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COVID-19 and Continental Southeast Asia

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Special ASEAN Summit on COVID-19, April 14, 2020. Source: ASEAN Secretariat

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COVID-19 and Continental Southeast Asia

by Sanjay Pulipaka and Libni Garg

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COVID-19 and Continental Southeast Asia by Sanjay Pulipaka and Libni Garg

Introduction

The COVID-19 virus has demonstrated that it does not recognise the boundaries of nation-states or the ethnic identities of its victims. On the other hand, the experience of the past few weeks has indicated that the infection rate is contingent on numerous factors such as the strength of the political system, the intensity of global interactions of a country, cross border movements and so on.

Continental Southeast Asia is defined by varied political systems, and none of the countries in the region can be termed as vibrant democracies. However, there is considerable variance in terms of state capacities, with Vietnam and Thailand ranking higher than the others. Thailand is also a transportation and tourist hub which constitutes an additional layer of vulnerability to pandemics. In terms of geographic location, Myanmar, Laos, and Vietnam share a land boundary with China, which was the epicentre of the virus. The border zones in these countries witness a significant movement of people and goods across the borders. In terms of people-to-people interactions, Thailand also has significant interactions with China.

Among continental Southeast Asian countries, Thailand has registered the highest number of infections and fatalities. On the other hand, Vietnam has performed well in containing the pandemic. Vietnam conducted more tests than any other country in the region and has not registered any fatalities. Cambodia and Laos have not registered any fatalities as well and Myanmar has reportedly registered about six deaths. However, the tests per one million population in these countries are very low and these statistics cannot be used to reliably evaluate their response to COVID-19.

The ASEAN cooperation framework did not exert significant influence in defining national responses to the COVID-19 crisis. The nation-states in the region were mostly on their own in terms of responses to the pandemic. However, the larger and economically powerful states within ASEAN could still play an important role in terms of extending assistance to their relatively poorer member states.





This paper will examine the response to the pandemic by Cambodia, Myanmar, Vietnam, Thailand and Laos. The impact on their economies as well as domestic politics will be examined and the implications for regional geopolitics will also be mapped.

COVID-19 and Continental Southeast Asia

(as on May 19, 2020 at 12 noon IST)

Country	Total Cases	Total Deaths	Tot Cases/1M population	Deaths/1M population	Total Tests	Tests/1M population
Thailand	3,033	56	43	0.8	286,008	4,099
Vietnam	324		3		275,000	2,828
Myanmar	191	6	4	0.1	14,561	268
Cambodia	122		7		15,447	925
Laos	19		3		4,565	629

Source: Worldometer

Cambodia

Initially, the Cambodian leadership was indifferent to the spread of the coronavirus. Prime Minister (PM) Hun Sen blamed social media for spreading unwarranted scares, admonished media personnel for wearing masks unnecessarily and stated that "there is no one who died, and not a single Cambodian contracting the virus, it happened only to a Chinese man." The health minister reportedly noted that the virus might not spread due to Cambodia's hot climate. Instead of halting flights from China, Hun Sen called for continued movement from China. At a press conference, he stated: "Please continue our cooperation with China. Do not ban flights from China. Do not ban China's sea transportation, and do not ban Chinese tourists."

In the first week of February 2020 PM Hun Sen visited Beijing to demonstrate his country's strong support for China. Chinese President Xi Jinping welcomed his overtures and noted that "a friend in need is a friend indeed as the Cambodian people stand with the Chinese people at this special moment." President Xi went on to point out that "the Cambodian Prime Minister's visit to China has shown the core meaning of a community with a shared future for China." PM Hun Sen not only expressed his support to China but also admonished some countries for having "taken extreme and restrictive measures to deal with the disease, which is undesirable." So Cambodia's political leadership made no pretence that they were interested in travel restrictions. Instead, they issued policy statements which amounted to



chastising other countries for demonstrating policy preferences such as travel restrictions



Cambodian Prime Minister Hun Sen and Chinese President Xi Jinping.
Source: Wikimedia Commons

In mid-February, 2020 Cambodia allowed over a thousand passengers from the Westerdam cruise ship to disembark and proceed to other destinations. Incidentally, this cruise ship was not allowed entry to various ports in Taiwan, Japan, the Philippines, Thailand and the United States territory of Guam. There were concerns regarding whether Cambodia adhered to the WHO norms in terms of testing the ship's passengers for the infection. One of the American passengers was later diagnosed with the COVID-19 infection in Malaysia, prompting global concern regarding whether the other passengers on the ship were similarly infected. The domestic policy preferences of Cambodia were starting to have an impact on the global spread of the virus.

