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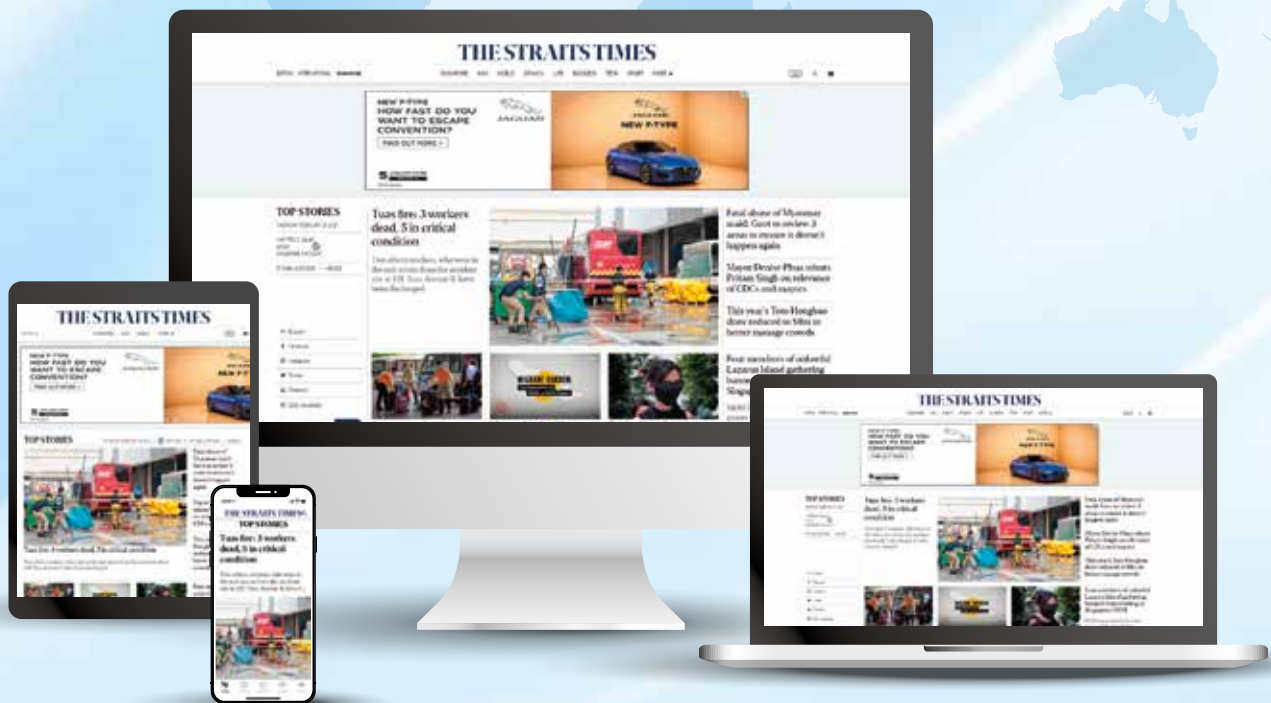
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What
next for
Myanmar?



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Asean to gain US\$1 trillion by going green: Bain & Co

GOING GREEN COULD MEAN US\$1 TRILLION (\$1.3 TRILLION) in opportunities for Asean economies through greater investments in renewable energy, reduced consumption, better waste management, improved urban planning and other areas.

This was the finding of a report by global management consulting firm Bain and Company.

The report, Southeast Asia's Green Economy: Pathway To Full Potential, said Asean is at risk of being left behind if it doesn't step up its sustainability efforts.

The region, with about 10 per cent of the world's population and 20 per cent of the world's diversity, faces growing environmental challenges. About 56 per cent of projected global mismanaged

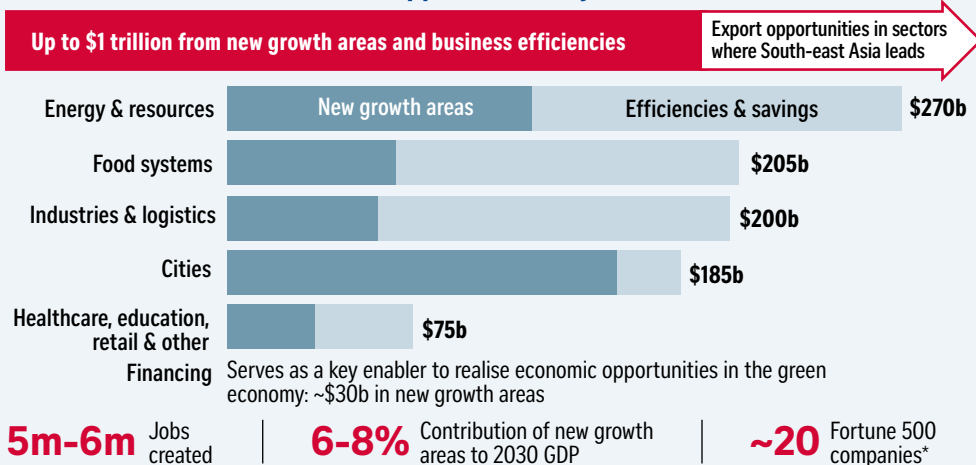
plastic waste in 2025 will come from Asean, it notes.

The good news, however, is that it is waking up to the need to change and could make rapid advances with the right policies by observing what governments elsewhere are doing in terms of green stimulus plans.

The authors identified several areas where green investments could yield significant financial opportunities, including US\$270 billion by shifting away from polluting fossil fuels, excessive extraction, over-consumption and poor waste disposal.

Overhauling food production could yield US\$205 billion in benefits, including access to better and more affordable nutrition, the report states. [ST](#)

US\$1 trillion worth in economic opportunities by 2030



*The equivalent number of highly valued companies was calculated using weighted average P/S ratio of Fortune 500 companies (~1.9); the average market capitalisation of Fortune 500 companies is about \$54.3 billion.

NOTE: The 6% to 8% contribution to GDP includes additional growth areas as a proportion of 2030 GDP; \$ figures in USD.

Strong government push

Asean has set a target of securing 23% of the region's primary energy from renewable sources by 2025.

Rising corporate awareness

Singtel, City Development Limited and CapitaLand are among the top 100 most sustainable companies in the world in 2020.

Growing investor awareness

Private equity funds invested more than \$6 billion in sustainability assets in South-east Asia in 2018, making up 41% of deal value, compared with 1% in 2010.

Asean's efforts to accelerate sustainability

Large digital economy

The region's Internet economy hit \$100 billion in 2019 and is expected to triple by 2025.

Robust innovation ecosystem

The region is an innovation hotbed, with promising start-ups; between 2015 and the first half of 2019 digital start-ups received close to \$37 billion in funding.

Rising consumerism with sustainability mindset

90% in Vietnam and Philippines are willing to pay more for sustainable products.

Potential to make big impact

South-east Asia (SEA) makes up

20%
of the world's
biodiversity

10% of the world's
population

3% of the global
landmass

Current environmental issues

- ~60%** Projected increase in SEA CO₂ emissions by 2040
- ~56%** Projected global mismanaged plastic waste in 2025 comes from SEA
- ~86%** Wastewater left untreated in SEA, the lowest treatment rate globally
- ~85%** Total primary energy supply in SEA from non-renewable sources
- ~1.2%** Annual rate of deforestation, the highest of any major tropical region globally

Sources: Bain and Company's report: Southeast Asia's Green Economy: Pathway To Full Potential STRAITS TIMES GRAPHICS

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Cover Story

Myanmar's crisis deepens

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Resistance against military persists; prospects for ethnic peace dim

INTENSE, DRIVEN AND ARTICULATE, THE YOUNG Burmese woman in Yangon, headset on, stares directly into the camera addressing a webinar, taking advantage of a few hours online in a country that is plunged into digital darkness at night.

"We need to flood our timelines with how to use our digital tools, how to securely mobilise our protests" says Thinzar Shunlei Yi, speaking rapidly, urgently.

"At the same time we need to hold accountable our social media," against misinformation, she adds. Many activists worry misinformation will be planted to incite diversionary conflicts.

The Tatmadaw's old fashioned tactics – direct, brutal and efficient, battle-hardened by decades of fighting insurgencies – may work when they break down doors at night or open fire at protesters.

But the Feb 1 coup d'état came in two different

dimensions – the physical world of armoured cars and bullets both rubber and real, and the digital space.

The regime may eventually dominate the streets, but even as technology is used by both sides – the regime and the resistance – the digital space is a different matter. In the latter there is more parity.

"You messed with the wrong generation" young pro-democracy protesters say. It is a generation adept at using digital technology, and unafraid of breaking the taboos of a conservative society – including openly mocking army commander in chief General Min Aung Hlaing, now self-designated Chairman of the military-appointed State Administration Council.

The coup d'état ignited the rage of Generation Z, who in their 20s and 30s are learning the art of living one step ahead of the arm of the regime.

EVERYONE A LEADER

As much as 55 per cent of Myanmar's population is under 30. Young activists inside and outside the country, many of them women, are finding common cause even across ethnic barriers that have less meaning for Generation Z than previous ones.



Protesters taking part in a demonstration against the military coup in Mandalay on Feb 22. PHOTO: AFP

They have also learnt from the so-called Milk Tea Alliance – pro-democracy movements in Taiwan, Thailand and Hong Kong.

One key aspect of the online resistance, is the absence of organisation-style leadership. Even if factions emerge and the messaging is uncoordinated, it is difficult for the regime to find leaders to arrest.

“Everyone is a leader” says activist Htike Htike, 38, who is based in London. “All the campaigns are scattered. And in the diaspora we are all connected.”

LOOKING BEYOND THE NLD

Ms Htike Htike is among those who believe the resistance must aim higher than simply a return to the status quo – the 2020 election from which the National League for Democracy (NLD) again emerged a winner (the regime claims widespread fraud in that election as the military’s reason for seizing power).

“We want democracy’ is quite out of date” she says. “It speaks almost nothing today. We need better language. Getting out of the military regime is not a democracy. Democracy is not just about an election. The 2008 constitution was not a democracy; the 2020 election was not a democracy.”

“Democracy means claiming civil and political rights for all. Democracy means claiming human rights for all. Democracy means standing up against all injustice... (and) against all civil wars.”

The new resistance is only one of the forces unleashed by the Feb 1 coup d’etat.

The coup will also have profound effects potentially on the economy. Reputational risk is again at stake as companies come under scrutiny for ties with the military.

And it has also essentially crashed the peace process with armed ethnic groups the military has been fighting on and off for decades.

NO HOPE FOR PEACE

“Everyone had really given up hope on Aung San Suu Kyi’s attempts to continue the peace process. But getting to the heart of it, a lot of ethnic people also feel the same way,” Dr Khin Zaw Win, Yangon-based commentator and director of the Tampadipa Institute, told Asian Insider.

The primary problem is that for lasting peace there has to be agreement on federalism. But State Counsellor Aung San Suu Kyi – now again under arrest – and the Tatmadaw see federalism as a step towards secession by ethnic minorities.

“The ethnics are presented with a non-choice (or) an abysmal choice,” Dr Khin Zaw Win said. “The Tatmadaw version and the Aung San Suu Kyi version; there’s no real difference between them.”

Regime boss General Min Aung Hlaing will have to offer concessions to revive the peace process because “this will be the last chance”, he added.

Few take the Tatmadaw’s assurance of an election after one year at face value. “There should be no illusions,” Ko Swe Win, editor-in-chief of Myanmar Now told a webinar.

Even if there is an election after one or two years, it will certainly be under new rules – possibly proportional representation rather than first past the post – which means the NLD would be unlikely to win a sweeping majority again.

New parties and new coalitions will emerge, analysts predict.

“I think it is really the end of the line for the NLD. I don’t think it will get into power any more” Dr Khin Zaw Win said. [ST](#)

The coup d’etat ignited the rage of Generation Z, who in their 20s and 30s are learning the art of living one step ahead of the arm of the regime.

”

Myanmar citizens protesting against the military coup in front of the UN office in Bangkok, Thailand, on Feb 22. PHOTO: REUTERS



Here's what to watch for next:



How long will the protests continue?

Young protesters both in Myanmar and around the world have been relentless in mass anti-coup protests and vigils at foreign embassies, as Myanmar's political crisis rapidly descends towards a deadlock. Many are hoping international pressure will tip the scales in their favour. But there are few signs that the military, which ruled Myanmar for five decades, will cave in and some observers fear a bloody crackdown. PHOTO: REUTERS



How is Myanmar dealing with coronavirus infections?

Testing for coronavirus has collapsed in Myanmar after the military coup prompted a campaign of civil disobedience led by doctors and mass protests swept the country. Daily tests reported in early February stood at 1,987, the lowest number since Dec 29, compared with an average of more than 17,000 a day in the week before the Feb 1 coup. Myanmar's Covid-19 cases rose to 141,816 as of Feb 24, according to a release from the Health and Sports Ministry. PHOTO: REUTERS

Will Suu Kyi make a comeback?

The 75-year-old state counsellor has been held incommunicado since Feb 1, after she was charged with breaching Myanmar's import-export law. With another case against her now, political observers say her return to Myanmar's political limelight would be difficult with no certainty about when she will be freed. If there is an election after one or two years, it is likely the system will be changed to one of proportional representation rather than first past the post – which means the NLD would be unlikely to win a sweeping majority again, say analysts. New parties and new coalitions will emerge as well, they predict.

No easy way back to elections for Myanmar

Ruthless and well-resourced, the Tatmadaw fully intends to maintain its grip even if that means rolling back a decade's worth of progress

THE POLITICAL JOURNEY OF THAILAND'S PRIME Minister Prayut Chan-o-cha offers a playbook of sorts for Myanmar's coup-maker Min Aung Hlaing.

In 2014, then army chief Prayut staged a coup and suppressed pro-democracy activists and politicians from the ousted Pheu Thai Party. He oversaw the drafting of a new Constitution that made it harder for Pheu Thai to return, and then held an election in 2019 which rebranded him as a civilian politician.

Myanmar's Senior General Min Aung Hlaing,



Police advancing with heavy construction equipment towards protesters demonstrating against the military coup in Yangon on Feb 22. PHOTO: AFP

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Indochina Bureau Chief



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who seized power on Feb 1, appears to be putting those set pieces in place.

His chief rival, the leader of the National League for Democracy party, Ms Aung San Suu Kyi, is now detained under charges that could rule her out of any future election – even if she is freed again.

Various organs of his newly constituted military regime repeat ad nauseam yet unsubstantiated allegations of massive fraud in the Nov 8 election, which the NLD won emphatically, as well as the promise to work towards free elections after the one-year state of emergency.

Meanwhile, he is courting ethnic minority politicians earlier snubbed by Ms Suu Kyi to give ballast to a possible future quasi-civilian government once again led by military proxies.

The Myanmar general's problem, though, is that his country is not polarised.

While some sections of Thai society welcomed the 2014 coup and still genuinely support Mr Prayut, most people in Myanmar hold its military in contempt.

The NLD won 83 per cent of contested seats in last year's election not because its first-term government performed well, but because voters were anxious to deny the military – which is guaranteed a quarter of parliamentary seats – any constitutional path back to power.

But the Tatmadaw, as the military is called, seized power in the end, ending a 10-year experiment under which it steadily lost ground in the civilian-military power sharing arrangement.

Ruthless and well-resourced, the Tatmadaw fully intends to maintain its grip even if that means rolling back a decade's worth of progress, say analysts.

The regime has arrested over 600 people so far and amended the law to allow for indefinite detention without trial. Internet shutdowns nationwide are now common, between 1am and 9am. A draconian cyber security Bill which gives the junta sweeping and invasive powers could be enacted at any moment.

But all that has not deterred people from gathering to support civil servants boycotting work, nor prevented them from spontaneously parking their cars in the middle of the road to block army trucks transporting soldiers to protest spots. A growing civil disobedience movement has disrupted banking, health services and railway networks.

But Myanmar's older generation knows the real guns have yet to be drawn. In 1988, thousands of people were killed or jailed when the then ruling junta cracked down on pro-democracy protesters.

"Up until now, we can say that both sides have been showing restraint," says political analyst Khin Zaw Win. "That could change at any time."

Another political analyst, who has been involved in Myanmar's peace process and who asked not to be named, said current conditions are not conducive for any sort of negotiation that might avert tragedy.

"The street protesters demand that Aung San Suu Kyi be released, and the 2020 election results be honoured," he said. "The Tatmadaw insists it wants to tackle election fraud and hold a new election. These two positions are very different. Negotiation is almost impossible."

Dr Khin Zaw Win, however, thinks there is still room for mediation through a third party like the United Nations, and if more stakeholders such as ethnic minorities are involved.

Until then, locals are rueing the missed opportunities for a country still struggling to cope with the Covid-19 pandemic. **ST**

But Myanmar's older generation knows the real guns have yet to be drawn. In 1988, thousands of people were killed or jailed when the then ruling junta cracked down on pro-democracy protesters.

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Gen Z breaks out from Suu Kyi's shadow

THE SLIGHT, MILD-MANNERED MAYOR WHO was detained briefly alongside key Myanmar office-holders during the Feb 1 military coup resigned on Feb 5. But he refused to go quietly.

On Facebook, Dr Ye Lwin uploaded a profile picture of himself doing a three-finger salute, a symbol now widely adopted by Myanmar nationals denouncing the military regime.

Then he packed his bags – expecting to be arrested again.

He was detained alongside members of the ousted National League for Democracy (NLD) party, former office-holders, Election Commission members, civil servants boycotting work and even a prominent astrologer who posted online a hex against "forces supporting the dictator".

Several hundred people have been detained in relation to the coup and the number climbs after nightly raids on dissidents after 8pm, when residents in Yangon, Mandalay and several other parts of Myanmar are forced to stay indoors by the 8pm to 4am curfew.



Locals have pushed back.

They bang pots and pans when they spot security forces entering their ward, alerting neighbours who rush out onto the street to try to protect targeted dissidents. They also live-stream the entire process.

Weeks after the power grab by commander-in-chief Min Aung Hlaing, thousands of people in Asean's poorest country continue to defy a public-gathering ban to protest in the streets, while a growing civil disobedience movement has disrupted border trade and threatens the healthcare system.

Demonstrators holding placards calling for the release of detained civilian leader Aung San Suu Kyi during a protest against the Myanmar military coup, in Yangon, Myanmar, on Feb 22.

PHOTO: EPA-EFE



People holding placards to form the word "Justice" during a protest against the military coup in Yangon on Feb 22.
PHOTO: REUTERS

People are not waiting for the NLD's orders and not asking for its permission any more... We don't want to be under military dictatorship and we don't want to be under a personality cult either.



People gather during a candlelight vigil to protest against the military coup in Yangon on Feb 21.
PHOTO: REUTERS



The senior general has justified his one-year state of emergency by alleging massive fraud in the Nov 8 election that gave the NLD a sweeping second victory.

Now, he is courting ethnic minority politicians to bolster a new government that is widely expected to last beyond that.

But as he dusts off a playbook that kept the military in power for five decades prior to 2010, he faces stiff resistance from a new breed of young activists now freed from the shadow of deposed leader Aung San Suu Kyi.

The 75-year-old ousted state counsellor has been held incommunicado since Feb 1.

While Ms Suu Kyi remains revered by the majority of Myanmar's population, the NLD in recent years had been stultified by her top-down management style and her first-term government was criticised for ignoring the wishes of ethnic minorities.

With Ms Suu Kyi silenced, a young generation of political activists critical of her leadership is now setting the political agenda.

These digital natives were the earliest faces of the anti-coup movement while the NLD struggled to come up with a coherent response.

They include activists such as 26-year-old Ei Thinzar Maung, who, through live videos posted online, has warned about the long, difficult days ahead for Myanmar's people while marshalling support for civil servants boycotting work.

