7 A question posed by the audience on “tangible and result oriented cooperation” that was more than ever needed within ASEM, and what could ASEM do given an apparent unwillingness on the part of the European Group (in 2020 the Asian Group apparently initiated more sectoral conferences and seminars on Connectivity than the European Group). EU Governor, Mr George Cunningham, responded that the European side was unaware of any discrepancy in the apparently small number of meetings involved. He underscored that “all ASEM meetings ought to mix European and Asian experts so there should be no discrepancy”, and added, “Let's just invite each other!”. Regarding the Society 5.0 Sustainable Development, digital infrastructure for sustainable development in the partnership between Asia and Europe, Dr Maaike felt that domestic digital connectivity and “digital resilience” were also important issues to consider. She explained that sometimes, it was hard to understand what was being done with any data that an individual provided, for example just to order something online or even when sharing information to register for this webinar. Hence, educating people and ensuring that the general public remained the owner of the information they

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provide in the digital domain was important. Governments needed to lead the way through education and in setting the right example to create “resilient societies”. Data governance had to be done domestically.

Concluding Remarks

8 All the panellists agreed that the pandemic has had serious consequences for countries and the global economy. They also concurred that countries from Asia and Europe should cooperate more closely in the post-pandemic recovery efforts, as no single country would be able to recover on its own. Prof Chlebicki was optimistic about recovery efforts, noting that not all the “black scenarios” for the pandemic had materialised. Dr Darnp reiterated that Asia and Europe needed to have a serious discussion to help countries in both regions and around the world to recover, and economic sectors such as tourism still had some way to go before “a full recovery”. Dr Maaïke echoed the call for closer cooperation and encouraged more transparency and greater information-sharing in Connectivity.

9 The webinar has thrown a lot more questions than answers, which will be explored further in the second webinar to be held on 21 May 2021, which will focus on making the transition to the green and digital economy as part of the post-pandemic recovery efforts.

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