With the infection rate increasing in the country, in the last week of April, 2020 Prime Minister Hun Sen declared a state of emergency under Article 22 of the Constitution.⁸ There are concerns that the emergency law has granted the Prime Minister sweeping powers such as the authority "to monitor communications, control media and social media, prohibit or restrict





distribution of information."9 Officially, there are no new active COVID -19 cases in Cambodia. 10 The number of infections amount to approximately 122 with no fatalities, but there are concerns that a second wave may hit soon. 11 It needs to be noted that the statistics emanating from Cambodia hardly command the same respect as those from Japan and Singapore. The pandemic has also had a negative impact on the economy of Cambodia. Its garment industry, which is one the largest employers with over 750,000 jobs, is facing serious financial problems because global clothing bands have cancelled orders due to reduced demand. 12 The government has announced tax holidays for companies that are in red and has proposed a 60% wage subsidy scheme, with the government paying 20% and the rest 40% to be borne by the company. 13 These measures are not sufficient to address the challenges that the economy is confronted with. It appears that the Cambodian political leadership has approached the COVID-19 crisis with two objectives: first, strengthen their control on the country further; and second, strengthen relations with China, as PM Hun Sen receives and continues to require considerable support from Beijing. The COVID-19 crisis has only cemented the Cambodia-China relationship further.

Myanmar

On January 17, 2020 President Xi Jinping visited Myanmar to strengthen the bilateral relationship between the two countries. The Myanmar government has been under intense international pressure for its handling of the sectarian violence in the Rakhine province. Xi Jinping's visit and expressions of support to Myanmar must have come as a relief to the political leadership in Nay Pyi Taw. A few days after the visit, the scale of the COVID-19 virus outbreak became evident. Unlike Cambodia, the Myanmar government did not use the moment to sing paeans to its friendship with China. In fact, in late January this year, Myanmar turned back a Chinese Southern flight from Guangzhou as one of the passengers was found to be infected with the virus. A few days later, a visa on arrival regime for tourists from China was suspended and subsequently, all airlines halted Myanmar-China flights.

A significant challenge for Myanmar in terms of containing the pandemic is its porous borders with neighbours, especially with the Yunnan province in China. However, according to some reports, Yunnan had relatively fewer infections (185) and a very low fatality rate (two deaths) compared to some other provinces in the country. Nonetheless, it is difficult to determine as to whether any infections spilled over from China into Myanmar. It should be noted that some Ethnic Armed Organisations (EAO) tend to control portions of the China-Myanmar border. Various EAOs deployed "health workers at



checkposts... imposed travel restrictions and banned the trade in wildlife along the border with China."¹⁷ It is not known if the EAOs implemented these measures unilaterally or did so in consultation with China.



State Counsellor Aung San Suu Kyi Participates in the Online Special ASEAN Summit, ASEAN+3 Summit on COVID-19. Source: State Counsellor Office, The Republic of the Union of Myanmar

Similarly, Myanmar has a border with India and people living on both sides of the border often cross over without any documentation. Therefore, an increase in the infection rate in the northern provinces of Myanmar will also impact India's Northeastern states. There is a significant cross border movement of people along the China-Thailand border region and a large number of people from Myanmar also work in Thailand. When Thailand announced that it was closing borders in March, 2020 over 45,000 people returned to Myanmar and were placed in a government-mandated quarantine.¹⁸

Myanmar also increased the quarantine period for returning migrants from abroad to 21 days, instead of 14-days, to make sure that migrants with delayed onset of symptoms do not inadvertently slip into the country. Movement control measures were deployed in some townships and large gatherings were prohibited to contain the spread of the virus. The week-long celebrations surrounding the Thingyan festival were cancelled to prevent gatherings of large crowds. As part of the annual amnesty to mark the New Year,





approximately 25,000 prisoners were released; there was speculation that concerns about the vulnerability of overcrowded prisons to the pandemic may also have played a role in the decision.²²