"Gradually, we will be treated like slaves by the military," she says. "If we keep quiet now, they will issue worse laws."

Mass demonstrations calling for the release of "Mother Suu" have been complemented by more disarming, Twitter-friendly rallies staged to communicate the larger anti-junta struggle to the international audience.

Young women in pastel-coloured wedding gowns held up signs that said: "Getting democracy is a bigger concern for us than getting husbands"

Democracy activist Thinzar Shunlei Yi told The Straits Times: "The real, main actors now are from the Generation Z who are under 25 years old."

He said: "People are not waiting for the NLD's orders and not asking for its permission any more..."

"We don't want to be under military dictatorship and we don't want to be under a personality cult either."

There are few signs that Gen Min Aung Hlaing is going to budge.

After the United States declared it would freeze US\$1 billion (\$\$1.3 billion) worth of Myanmar government funds held in the US, the 64-year-old military chief doubled down on his yet unproven allegations of election fraud.

Significantly, he has offered prominent positions to ethnic minority parties and politicians who had been alienated by the NLD.

The new State Administration Council, chaired by him, now includes among its members Mr Saw Daniel – a Kayah State Democratic Party politician who has since been expelled by his party – as well as Ms Aye Nu Sein from the Rakhine-state based Arakan National Party (ANP).

In the months leading up to the Nov 8 general election, Rakhine state saw some of the fiercest battles between the military and the Arakan Army, an ethnic Rakhine armed group.

But the Arakan Army and the military halted hostilities around the election.

One day after the Feb 1 coup, the military regime abruptly lifted the long-running ban on mobile data in Rakhine state.

ANP founder Aye Maung, who was serving a 20-year sentence for high treason, was freed after being granted amnesty by Gen Min Aung Hlaing alongside more than 20,000 inmates.

Mr Oo Hla Saw, a former ANP lawmaker, told The Straits Times: "This is a very complicated issue. ANP's participation in the ruling council is not a problem for Rakhine people... the military confrontation was very cruel and violent."

"We suffered in Rakhine state and we never want to suffer again."

Some democracy activists in Rakhine have been appalled by the ANP being in the State Administration Council, but youth activists say they are trying to counter this divide-and-rule approach by forging links across the country.

A Shan state-based youth leader, who wanted to be known only as Ms Nang, said: "Now we don't have any colour, we don't have any political party. As long as we are against the military, we are one." **ST**

– Tan Hui Yee



Asean leaders, including Ms Aung San Suu Kyi, taking a group photograph at the opening ceremony of the 34th Asean Summit at Bangkok, Thailand, on June 23, 2019.
PHOTO: ST FILE

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Yangon creates a headache for Asean once more

MYANMAR JOINED ASEAN IN 1997 WHEN THE region was ravaged by a global financial crisis.

The next few years were excruciating. The European Union was appalled by Myanmar's human rights record, and Asean-EU ministerial meetings were repeatedly postponed. In 2005, the Myanmar regime – having rebuffed attempts to secure the release of democracy figure Aung San Suu Kyi from house arrest – was forced to give up its Asean chairmanship for the following year.

February's events have brought Asean back to ground zero. With the Myanmar military staging a coup and Ms Suu Kyi again in detention, Asean faces the nightmare scenario of its regional cooperation frameworks being jeopardised once more by political repression in a member state.

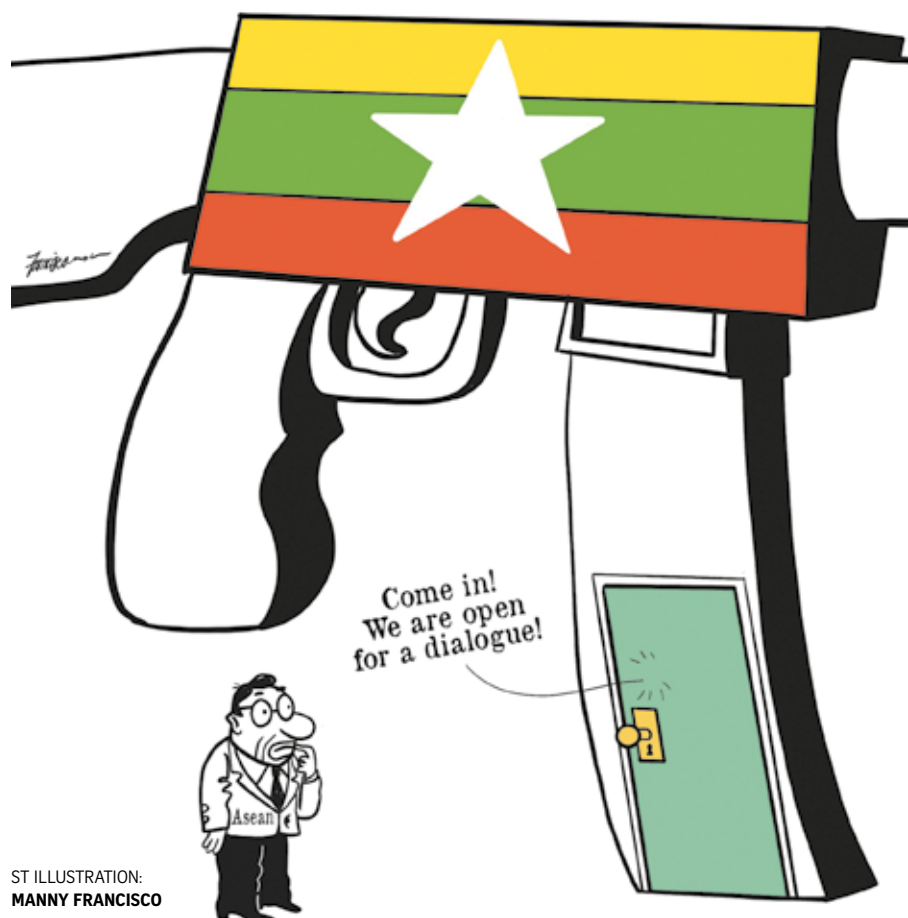
Fretting over this very distinct possibility, several former key Asean figures have argued that the regional grouping needs a more robust approach on the issue, rather than going back to nudging the regime towards better behaviour behind the scenes.

"Those days are over," former Asean secretary-general Ong Keng Yong told The Straits Times.

Referring to the Myanmar military, he said: "You have to be responsible for what you do. You have already undermined the Asean programme with this move against an elected government."

It was then Thai Foreign Minister Arsa Sarasin who coined the term "constructive engagement" in 1991 to describe the policy of engaging rather than isolating Myanmar to help it progress.

But sceptics have dismissed this as a fig leaf



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Instability in neighbour not good for China

<https://str.sg/JrQe>



New Delhi reacts with concern and pragmatism

<https://str.sg/JrQ6>

for regional business interests trying to secure Myanmar's rich natural resources.

In justifying Myanmar's entry into Asean, then Malaysian Prime Minister Mahathir Mohamad said in 1997: "They become a member first, then put their house in order."

On Feb 1, however, within hours of the Myanmar military seizing power, Brunei, as Asean chair, issued a statement expressing concern. It referred to the principles of democracy and protection of human rights in the Asean charter, and said: "We encourage the pursuance of dialogue, reconciliation and the return to normalcy in accordance with the will and interests of the people of Myanmar."

Observers noted that the statement was swift by Asean standards, given the 10-member bloc's practice of non-interference and taking decisions by consensus.

But, with the United States now threatening to slap sanctions on Myanmar, and the coup causing enough consternation to elicit a statement of concern from the United Nations Security Council, Asean faces the daunting task of keeping ties with dialogue partners going while managing their expectations that it deal with an errant member.

Mr Ong, now executive deputy chairman of the S. Rajaratnam School of International Studies, said: "We went through the pain of dealing with the boycott of Myanmar when I was the Asean secretary-general. Many of these developed countries who were Asean dialogue partners refused to have anything to do with Myanmar. And because we insisted on the 10 of us (Asean members) to be there, there were no meetings in some cases and no interaction in other contexts."

Former Indonesian foreign minister Marty Natalegawa recalled how Myanmar "consumed" Asean's attention. "It almost single-handedly defined international engagement with Asean," he said. "That was the prism with which the international community looked at us in our region."

The big question now is how Asean can continue its work of securing the region's interests, especially when "our Asean-US relations might be suspended because of Myanmar's presence", said Mr Ong.

Rescinding Myanmar's Asean membership – as some have demanded – is out of the question, since the region is no stranger to coups. In neighbouring Thailand, for example, the last military coup in 2014 saw the elected Pheu Thai party-led government ousted.

But Asean can work to secure the safety and freedom of Ms Suu Kyi and those detained by the Myanmar military, as well as help all parties return to dialogue, said Dr Marty.

Mr Arsa believes public censure will not work. "They (Myanmar) are part of Asean now, whether we like it or not."

Constructive engagement, the former Thai minister argued, is still relevant to the situation, especially for Thailand, which shares a 2,400km border with Myanmar.

"We have to live in peace with them somehow," he said. "We have to work together with them, whatever the reason. We can't condemn them the way the Western world has done."

Both Dr Marty and Mr Ong feel that Myanmar has benefited from Asean membership over the years.

"The young people I interacted with in Myanmar saw Asean membership as something hopeful," said Mr Ong.

To foster a resolution, Indonesian foreign minister Retno Marsudi has so far travelled to Brunei, Singapore and Thailand – where she met briefly with Myanmar's regime-appointed foreign minister Wunna Maung Lwin. According to Thailand's foreign ministry, discussions have focused on the proposal to convene an informal Asean foreign ministers' meeting in August.

Asean must now handle this crisis decisively, in keeping with the bloc's wider aspirations, said Dr Marty.

"The Asean of 2021 is different from the Asean in the 1990s, when the CLMV (Cambodia, Laos, Myanmar, Vietnam) countries joined for the first time. The Asean of 2021 is an Asean which is based on a charter which respects democratic principles, good governance and human rights," said the former minister.

It is an Asean community so it will be "normal" for member countries to engage with one another on domestic developments, he stressed.

In contrast, taking a hands-off approach would be dangerous. "Internal developments in one country can very quickly spill out of control and become a major ground of contest for major power rivalries," said Dr Marty.

"Asean must be part of the solution. Otherwise we can find ourselves with the issue quickly spiralling out of control," he said.


"We have to tell the world, we have a script, we can manage this issue. We are a net contributor to international peace and security and not the other way round."

Mr Marzuki Darusman, who co-led a regional working group that eventually resulted in the formation of the Asean Intergovernmental Commission on Human Rights in 2009, warned that letting the Myanmar issue slide would worsen the political environment in the region.

"To just look away from this is to blatantly endorse a political race to the bottom, allowing erosion of generally accepted standards of civic conduct, all in the name of so-called Asean solidarity," he said.

Many observers agreed the road ahead now for Asean and Myanmar will likely be a long and challenging one.

"Democratisation is a process, not an event," said Dr Marty.

"Indonesia is a country that has gone through so many difficult moments in its past since 1998. We have our ups and downs. But when all is said and done, it is a choice that we have made as a nation." 

Sharper US-China rivalry looms in the United Nations

While Trump reacted to Chinese influence by pulling out of UN organisations such as the WHO, Biden is opting to go toe-to-toe with China instead.

UNDER PRESIDENT JOE BIDEN, AMERICA IS back at the table of international organisations it pulled out from under the Trump administration, and willing to lead again. But it will not be business as usual in the United Nations and its agencies.

Mr Biden's foreign policy chiefs have vowed to push back against China in the UN, spelling friction ahead that could slow Beijing's ambitions to set standards and expand its influence in global bodies.

The United States now views China as a clear "strategic competitor" and sees its growing influence in the UN as antithetical to American interests and values, as Ms Linda Thomas-Greenfield, Mr Biden's pick for UN ambassador, made clear during her confirmation hearing.

"We know China is working across the UN system to drive an authoritarian agenda that stands in opposition to the founding values of the institution, American values. Their success depends on our continued withdrawal. That will not happen on my watch," said Ms Thomas-Greenfield, who will lead America's delegation to the UN.

"If I'm confirmed, I commit... to counter China at the UN, to fight against all efforts by the Chinese government to add harmful language to the UN resolutions, and to resist China's efforts to overfill key UN positions with Chinese citizens," she had said at the confirmation hearing.

As the US retreated into isolationism under then president Donald Trump, Chinese President Xi Jinping stepped into the vacuum and took up America's traditional stance of publicly championing multilateralism, most notably defending globalisation and free trade in a keynote speech at Davos in 2017.



ST ILLUSTRATION:
MANNY FRANCISCO

Mr Xi did so again, stressing the importance of cooperation in fighting the pandemic and rejecting isolationism in a speech to the World Economic Forum.

But his call to abandon "ideological prejudice" and accept that no two countries' systems are the same – a veiled criticism of US allies who slam China for its policies in Hong Kong, Taiwan and Xinjiang – would not have been as well received as America's renewed embrace of international institutions.

"The fact that the United States had abdicated its leading role at WHO (World Health Organisation) gave China some window of opportunity that it was going to try to take. I think that window has closed significantly with the Biden administration, its return to WHO, and its joining of the Covax alliance," Georgetown University global health law professor Lawrence Gostin told The Straits Times. Covax is the global procurement scheme co-led by the WHO which aims to distribute coronavirus vaccines equitably around the world.

"That will crowd out many of the claims that China has at the WHO. It will still be a powerful actor, don't get me wrong. But it won't dominate," Prof Gostin said, referring to China's claims that it provides public goods and champions multilateralism.

APPOINTMENTS AND HUMAN RIGHTS RESOLUTIONS

American concerns about China's growing influence in UN bodies are not new.

Critics tend to highlight how China gives just over half of America's contribution to the UN's operating budget, but has its citizens heading four of the UN's 15 specialised agencies to America's one.

"I'm concerned... not because China does not deserve an appropriate role commensurate with

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Ms Linda Thomas-Greenfield is President Joe Biden's pick for United Nations ambassador.
PHOTO: AFP

Even where Beijing does not lead key organisations, it can use its powers of economic attraction and coercion to swing key votes – on human rights issues, for example – in its favour.



– **PROF HAL BRANDS**, resident scholar, American Enterprise Institute, and Johns Hopkins University global affairs professor.

its presence on the world stage, but because of its attempt to pervert and distort the core values that make the UN's work so important," said Democrat Senator Bob Menendez, chairman of the Senate Committee on Foreign Relations, at late January's confirmation hearing for Ms Thomas-Greenfield.

"When China has asserted leadership and taken on leadership roles in UN bodies, these organisations have ceased to uphold the values and the broader international community. Bit by bit, step by step, they are instead made to reflect China's unilateral priorities, often at the expense of human rights," he said.

For instance, Taiwan had been invited to attend the International Civil Aviation Organisation's 38th assembly session in 2013. But after Ms Fang Liu, a Chinese national, was elected as that organisation's secretary-general in 2015, Taiwan was excluded from subsequent assemblies.

But while Mr Trump reacted to Chinese influence by pulling out of UN organisations such as the WHO, Mr Biden is opting to go toe-to-toe with China instead.

Johns Hopkins University global affairs professor Hal Brands said America will have an uphill battle making up for lost ground.

"It will not be easy to check China's drive for influence in key international organisations, because that drive is well advanced.

"Even where Beijing does not lead key organisations, it can use its powers of economic attraction and coercion to swing key votes – on human rights issues, for example – in its favour," Prof Brands, a resident scholar at the American Enterprise Institute, told The Straits Times.

The US will need to show up again, by more concerted, multilateral effort to support non-Chinese candidates for leadership, participating actively in the reform of flawed institutions, and rebuilding relationships with key democratic allies, he said.

While the US has not traditionally put its diplomatic and political muscle into UN appointments, at least not in the WHO, that could change, said Prof Gostin.

The Heritage Foundation's senior research fellow in international regulatory affairs Brett Schaefer told The Straits Times: "Whether you're Republican or whether you're Democrat, I think that the past several years has refocused you on the need to pay attention to high-level elections inside the UN."

Mr Schaefer, who was appointed by the Trump administration to the UN Committee on Contributions, expects the Biden administration to support and coordinate efforts to ensure that candidates who fill these posts will not elevate China's interests above the international community's.

"But you're not going to see success in terms of holding China to account for its human rights abuses and violations," said Mr Schaefer, who has argued that the US should have made its re-entry to the WHO conditional on certain reforms.

CHANCES FOR COOPERATION

Despite these areas of conflict, the US has been vocal in wanting to cooperate with China to combat the pandemic and climate change, and its rivalry with China may not necessarily be obstructive.

"The Biden administration is going to want to be engaged in the WHO. I don't think that they're necessarily going to take that up from the position of wanting to do this because China has too much influence," said University of Minnesota Duluth dean of College of Liberal Arts and global health politics researcher Jeremy Youde.

"My sense... is that it's more about needing to make sure that the US is engaged in these processes because we want to help provide leadership within the global health system."

Reforming the WHO to better respond to pandemics in the future could also present some potential avenues for cooperation, as China and the US both have a stake in that, Dr Youde told The Straits Times.

He said that reviving small-scale collaborations that existed between the Chinese and the American governments around medical research and medical technology could also jump-start further US-China cooperation.

Now that the US is joining the Covax alliance, which China is already part of, both could cooperate in making sure that the vaccine is distributed as widely as possible to developing nations.

One key obstacle is vaccine nationalism – the hoarding of vaccine doses by high-income countries, which can afford to buy up the world's currently limited supply of vaccine for their citizens.

Because of that, richer countries in Asia, Europe and North America will most likely have close to herd immunity within six months, while poorer countries might take years and even up to a decade to achieve herd immunity.

Not only is that ethically unconscionable, said Prof Gostin, but it is against the interests of high-income countries. "The more you have Covid spreading around the world, the more likely you are to have mutations and clusters of cases seed themselves back into high-income countries once you get international travel and trade back on course."

To counter this, the US has to work with allies to donate doses of the vaccine to Covax and also have a surge in funding – and this is something China can do, too.

While the pandemic and global health present a unique opportunity for the US and China to cooperate, whether they do so is "the big unanswered question", said Prof Gostin.

"Health and climate change are the two big existential crises of the world. And we can't meet the moment of those crises and can't possibly achieve our goals as humanity unless the two great superpowers do it cooperatively.

"So I think it would be a great benefit to humanity if there were more cooperation on the big global issues of common concern," he said. [ST](#)

China's vaccine diplomacy not as simple as a shot in the arm

Concerns including dearth of vaccine data and perceived use for geopolitical goals stand in the way of China's soft power push

EARLY ON IN THE CORONAVIRUS OUTBREAK AS countries were grappling with the rapid spread of Covid-19, China sent boxes upon boxes of masks and other protective equipment abroad.

These items arrived in various countries bearing stickers of the Chinese flag, in a display of what has been called "mask diplomacy".

But as it has since turned out, the public relations campaign was a flop. Reports of unscrupulous private Chinese firms selling sub-standard masks, test kits and ventilators tarnished efforts to win goodwill.

ST ILLUSTRATION:
CEL GULAPA



But now, as testing for China's Covid-19 vaccines nears completion, Beijing has been given a second chance to repair its international image and position itself as part of the global solution to the pandemic.

On paper, Beijing looks to be in a good position to expand its soft power and influence. With infections within its borders under control, China has greater latitude to distribute its vaccines overseas – unlike the United States, which has prioritised inoculating Americans first.

In May, Chinese President Xi Jinping said Chinese vaccines would be a "global public good", and China subsequently joined the World Health Organisation (WHO)-backed Covax initiative – from which the US is conspicuously absent – to help ensure equitable global distribution of Covid-19 vaccines.

Professor Steve Tsang from the SOAS China Institute in London said there was "no doubt that Beijing is trying to use the supply of vaccines to boost its soft power".

"But a lot will depend on how it goes about it," he said, pointing out it was unlikely that Chinese-made vaccines would be provided for free after they have completed clinical tests.

