

Covid-19: three ASEAN governments on the political brink

Blog post by Senior Associate Brigitta Kinadi, 23 April 2020

Like other governments around the world, the immediate priority of Southeast Asian governments is to minimise the health and economic impact of the covid-19 outbreak. However, the challenge of managing the pandemic has seriously destabilised some governments in the region, many of whom were already in a precarious position before the crisis. The region that emerges after the crisis is likely to look substantially different from before. Three markets stand out.

Indonesia: the threat of social unrest

Indonesian President Joko Widodo (Jokowi) was one of the leaders in the region with the most stable grip on power prior to the crisis. However, he will pay a political price for his government's glaring incompetence in managing the outbreak. The logistics of coordinating a response for a sprawling archipelago that is home to the world's fourth-largest population would be a mammoth task for any government, but the Jokowi administration has performed badly by most measures.

Despite being one of the most popular destinations for Chinese visitors, Indonesia only detected its first cases in early March. The government has scrambled since to try to contain the rapid surge of cases, with critics slamming its refusal for weeks to impose a national lockdown or to ban the annual Ramadan exodus, which is likely to widen the geographic spread of the virus to remote areas with the weakest hospital systems. Jokowi finally did the latter this week, but many that have lost their jobs in the past two months have already made their journeys. The country remains one of the worst performers in terms of testing, suggesting strongly that the actual number of cases is likely much higher.

The worst-case scenario paints a very bleak picture for Indonesia. Nearly 60% of the country's work force are in the informal sector and there are concerns that widespread job losses could spill over into social disorder. The last time GDP shrank was during the 1998 Asian financial crisis, which triggered mass riots and led to the downfall of the Suharto regime. With projections that 5.2 million people would lose their jobs and 3.8 million would fall into poverty, the threat of social disorder is very real. Jokowi's office recently met with the Security Intelligence Agency to discuss measures to ensure that the sharp increase in unemployment will not result in social and security conflicts.

The last few years have already been marked by significant episodes of unrest, most recently the student protests in September 2019 over corruption and civil rights and riots in May 2019 over the presidential election results. Jokowi manoeuvred successfully to blunt those protests, but covid-19 has left him in his most precarious position yet. Even a best-case scenario will create major funding challenges for his second-term priorities, including his signature infrastructure agenda and highly ambitious capital city relocation project. But the potential for large-scale unrest takes the sense of

jeopardy for his administration to another level, and the sense of uncertainty of Indonesia's medium-term prospects with it.

Thailand: A youth movement on hold... for now

In late February, the court-ordered dissolution of the Future Forward Party (FFP) removed the primary platform for Thai progressives and critics of the military's dominance. Thousands of students organised rallies in university campuses across the country to call for democracy and political change. Students have played an important role in Thai politics before, and for many in Thailand, the protests were evocative of the October 1973 student-led uprising that led to violent clashes with the police and ultimately brought down a military junta.

Covid-19 has cut this short in some ways. The country has been placed under a state of emergency until April 30th, with major cities such as Bangkok shutting down most businesses. The lockdown has also halted a lot of street politics for now. But covid-19 may ultimately energise this movement. The growth forecast for this year is projected to be the lowest in a decade, at 0.5%-1.5%. The imminent economic crisis may give the youth-led protest movement wider appeal and a new traction to its call for lasting political change. The risks that anti-military protests may get out of hand is compounded with the absence of the late King Bhumibol Adulyadej, who reigned for 70 years from 1976, and was often a central figure in restoring stability and unity in a politically polarised country. The new monarch does not command the same level of respect and is unlikely to be able to play a similar role.

Former FFP leader and co-founder Thanathorn Juangroongruangkit, who has now been banned from politics for ten years as part of his party's dissolution, openly talks about the crisis as an opportunity. He plans to come back strongly as soon as lockdown measures are lifted. If he is successful, the result would be a very strong drive for political change in Thailand, one that may finally pave the way for a new wave of democratic reforms in the country.

Malaysia: can covid-19 be the making of Muhyiddin?

The overnight collapse of the Pakatan Harapan government last month opened the door to Muhyiddin Yassin becoming the country's prime minister. Muhyiddin now has a potential opportunity in the covid-19 crisis to prove his credibility as a leader and deflect criticisms of him forming a backdoor government. At least that is his plan.

Muhyiddin has deliberately been a very visible figure in the government's drastic measures to curb the outbreak. He announced the initial two-week lockdown and its subsequent extensions himself in televised addresses. Yet the new government has already fumbled a number of times during the early days of the lockdown and has been criticised for a lack of clarity in communications. There was widespread confusion about what businesses were allowed to stay open and movement restrictions - the latter leading to major traffic congestion. Muhyiddin's political instincts are also clear in his government's generous stimulus package. The package, worth MYR 250 bn (17% of GDP) is one of the largest globally as measured by percentage of GDP and ten times the package announced while Mahathir was serving as interim prime minister.

For now, the most generous assessment is that Muhyiddin has bought himself some time. There is still a long way to go, although there is some indication that Malaysia has started to flatten the

curve. A confidence vote will be held when the Malaysian parliament reconvenes. Muhyiddin has decided to limit the upcoming session on May 18th to just one day and hold the debates later in July - a further delay that has provoked the ire of the opposition. Clearly Muhyiddin remains unsure he has the majority support of MPs he will need. He will delay the confidence vote as long as he can, but sooner or later the legitimacy of his government will be tested by parliament. When it arrives, this assessment of his authority will be the first key test of the way the public health crisis has transformed Malaysia's political one.