It is not certain if Myanmar is testing in sufficient numbers to determine the nature and scale of infections. Despite the current low case count in Myanmar, the numbers are expected to rise as testing becomes more extensive.²³ Interestingly, Myanmar was spared of the SARS outbreak in 2003.²⁴ This is probably because in the early 2000s, Myanmar was a closed country under a tight military dictatorship. In the past two decades, the country has opened up for external interactions in a significant way. Therefore, it must be more prepared to deal with global health hazards. However, Myanmar is still undergoing a political transition and remains a semi-democracy, with significant participation of the military in the decision-making process. As a consequence, there tend to be civil-military tensions on a range of issues. Myanmar's COVID-19 response within its new institutional framework, therefore, must navigate the delicate relationship between the civilian leadership and the military.

For instance, on March 13, 2020 "The Committee for Preventing, Containing and Treating Pneumonia caused by COVID-19 Virus" was constituted with State Counsellor Aung San Suu Kyi as the chairperson.²⁵ Subsequently on March 30, 2020 the President's office constituted another forum called the "Coronavirus Disease 2019 (COVID-19) Control and Emergency Response Committee" under the leadership of the vice-president, with the participation of ministers for defence and border affairs as well as the representative of the Office of the Commander-in-Chief of Defence Services. 26 The objective of the second committee was to foster cooperation and coordination between the military and the civilian government.²⁷ Nonetheless, there seems to be some hesitation in the relationship between the military and the civilian leadership. While the Tatmadaw (defence forces) is the only institution that has nationwide capabilities to implement strict lockdown measures, Aung San Suu Kyi, the State Counsellor, has avoided such harsh measures to keep the military in the barracks and to prevent an economic collapse.²⁸ Large sections of Myanmar's population are already living at subsistence level and will find a harsh lockdown economically difficult to endure. Further, limited state capacities are insufficient to meet the emergency requirements of the poor.

Like many others in the region, Myanmar is staring at an economic crisis. The government has announced a COVID-19 Economic Relief Plan (CERP) "consisting of seven goals, 10 strategies, 36 action plans and 76 actions covering a broad range of extraordinary fiscal measures.....[that] seeks to flatten





the curve without flattening [the] economy."²⁹ The CERP seeks to release about \$2-3 billion into the economy.³⁰ There are concerns that this economic stimulus package is not sufficient to meet the COVID-19 induced economic challenges. Some of the employment generating sectors (such as tourism, textiles and overseas employment markets) and revenue-generating sectors (such as mining and oil/natural gas) have been badly hit due to the pandemic.³¹ It is estimated that 90 percent of the fabric for the Myanmar garment industry is imported from China.³² Supply chain disruption is threatening to increase unemployment, as the garment industry employs a fairly large number of people. Some sectors, such as tourism and overseas employment opportunities, may not revive immediately.³³

The political transition and ceasefire negotiations with EAOs will now happen in a context of severe economic crisis. Given the scale of the crisis, there may be shifts in Myanmar's domestic politics as well as its external engagement. Mvanmar mav reauire significant support financial/developmental agencies. However, global civil society organisations would want Myanmar to deliver on their pre-conditions pertaining to the sectarian conflict within the country. If global institutions tie their assistance to such pre-conditions, the Myanmar government will turn more towards China. The civilian leadership may find it difficult to justify allocations to the military in case the country slips even further into a serious economic crisis. This implies that there may be more friction between the civilian and military leaderships in the coming months.

Vietnam

In its fight against COVID-19, Vietnam has had to surmount many challenges. Vietnam shares a long border with China, which is defined by a considerable movement of goods and people. Further, Vietnam does not have a medical infrastructure similar to Singapore, South Korea and Japan. And yet, Vietnam has been able to contain the spread of the virus much better than many of the Southeast Asian countries. Thus far, it has managed to maintain a low infection rate of 324 (as on May 19, 2020) and no fatalities. Much of the credit for this success goes to the early response, administered even before a single case was detected. In early January this year, the Vietnamese authorities ordered all relevant government ministries and agencies "to closely monitor the development of the disease in China and strengthen medical quarantine at border gates, airports and seaports." There were also allegations that some Vietnamese hackers targeted China's Ministry of Emergency Management and the Wuhan municipal government for information on the spread of the COVID-19; these claims were promptly denied by the Vietnamese authorities. The summer of the covidence of the



However, the fact that such rumours are the doing rounds indicates the seriousness with which Vietnam approached the pandemic.