Beijing has no doubt learnt from its earlier mistakes, but this latest "vaccine diplomacy" push is not as straightforward as it seems.

SOFT POWER PUSH

Of the 18 vaccines currently in phase three clinical trials, five are from China. These are being developed by four vaccine makers which are conducting trials in some 16 countries.

A shipment of 600,000 doses of Covid-19 vaccines donated by China arriving at Cambodia's Phnom Penh International Airport on Feb 7.
PHOTO: REUTERS

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A man holding the Chinese national flag as he looks on while workers offload an Air Zimbabwe aeroplane with a donation of 200,000 doses of the Sinopharm coronavirus vaccine from China in Harare, Zimbabwe, on Jan 15. PHOTO: AFP

The worry is that Beijing could use the supply of vaccines as leverage to achieve its geopolitical goals in the region, or cut off the supply should there be disagreements.



Chinese vaccine makers have had to go abroad to conduct final-stage testing, since they require vaccines to be field-tested in an environment where the virus is still spreading. In return, these countries have been given preferential access to Chinese vaccines.

State media reported in December that some 500 million doses of Chinese vaccines had been ordered by foreign countries thus far, largely by host countries where these drugs are being tested.

Developed countries have snapped up Western-made vaccines, leaving a gap in the developing world that experts say China is moving in to fill.

Rich nations have bought almost all of this year's supply of the two vaccine front runners – one by Pfizer-BioNTech and the other by Moderna – according to the People's Vaccine Alliance (PVA), a network of organisations that includes Amnesty International, Oxfam and Global Justice Now.

Canada, for instance, has ordered enough vaccines to inoculate each Canadian five times, although it has pledged to share any excess with other countries.

The situation is such that nine in 10 people in 67 developing countries – including nations like Cambodia, Laos and Pakistan – stand little chance of being vaccinated this year, said the PVA.

To these countries, China's vaccines are a lifesaver.

In December, the United Arab Emirates (UAE) and Bahrain became the first two countries to grant full approval to a vaccine made by state-owned firm Sinopharm, even before full clinical trial results have been published.

While Beijing has rejected claims that it is using its vaccines as a tool for global influence, saying it is committed to sharing its vaccines with the world, it is not hard to see how its posturing over its vaccines aligns with its foreign policy goals.

Dr Huang Yanzhong, a senior fellow for global health at the Council on Foreign Relations in New York City, said Beijing's actions present this image of a “benign great power providing access to countries excluded from the global distribution of these vaccines.”

But they also expand the market share for Chinese vaccines in the developing world, since Western alternatives have largely cornered the developed market.

“When you look at those countries they want to prioritise vaccine access for, all of them are in the developing world, almost all of them are covered by the (Belt and Road Initiative), and some of those countries are considered strategically important to Beijing, like Pakistan and Indonesia,” said Dr Huang.

Top Chinese leaders have promised priority access to countries including Cambodia, Myanmar, Laos, Thailand, Vietnam, Malaysia and African nations.

Indonesia received 1.2 million doses of Sinovac's vaccines in December with 1.8 million more doses due the following month.

LACK OF TRANSPARENCY

The dearth of data around China's vaccine candidates is unsettling.

Both Pfizer and Moderna have announced that their vaccines appear to be about 95 per cent effective, while the vaccine produced by Oxford University and AstraZeneca has an efficacy of up to 90 per cent. But none of the Chinese vaccine candidates have released official preliminary data from phase three trials.

The UAE, which approved the Sinopharm vaccine, said trials in the country showed the drug to be 86 per cent effective. Meanwhile, Brazil said a clinical trial on Sinovac Biotech's vaccine in the country yielded over 50 per cent effectiveness – the minimum standard set by US regulators for emergency authorisation of Covid-19 vaccines.

The Chinese health authorities have pointed to the fact that over a million Chinese people have been inoculated with the experimental vaccines under emergency-use protocols without any adverse reactions, as proof of its safety.

Without transparent data on the vaccines, however, Beijing will find it hard to inspire confidence in what it has to offer.

Hong Kong said its residents will be allowed to choose which shot they want to take among several vaccine candidates that will likely include Sinovac's.

It also does not help that past vaccine scandals in China have sapped global confidence, including one as recent as 2018 where a leading vaccine manufacturer was found to have made rabies vaccines with expired products. “Chinese-made vaccines don't have a good established reputation in the developed world, and given its domestic record, this is an important factor as to why countries are still sceptical about China's vaccines,” said Dr Huang.

Put simply, for China's soft power push to work, its vaccines must be shown to be effective and stand up to scientific scrutiny.

Unlike masks and test kits, vaccines are injected into the human body and cannot be jettisoned if found to be faulty.

NO FREE LUNCH

At the same time, there are worries that China's vaccine push could hand it too much leverage in the region, said Mr Lye Liang Fook, senior fellow at the ISEAS – Yusof Ishak Institute in Singapore. Being dependent on Chinese vaccines could cause countries to tone down their criticism of China when it comes to territorial disputes.

Mr Lye pointed out that Asean nations such as Malaysia, the Philippines and Indonesia have been conscious about not relying solely on China-made vaccines. These countries are also signing deals with other firms such as Pfizer, AstraZeneca and Russia's Gamaleya Institute.

Malaysia and the Philippines have competing claims with China in the South China Sea, while Indonesia and China are in a dispute over fishing rights around Indonesia's Natuna Islands.

Notably, Cambodian Prime Minister Hun Sen recently said the country would accept vaccines approved only by the WHO, and that his country

was not a "dustbin" for Chinese trial vaccines.

Mr Lye said: "It tells you that even countries that are more amenable to China are, at least publicly, showing that they are being politically conscious."

The worry is that Beijing could use the supply of vaccines as leverage to achieve its geopolitical goals in the region, or cut off the supply should there be disagreements.

Political tensions between China and Canada are believed to be the reason the Chinese authorities blocked Tianjin-based company CanSino Biologics from shipping its test vaccines to Canada for trials several months ago.

The new Biden administration could also frustrate China's outreach if the administration takes a more active stance in vaccine diplomacy, and sets aside a portion of its vaccines for developing countries.

Add a rapidly mutating virus into the mix of all these concerns and the only certainty is that Beijing's vaccine diplomacy is not going to be as simple as a shot in the arm. [ST](#)

India seeks to rival China with broad shipments

INDIA IS MAKING TENS OF THOUSANDS OF FREE Covid-19 shots available to Caribbean countries left behind by rich nations in the race to procure vaccines.

The Indian-made shots offer poorer countries an alternative to Chinese vaccines, which Beijing has been pushing across the region.

India's Foreign Ministry says it plans to supply vaccines – mostly free of charge – to 49 countries in Latin America, the Caribbean, Asia and Africa. So far, the country has distributed 22.9 million doses under its Vaccine Friendship programme.

The list of countries includes Cambodia, Mongolia and even Afghanistan.

Seeking to steal a march over rival Asian giant China, which has also promised to deliver shots, Prime Minister Narendra Modi's government has been giving nearby countries millions of doses of the locally made AstraZeneca vaccine, even as its domestic immunisation programme has just begun.

Mr Modi is using India's strength as the world's biggest maker of vaccines for various diseases to improve regional ties and push back against China's political and economic dominance.

Take the case of Cambodia. New Delhi has approved 100,000 doses for Cambodia on an urgent basis following a request to Mr Modi from Cambodian Prime Minister Hun Sen, India's envoy to Phnom Penh said.

Cambodia is an important ally of China, which is expected to provide a million doses of Covid-19



vaccines, mainly developed by state firm Sinopharm.

"The supply has been assured through the Serum Institute of India despite innumerable competing requests from partner countries and our commitment to our domestic population," said Ambassador Devyani Khobragade.

India has given doses to Myanmar, Bangladesh, Nepal, Sri Lanka and the Maldives to help them get started with front-line workers.

It also sent 500,000 doses of the AstraZeneca vaccine to Afghanistan, the first to arrive in the war-ravaged country, which is still waiting for emergency approval from the World Health Organisation to administer them. India has invested millions of dollars in Afghanistan over the years in an expansive effort seen as pushing back against arch rival Pakistan's influence in the country.

"The vaccines are being provided on a grant basis," a government source said. [ST](#) – BLOOMBERG, REUTERS

Myanmar receiving the first batch of the coronavirus disease vaccines from India at Yangon Airport on Jan 22. PHOTO: AFP



Experts from China and the World Health Organisation joint team visiting the Wuhan Tongji Hospital, the epicentre of the novel coronavirus outbreak, in Hubei, China, in February last year. PHOTO: REUTERS

Debrief

WHO's mission to China ends without finding the origin of the coronavirus

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THE WORLD HEALTH ORGANISATION (WHO) team investigating the origins of the coronavirus wrapped up its 28-day mission to Wuhan, China, last month, without finding the origin of the virus.

Experts believe the disease, which has recorded over 110 million cases and killed 2.5 million people worldwide, most likely infected humans from an intermediate animal host.

After the first clusters of Covid-19 were detected in Wuhan in late 2019, the government put the city of 11 million under a 76-day lockdown with strict restrictions on movement.

The WHO visit has not been short of controversies, with the probe plagued by delays, concerns over access and bickering between Beijing and Washington.

Here are some FAQs about the issue.

WHO ARE THE EXPERTS?

Led by Dr Peter Ben Embarek, the WHO scientist for food safety and zoonosis, the 14-member investigative team consists of epidemiologists, animal and human disease experts, veterinarians, medical doctors and virologists.

They include zoologist Peter Daszak, infectious disease expert Dominic Dwyer, Dr Marion Koopmans, a virologist from the Erasmus University Medical Centre in the Netherlands and Danish epidemiologist Thea Kolsen Fischer.



The WHO team was led by Dr Peter Ben Embarek (far right) and included other experts such as zoologist Peter Daszak (wearing cap) and Dr Marion Koopmans. PHOTO: AFP

WHAT IS THE TEAM'S MISSION?

Apart from the laboratory leak hypothesis, the other three scenarios that the WHO-led team explored with their Chinese counterparts were that the virus had jumped directly from an animal host; that it infected humans via an intermediate animal species; and that its transmission to the human population was via frozen food products.

In the course of its investigation, the team visited key sites such as the Huanan seafood market, where many of the first cases were discovered as well as the Wuhan Institute of Virology, which is involved in coronavirus research.

DID CHINA UNDERMINE THE WHO PROBE?

Western nations have criticised Beijing for not being fully transparent at the start of the outbreak, mishandling its initial stages and allowing the pathogen to escape beyond China's borders to ravage the world.

It did not help that the experts' visit to Wuhan was delayed by China, leading to a rare rebuke from director-general, Dr Tedros Adhanom Ghebreyesus, in early January that he was "very disappointed" that Beijing had not given the green light.

There had also been worries about the team's access to data a year after the outbreak, amid concerns that the Chinese would try to stop embarrassing information from being released.

Although several WHO team members insisted that they were granted full access to the sites and people they requested to visit, some said they were not given raw data and instead relied on analyses by Chinese scientists.

WHAT IS THE CONTROVERSY OVER RAW DATA ACCESS?

Dr Dwyer said on Feb 13 China's scientists refused to share raw data of the outbreak. They had requested raw patient data on 174 cases from Wuhan but were provided only with a summary.



PHOTO: REUTERS

In an interview with AFP, Dr Embarek said the team would have been keen to have access to raw data about earlier cases of illnesses, including pneumonia, flu and fever, that could conceivably have been Covid-19.

However, team member Dr Daszak (above) tweeted that he had a different experience. "I found trust & openness w/ my China counterparts. We DID get access to critical new data throughout. We DID increase our understanding of likely spillover pathways," he said.

To date, the Chinese government has not addressed the data issue.



Peter Daszak
@PeterDaszak

This was NOT my experience on @WHO mission. As lead of animal/environment working group I found trust & openness w/ my China counterparts. We DID get access to critical new data throughout. We DID increase our understanding of likely spillover pathways.

WHAT ABOUT THE FROZEN FOOD THEORY?

The Chinese authorities have been pushing the narrative that the virus could have been brought into Wuhan via cold-chain logistics and frozen food products, linking the theory to various domestic outbreaks in the past few months.

The WHO mission members appeared to give weight to China's theory that it could be carried on cold-chain products, although foreign experts including WHO top emergency expert, Dr Mike Ryan, and the US Centres for Disease Control and Prevention have previously downplayed the risk.

Still, Dr Embarek said that further studies should be conducted to ascertain if frozen wild animals – under the right conditions – could spread the virus.

WHAT ARE THE INTERNATIONAL REACTIONS?

US national security adviser Jake Sullivan had expressed "deep concerns" about the findings and urged China to make available data from the earliest days of the outbreak.

British Prime Minister Boris Johnson mooted a global contract on pandemics where countries can share data on future pandemics, after his Foreign Minister voiced concerns about the level of access given to the WHO mission.

China has fired back, with a spokesman for the Chinese embassy in Washington saying the US should not be "pointing fingers" at China and other countries that supported the WHO during the pandemic.

HOW TRUE IS THE LAB LEAK THEORY?

The WHO team said it is extremely unlikely that the virus leaked from the Wuhan Institute and further research into this theory was not required.

The WHO statement will vindicate Chinese officials, who have long bristled at the possibility that the virus could have come from a lab. Former United States president Donald Trump had suggested, without evidence, that the virus could have been leaked from a Chinese lab, and has accused China of spreading Covid-19 around the world.

WHAT HAPPENS NEXT?

Following questions whether some hypotheses have been discarded, WHO's Dr Tedros said that all possibilities are still open and require further study in the search for the origins of Covid-19.

Future studies could include how the virus infect humans from frozen food products, tracing the supply chain of frozen animal products at the Huanan market to pinpoint a possible animal host for the coronavirus and expanding the search globally to look for evidence of circulation of Covid-19 before December 2019.

A summary of the team's findings is to be released soon, while the full report which includes recommendations will be released after that.

S'pore WEF meeting will come as world readies for a reset



Professor Klaus Schwab (right), founder and executive chairman of the World Economic Forum, in an exclusive interview on Feb 9, with Mr Warren Fernandez, Straits Times editor and editor-in-chief of Singapore Press Holdings' English/Malay/Tamil Media Group, and Asian Insider editor Shefali Rekhi. ST PHOTO: ONG WEE JIN

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Hosting the WEF meeting in Singapore is a reflection of the growing importance of Asean, says Prof Klaus Schwab.
ST PHOTO: ONG WEE JIN

CRITICAL GLOBAL ISSUES SUCH AS CLIMATE change, job reskilling and food security will be up for discussion when the World Economic Forum (WEF) meets in Singapore later this year, the first time its key stakeholders will meet in person since the Covid-19 pandemic began early last year.

The meeting, set to take place from Aug 17 to 20, comes as the world is preparing for a reset in the aftermath of the pandemic. The focus of discussions will also be on continuing efforts to fight the coronavirus as well as on economic recovery and lessons to be drawn from the pandemic.

These discussions will throw up ideas that might feed into the deliberations that follow at the United Nations General Assembly in September, the summit of the G-20 (Group of 20) heads of state and government in Rome in October, and the COP26 UN Climate Change Conference that will be held in Glasgow, Scotland, in November.

These were the views of Professor Klaus Schwab, founder and executive chairman of the WEF, who was in Singapore on a short visit. He was speaking in an exclusive interview with The Straits Times.

Hosting the meeting in Singapore is a reflection of the growing importance of Asean, he said.

"When we look at the power centres in the world, we usually speak, rightly so, about China and the US, maybe Europe, but actually the Asean region is fundamentally the fastest-growing region in the world.

"It represents a size which is larger than Europe in terms of population. So, it is also a reference to the new political and economic situation which we have in the world."

The forum has longstanding relations with both the United States and China and will be

inviting the leaders of the two countries for the meeting in Singapore, and for discussions between them.

"World Economic Forum is the only organisation which looks at all those different features – political, social, economic, technological – in an interconnected way," Prof Schwab said, explaining the forum's "systemic ecosystem approach" to dealing with global issues.

"The big challenges in the world cannot be addressed or solved by governments alone, by business or by civil society," he said.

This is where a gathering of all stakeholders has a significant role to play, he said.

WEF's annual gathering of world leaders in Davos, Switzerland, is a much-watched event for discussions on global policies affecting the future of the world. This year's meeting, referred to as the Davos Agenda, held from Jan 25 to 29, was the forum's first virtual meeting.

The media coverage of the meeting was four times that of WEF's 50th anniversary celebrations in January last year, according to Prof Schwab, reflecting the global interest in the issues discussed.

The meeting in Singapore will mark only the second time that the annual meeting has been held anywhere else besides Davos. In 2002, WEF took the meeting to New York in solidarity with the people of the city after the 9/11 terror attacks.

Much progress is made when all stakeholders come together in the quest for "simple answers to complex issues", Prof Schwab said.

He pointed to one of the forum's initiatives during the Davos Agenda week, which brought together stakeholders to speed up the development of vaccines and their transport and distribution to places where they are much needed.



One of the goals of the initiative was to reduce the time taken to develop a vaccine and make it available, from about 300-plus days now to about 100 days.

Doing so could help save many lives in future pandemics. Prof Schwab noted that the world had two million people infected by Covid-19 after 100 days. Had it been possible to develop a vaccine in those 100 days, the exponential increase in the number of infections could have been checked, he said.

Instead, the world now has more than two million people who have died of Covid-19.

"So, we absolutely have to make sure that we shrink the number of days even more," Prof Schwab said.

The priorities for the meeting in Singapore will be climate change, the reskilling and upskilling of workers and building food security.

Beyond this, the forum is building a spirit of collaboration among key global players, such as the US and China, even in the face of fierce competition among them in some spheres.

"The forum is not a decision-making body, and what we want to do is to look longer term," Prof Schwab said.

Noting that governments and international organisations have a tendency to focus on narrower, shorter-term concerns in the face of electoral and other pressures, he said the WEF, with its longer-term perspective and inter-disciplinary, multi-stakeholder approach, could add much value to the global debate. [S](#)

Priorities for the August meeting of the World Economic Forum in Singapore

Here is a look at some of the key initiatives for the August meeting of the World Economic Forum (WEF) in Singapore.

US-CHINA

The WEF is relying on its long-standing ties with the United States and China as well as the goodwill it enjoys with both to encourage them to participate and discuss issues at the meet.

Relations between the two hit a low patch during former president Donald Trump's tenure at the White House and there is still uncertainty over the direction in Washington under President Joe Biden's administration.

Professor Klaus Schwab, founder and executive chairman of the WEF, said the Forum has traditionally had "excellent relations" with the US and "strong cooperation" with China. He told The Straits Times: "I hope for a very strong and high-level participation from those two countries."

A VACCINE IN 100 DAYS

The WEF is working on a project to bring together pharmaceutical firms and governments to collaborate in a manner that would allow scientists to produce a vaccine within 100 days of a pandemic.

The world took about 300-plus days to approve a vaccine after Covid-19 infections emerged.

200 COMPANIES FOR STAKEHOLDER CAPITALISM

Over 60 companies have committed to adopting the WEF's Stakeholder Capitalism Metrics that signals their commitment to working for the well-being of societies, and not just shareholders.

The WEF hopes to see nearly 200 firms embrace the standards by August.

Rebuilding a better, post-Covid-19 world with a new mindset of stakeholders

Old dichotomy between the values of capitalism, and communism or socialism is outdated, he says

THOUGHTFULLY, PROFESSOR KLAUS SCHWAB tells the story of the enormous task of rebuilding the war-battered towns he grew up in as a young boy in the Swabia region of southern Germany.

World War II was a time of great crisis and hardship, which forged a sense of solidarity that helped pull ravaged communities together.

"To a certain extent, we are in a similar situation today...we went through a major crisis, which affected everybody in the world," says the founder and executive chairman of the World Economic Forum (WEF).

"So, can we create again this tremendous effort, based on solidarity, to recreate a world which is

better?" he adds, alluding to the ongoing Covid-19 pandemic, during an interview with The Straits Times in February at the Capella Hotel on Sentosa.

He was in town, partly for a bit of a break after the hectic Davos Agenda week of webinars, held in January in lieu of its annual meeting in the Swiss alpine town, but also to lay the groundwork for the WEF's planned Special Annual Meeting to be held here in August.

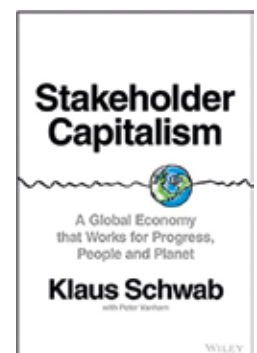
He was also here for the launch of his new book, Stakeholder Capitalism: A Global Economy That Works For Progress, People And Planet, which he has written with a WEF colleague, Mr Peter Vanham.

"After the devastation of World War II, I was lucky enough to grow in a town and a society that embraced the stakeholder mindset in all that it did.

"I saw it at work at my father's factory, where everyone, from the shop floor to the corner office, had the same drive to make the company and its products a long-term success, and everyone shared in the fruits of it when it arrived," he says in the engaging book.

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World Economic Forum founder Klaus Schwab says that the pragmatic, stakeholder-led philosophy that guides Singaporean policymaking is nevertheless one that merits to be looked at by others.

ST PHOTO: ONG WEE JIN

Recalling the solidarity he experienced in the post-war years in the German towns of his youth, he adds: "I saw it in Friedrichshafen and Ravensburg after the war, as all citizens, as well as the entire local government, came together to rebuild what was destroyed.

"And I have been advocating for it ever since, whether in business or in government, and going from Swabia to Singapore," he says in the conclusion of his 285-page book, launched in keeping with the thought leadership efforts of the Geneva-based forum.

Indeed the stakeholder concept has featured prominently in his work since the 1973 Davos Manifesto, which set out the role of business managements to "serve clients, shareholders, workers and employees, as well as societies, and to harmonise the different interests of the stakeholders."

It is a theme he delves into deeper in his new book.

"The idea that we need to rebuild differently post-Covid is widely shared. The sudden and all-encompassing impact of Covid-19 made us understand, much more than the gradual effects of climate change or increasing inequality, that an economic system driven by selfish and short-term interests is not sustainable...

"We can't continue with an economic system driven by selfish values, such as short-term profit maximisation, the avoidance of tax and regulation, or the externalising of environmental harm. Instead, we need a society, economy and international community that is designed to care for all people and the entire planet."

In place of shareholder capitalism, with its emphasis on short-term profits and shareholder value, or state capitalism, the alternative that gained prominence in Asia which gives primacy to the state, he advocates a system of stakeholder capitalism.

He points in his book to Singapore, with its longstanding emphasis on tripartite collaboration, as perhaps the "most remarkable blueprint" for such stakeholder capitalism.

In it, he details at considerable length, Singapore's efforts to foster a cohesive society, with ethnically integrated, affordable and well-maintained public housing, a first-rate public education and healthcare system, as well as ongoing efforts to connect all segments of society digitally.

"The precise approach Singapore follows may not be replicable in the same way elsewhere: many

Much more global collaboration needed to tackle shared challenges: WEF chief

Q: Given the recent Davos Agenda week, what made you decide that there was a need to have an in-person meeting in Singapore? What are you hoping this particular meeting would achieve?

Klaus Schwab: The Davos Agenda week at the end of January was very successful. We didn't expect such a great engagement. We had four times as much media reporting about the meeting compared with our 50th anniversary. So it shows that the world really is now preparing for what I call the great reset, which means to think about what policies we need for the after-corona era. We have three main tasks at the moment. First, to fight the virus, which is still a top priority in many countries. Second, we have to create recovery of our economies, but we also have to think medium term and long term; what lessons do we take out of the pandemic?

And one conclusion is that the pandemic has accelerated many developments, and at the same time has shown us certain deficiencies, which were in the system even before we entered the virus period.

With Davos week, we had to mobilise the public to create

awareness of the need for a great reset. But despite all the advantages of video-conferencing, there is a need to come together in person. Video-conferencing, as we have seen, is very efficient but the emotional dimension is missing, and, at the end, to create trust, to create confidence, you need to address issues not just from a rational point of view, you need also to have the emotional feeling connected to it. So we have seen that the world is longing for coming together again, and what we plan now for the end of August probably will be the first major get-together in person on a global level, bringing together all stakeholders of global society.

But there will be one other difference between the two meetings. The Davos Agenda week was mainly to take stock, to look at long-term visions and so on, but now the forum has established numerous task forces to elaborate on more concrete proposals and those proposals will be discussed in Singapore.

The end of August is very important because the meeting here is taking place before the UN General Assembly week, it's taking place before the G-20, which will meet in October, and it's taking place particularly also before

larger, less densely populated, or poorer countries, would not be able to provide the same services if they tried.

“But the pragmatic, stakeholder-led philosophy that guides Singaporean policymaking, like that of New Zealand, or Denmark, is nevertheless one that merits to be looked at by others,” he concludes.

Listening to the urbane and even-tempered professor, with his frequent assertions on the need for harmony or solidarity across stakeholders in society, I am reminded of the recent discussion sparked by Education Minister Lawrence Wong.

He had cited a 1979 speech by Mr S. Rajaratnam, one of Singapore’s founding fathers, who referred to the 14th century Arab thinker Ibn Khaldun’s idea of “asabiyyah”, Arab for bonds of community or solidarity, as a critical factor in a society’s success.

Asked about this, Prof Schwab agrees readily with the idea, saying that at the heart of this is the fundamental question of how best to secure the welfare of a society.

The old dichotomy between the values of capitalism, and communism or socialism, he insists, is outdated. It is no longer suited to the age of what he has dubbed the fourth industrial revolution, with its increasing focus on human, social and natural capital, apart from just financial capital.

“To create welfare, you have to take care of all of those dimensions of capital,” he says, noting that this calls for collaboration among stakeholders.

“The role of corporation is to take care, of course, of shareholders, but also of its people, of its customers, of the community it’s living in. And by

doing so, shareholders will be well served,” he adds.


Companies which have done so have weathered the pandemic better than others. Those which are slow to do so are “on the wrong side of history”, and risk discovering too late that their customers, clients, and even staff, are increasingly supportive of organisations which are good for people and the planet.

He points to 60 companies which have partnered WEF to embrace what it calls stakeholder capitalism metrics, setting out benchmarks to track their progress in meeting social, environmental and governance goals. He hopes that this will grow to 200 by the time of the Singapore meeting, he says.

That forum will also provide an opportunity for greater global collaboration, given the much-needed reset in that most important of bilateral relations, between the United States and China.

“Yes, of course,” he says, when asked if that is on the agenda, and if top leaders from those countries will be invited to attend. WEF has longstanding relations with leaders in both countries, he notes.

Recent years have seen much confrontation between these two major players, and there is a need for more collaboration to tackle common challenges and pursue shared interests, even in the face of the “fierce competition” in some areas that the new US President Joe Biden has alluded to, he says.

“Where we have a common interest, we have to create much more collaboration again. And this collaboration, ideally, integrates all stakeholders. And here, the importance of the annual meeting is evident again.” 

The sudden and all-encompassing impact of Covid-19 made us understand, much more than the gradual effects of climate change or increasing inequality, that an economic system driven by selfish and short-term interests is not sustainable...

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Glasgow COP26 (2021 UN Climate Change Conference). So we plan to have a major input into all those major global meetings.

But there is another reason for coming here. Because 2021 will be the first year where the GDP of Asia, in terms of purchasing power, will exceed quite substantially the GDP of the rest of the world. So it’s also a kind of demonstration of the geopolitical and geo-economic importance this region has acquired over the last decades.

And I also feel that when we look at the power centres in the world, we usually speak rightly so about China and the US, maybe Europe, but actually the Asean region is fundamentally the fastest-growing region in the world. It represents a size which is larger than Europe in terms of population. So it’s also, how shall I say, a reference to the new political and economic situation which we have in the world.

Q: On the topic of the reset for the globe, one of the biggest relationships that is in need of a reset would be that between the US and China. Do you see the conference playing a role in helping to bring about that reset, and if so, how?

A: We hope so. The forum traditionally has excellent relations with the United States. The first president who addressed the Davos audience was president Ronald Reagan, and, since that time, we had strong cooperation with the government but also with the business community,

of course. But we also have really strong cooperation with China. So we have relationships with the two countries. And of course, to respond to your question, I hope for a very strong and high-level participation from those two countries.

Q: So, you’ll be inviting the two leaders from those countries?


A: Of course, we will.

Q: What are the key issues you will focus on?

A: There are three big issues which stand out, for me personally. The first one, of course, is climate change because we have this important COP26 meeting, and if it becomes a failure, then I think people will lose hope in our capability to do something about climate change.

The second one, you may remember, I have written in 2015 a book on the Fourth Industrial Revolution and I coined this notion. According to the forum’s research, half of the working force has to undergo upskilling and reskilling if it wants to be employable at the end of this decade. So, we need a tremendous reskilling and upskilling effort, particularly of low-skilled workers because the occupations, the jobs, will be replaced by robots, artificial intelligence and so on.

Number three is food security.

And, of course, most important is that we come back, I use again the word “resetting” – that we reset the political context inside which we address all those issues. 



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Japan plays guardian and gatekeeper of the CPTPP

WALTER SIM

Japan Correspondent
In Tokyo



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Tokyo faces a China growing ever more powerful while the US will take time to mend tattered ties left by Trump

BEFORE FORMER LEADER SHINZO ABE CAME along, Japan was seen as a waning global power with a revolving door of prime ministers and an economy that was leapfrogged by China in 2010.

But now, even though Mr Abe has bowed out and Mr Yoshihide Suga has taken his place, Japan is, again, back in the critical role of holding the line for the United States on the trade front against the Chinese juggernaut.

Mr Abe is justifiably credited with salvaging the Trans-Pacific Partnership (TPP) – after President Donald Trump shockingly pulled the US out of it – and helping to reshape it into the 11-nation Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

Now, all eyes are on Prime Minister Suga, as Japan assumes chairmanship of the CPTPP this year, to see how Tokyo will manage the balancing act of promoting free trade while helping to counter China's growing dominance in the face of a distracted America.

In the multi-fronted Sino-US power struggle, trade is simultaneously an arena, a weapon and an instrument for asserting influence over other countries. The levers are many and varied, ranging from tariffs to export controls to the sheer weight of being the biggest buyer of another country's exports.

Countries are increasingly aware of the impact of these levers, not least because China has used them as a foreign policy weapon against Norway, South Korea and, most recently, Australia. And tariffs were Mr Trump's favourite cudgel against China and even US allies. In such an environment, as Keio University economist Fukunari Kimura tells *The Straits Times*: "Trade is gradually being dominated by vaguely defined 'national security' issues."

What confronts Mr Suga is a China growing ever more powerful on all fronts – it is set to become the world's largest economy by 2028, five years ahead of previous forecasts – while the US, battered by the coronavirus pandemic and roiled by internal troubles, will have a hard time giving full attention to mending tattered ties left by Mr Trump.



ST ILLUSTRATION: MANNY FRANCISCO

The former president also dealt his country a massive own goal by pulling the US out of the TPP, crafted by his predecessor Barack Obama. For Mr Obama, the TPP was more than a trade pact; it was also a strategic tool among like-minded economies to counter China's rise.

With the US out of the Pacific Rim free trade pact it engineered, Washington is unable to exercise a leadership role in taking on China in the regional trade arena. It is now up to Mr Suga to act as gatekeeper until such time when the US is ready to rejoin.

It will be no easy task as, first, President Joe Biden is not likely to have the political capital to win over an electorate that has grown allergic to expansive free trade agreements.

Second, China is moving fast to fill the vacuum left by the US. Fresh from concluding the world's largest trade pact in the 15-nation Regional Comprehensive Economic Partnership (RCEP), it has signalled its interest in joining the CPTPP.

"Japan is more important than usual when it comes to supporting free trade in the region," Dr Matt Gertken, chief strategist for geopolitics at BCA Research, tells *The Straits Times*.

"Tokyo is already positioned to engage with China more directly, via RCEP and diplomacy, but Japan (and its partners) may need to counter China more actively if the US under Biden is initially distracted elsewhere."

TOKYO'S CALCULATIONS

There was disquiet in Japan despite the positive headlines over last year's conclusion of the RCEP, which covers 30 per cent of global trade and counts as its members the 10 Asean countries, as well as Australia, China, Japan, New Zealand and South Korea.

Tokyo's uneasiness stems from the absence of India, the world's largest democracy, which balked at signing on to the mega-deal for domestic reasons. The Japanese had hoped that India, given its heft, would be a key partner in preventing Beijing from dominating the RCEP and reshaping it to its own purposes.

Japan's TPP trade negotiator Naoko Munakata said in an Asahi Shimbun interview published last December that she saw the bid to join the CPTPP as a "strategic ploy to take advantage", as the US is too beset by domestic problems to pay attention to Asian trade developments. "It would cost China nothing to test the waters in the US' absence."

One key priority for Japan, as chairman of the CPTPP bloc this year, is to "make sure that China does not fill the Trump-size vacuum", says Dr Heng Yee Kuang, who studies soft power and security issues at the University of Tokyo.

One way that Japan can do so is to insist, in its role as chairman, on maintaining the pact's rigorous standards in areas such as e-commerce, intellectual property and state-owned enterprises that Beijing cannot meet.

As to Beijing's interest in CPTPP membership, Mr Suga has signalled that it would be low in Japan's priorities. Noting that the trade pact has 11 members, "new countries cannot just join without their approval", he said last year. "We'll think about it strategically and respond."

Japan has reason to err on the side of caution. China's joining the World Trade Organisation in 2001 was premised on its becoming a responsible stakeholder aligned with international norms.

That did not happen. It is not surprising then that Japan does not believe China will uphold the CPTPP's standards.

"If China were to join the CPTPP, having tariffs reduced by a large margin for exports to its huge market might seem attractive. Once the CPTPP rules are relaxed seeking such short-term gains, however, leverage against China to reform its market will be lost forever," said Ms Munakata.

The CPTPP is now in force among seven of the 11 members to have ratified the deal: Australia, Canada, Japan, Mexico, New Zealand, Singapore and Vietnam.

Mizuho Research Institute senior researcher Junichi Sugawara notes that Japan's priorities will be to work on persuading the remaining four nations – Brunei, Chile, Malaysia and Peru – to overcome domestic opposition and ratify the pact.

Another of Japan's priorities would be to expand the CPTPP membership in its preferred direction.

This is paramount for Japan, Dr Kimura notes. According to him, Japan sees the growth of the CPTPP club as a means to strengthen the higher standards

of liberalisation and rule-setting established by the free trade arrangement, as well as pave the way for a pro-trade middle-power coalition.

South Korea, Taiwan and Thailand have shown interest in the CPTPP, but Britain is a serious contender for fast-track membership, even if it is geographically nowhere near the Pacific Ocean.

Tokyo has been "trying to draw a larger British presence in the Indo-Pacific, supporting the 'Global Britain' vision", says Dr Heng. Japan was the first country to ink a post-Brexit free trade agreement with Britain.

A U.S. RETURN?

Dr Gertken thinks a US return to the CPTPP should not be too quickly written off. "The CPTPP clearly is about international security – it was part of the US' pivot to Asia and this is the main reason the US will ultimately rejoin it, unlike some other trade deals without the strategic component," he says.

But other experts, such as Associate Professor Davin Chor from the Tuck School of Business at Dartmouth College, believe the process is likely to take years, rather than months, and will involve the "cautious rebuilding of ties – and most importantly trust – between CPTPP countries and the US".

Mr Suga has been planning a trip to Washington to meet Mr Biden, hoping to reinforce the US-Japan security alliance. The CPTPP will likely be raised, though Mr Suga might be mindful not to seem too overzealous.

But there are questions as to how much Mr Suga can achieve in a short period of time, given the domestic challenges he faces.

His approval ratings have tumbled rapidly amid public perceptions of indecision and waffling in the fight against Covid-19. And complicating this balancing act is the overwhelming opposition to the Olympics this summer.


A looming Liberal Democratic Party election in September will determine whether his time as Japan's leader will be short-lived, while a general election must also be called by October.

Still, Japan has a clear stake in not just supporting – but protecting – the liberal international order that is built on the premise of free trade, democracy and the rule of law, says Mr Sugawara.

China's state-run Global Times said in an editorial that China's CPTPP interest represents a "sturdy commitment to promote opening up, multilateralism and trade globalisation".

It cautioned the Japanese government that it should not let geopolitical considerations get in the way of its pursuit of multilateral economic cooperation that would ultimately benefit Japan too.

But Japan's Yomiuri Shimbun sees it in a different light. It argues that it is Japan's responsibility to "persistently explain to the US that its participation in the CPTPP would be useful in restraining China".

How Japan manages the direction and composition of the CPTPP will clearly have an impact far beyond trading arrangements among its 11 members. 

What confronts Mr Suga is a China growing ever more powerful on all fronts while the US, battered by the coronavirus pandemic and roiled by internal troubles, will have a hard time giving full attention to mending tattered ties left by Mr Trump.

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China's large presence in the region also reflects attitudes about the present and the future, say analysts. PHOTO: AFP

South-east Asia Watch

China wields most influence in South-east Asia but lags in trust factor

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Survey shows the region's trust deficit in China has grown in tandem with Chinese investments

CHINA IS RATED THE MOST INFLUENTIAL economic player in South-east Asia, although it is the United States that has ruled the roost as the region's top investor for decades.

Japan can claim neither of the two titles, but it is no lightweight. It is consistently perceived as the most trusted partner in the region.

India, despite New Delhi's attempted pivot through its Act East policy, barely creates a ripple.

What's more, these perceptions, caught in a survey that is now into its third edition, appear well entrenched and have stayed intact despite the unusually eventful pandemic year. Experts struggle to reconcile the apparently contradictory findings revealed in *The State of South-east Asia, 2021*, published by the Asean Studies Centre at ISEAS-Yusof Ishak Institute.

For instance, Covid-19 was identified as the single-biggest challenge for the region and China took top

marks for the assistance given to the region. Yet, distrust of China, in the same survey, has grown for the third year in a row.

The survey polled 1,032 well-informed people in the region, including academics, policymakers and businessmen, from Nov 18 to Jan 10.

Some 44.2 per cent of respondents said China had provided the most help to the region during the pandemic, ahead of Japan at 18.2 per cent, the European Union (EU) at 10.3 per cent, and the 9.6 per cent who favoured the US.

Yet, 61.5 per cent of respondents said they would choose the US over China if they had to pick sides. In fact, support for the US rose 7.9 percentage points from last year's survey, a lift ascribed to expectations of an Asia-friendly Biden presidency.

Dr Walter Lohman, director of the Asian Studies Centre at the Washington-based Heritage Foundation, said China's dominating presence in the region was due to the effectiveness of its public diplomacy.

"The figures clearly tell a different story," he said, pointing out that US investment in Asean is twice the size of Chinese investment. The US is the top export market for many Asean nations whereas the region imports three times as much from China as it exports to it.

Asean is the largest destination in Asia for US foreign direct investment (FDI), with more than US\$328 billion (S\$435 billion) in cumulative investment.

There is less clarity about China's investments in the region, particularly through the Belt and Road projects, but, in 2018, the total cumulative investment between China and Asean stood at US\$205.71 billion.

"What this says to me is that the US needs a trade policy that better tells the story of the US involvement in the region," said Dr Lohman.