The Viet Nam Stamp Company issued COVID-19 themed stamps designed by Pham Trung Ha to boost morale and display solidarity against COVID-19.

Source: Twitter/@MOFAVietNam

Vietnam had prior experience with SARS which may have given it enough experience to respond to pandemics. In fact, in 2003 as well, Vietnam was "the first nation to contain and eliminate the disease". The prior SARS experience enabled Vietnam to fine-tune various procedures, such as the identification of infected persons. Reportedly, Vietnam has one of the "highest test-perconfirmed-case ratios of any country in the world." The authorities were able to achieve this by targeted testing to economise on the limited resources available. As a Vietnamese health official noted, "Mass testing is good, but it depends on the resources of each country... The important thing is, you need to know the number of people who might have come in contact with the disease or returned from pandemic areas, then perform tests on these people". The government authorities were also rigorous in isolating infected persons and protecting medical staff. The

Even before the first coronavirus case was detected, the political authorities pressed hospitals, 40 various government agencies and the party apparatus into





service.⁴¹ Once visitors from China were detected with the virus, the government quickly clamped down with travel restrictions. Tough decisions such as quarantining large villages with over 10,000 populations were implemented in early February.⁴² Infected persons were placed under strict isolation in hospitals, which were sometimes manned by security personnel.⁴³ Vietnam, which is also one of the hotspots of wildlife trafficking and consumption, quickly took aggressive steps such as banning imports and transport of wild animals.⁴⁴

The Vietnamese government deployed the memory of hardships during the war to call on the people to demonstrate greater resilience. Slogans such as "fighting the enemy means you have to go to the battlefront, but fighting the pandemic means you should stay home"⁴⁵ were often used in the campaign to contain the pandemic. Such slogans sought to dip into the memory of the war to shore up societal resilience to fight the pandemic. At the same time, there has been criticism that Vietnam's approach is too intrusive and violates the privacy of individuals. For instance, Vietnam's techniques reportedly involved deployment of "neighbourhood wardens and public security officers who keep constant watch over city blocks... The structures that control epidemics are the same ones that control public expressions of dissent."⁴⁶ Democracies may well find it difficult to emulate the surveillance measures deployed by Vietnam.

On the other hand, innovative tactics were deployed to assist people struggling due to the decline in economic activity. For instance, ATM Rice machines were instituted in some places to assist people who lost jobs due to the pandemic. Similarly, zero dong supermarkets were operationalised that allowed "customers to choose five items not exceeding VND100,000 (\$4.3)" at zero price. 47 In order to overcome COVID-19 related economic challenges, Vietnam initially announced a \$ 1.6 billion stimulus package which included tax breaks, delayed land lease fee and sped up spending on the infrastructure projects.⁴⁸ Subsequently, in April, the stimulus package was scaled up to \$7.6 billion and companies in specific sectors (such as wood processing, paper production, passenger cars and key mechanical products) were identified for delayed tax payments.⁴⁹ More than the stimulus package, it is the ease of doing business in Vietnam which may assist it in its rapid recovery from pandemic related economic challenges. There is an expectation that Vietnam will receive considerable investments from countries that are seeking to move out of China. For instance, Japan, which is the second-largest investor in Vietnam, has allocated \$ 2.2 billion towards diversifying supply chains. 50

However, the investment climate in Vietnam may be marred by the evolving security situation in the South China Sea. In April, China has not only sunk a





Vietnamese fishing boat⁵¹ but also renamed 80 geographical features⁵² and established the 'Xisha district' and the 'Nansha district' which will govern the disputed Paracels and Spratly Islands.⁵³ Vietnam has officially condemned the developments. The task for Vietnam is three-fold. First, ensure that there is no second wave of coronavirus infections in the country. Second, ensure that Vietnam emerges as a viable alternative to investments that are seeking to relocate from China. And third, if Vietnam responds militarily to Chinese territorial assertions, these potential investments in Vietnam may be jeopardised. Therefore, the challenge for Vietnam is to protect its territorial sovereignty without undermining the vibrant domestic investment climate.