ISEAS director Choi Shing Kwok, who moderated a discussion on the survey, noted that Chinese investments make more news, which is why they loom larger.

But the survey shows the region's trust deficit in China has also grown in tandem, with China the only major power that had increased its negative ratings from 60.4 per cent in 2020 to 63 per cent now.

It is perhaps not possible for the region to be objective about China, said Dr Dewi Fortuna Anwar, a research professor from the Centre for Political Studies at the Indonesian Institute of Sciences, explaining the anxiety in the region which wants to deepen economic engagement with China, but remains wary that it might cut into the sovereignty and strategic autonomy of its neighbouring countries.

But to Professor Chen Ding Ding, associate dean of the Institute for 21st-Century Silk Road Studies at Jinan University, the perceptions were an indicator of the changing trends.

After the US-China trade war knocked the US as China's largest trading partner, Asean became China's biggest trade partner in 2020, followed by the EU and the US. China's large presence in the region also reflects attitudes about the present and the future, he said.

India's refusal to "put skin in the game" had been a source of frustration for South-east Asia, said Professor Joseph Chinyong Liow, dean of the College of Humanities, Arts and Social Sciences at Nanyang Technological University.

While India has indicated a desire to play a bigger role, it held back from joining the Regional Comprehensive Economic Partnership (RCEP) that linked Asean with five partners to create the world's largest trading pact.

Prof Liow also pointed out that while Chinese investments in the region were growing, one of the single largest sectors was real estate, not particularly effective in job creation.

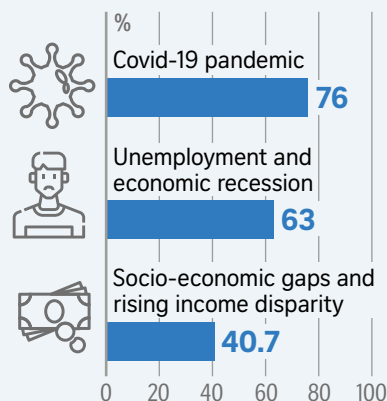
According to Aseanstats, real estate is most heavily represented in Chinese FDI from 2012 to 2018, accounting for a chunk of around 34 per cent. In contrast, an average of 43 per cent of Japanese FDI in this period went into manufacturing.

Japan continues to be the region's most trusted major power in 2021 (67.1 per cent), followed by the EU (51 per cent), the US (48.3 per cent), India (19.8 per cent) and China (16.5 per cent).

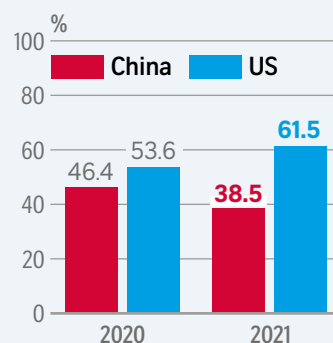
Seen as a responsible power, Japan is one that the region is comfortable with as race between US and China heats up. [ST](#)

Where the region stands

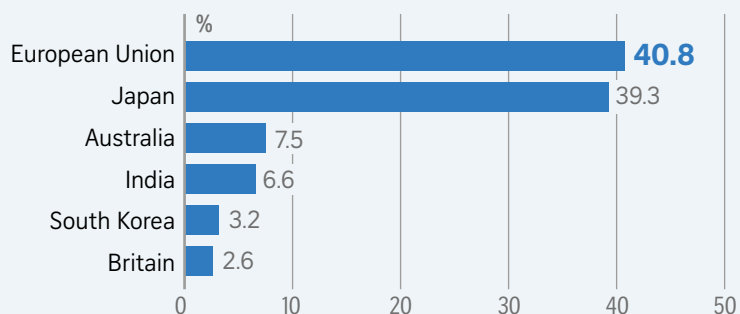
Top 3 challenges facing South-east Asia



If Asean were forced to align itself with one of the two strategic rivals, which should it choose?



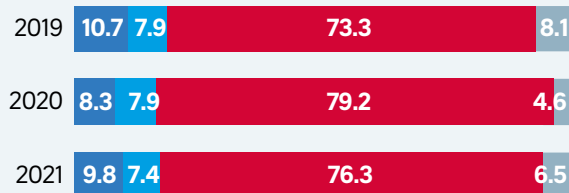
If Asean were to seek out "third parties" to hedge against the uncertainties of the US-China strategic rivalry, which is your most preferred and trusted strategic partner for Asean?



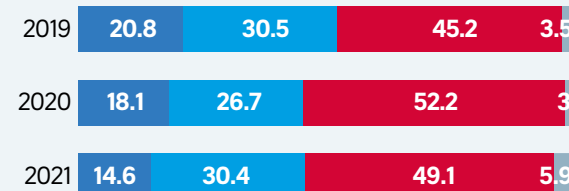
Percentage who picked... Asean US China Others

Most influential...

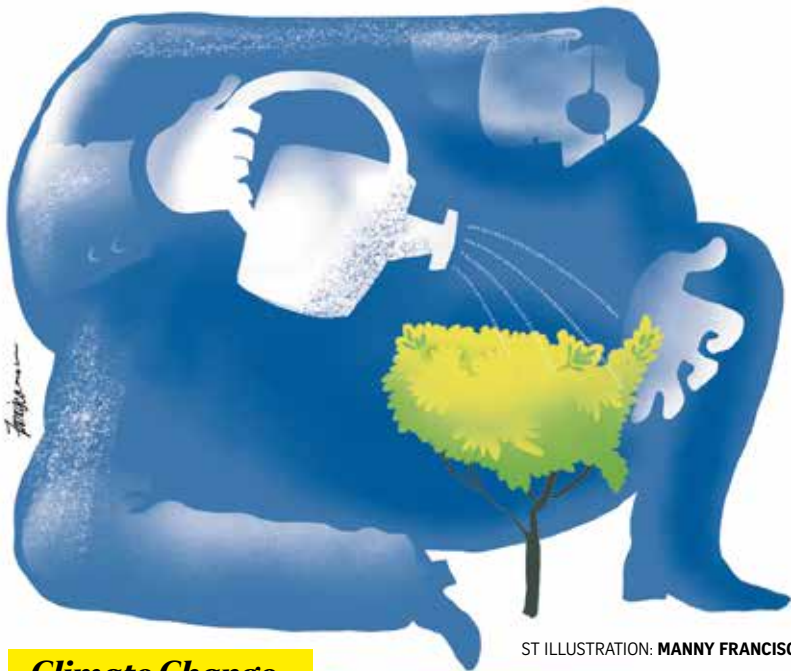
• Economic power in South-east Asia



• Political and strategic power in South-east Asia



SOURCE: THE STATE OF SOUTH-EAST ASIA: 2021 SURVEY REPORT STRAITS TIMES GRAPHICS



Climate Change

Green shoots emerge for Asia's green growth

Growing pressure and awareness of the climate challenge are prodding countries and businesses to action

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FEBRUARY SAW SEVERAL BABY STEPS TOWARDS a more sustainable future for Asia. Thai Union Group, the world's biggest producer of canned tuna, announced it secured its first sustainability-linked syndicated loan (SLL) of US\$400 million (\$532 million). Six Chinese infrastructure firms, including Three Gorges Corp, issued the country's first batch of carbon-neutral bonds totalling 6.4 billion yuan (\$1.3 billion). And the Tata-owned luxury car group Jaguar Land Rover unveiled plans to go electric, saying it aims to be net zero on carbon emissions by 2039 and joining the global sprint to roll out clean-energy vehicles.

At home, DBS Group said it is extending to all electric vehicles the industry-beating 1.68 per cent interest rate it offers on loans to buy Tesla cars. And in unveiling the Singapore Budget, Finance Minister Heng Swee Keat brought up sustainability issues repeatedly.

Singapore, he said, would have 60,000 electric vehicle charging points at public carparks and private premises by 2030, more than double the previous target of 28,000. And while he did not raise the carbon tax, currently at \$5 per tonne

of emissions, it is clear where that tax is heading – likely to even triple by 2030. Since the tax was announced in 2018, said Mr Heng, the effects of climate change have only intensified and the global momentum to address it has accelerated.

"This House has acknowledged that climate change is a global emergency, and has called on the Government to take stronger climate actions," Mr Heng said in Parliament. "So we enter a new situation today."

That new situation, underscored most recently by the climate-induced Himalayan tragedy that saw the deaths of dozens in a flash flood and landslide that swept away parts of two hydroelectric dams under construction, is frighteningly upon us.

Even as the World Economic Forum (WEF) estimates that Asia now has fully half of the global economy measured by purchasing power parity, global consultancy McKinsey says Asia stands out as being more exposed to physical climate risk than other parts of the world in the absence of adaptation and mitigation.

THE STAKES

By 2050, estimates McKinsey, between 600 million and one billion people in Asia will be living in areas with a "non-zero annual probability" of lethal heat waves. Also by then, between US\$2.8 trillion and US\$4.7 trillion of gross domestic product in Asia annually will be at risk from an effective loss of outdoor working hours because of increased heat and humidity.

Since four of the world's five most polluting nations are in Asia – China, Japan, India and Russia (most of the Russian land mass is in Asia) – the future of the planet, in many ways, depends on what happens in this continent.

As revealed by the Thai Union syndicated loan, lead-managed by a clutch of Japanese banks, sustainability as a business imperative is gathering momentum in Asia. Many Asian stock exchanges now require listed companies to report on ESG – environmental, social and governance – investments.

Interest rates for the Thai Union SLL are linked to performance indicators such as greenhouse gas reduction and preventing overfishing, with achievements leading to the borrower being rewarded with lower rates. Others are treading a similar path.

In February, DBS said it had raised its sustainable finance target to \$50 billion by 2024, from \$20 billion earlier, accelerating its push for green financing.

At the annual WEF meeting in Davos last year, Standard Chartered Group chief executive Bill Winters revealed that his bank, which makes most of its money in Asia, had walked away from several fossil fuel projects.

Mr Winters chairs the Institute for International Finance's Taskforce on Scaling Voluntary Carbon Markets, launched by the United Nations special envoy for climate action Mark Carney. He went on to say that not only has StanChart backed away from new fossil fuel projects, it is also in talks with existing clients on being more environmentally responsible.

THE PRESSURES

Asian CEOs are responding to a variety of pressures – their own instincts to do what is right, non-governmental organisation campaigns, governments swinging round to focus on sustainability, and even pressures within the home.

Mr Sunny Verghese, CEO of Singapore commodities multinational Olam, who is now in his second term as chairman of the World Business Council for Sustainable Development, links part of his own sustainability focus with pester power.

“My road to Damascus moment was through my kids,” he told me once. “They came to me and pointed out that Olam was in more than 70 countries, dealing with 4.7 million farmers, that I had so much influence in the business I was running. ‘What’s the point of all this if you are not going to leave the planet a better place for the next generation?’”

Likewise, governments are also responding to a variety of pressures, including from the ground and sometimes, strategic considerations.

THE CHINESE SHIFT

China, particularly, is gaining traction in the emerging space of saviour, not squanderer, of the environment. Its afforestation programmes are beginning to win global attention.

It has more than one reason to do so. China currently produces nearly 30 per cent of global carbon dioxide emissions, and its government sees curbing this as not only a health and safety imperative, but also one that could be used to build up long-term competitiveness for the Chinese economy.

Indeed, the country is seeking out new centres for green manufacturing. In early December, when I spoke to Mr Zhang Lei, the founder of Envision Group, one of China’s most exciting green energy companies, he was headed to Inner Mongolia, a place that he sees as the next great centre of green manufacturing, thanks to its abundant wind and solar energy prospects.

Mr Zhang wants to set up a massive zero-carbon industrial park in the province. In three years’ time, he expects Envision’s wind turbines to be producing emission-free wind energy there at the stunningly low rate of 1.5 US cents per kilowatt hour.

The products would be “green” since they would be made from “green” steel that would use hydrogen as the reduction agent instead of coking coal, and hence are emissions-free. He envisions a revolution in green steel, green aluminium, green cement – all certified by Envision’s blockchain and Artificial Intelligence of Things technology to be zero-carbon products, a massive competitive advantage for China as the world shifts out of energy-intensive manufacturing.

Who gets there first will have global consequences; currently, hydrogen reduction is being eyed by European steel majors including ArcelorMittal. SSAB of Sweden will soon begin trials at a pilot plant in Lulea, just south of the Arctic Circle.

Vulnerability on fossil fuels is key in Beijing’s strategic calculations as well. The Pakistani port of Gwadar, which is under Chinese lease for 40 years, and the economic corridor connecting it to Xinjiang, as well as the energy pipeline Beijing is building from the Bay of Bengal port of Kyaukphyu in Myanmar to Kunming in China, are emblematic of this insecurity to keep its oil supply routes open.

Both projects are driven by fears of being caught in the Malacca Strait choke point; Kunming, for instance, is at an elevation of 1,890m above sea level, and pumping oil and gas uphill is not cheap. Meanwhile, coal still accounts for 60 per cent of China’s energy.

Increasing the share of renewables in its energy mix makes sense for all sorts of reasons, therefore. What’s more, in the past two decades, ordinary Chinese have been increasingly bold in making known their sense of alarm over the deteriorating environment. Wuhan, which grabbed global attention in December 2019 as the city where the virus that causes Covid-19 was first identified, had seen violent protests six months earlier over environment-related issues.


China is already a world leader in wind, batteries and solar production. But it is not without competition. Japan, committed to carbon neutrality by 2050, is racing ahead as well.

Japanese companies are leading the world in combustion technology for hydrogen power generation turbines, which they see as soon being competitive with fossil fuels. In storage, it is reckoned to be a leader in lithium-ion batteries, useful to power anything from cars to submarines.

A LONG JOURNEY

No one thinks that the path ahead is going to be easy. Chinese local administrations, anxious to keep people employed, are adept at dodging targets set by Beijing or fudging numbers to show compliance. Many of the Belt and Road Initiative-funded projects, including those being installed in close ally Pakistan or Indonesia, are still fossil fuel-based ones, although there are signs that this is being recalibrated.

India’s emissions peak is still decades away. Given its early stage of development, the only balm can be technologies that remove carbon from the atmosphere while the struggle to control emissions moves in parallel. Still, thanks to proliferating solar energy installations, parts of the country are already seeing a power surplus. State-run Coal India, the world’s biggest coal company, which figures in the list of the world’s top 20 companies responsible for a third of all global carbon emissions, was due to announce its plans to turn carbon neutral.

At the current pace, global warming of 3 deg C to 4 deg C is projected this century. To limit that warming to 1.5 deg C, it is reckoned that we’d need to reach net-zero emissions by 2050. That’s a thousand-mile journey but at least, some early steps are coming into view. 

By 2050, estimates McKinsey, between 600 million and one billion people in Asia will be living in areas with a “non-zero annual probability” of lethal heat waves. Also by then, between US\$2.8 trillion and US\$4.7 trillion of gross domestic product in Asia annually will be at risk from an effective loss of outdoor working hours because of increased heat and humidity.



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Singapore Green Plan 2030 to change the way people live, work, study and play

LIFE IN SINGAPORE LOOKS SET TO BE MUCH greener by 2030, with new sustainability initiatives to change the way people work, study and play.

The Singapore Green Plan 2030, which was released by five ministries on Feb 10, will help chart the country's way towards a more sustainable future over the next decade.

The wide-ranging plan cuts across all sectors of society, ranging from infrastructural development, research and innovation, to training programmes.

The aim is to get the whole nation together as it seeks to transition into a more sustainable future – in line with global momentum for countries to “build back better” as they recover from the economic fallout of Covid-19.

The five ministries backing the plan are Education, National Development, Sustainability and the Environment, Trade and Industry, and Transport.

There are altogether five pillars in the plan – City

Greener tomorrows

The Singapore Green Plan will chart the way towards a more sustainable future. Rei Kurohi and Audrey Tan examine plans for the coming decade

1 CITY IN NATURE
Creating a green, liveable and sustainable home for Singaporeans

BY 2030:

- One million more trees, by doubling annual tree planting rate
- Increase nature parks' land area by

over 50%

from 2020

- Every household will be within a

10-minute

walk from a park

BY 2035:

- Add **1,000ha** of green spaces



2 SUSTAINABLE LIVING
Making green living a way of life

WASTE LESS:

- By 2026, reduce waste sent to landfill per capita a day by

20%

DRIVE LESS:

- By 2030, triple cycling paths to

1,320km

from 460km in 2020

USE LESS:

- By 2030, at least

20%

of schools to be carbon-neutral



3 ENERGY RESET
Using cleaner energy and increasing Singapore's energy efficiency

BY 2021:

- Generate sufficient solar energy from PUB's floating solar panels to power 100 per cent of Singapore's waterworks

BY 2025:

- Reduce energy consumption of desalination
- Tuas Nexus integrated waste and used water treatment facility to be 100 per cent energy self-sufficient

BY 2030:

- Increase solar energy deployment five-fold
- Diversify electricity supply with clean electricity imports
- Green 80 per cent of Singapore's buildings
- Reduce energy consumption in existing HDB towns by 15 per cent
- All new car registrations to be cleaner-energy models
- More than double electric vehicle charging-point targets from 28,000 to

60,000



4 GREEN ECONOMY
Seeking green business and growth opportunities to create jobs and transform industries

BY 2030:

- Jurong Island to be a sustainable energy and chemicals park
- Singapore to be a sustainable tourism destination
- Singapore to be a carbon services hub and a leading centre for green finance and services in Asia
- Singapore to be a regional centre for developing new

sustainability solutions

- Groom local enterprises to capture sustainability opportunities



5 RESILIENT FUTURE
Building up Singapore's climate resilience and enhancing food security

BY 2030:

- Complete formulation of engineering design and implementation plans for coastal adaptation measures at City-East Coast, Northwestern Coast (Lim Chu Kang and Sungei Kadut) and Jurong Island
- Study urban heat island effect and determine mitigation targets
- Meet

30%

of Singapore's nutritional needs through locally produced food



in Nature, Sustainable Living, Energy Reset, Green Economy and Resilient Future.

Under the Green Plan, at least 20 per cent of schools here will be carbon neutral by 2030.

Adults, too, will work in greener buildings, since there are plans to raise the sustainability standards of buildings by then. This includes reviewing the existing Green Mark scheme which certifies buildings as being “eco-friendly”, and supporting the development of cost-effective green technologies that promote energy efficiency.

People will be encouraged to commute in a greener way – cycling paths will triple in length by then, and the rail network will also be expanded to 360km, up from 230km today.

All of this infrastructure will be built within a city

cloaked in green as more initiatives are rolled out to help nature meander its way into the heartland and the hearts of residents.

By 2030, there will be an over 50 per cent increase in nature park land where people can go hiking or bird watching. Even the fossil fuel haven of Jurong Island will be transformed into a “sustainable energy and chemicals park” under the Green Plan.

Behind the scenes, research and innovation will continue to help Singapore harness low carbon alternatives like using hydrogen as a fuel, even as programmes such as the new Enterprise Sustainability Programme is rolled out to help Singapore firms develop capabilities in this area and the promotion of the country as a sustainable tourism destination. [ST](#)

2021 – a year of hope in climate battle

LAST JULY, A THIRD OF BANGLADESH WAS UNDER water in the worst flooding in years. Severe floods also swept parts of India, China and Japan, while a record hurricane season battered the United States.

The march of climate change is relentless, and the pandemic has had virtually no effect on global warming: Last year tied with 2016 as the hottest on record.

As bad as the impacts are, there is hope. A new, climate-friendly US administration and a series of landmark pledges on greenhouse gases last year by China, Japan and South Korea have re-energised global climate diplomacy.

There is growing awareness and willingness to step up action to limit global warming and reinvent economies that are greener and far less polluting.

This year, that new-found global goodwill needs to deliver. By the end of this year, the United Nations says collective national efforts to cut emissions must be much more ambitious than now and put the world on a safer temperature trajectory.