Thailand

Like other continental Southeast Asian countries, Thailand is vulnerable to pandemics because of porous borders. Furthermore, Thailand has a vibrant tourism industry that attracts people from all over the world and plays an important role in the country's economy. The tourism industry contributed almost 14 per cent to Thailand's GDP last year. 54 Chinese tourists contribute substantially to Thailand's tourism industry; in 2018, approximately 28 per cent of all tourists visiting Thailand were Chinese nationals.55 Given such dependence, Thai authorities were wary of disrupting tourist inflows from China. As the first few infection cases were recorded, instead of shutting down international travel, Thai health officials stepped up "monitoring and inspection at its airports."56 On January 14, 2020 the WHO suggested that "health authorities should work with travel, transport and tourism sectors to provide travellers with information to reduce the general risk of acute respiratory infections". 57 And the WHO advised "against the application of any travel or trade restrictions on Thailand based on the information currently available on this event". 58 On January 27, 2020 Prime Minister General Prayut Chan-o-cha urged the public to be confident and noted that "Thailand's surveillance and screening measures in disease prevention and control were ranked No. 6 out of 195 countries..."59 With approximately 14 cases in January, Thailand had more infected people than any country outside of China. 60 There were rumours that the Prime Minister contracted the virus and #PrayforPrayuth became the top-trending hashtag on Twitter in Thailand,"61 before the health minister denied the rumours. 62 There was criticism that Thai authorities were more keen on sustaining the revenue flows from Chinese tourists instead of containing the spread of the coronavirus.⁶³

As the infection rate picked up momentum, Thailand's government suggested to provincial governors to impose necessary restrictions; decisions such as "postponing the country's biggest holiday, shutting down schools and closing



bars" ⁶⁴ were implemented. These restrictions started to negatively impact the livelihood of about 3 million⁶⁵ to 5 million⁶⁶ migrant workers in the country. Thailand is an employment hub for migrant labourers from relatively poorer neighbouring countries such as Cambodia, Laos and Myanmar. To beat the restrictions, tens-of-thousands of migrant workers started to move out of Thailand, raising concerns about cross-border infections.



Migrant workers in Thailand are being tested for COVID-19 symptoms before they return to their dormitories. Source: The New York Times

The outward movement of migrant workers indicated the growing economic crisis. In fact, even prior to the emergence of the pandemic, the Thai economy was facing acute economic distress. In August, 2019 Thailand announced a \$10 bn stimulus package targeting farmers and low-income earners. 67 The stimulus package took time in reviving the economy and the Bank of Thailand in its November, 2019 press release referred to a contraction of exports as well as imports, declining private investment and a downward trend in private consumption.⁶⁸ The only silver-lining in this press release was the reference to increasing foreign tourist arrivals. 69 Now the COVID-19 crisis has resulted in a severe downturn for the tourism industry and related sectors. In response, the Thai government has initiated a 3-phased stimulus package: Phase 1 (US\$3.2) billion) focused on "providing financial assistance to small and medium-sized (SMEs) businesses"; Phase 2 (US\$3.56 billion) focused on providing tax relief for businesses and employees; and Phase 3 (US\$58 billion) including "cash handouts to workers and ensure liquidity in the financial sector". 70 While the stimulus package was welcomed, there have been concerns that it may prompt





the government to resort to external borrowing and may also result in higher inflation rates.⁷¹ Given the Thai economy's dependence on tourism, the revival of the economy will be contingent to a large extent on the confidence among potential tourists to resume international air travel.

To combat the pandemic, the Thai government declared a State of Emergency, which came into force on March 26, 2020.⁷² The office of the prime minister noted through a statement that the State of Emergency is required as "there is a need to control the situation and to implement measures at the highest levels so as to ensure our collective survival."⁷³ While the emergency would be in force for three months, the official statement pointed out that "there had been a declaration of an emergency situation for many years in certain areas in the Southern Border Provinces." ⁷⁴ Not surprisingly, there were concerns in some segments of the international media that the Prime Minister may use the emergency powers to consolidate power and quell dissent by intimidating journalists.⁷⁵

The current regime in Thailand has a close relationship with China. Given the discord between the pro-democracy activists and Prime Minister Prayut Chano-cha, as well as the economic crisis, the Thai ruling elite may lean even more towards China. As noted, tourism plays a very important role in the economy, and the revival of the tourism sector will take time. The Chinese government has the unique ability to prompt Chinese tourists to visit certain friendly countries. As and when the travel restrictions end, the Thai government will be looking towards Beijing to encourage Chinese tourists to visit Thailand.