We're currently on course for global warming of well above 2 deg C above pre-industrial levels. That puts the world in the danger zone of severe climate change impacts.

Instead, the world needs to plot a path to limit warming to less than 2 deg C and ideally 1.5 deg C, as agreed under the 2015 UN Paris Climate Agreement.

There's very little time left. The United Nations' top climate science panel, the Intergovernmental Panel on Climate Change (IPCC), says what the world does this decade will shape the scale of the climate crisis for years to come. That means deep cuts to greenhouse gas emissions, especially carbon dioxide (CO₂) from burning fossil fuels, from now till the end of the decade, and then head for net zero by mid-century.



ST ILLUSTRATION: MIEL

The IPCC says CO₂ must be nearly halved by 2030 from 2010 levels to limit warming to 1.5 deg C (we're at 1.1 deg C now).

Getting there means helping developing nations, which have large and growing energy needs, to go green. It means rich nations need to finally make good on long-delayed promises to supply funding and to help poorer nations deal with the increasingly severe impacts of climate change, from rising seas to storms, floods and droughts.

Achieving deep carbon cuts requires transformational policies, said UN Secretary-General Antonio Guterres in a speech setting priorities for this year for all nations.

BIGGEST TEST

The biggest test of global action this year comes in November at a major UN climate summit in Glasgow, called COP26, hosted by Britain.

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The to-do list for this year is long, and the challenges are immense but vital, if the world is to tackle a crisis far greater and longer lasting than the pandemic.



One of the key measures of success will be the degree to which all nations scale up their individual climate pledges for the coming decade. Under the Paris Agreement, all signatories must submit new or updated climate plans every five years that are more ambitious than the previous ones.

Dozens of nations have already lodged new or updated climate plans with the UN, including Britain, which has committed to reducing economy-wide greenhouse gas emissions by at least 68 per cent by 2030, compared with 1990 levels.

But plans by the US, China and others have yet to be announced. Glasgow also needs to deliver agreement on much-delayed plans for a global carbon market under the Paris Agreement. This would help nations and companies meet some of their emissions targets by trading carbon emissions offsets. There is much more on the global climate agenda this year.

RACE TO NET ZERO

Mr Guterres wants more nations and businesses to adopt net zero emissions targets, in which any remaining human-caused greenhouse gas emissions are removed from the atmosphere, for example by tree planting or other means. China has pledged to be net zero by 2060, and Japan and South Korea set 2050 as their target year.

Globally, the net zero coalition represents 70 per cent of the world economy and 65 per cent of global CO2 emissions. But it needs to cover at least 90 per cent of emissions by the end of this year, Mr Guterres said.

Renewable energy and electric vehicle investment must make rapid strides and cut reliance on coal, oil and gas. Last year was a record for investment in areas such as renewable energy, cleaner transport, energy storage and electric heat, according to clean energy analyst Bloomberg New Energy Finance (BNEF).

"The world committed a record US\$501.3 billion (\$664 billion) to decarbonisation in 2020, beating the previous year by 9 per cent despite the economic disruption caused by the Covid-19 pandemic," the BNEF said.

Scaling up is key to meeting climate goals and jobs, says the International Renewable Energy Agency. It estimates that average annual investments of US\$2 trillion in renewables and other energy transition-related technologies in the pandemic recovery phase from this year to 2023 could create 5.5 million additional jobs in the sector, many of them in Asia.

Banks and other financial institutions such as insurers and pension funds have started to move away from investment in highly polluting coal-fired power stations and mines.

But this needs to accelerate. Stronger climate signals from the US, the European Union and others will help.

THE BIDEN EFFECT

Under President Joe Biden, the US aims to recapture its position as a leading climate diplomacy player. Mr Biden has placed climate change at the heart of his administration and wants to push other nations to adopt more ambitious climate actions. He wants to spend trillions of dollars on clean energy, electric vehicles and other green investments.

A reinvigorated US has boosted hopes for COP26. But much will depend on what he can get through the Senate. Key, too, will be the ambition of his administration's updated climate plan, or nationally determined contribution (NDC) under the Paris Agreement, which he is expected to announce in April.

Ms Melissa Low of the Energy Studies Institute (ESI) at the National University of Singapore said there is still a question mark over the Biden administration, given the deficit his predecessor caused in terms of global diplomacy.

"I think the US will have to first put into place a strong NDC and long-term low emission development strategy, and then we will see. So things might pick up in April if the world decides that the Biden administration is serious about having a strong target," said Ms Low, a research fellow and climate negotiations expert at ESI.

US\$100 BILLION QUESTION

Key, too, will be the amount of climate cash on the table for poorer nations. Rich nations agreed in Paris in 2015 to provide US\$100 billion annually from last year to developing countries.

But wealthier countries are lagging on that promise to drive a shift to green energy and build resilience in vulnerable nations, Ms Patricia Espinosa, the UN climate chief, said recently. The amount represents a fraction of the trillions raised to fight the pandemic.

Mr Ken O'Flaherty, Britain's COP26 regional ambassador to Asia-Pacific and South Asia, said: "Under the UK's COP26 presidency, climate finance is a top priority." Britain has doubled its international climate finance commitment to more than £11 billion (\$20 billion) between this year and 2025, and hopes to see other international donors do the same, he said.

While he wouldn't be drawn into saying finance would be a deal breaker for COP26, he said it was one of a number of key issues for nations in his region which range from Pakistan to the Cook Islands. What's clear, he said, was the willingness to act on climate change and the need to adapt.

"We are seeing real recognition at leader level throughout Asia-Pacific that a major change is required in energy policy and in the broader suite of climate issues. So I am very optimistic, perhaps more than I was a year ago," Mr O'Flaherty told The Straits Times.

The to-do list for this year is long, and the challenges are immense but vital, if the world is to tackle a crisis far greater and longer lasting than the pandemic. **ST**

Pandemic brings opportunities for growth to Vietnam

Vietnam's successful handling of Covid-19 has seen it register a positive growth rate, but many challenges to its economic expansion lie ahead

TO ITS NEIGHBOURS, VIETNAM IS TO BE ENVIED. The South-east Asian nation has done remarkably well economically despite being hit hard by the Covid-19 pandemic. It registered 2.9 per cent growth last year, the best performance in the region against its neighbours' largely negative growth rates.

A key reason for its achievement is that it dealt with the pandemic early and effectively, within days of China announcing its first cases, including mobilising Vietnam's 100 million citizens to help with detecting those infected and tracing contacts. Before the latest resurgence of infections in January, it had reported just over 1,500 cases and 35 deaths.

This quick control of the pandemic allowed it to reopen its economy by the end of April last year and focus on recovery.

While its tourism industry and service sector have been hit hard, and manufacturing was at first also badly affected, worldwide demand for IT and home improvement products, among other things, later burgeoned, spurred by lockdowns and people working and studying remotely. This surge in demand was a huge boost to Vietnam's export-oriented manufacturing sector.

Now analysts are saying this is Vietnam's breakout moment, and it should grasp the opportunities presented to it by its relatively successful handling of the pandemic.

The country's leaders appear to be doing just that, setting ambitious economic goals at the Communist Party of Vietnam's recently concluded five-yearly national congress.

One of the goals in its five-year economic development plan confirmed at the congress is the doubling of gross domestic product (GDP) by 2025 from last year's baseline. And it has kept its longer-term goal of becoming a high-income country by 2045 from its current lower middle-income status.

Party general secretary Nguyen Phu Trong, elected to an unprecedented third term, said at the close of the eight-day meeting: "We aim to make our country a developed country, following the socialist orientation, by the middle of the 21st century."

It also wants more privatisation of its state-owned enterprises and to increase the share of private companies in the economy from the current 42 per cent to more than 50 per cent. Another key goal is to move up the value chain by attracting better-quality foreign direct investment.

While analysts are bullish about Vietnam's ability to continue growing and developing – even becoming the next Asian miracle – there are challenges to some of its ambitions, not least of which is the negative impact on the economy from a pandemic that has yet to run its course. Other problems include a shortage of highly skilled workers, a need for better infrastructure and inefficient state-owned firms.

There are also geopolitical issues, such as tensions with an increasingly assertive China over their competing territorial claims in the resource-rich South China Sea, that could negatively impact its economy.

GROWTH FACTORS

Vietnam's economic success in the past three decades has been the result of the government's decision to introduce doi moi, or restoration – a series of economic and political reforms, in 1987.

This liberalised trade – with Vietnam joining the Asean free trade area in 1995, signing a free trade deal with the United States in 2000 and joining the World Trade Organisation in 2007 – facilitated its export-led growth.

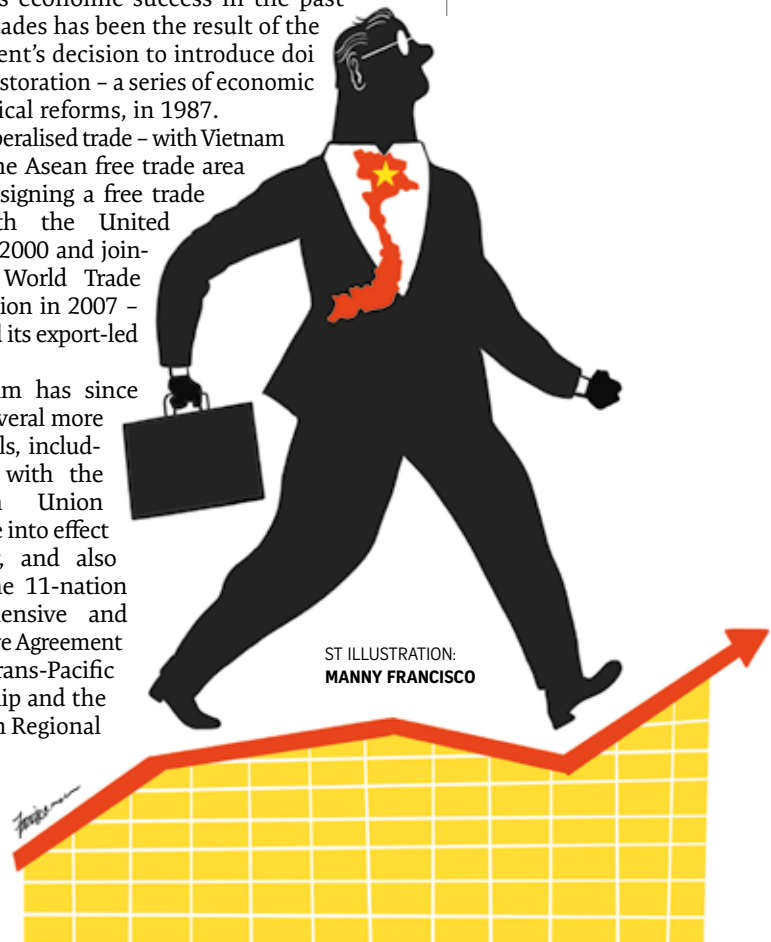
Vietnam has since signed several more trade deals, including one with the European Union that came into effect last year, and also joined the 11-nation Comprehensive and Progressive Agreement for Trans-Pacific Partnership and the 15-nation Regional

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ST ILLUSTRATION:
MANNY FRANCISCO



People entering the Temple of Literature to look for calligraphy paintings, in Hanoi, Vietnam, on Feb 15. The quick control of the pandemic allowed Vietnam to reopen its economy. PHOTO: EPA-EFE

While analysts are bullish about Vietnam's ability to continue growing and developing – even becoming the next Asian miracle – there are challenges to some of its ambitions.



Comprehensive Economic Partnership.

Through domestic reforms, including deregulation, the government lowered the cost of doing business. It also invested heavily in education and infrastructure.

Helped by foreign firms looking for a cheaper alternative to China, Vietnam became a hub for manufacturing in South-east Asia, with apparel makers and electronic giants alike setting up factories there. By 2017, it became the largest exporter of clothing and second-largest exporter of electronic goods in the region.

Trade friction between the US and China further spurred firms to move some of their production from the Asian economic juggernaut to countries like Vietnam.

Vietnam's economy grew by at least 5 per cent a year from 2010, hitting 7 per cent in 2018 and 2019. It was expected to grow by 6.5 per cent last year until Covid-19 struck.

Late last year, the government set a target of 6.5 per cent growth for this year, but Dr Le Hong Hiep, a fellow at the ISEAS – Yusof Ishak Institute, is doubtful that this is achievable.

POTENTIAL HICCUPS

This is particularly as there has been a resurgence of Covid-19 cases in January, putting a dampener on the shopping season for Tet, the Vietnamese new year that fell on Feb 12.

With Vietnam's economy also dependent on foreign trade and investment, its growth depends on how other countries manage the pandemic. Unless the pandemic is controlled worldwide in the summer, Dr Hiep reckoned that a 4 per cent to 5 per cent growth rate for Vietnam would be more realistic.

As for the target of doubling GDP by 2025, analysts are sceptical that it will be achieved, especially with the pandemic's negative impact. The economy would have to grow by 9 per cent or 10 per cent a year, a target that would be a bridge too far for the country.

While Vietnam has weathered the pandemic well, it faces challenges going forward.

Despite efforts at privatisation, state-owned firms still make up nearly 30 per cent of economic output – the same number as a decade ago – and account for many of the bad loans in the banking system.

While the government wants more privatisation of state-owned firms, analysts believe this programme could be delayed.

Dr Hiep noted that the pace of privatisation had slowed since 2018 and basically stalled because the low-hanging fruit had been picked, with those companies that remain more difficult to privatise.

Mr John Marrett, a senior analyst with the Economist Intelligence Unit, questioned whether the government is prepared to continue with the privatisation programme before the dust has settled on a pandemic that has disrupted investments globally.

The government also wants to attract better-quality investment that would allow the country to move up the value chain into more productive and higher-earning areas, and to alleviate its pollution problems. Some of its industries, such as the apparel industry, are highly polluting. Much of its manufacturing is also low-end and labour-intensive. And while its tech sector is burgeoning, much of that activity is in product assembly with low value-add.

To move up the value chain, however, it would need to resolve some problems including the shortage of highly skilled workers.

WHAT NEEDS FIXING

Noting that higher education attainment is fairly low in Vietnam, Mr Marrett said the country needs to not only increase the number of university graduates but also broaden the scope of its higher education. Currently, its graduates are working mostly in public service, he added.

Another problem, he said, is the difficulty of transferring the foreign companies' technology and managerial skills to its own firms, workers and entrepreneurs.

Vietnam also needs to address its infrastructural shortcomings. The World Bank notes that the country's physical capital investment as a percentage of GDP has been among the lowest in Asean. This would affect Vietnam's ability to provide modern infrastructure services needed for its next phase of growth.

Also, the external environment of greater economic protectionism, particularly in the West, could affect its export-led growth.

Geopolitically, its own tensions with China and the increasing rivalry between China and the US in the region could affect the confidence of investors.

How Vietnam's leaders – particularly the new government that is expected to be installed in July – tackle these challenges within the country and navigate the uncertain waters of the region will determine how well it will succeed in realising its ambitious economic goals. **ST**



Indonesian President Joko Widodo inspecting troops during his visit at the Indonesian Navy ship KRI Usman Harun at Selat Lampa Port, Natuna Islands on Jan 8.
PHOTO: **INDONESIAN PRESIDENTIAL OFFICE**

Calls in Indonesia for greater security in Natuna region amid US-China tensions

AN INDONESIAN LAWMAKER HAS CALLED ON the government to step up security in the North Natuna Sea, the resource-rich waters bordering the South China Sea, where military tensions have been building between the US and China.

Mr Syarif Hasan, deputy chairman of the People's Consultative Assembly, comprising lawmakers and senators, on Jan 28 said the feud should not be underestimated and could potentially trigger an "open war with fatal consequences".

Urging Asean leaders to employ a diplomatic approach to resolve the long-simmering territorial claims between China and neighbouring countries including Malaysia, Vietnam and the Philippines, he said: "We must continue to be vigilant because if an open war were to happen, the entire South-east Asia region will be affected."

On Jan 22, China passed a controversial law allowing its coast guard to fire on foreign vessels, a move it said was aimed at protecting its national sovereignty, security and maritime rights.

The following day - only days after US President Joe Biden took office - the Theodore Roosevelt, an American aircraft carrier, entered the contested sea with its accompanying strike group, and this, according to the US military, was to promote "freedom of the seas".

China then deployed warplanes near Taiwan, spurring Washington to demand Beijing stop its military, diplomatic and economic pressure against Taiwan.

The tensions have raised concerns in Indonesia, a non-claimant state in the South China Sea, that has clashed with China over fishing rights in its exclusive economic zone near the Natuna Islands

which China maintains overlaps with its maritime boundary known as the nine-dash line.

Indonesia has periodically detained Chinese fishermen and seized and sunk boats caught illegally fishing in its waters.

But a standoff between Indonesian vessels and a Chinese coast guard vessel, accompanying Chinese fishing boats, in December 2019 had strained generally warm relations between Jakarta and Beijing, prompting President Joko Widodo to visit the Natuna Islands and military presence to be expanded in the area.

Jakarta-based Institute for Security and Strategic Studies researcher Khairul Fahmi warned that China's new law poses a security threat to civilians, including those in Indonesia who might potentially get shot even if they stay within their own country's waters.

"It will be hard for us to establish whether or not any incidents that might take place in the future are deliberate. The law is a big threat and it's reasonable to expect South-east Asian countries to protest strongly," he told The Straits Times.

Pushback would likely be by way of diplomatic channels and increased military presence aimed at "protecting the people rather than carrying out aggressive actions", he added.

In December 2020, Indonesian

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STRAITS TIMES GRAPHICS

fishermen found an autonomous underwater vehicle off Sulawesi island which experts believed could have been made in China. On Jan 14, Indonesian authorities suspected a Chinese research vessel with its tracking system turned off was carrying out unauthorised activities in the Sunda Strait.

The incidents point to potential security breaches by China, but the seeming silence by Jakarta might be perceived by some as leniency towards its biggest trading partner and major investor, due to its reliance on it for Covid-19 vaccine and infrastructure projects.

But Dr Teuku Rezasyah, a lecturer in international relations at Padjadjaran University, said the cases

were still being examined by the Indonesian authorities. While criticisms against such acts were necessary, they must not be done in a way that would embarrass China, he said.

He also noted that Indonesia has been working strongly towards revitalising its strategic partnerships with other countries including the US, Australia, Russia, Japan and South Korea through efforts such as development of Indonesia's outer islands.

The new US administration has promised to foster better relations with South-east Asia, but how far it would go on the South China Sea issue remains to be seen. [S](#)



Activists holding placards and pictures of Swedish climate activist Greta Thunberg and Barbadian singer Rihanna during a demonstration in New Delhi on Feb 4. PHOTO: AFP

Protests by Indian farmers take international stage

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THE ONGOING PROTESTS BY FARMERS IN INDIA have slipped into the international domain just as the government was hoping that attention overseas would be on its efforts against Covid-19, which includes the global distribution of India made and manufactured vaccines.

Led by those from Punjab and Haryana, the farmers have been protesting for over two months against new laws that they say do not benefit them, even though the government insists the reforms are needed to boost agricultural growth.

Protesters say the laws, which would allow big retailers to buy directly from growers, could mean the end of longstanding guaranteed prices for their crops. They claim this would make them vulnerable to big business.

The government had clamped down hard in the immediate aftermath of January 26, when protests turned violent, with farmers clashing with police in some parts of New Delhi during a planned peaceful tractor rally to mark Republic Day.

Access to the Internet was cut for protesters, barricades erected around protest sites and sedition cases filed against journalists and opposition politicians. Twitter had also been told to suspend accounts that tweet on the protests, particularly those using the hashtag “farmers genocide”.

On top of that, the Delhi police have filed a case against makers of a toolkit tweeted by celebrated Swedish climate change campaigner Greta Thunberg. The toolkit was about how to support the farmers, including by protesting at Indian embassies.

The crackdown by the Indian authorities has not gone unnoticed internationally. In a tweet on Feb 2, pop superstar Rihanna asked: “Why aren’t we talking about this (farmer protests).”

This was followed by tweets by Ms Thunberg and Ms Meena Harris, the niece of United States Vice-President Kamala Harris, whose mother was originally from South India.

The Biden administration had called for a “dialogue” with Indian farmers and asked the Indian government to recognise “peaceful protests” and restore Internet access to the farmers.

Prime Minister Narendra Modi’s government had reacted strongly to the tweets. The Ministry of External Affairs asked celebrities to get a “proper understanding” of the issues, saying their comments were “neither accurate nor responsible”.

Others were less circumspect as Home Minister Amit Shah dismissed the comments as “propaganda” which would not “deter India’s unity” and External Affairs Minister S. Jaishankar described them as a “motivated campaign”.

A string of Bollywood celebrities echoed the government’s line on foreign interference, and the hashtags #IndiaTogether and #IndiaAgainstPropaganda were soon trending on Twitter.

The response may seem disproportionate but political analysts said it was likely a strategy to use nationalism to change the domestic discourse to counter the protests, which have turned into one of the biggest challenges for the Modi government.

Despite all the government’s tough talk as well as action, though, the farmers have not dispersed. [S](#)



Special Report

Asia's crime bosses expanding footprint in Indochina

Organised crime poses a threat to authority of states, say experts

ON JAN 22, A 10-YEAR WATCH FOR CHINESE-BORN Canadian national Tse Chi Lop ended with his arrest at Amsterdam's Schiphol Airport, after he landed from Taiwan en route to Canada.

Why Tse, the boss of "The Company", left Taiwan is a matter of much speculation. But he is now in jail as the Netherlands processes a request to extradite him to Australia.

The Company – also known as the Sam Gor (Cantonese for "third brother") Syndicate – dominates the US\$70 billion (S\$93 billion) a year Asia-Pacific drug trade, say the Australian Federal Police.

"It is incredibly significant, no doubt for his network and connections, but potentially even more so on a strategic and policy level if the follow-up is there to address how he and other criminals have used the region," Mr Jeremy Douglas, regional representative for South-east Asia and the Pacific at the UN Office on Drugs and Crime, told The Straits Times.

"Leading organised crime figures are rarely ever named, let alone arrested in Asia. It has been decades since anyone of major consequence has been outed and detained," Mr Douglas said. "The signal... is that it is possible to take on major traffickers."

SMALL CHANGE

Tse is one of a clutch of organised crime lords who have entrenched, and even expanding, operations in South-east Asia – particularly in the murky border

regions of Myanmar and Laos, most seemingly beyond the reach of any official government.

Take Vixay Keosavang, based in Laos. One million US dollars is the standing offer from the US State Department for information leading to the dismantling of his Xaysavang Network, described as "an international wildlife trafficking syndicate" that "facilitates the killing of endangered elephants, rhinos, pangolins and other species for products such as ivory and rhino horn."

"Xaysavang associates smuggle illegally taken wildlife from countries in Africa and Asia into Laos, and then export them to countries such as Vietnam and China. Affiliates are suspected to be active in South Africa, Mozambique, Thailand, Laos, Malaysia, Vietnam and China," the reward notice says.

But US\$1 million is small change in the world of organised crime – which uses its vast sums of money often laundered through casinos, to corrupt and coerce.

And crime bosses have been expanding their footprint in Indochina, some through ostensibly legal projects and investments.

One example is Wan Kuok-koi or "Broken Tooth", widely known as the former boss of the 14K Triad, sanctioned only recently by the US Treasury.

The sanction mentions three entities that are owned or controlled by Broken Tooth: the World Hongmen History and Culture Association, based in Cambodia and established in 2018; the Dongmei Group, based in Hong Kong; and the Palau China Hung-Mun Cultural Association, based in Palau.

A wave of publicity surrounding Wan's projects in Myanmar even triggered a statement from China's government, clearly concerned about reputational

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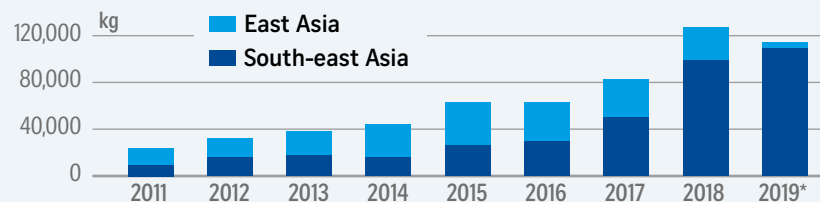
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The two problems are always the same: corruption, and lack of state capability to enforce its reign in these borderland areas.



Transnational organised crime syndicates in Asia are involved in the production and shipping of methamphetamine, money laundering, prostitution, and trafficking of people and wildlife.

Seizures of methamphetamine in East and South-east Asia (2011-2019)



NOTE: *Data for 2019 includes only those confirmed by countries in the region.

Methamphetamine tablet trafficking flows in the Mekong region, 2019



Major seizures of illicit wildlife products in South-east Asia and China, 2019 (January–May)

February: 24 pieces of rhino horns weighing 40kg, worth US\$1 million (\$\$1.33 million)
April: 825kg of rhino horns, worth US\$2.1 million

March
 8.3 tonnes of pangolin scales

May
 5.26 tonnes of pangolin scales concealed in cashew containers

April
 • 12.7 tonnes of pangolin scales and 180kg of carved ivory, worth US\$38.7 million
 • 12.9 tonnes of pangolin scales

March
 7,040 dried seahorses weighing 2kg

March
 1,529 Star tortoises, Redfoot tortoises, Sulcata tortoises and Red eared sliders, worth US\$87,000

March
 7.48 tonnes of ivory

March
 9.1 tonnes of ivory

March
 30 tonnes of pangolins and their scales

NOTE: Flow arrows represent the general direction of trafficking and do not coincide with precise sources, are not actual routes, and are not weighted for significance/scale. Boundaries, names and designations used do not imply official endorsement or acceptance by the United Nations.

Sources: UNITED NATIONS OFFICE ON DRUGS AND CRIME, USAIDWILDLIFEASIA.ORG, STRAITS TIMES GRAPHICS

risk, that his development in Myanmar had nothing to do with the Belt and Road Initiative as claimed.

The glare has Myanmar's government worried as well. In January, the army sent troops into Myawaddy, a Karen town on the Thai border that is home to at least 18 casinos, and expelled nearly a thousand undocumented Chinese workers running the facilities.

Then there is Zhao Wei, whose casino, Kings Romans, in the Bokeo Special Economic Zone in northern Laos was sanctioned by the US Treasury in 2018. His wife, Guiqin Su, is also listed.

Zhao has denied wrongdoing, decrying the US for "a unilateral, extraterritorial, unreasonable and hegemonic act of ulterior motives and malicious rumour-mongering."

But the US Treasury notice says: "Zhao Wei... exploits this region by engaging in drug trafficking, human trafficking, money laundering, bribery, and wildlife trafficking, much of which is facilitated through the Kings Romans Casino."

SECURITY RISK

Security analysts say these syndicates' consolidation of business and influence presents a security risk to the authority of legitimate states.

Myanmar's Karen state hosts many projects where Chinese investors have done deals with the militia. "In total, 157 sq km of... territory have fallen under control of Chinese enterprises tied to gambling, money laundering, cryptocurrency, and even criminal networks," warned an April 2020 paper by Mr Jason Tower and Ms Priscilla Clapp for the US Institute of Peace (USIP).

"It's a very severe security threat," Mr Tower, USIP's country director for Myanmar, told The Straits Times.

"In so far as transnational criminal actors have now managed to do this successfully in one state, Laos, it seems that they're being successful in Cambodia following a very similar model.

"And now you have this new incursion into Myanmar, which I think is ultimately part of a more historical process that you've seen happening in the China-Myanmar border area, which was never really consolidated into either of the two states.

"But, once these criminal networks are there, the banking system starts to suffer, you have all sorts of problems around the laundering of money, you have a lot of other violent activities that come in, that local law enforcement has no way of addressing."

ASEAN TOOTHLESS

Organised crime is a priority area for the 10-member Asean as well. But what can Asean do about it? Not much, it seems.

"The problem is, first, particularly in the Golden Triangle countries, these guys are in cahoots with elements of the government," says Mr Bilahari Kausikan, a former Singapore ambassador.

"And in some of these cases, these people are the only kind of authority there is in these areas,

because the reach of the government is very weak, if at all it reaches these borderlands.

"Secondly, some of these borders are very porous. It's quite well known... that many of the Myanmar insurgent groups along the border with China are actually supported, or were supported, by the People's Liberation Army quite openly at one time, now more covertly.

"The two problems are always the same: corruption, and lack of state capability to enforce its reign in these borderland areas."

"The problem is recognised," Mr Kausikan said. "But whether people can do anything useful about it is another matter."

Mr Marty Natalegawa, a former foreign minister of Indonesia, told The Straits Times: "One can find all kinds of

Asean commitments to address issues, typically including counter-terrorism, drug trafficking, trafficking in persons, arms smuggling, piracy, sea piracy, money laundering, cybercrime.

"But... in terms of being able to disrupt and to deal with specific cases, this is where the challenge is.

"You can't have an approach to these 21st century problems, by using a 20th century type outlook of conventional interstate cooperation. Asean must begin to be a bit more adaptive to the reality."

Mr Marty added: "When you look at the various Asean efforts, to me it's a little bit too routine.

"Hence we have these spaces, which transnational crime interests exploit. This is where I think Asean must be a little bit more adaptive, and urgent, in addressing these issues." **ST**



Hunt for Asia's El Chapo

Watch it here:

<https://youtu.be/KBQygfnJil>



Organised crime a threat to Asean

Watch it here:

<https://youtu.be/g6BwsR1K2yQ>

ASIA'S SYNDICATES



An undated handout image of Tse Chi Lop, the alleged senior leader of a transnational drug trafficking syndicate known as "The Company". PHOTO: REUTERS

Sam Gor syndicate

A vast drug syndicate, Thai police estimate that the Sam Gor group dominates the US\$70 billion (\$93 billion) annual Asia-Pacific drug trade. Boss of Sam Gor, Canadian national Tse Chi Lop, was detained at Amsterdam's Schiphol Airport in late January.

The United Nations Office on Drugs and Crime (UNODC) has estimated the Sam Gor group – or Brother Number Three in Cantonese, after one of Tse's nicknames – made up to US\$17 billion (\$22.7 billion) from methamphetamine trafficking in the Asia-Pacific region alone in 2018.

The UN agency estimates that the cartel, which often conceals its drugs in packets of tea, has a 40 per cent to 70 per cent share of the wholesale regional meth market, which has expanded at least four times in the past five years.



Lao casino boss Zhao Wei appearing on local television to defiantly answer US Treasury allegations about the criminal nature of his business empire. PHOTO: ST FILE

Zhao Wei group

Kings Romans Casino owner Zhao Wei has been accused of running a global criminal organisation involved in child prostitution, the illicit trade of wildlife including tigers, rhinos and elephants, and drug trafficking.

According to the US Treasury Department, Zhao has facilitated the storage and distribution of heroin, methamphetamine, and other narcotics for illicit networks while operating in neighbouring Burma.

Zhao's company, the Hong Kong-based Kings Romans, manages a 100 sq km plot of land in Laos' north-west, called the Golden Triangle Special Economic Zone, says the CNN. The zone pumps out an estimated tens of billions of dollars worth of synthetic drugs annually, according to the UNODC.



Crime boss Wan Kuok-koi being driven away from the Macau prison on Dec 1, 2012. PHOTO: AFP

14K triad

Head of organised crime group, Wan Kuok-koi – or "Broken Tooth" – was slapped with sanctions last December by the US Treasury alleging he is expanding criminal activities throughout South-east Asia on the back of a major Beijing infrastructure initiative.

The Treasury described the triad as "one of the largest Chinese organised criminal organisations in the world," engaging in "drug trafficking, illegal gambling, racketeering, human trafficking, and a range of other criminal activities."

Born in the Portuguese colony of Macau, Wan rose through the ranks of the triad and waged a bloody war against rival gangs, with bombings, shootings and stabbings a regular occurrence, reported CNN. He was jailed in November 1999.



A dealer at the Myawaddy Complex Casino, one of many border casinos in Myanmar. ST FILE PHOTO

Proactive policy needed to clean up Myanmar's controversial border developments

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Zones where local ethnic militia have been absorbed into the Myanmar military as "border guard forces" can still end up as fiefdoms of local warlords turned businessmen.



ON A MOONLIT NIGHT SEVERAL MONTHS AGO in Myanmar, I watched punters saunter out of one of many border casinos in Myawaddy township and cross the Moei river in five minutes to reach their waiting cars parked on Thai soil.

No one checked their identity documents. The coronavirus pandemic has changed the situation somewhat. Both Thailand and Myanmar have tightened enforcement against informal border crossings, wary about the infections that can be imported when entrants are not tested and quarantined.

Soldiers from the Myanmar military have increased their presence in Myawaddy, and nearly a thousand undocumented Chinese workers in its numerous casinos deported.

More importantly, the military's actions have not fundamentally changed the troubling dynamics in this region that Myawaddy encapsulates. Businessmen of questionable background are establishing vast empires of influence in the areas where government reach is the weakest.

Left unchecked, this will have deleterious effects on social cohesion and sovereignty as well as China's ambitious economy-linking Belt and Road Initiative, say analysts.

While law enforcement has long been lax in the border regions of Myanmar, Laos and Cambodia, there are several characteristics common to the notable mega border developments being planned or built now. Many are backed by complex transnational networks led by ethnic Chinese businessmen who may or may not be Chinese citizens.

The US\$15 billion (S\$20 billion) Yatai city, also called Shwe Kokko New City in Myanmar's Kayin state, was being co-developed by a company led by Cambodian national She Zhijiang.

Chinese investigative journal Caixin said She is a fugitive in China, having been convicted in 2014 in absentia for running an illegal lottery business in the Philippines targeting Chinese online users.

Saixigang Industrial Zone, which is touted as a "Shenzhen of South-east Asia" with resorts, entertainment outlets and a logistics hub, is also being developed in Kayin state.

It is being led by Wan Kuok-koi, a former Chinese triad leader and Portuguese national who in December was sanctioned by the United States Treasury for corruption.

In neighbouring Laos, US sanctions appear to have had little effect on Zhao Wei, a Chinese national behind the Golden Triangle Special Economic Zone dominated by the Kings Romans Casino.

The US Treasury in 2018 alleged that his network engages in drug trafficking, human trafficking, money laundering, bribery and wildlife trafficking.

In October last year, he was reported to be the main investor behind a new US\$50 million port that some fear will facilitate illicit activities.

"Part of the problem is that the criminal networks that are involved here are exploiting governance gaps across the region," Mr Jason Tower, the Myanmar country director of the US Congress-funded United States Institute of Peace, told The Straits Times.

"So on the Thai-Myanmar border, you could use the Thai Internet, Thai banking and Thai electricity to build these zones in Myanmar, making it more difficult for the Myanmar side to crack down on these things."

Myanmar's complex political set-up – a legacy of civil war and military rule – does not provide for quick solutions. Its borderlands comprise a patchwork of administrations under varying levels of central government control. Meanwhile, the Myanmar Constitution grants the military autonomous status, as well as control of the defence, home affairs and border affairs ministries.

She's company, through a tie-up with one owned by the Kayin State Border Guard Force, was planning to erect a 12,000ha new city even though it was approved by the central government to develop 10ha.

Last year, amid scrutiny of Yatai city by Myanmar and international media outlets – including The Straits Times – Singapore-based currency exchange and payment application Fincy, which had touted itself as Yatai's "exclusive provider of financial services", pulled out of the development. Naypyitaw set up a tribunal to probe the project.

The Myanmar military, called the Tatmadaw locally, set up new checkpoints in Myawaddy. It is unclear at this point if the probe will go anywhere.

Analysts say that while US sanctions have removed the tycoons' veneer of respectability, both Myanmar and China have been largely passive on this matter. Mr Tower, meanwhile, argues that China has the power to do more.

Left alone, these projects pose a growing reputational risk for China in the region, where locals are already wary about the superpower's legitimate BRI projects. They could worsen anti-Chinese sentiment, which could affect Myanmar's local Chinese population.

They could also imperil attempts by Myanmar's National League for Democracy government to strengthen ties with ethnic minority communities. **ST**

Making sense of market madness

The speculation of the Reddit army is yet another sign of excess

BACK IN 1987, THE ECONOMIST JOHN KENNETH Galbraith, who had a keen eye for financial manias, told me in an interview that Wall Street has a recurring tendency towards insanity, which it never recognises until after the fact.

He predicted that what he called the “carnival of greed” then playing out in the markets would come to an end, which it duly did (at least temporarily) with the crash of October 1987. The carnival is now back on Wall Street, and the insanity was in full view in late January.

To recap the story: A ragtag army of amateur traders active on discussion website Reddit’s investment forums – such as WallStreetBets, which now has more than eight million members – collectively connived, for several months, to buy call options on stocks that had been shorted by hedge funds.

In other words, whereas the hedge funds had bet that the stocks would go down, the amateur traders took the opposite bet. Using commission-free trading platforms like Robinhood and egging one another on over social media through memes and cartoon videos, they kept doubling down on their leveraged bets, sending the stocks ever higher. This forced the hedge funds to either face margin calls or cover their positions – which meant they had to buy the stocks they had shorted, pushing prices higher still.

Eventually, the hedgies were overwhelmed and suffered gigantic losses, estimated at around US\$70 billion (\$93.2 billion) in January. At least one of them had to be bailed out. Many of the amateur traders made fortunes.

This phenomenon, called a “short squeeze”, is not uncommon in stock markets. But this one was unusual.

Besides the fact that it was driven by an army of amateur traders, the companies involved were widely unloved. They included money-losing bricks-and-mortar video-game retailer GameStop, whose business model had long been disrupted by online games, cinema chain AMC, whose ticket sales



had all but evaporated because of Covid-19, and phonemaker BlackBerry, popular in the 1990s but then relegated to oblivion by the likes of Apple and Samsung.

The Reddit army’s relentless buying and the hedge funds’ forced short covering sent the share prices of these companies into the stratosphere. For instance, GameStop gained more than 1,600 per cent this year to Jan 29, including a 135 per cent jump on Jan 27 alone, while AMC soared by almost 10 times from the start of the year to Jan 27.

A SOCIOLOGICAL PHENOMENON

One of the fascinating aspects of this episode has been the response it has provoked from both market participants and other commentators.

Some view it as a sociological phenomenon, a David versus Goliath battle of the have-nots and know-nots taking on the have-it-alls and know-it-alls. Many members of the Reddit army – mostly in their 20s – were either unemployed or had humdrum jobs, were untutored in finance, having learnt from scratch the ABCs of investment on Reddit forums or YouTube and simply got a high from being part of an irreverent, enthusiastic community.

They used a distinctive vocabulary, calling one another “retards” and “apes”; they referred to their market winnings as “tendies” – after chicken tenders, which are considered a fit reward for winners to dine on – and urged one another to maintain “diamond hands”, that is, hold on to their stocks, even if prices fall.

Some of them harboured a deep animus towards the financial establishment and relished the idea of taking on hedge funds, win or lose – many felt they had nothing much to lose anyway. Some had witnessed their parents lose their jobs and homes during the 2008 financial crisis and saw hedge fund-bashing as an opportunity to get even.

The GameStop logo is seen in front of displayed Reddit logo in this illustration.