While the ruling elite in Thailand may want to scale up the relationship with China, on social media there has been a considerable amount of anti-Chinese sentiment. Chinese social media users were reportedly upset that a Thai actor's tweet raised an unfair suspicion as to "whether coronavirus had emerged in a laboratory in Wuhan" and called for a boycott of certain Thai television dramas.⁷⁶ This prompted a social media spat between Chinese and Thai netizens. Joshua Wong, Hong Kong's pro-democracy campaigner, jumped into the conversation with a series of tweets which called on people to "stand with our freedom-loving Thai friends" and stated that "perhaps we can build a new kind of pan-Asian solidarity that opposes all forms of authoritarianism."77 The social media war quickly generated support from other countries in the region. There were discussions about "Milk Tea Alliance" (shared preference for sweet tea drinks) involving Thailand, Taiwan and Hong Kong that was later expanded to other countries as well. 78 The social media spat demonstrated that there is growing divergence on the policy towards China between the Thai government and large segments of Thai society.





Laos

The sparsely populated country of Laos registered a mere 19 pandemic cases, with no fatalities (as of May 19, 2020). However, given a weak governance apparatus, it is difficult to conclude if the government numbers indicate the true incidence of infections in the country. A fairly large number of migrant workers returned from Thailand, which prompted concerns about a possible outbreak. Like in other countries in the region, the pandemic has resulted in an economic crisis. While the government has announced tax relief and other measures 1, it has been relying on Chinese assistance in responding to the various challenges associated with the pandemic. It is well known that China and Laos share a close political and economic relationship. The China-Laos high-speed railway is a flagship infrastructure project between the two, and there is an expectation that the project may experience some delay due to the pandemic. To tide over pandemic induced difficulties, Laos is mostly like to approach China for economic assistance. It should be noted that China is already one of Laos's biggest creditors.

Conclusion

The national response to the COVID-19 crisis in continental Southeast Asia has been contingent on a range of factors, such as prior experience in dealing with a pandemic, quality of governance and domestic capability. The following broad political trends can be discerned:

- ▶ COVID-19 has reinforced, with the exception of Vietnam, continental Southeast Asia's drift towards China. Cambodia has used the crisis to demonstrate its loyalty to China. Important revenue streams of Thailand and Myanmar are tourism and natural gas respectively and both sectors have experienced a sharp fall. China is an important player in Thailand's tourism inflows and it is also one of the largest consumers of Myanmar's natural gas. Therefore, both countries will look towards China for economic recovery. Laos and China already shared a close relationship before the outbreak of COVID-19 and the pandemic has resulted in a strengthening of the partnership.
- ▶ It is likely that Myanmar and Thailand will experience prolonged COVID-19 related economic challenges. In the case of Myanmar, the economic pain will be intense; this may generate greater political instability and impact anti-insurgency operations. It appears likely that China's capacity to influence the trajectory of ethnic reconciliation will be further strengthened. In the case of Thailand, the rift between





activists/opposition groups and the current regime may widen, making the relationship with China more contentious.



Special ASEAN Summit on COVID-19, April 14, 2020.

Source: ASEAN Secretariat

- ▶ ASEAN leaders held a virtual meeting chaired by Vietnam and issued a declaration on April 14, 2020 which referred to the "establishment of the COVID-19 ASEAN Response Fund." 81 In the coming months, ASEAN will have to show more purpose, with the relatively richer members responding more proactively to pandemic induced regional security and economic challenges.
- ▶ If the discourse on supply chains moving away from China materialises, Vietnam will be one of the biggest beneficiaries. To a large extent, the diversification of supply-chains will be dependent on the political and business leaderships in the US and Europe. In this context, the QUAD Plus framework (India, US, Australia, Japan, South Korea, New Zealand and Vietnam) has the potential to play a role in regional geopolitics as well as geo-economics.
- ▶ The pandemic response may change the way we evaluate the capacities of various countries. Reflecting on the pandemic response of that one-party state, Carl Thayer has referred to Vietnam as a "mobilisation society". 82 At a larger theoretical level, the pandemic should prompt us to examine not only state capacities but also societal resilience in a more rigorous way.





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