PHOTO: REUTERS

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This illustration photo shows a person checking the GameStop stock on a smartphone on Feb 17, in Los Angeles. PHOTO: AFP

“The Fed has my back” thesis also ignores the fact that, with interest rates already at close to zero, the Fed has no room to cut further – in contrast to stock market peaks during the dot.com bubble and the eve of the global financial crisis in 2007.



Others were in the game simply to make money, and they were joined by opportunistic investment professionals – including some hedge funds as well – who recognised the Reddit army as a new force in financial markets, which it might well be. Indeed, one of its cheerleaders, the venture capitalist Chamath Paliapitiya, declared on Reddit that “WallStreetBets is now the largest hedge fund in the world, except it’s completely decentralised and entirely democratic”.

These are people who also believe that corporate or economic fundamentals don’t matter a damn in today’s market, which is only about the amount of money you can throw at it – a view not much different from what prevails on much of Wall Street. Crazy has become normal.

NO TEARS FOR THE HEDGIES

There is little public sympathy for the hedge funds caught with their pants down. Apart from the fact that they are a pillar of the financial establishment – although, to be fair, they did not directly benefit from government bailouts, unlike banks and companies – some of them made the silly mistake of shorting some companies to extreme levels.

For instance, the short interest in GameStop – the number of shares sold short but not covered – was 140 per cent of the stock’s free float on Jan 21, which makes it impossible for hedge funds to cover their shorts. Many of their short positions were also public information, which was amplified on forums like WallStreetBets.

The drama is not over yet. Extreme scenarios could play out. More short covering by hedge funds could happen, which could send prices of GameStop and the other heavily shorted stocks shooting further up. Or, their prices could crash to levels more consistent with their underlying values – resulting in some members of the Reddit army seeing their paper gains evaporate. On Feb 1, the shares of GameStop tanked 31 per cent, but those of some others that were shorted, such as BlackBerry, Fossil and Bed Bath & Beyond, continued to rise. The amateur traders have now turned their attention to

silver mining stocks, with a view to creating short squeezes in that space.

Wider implications could result from these developments. If hedge funds face huge losses and rising volatility – which increases “value at risk” – some could be forced into selling their other holdings, including shares of good companies, which would trigger a larger sell-off in the broad market.

The crazy excesses on display could also turn the spotlight to the other excesses in the markets.

By all the conventional metrics, the United States stock markets are wildly overvalued. Ratios of price-to-earnings, price-to-book and price-to-sales are at historic highs. Leverage in the form of call options and other derivatives are also at close to record levels. Mutual funds are low on cash and have huge long positions.

A stock like Tesla, which was trading at a price-to-earnings ratio of 1,328 on Feb 1 (Toyota’s was 14.7) and was until recently worth more than all other carmakers combined, is a poster child of market excess, but it is not the only one. The S&P 500 index has risen by 67 per cent since March last year, despite a raging pandemic, and more than half of its components are trading at more than 10 times their sales.

THE BULL CASE

The bullish narrative, which has been touted by respected names like Goldman Sachs (which has predicted that US markets will go up 15 per cent this year and then a further 7 per cent next year) is rationalised on three grounds.

First is “the Fed has our backs” thesis – the view that the US Federal Reserve will come to the rescue of markets no matter what.

Second, with bond yields depressed – 10-year US Treasury yields are hovering around 1.1 per cent and about 30 per cent of investment-grade bonds have negative yields – stocks are considered attractive by comparison.

And third, with vaccination drives having begun and more fiscal stimulus in the works, a big deflation story is playing out.

But first of all, this optimism ignores stretched valuations. Experienced investors such as Mr Jeremy Grantham, the co-founder of the asset management firm GMO and a renowned value investor, point out that it is absurd to compare stock prices with bonds which are artificially mispriced by having been bought up indiscriminately by the Fed and other central banks, to the extent that even junk bonds of zombie companies have low, single-digit yields.

“The Fed has my back” thesis also ignores the fact that, with interest rates already at close to zero, the Fed has no room to cut further – in contrast to stock market peaks during the dot.com bubble and the eve of the global financial crisis in 2007.

Yes, it could continue asset purchases or even start buying stocks, like the Bank of Japan, but that is an extreme bet, and – judging from Japan’s experience

– questionable if it would succeed in “rescuing” the market. Companies would still need to produce the earnings to justify their lofty share prices.

The reflation trade is premised on a “blue skies” scenario where there are no glitches in vaccine deployment, but these are already evident in Europe and most of the developing world will have to wait until at least next year before getting access to vaccines, even as virus mutations are leading to new waves of infections. It also assumes there is no chance of inflation, even though commodity prices are soaring.

All that said, it is possible that the market excesses can go on for a while yet; bubbles can last for years, and as the economist John Maynard Keynes warned: “The market can remain irrational for longer than you can remain solvent.”

But out-and-out crazy behaviour, such as we are now seeing, is often a sign of a bubble topping out. As Mr Grantham said in an interview with Bloomberg: “For the first 10 years of this bull market, which is the longest in history, we lacked such wild speculation. But now we have it.” **ST**

Reddit’s populist stock movement was 15 years in the making

THE REDDITOR REVOLT THAT MADE STOCK markets go haywire owes its origins, in part, to a humpback whale named Mister Splashy Pants.

In 2007, Greenpeace asked the public to decide the name of a whale in the South Pacific Ocean for a campaign raising awareness of hunting by Japanese fisheries. A group of pranksters organised on the still-nascent message board Reddit to hijack Greenpeace’s online poll and push their chosen name. The organisation and the netizens grappled for weeks until Greenpeace finally relented, and Mister Splashy Pants was crowned.

Two years later, Reddit co-founder Alexis Ohanian recounted the gag in a TED Talk. “In the last four years, we’ve seen all kinds of memes, all kinds of trends get born right on our front page,” he said. “This is how the Internet works. This is the great big secret. The Internet provides a level playing field.”

The Greenpeace caper was such a meaningful event for the company that Reddit temporarily changed its logo to a whale flexing its bicep fins. Mister Splashy Pants would offer a model for Reddit, shaped over more than a decade, that gave birth to cultural touchstones and charitable causes, as well as organised harassment and dangerous conspiracy theories. It also provided an early roadmap for WallStreetBets, a forum of amateur day traders who used Reddit to incite the stock market frenzy.

“No longer is the message coming from just the top down,” Mr Ohanian said in the 2009 speech. “You’ve got to be OK to lose control.”

Reddit long cultivated a reputation as a place where anything goes. The best and worst of the Internet was on full display. Reddit took small steps last year to reduce the ugliest behaviour by introducing its first-ever hate speech policy. But it remains a venue where controversy is permitted, hijinks are encouraged and



a joke can quickly spin out of control.

The trading crusade which drove up the price of nostalgia stocks like GameStop and AMC Entertainment Holdings, was partly a joke and partly a way to chasten hedge funds shorting those stocks. It worked. Mr Ohanian, who stepped down from Reddit’s board last year, and his co-founder Steve Huffman latched on to the populist argument. The founders, both 37, have said WallStreetBets demonstrates that people can band together to influence entrenched institutions.

“This is something, I think, for a lot of people, that was a statement as much as an investment,” Mr Ohanian said in an interview on Bloomberg TV. Mr Huffman, the chief executive officer, described it as a “culture war of Wall Street versus everybody else.”

But the victims extend beyond hedge funds and stock-trading apps like Robinhood Markets, which scurried for emergency capital to cover volatility risks. US regulators are examining social media posts for clues of possible fraudulent activity behind the trades. Now, as trendy stocks come crashing down, those who bought high aren’t laughing as hard as before. “I’ve been looking at my phone nonstop for the past week, and it has worn me down,” said Scott Smith, a Reddit user who lost about US\$1,300 trading GameStop shares. “I’m going to take a long break and focus on my student loans before I think about stocks again.” **ST**

– BLOOMBERG

Reddit co-founder Alexis Ohanian watching his wife Serena Williams playing against Naomi Osaka in the semi-final of the recent Australian Open. Mr Ohanian stepped down from Reddit’s board last year. PHOTO: REUTERS



ILLUSTRATION: MANNY FRANCISCO

Business Trends

Covid-19 paves the way for digital banking in Indonesia

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Conventional banks will need to keep pace with digital developments, say analysts

THE COVID-19 PANDEMIC HAS PROPELLED contactless and cashless transactions in Indonesia at warp speed, paving the way for virtual banks that will be a game changer for millions of people in the country without bank accounts.

Fintech has boomed in recent years, providing more streamlined and efficient financial services and faster onboarding processes. The pandemic has led to even more growth, particularly in mobile payments

and peer-to-peer lending, analysts said.

Like elsewhere in the world, Indonesians have switched to digital payment methods to minimise face-to-face interactions and trips to physical banks. Those who have been laid off are taking loans from peer-to-peer lending platforms, which offer lower interest rates and more flexible terms than traditional banks.

“The growth is extraordinary. People are scared of catching Covid-19 so they turn to mobile banking to perform their financial transactions,” Gadjah Mada University economics professor Sri Adiningsih, who is also founder of the Social, Economic and Digital Institute, told *The Straits Times*.

“It’s not just millennials and urban dwellers. Old people, those living in small towns and even villages are going online. It’s no longer a choice, but a necessity,” she added.

The newfound habit is expected to stay even after the pandemic, and will boost the adoption and penetration of digital financial services, including digital banking, analysts said.

Just like a conventional bank, a digital bank provides services such as deposits, loans, and debit and credit cards, but these transactions are performed online and the bank has no physical branch.

In Indonesia, the setting up of these virtual banks often involves acquiring smaller banks, or collaborating with one another or tech start-ups.

For example, in 2019, Bank Central Asia (BCA), the largest private bank in Indonesia, acquired Bank Royal Indonesia, which will be turned into a fully digital bank targeted at millennials.

BCA reported on Feb 8 that its mobile and Internet transactions grew by 50.7 per cent last year compared with the previous year. Its president director Jahja Setiaatmadja said in a statement: “The circumstances in 2020 proved beyond all doubt the importance of developing digital platforms as part of BCA’s strategy.”

Conventional banks, however, will remain relevant as consumers still prefer human interaction to help them perform more complex transactions such as mortgage loans and investment products. But they must keep pace with digital development, or risk getting left behind, analysts said.

“Digital banking must be encouraged to improve bank efficiency and stay competitive globally. The customers will benefit greatly as banking services will become easier and faster, with no time constraints and face-to-face contact,” said Mr Nika Pranata, economic researcher at Indonesian Institute of Sciences.

The pull factors for investors are plenty, such as high mobile penetration, low broadband prices, a sizeable young population and the sheer volume of the unbanked who account for one-third of the 270 million population in South-east Asia’s biggest economy.

According to a Google, Temasek, Bain & Co report in October 2019, some 92 million Indonesians do not have a bank account, and 47 million more have a bank account but have insufficient access to credit, investment and insurance.

Indonesians are also among the most enthusiastic in the region about adopting digital banking, a McKinsey & Co report in 2019 said. A McKinsey survey conducted two years earlier in 2017 found that about 50 per cent of around 900 respondents would consider shifting to a bank without any physical presence, with most saying they were confident about moving 25 per cent to 50 per cent of their balances to a pure digital bank.

In January, Singapore tech start-up Sea made headlines after it acquired a small Indonesian bank, Bank Kesejahteraan Ekonomi, which will be turned into a digital bank. More similar acquisitions are expected as Indonesia's Financial Services Authority (OJK) pushes for consolidation and looks poised to pass new rules on digital banking.

Mr Heru Sutadi, executive director of the Indonesia Information and Communication Technology Institute, said he hopes the government will impose the same regulations on both local and

foreign players.

"When foreigners dominate, the benefits of Indonesia's digital economy are not optimal and Indonesia becomes only a mere market to tap. So foreign investors must also employ Indonesians and pay taxes in Indonesia," he said.

If there is one area of caution, it would be data security, analysts said.

Dr Ardito Bhinadi, economics lecturer at the Veteran National Development University, said OJK, Indonesia's equivalent of the United States Securities and Exchange Commission, should focus on managing bank risk and customer security through proper audits of the banks' digital technology security system.

"There have been several cases of bank account burglary in Indonesia as well as leakage of personal data," he told ST.

"Digital technology is growing, giving us a lot of convenience, but also a lot of fragility." **ST**

The pull factors for investors are plenty, such as high mobile penetration, low broadband prices... and the sheer volume of the unbanked and underbanked which accounts for half of the 270-million population.



Guidelines for digital banks in Indonesia out by mid-year

Regulator open to granting such bank licences to investors

INDONESIA'S FINANCIAL WATCHDOG IS SET TO outline by the middle of this year how digital banks should operate in the country, one of its top officials told The Straits Times.

"We won't regulate details, nor will it be rules-based," said Mr Anung Herlianto, executive director of banking research and regulation at the country's Financial Services Authority (OJK).

"It will instead be a set of guiding principles for banks to operate digitally, and banks have to mitigate their own risk, any risk, that may arise."

Digital banking is expected to provide a boost to South-east Asia's largest economy as it will cater to the unbanked who comprise up to one-third of the population of 270 million.

But smartphone penetration in the country has reached 70 per cent to 80 per cent.

Two technology companies, Jakarta-based Gojek and Singapore-based Sea, have acquired stakes in existing banks that could go digital.

Traditional banks such as Jakarta-based Bank Central Asia and Bank Mega have also acquired smaller banks, which could operate as their digital arms.

No firm decision has been made on granting digital banking licences to investors, although OJK remains open to this, said Mr Anung.

"We will go over available options – allowing tech companies to acquire existing banks and turn them into digital banks or issuing digital bank licences to investors," he said. "We have yet to make a decision."

"If we do go ahead with issuing a digital bank licence, investors would be required to inject a minimum amount of capital, like investors in conventional banks," he added.

Mr Anung said other stipulations such as having to maintain certain levels of liquidity, like it is with conventional banks, would also be introduced.

He noted, however, that acquiring an existing bank is seen as a convenient option.

"We are talking to the banking industry and other stakeholders to gather their views," he added.

"We want to accommodate what the industry needs."

Indonesia has 108 commercial banks and over 1,500 rural banks, and an effort is under way to reduce the number of such institutions.

Smaller banks have been told to merge or allow themselves to be acquired by larger institutions with adequate capital.

As of Jan 1, no bank can operate with total equity of below one trillion rupiah (\$95 million) unless they are in the process of merging or being acquired. From next year, all banks must have a minimum capital of three trillion rupiah.

"The ecosystem is changing very fast. We are reviewing a lot of stipulations that are no longer conducive to supporting the current industry. This includes a cap on ownership in a bank," Mr Anung said.

– Wahyudi Soeriaatmadja

92 million
Indonesians are unbanked

47 million
Indonesians own a bank account but have insufficient access to credit, investment and insurance.

70 per cent to 80 per cent
smartphone penetration in Indonesia

Source: Google, Temasek, Bain & Company, Mc Kinsey



Lunch with Sumiko

WP chief Pritam Singh on the need to keep calm and stay grounded

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Leader of the Opposition Pritam Singh refers to himself as “legally trained” rather than a lawyer because with his MP work since 2011, he hasn’t been able to develop his law career.
ST PHOTO: LIM YAOHUI

Singapore’s Leader of the Opposition believes that when things are going good, it’s best to keep your feet grounded and not get overly exuberant

TWO FRAMED PHOTOGRAPHS HANG ON THE walls of Leader of the Opposition Pritam Singh’s new office in Parliament House. They were given to him by a friend who got them at an auction.

The one on the left near the door shows a very large crowd at a Workers’ Party (WP) rally in the 2011 General Election.

The one on the right, above his desk, depicts a paltry turnout at a People’s Action Party (PAP) rally that same year.

There’s an irony to the photos, he points out. “The one with the smaller crowd is in power, a reality all of us in the WP must reflect upon and never look past.”

We’re having lunch at his office on the second floor of the House. He moved in last November and comes in two, three times a week.

It is a longish, well-lit, medium-sized space with a sofa and a meeting table for six. His secretary has a room next door.

Taking pride of place on his desk is a small, framed painting of a ballerina done by his wife.

They had gone for an oil painting course. “I painted a black box and I thought it was very

meaningful but it looked horrible. This was her first try but it looks so beautiful.” It is the image he uses on his various social media profiles.

In 2018, Mr Singh, an MP for Aljunied GRC, took over as WP secretary-general from Mr Low Thia Khian, who had been at the helm for 17 years.

In the general election last July, the party won 10 out of 93 seats in Parliament – the largest win by an opposition party ever.

After the results, Prime Minister Lee Hsien Loong said Mr Singh would be formally designated Leader of the Opposition (LO) of the new Parliament.

He would be given an office, staff support and resources, as well as a salary, later revealed to be \$385,000 a year, double what a regular MP gets. He has the right of first response among MPs, gets more time to speak and also gets confidential briefings from the Government.

Our lunch is three years in the making. I’d first WhatsApped Mr Singh in 2018 but he declined. Four more tries over the years finally netted a “yes” and we’re meeting in early January.

I’d told him that the format is The Straits Times pays for the meal. He says he would like a six-inch tuna sandwich from Subway. I get this from Funan Mall, order the same for myself, and walk over to Parliament House.

RELAXED AND CANDID

His public persona is serious and cautious and he is measured with his words. Over lunch, a more relaxed, candid and humorous side emerges.

When preparing him for the video segment, my colleagues get him to adjust his position until they are satisfied with the angle. To signal the start of the shoot, one of them stretches out his hands and makes a loud, clapping motion in front of Mr Singh's face. Tickled, he spontaneously imitates the action, cracking everyone up.

Mr Singh, 44, shares that Speaker of Parliament Tan Chuan-Jin had shown him two rooms for his office. One is the one we are in and the other is three times the size.

"That room I found incredibly large. I mean, you could grow plants in there," he says. "This room felt a lot more fit-for-purpose. So I said, 'I think this is a better choice.' And so, yes, I was given a choice."

That, by the way, is an insider joke. "Old WP slogan: You Have A Choice," he reminds me.

The first guest at his office was Mrs Lorene Nalpon, his former teacher from his alma mater St Thomas Secondary School whom he invited along with her husband.

"She truly loved all her students and I was quite blessed to be one of them," he says.

When I do a Google search, I find that he had written about Mrs Nalpon in a Facebook post in 2018. She taught him in Secondary 1 where he was in the Normal stream and she was very kind to his "gone case" class.

You sense there is still a part of him that marvels at how his life has turned out. But instead of making him arrogant, his success has kept him grateful and modest, one feels.

At one point, I remark that with all that has happened, he must be in a happy place now.

Mr Singh, who says he is probably more spiritual than religious, replies that life is a mix of ups and downs.

"While today it may be an up – or you perceive it to be an up – don't be too excited or too happy because there will be a down. But when that happens, don't be too sad either. Think of the recovery.

"I think a lot of life is like that. So when things are going good, keep your feet grounded, don't get too exuberant, because these things come in cycles."

LATE BLOOMER

He grew up the younger of two children in a close-knit family. His sister, older by two years, teaches in a junior college. His mother is a housewife and his father, Mr Amarjit Singh, is now a consultant at law firm Donaldson & Burkinshaw.

His father had come to Singapore from India in the early 1960s with two brothers. He joined the Singapore Armed Forces and later became a lawyer, then a district judge and a deputy public prosecutor at the Attorney-General's Chambers. He retired in 2012 as deputy senior state counsel.

On certain issues, certainly, Singaporeans call for a more robust form of opposition, and on other issues, I think, they would be more satisfied if you took a more check-and-balance approach.



Mr Singh's mother, who was born in India, made it a point to take him and his sister to India to visit relatives and learn Punjabi. "That was her great hope. My sister is much better at languages. I don't think my mother's wish was actually sufficiently fulfilled with me."

Up till he was 10, the family lived in Block 44 Sims Drive. They later moved to Jalan Kayu, then Normanton Park, and later Jurong.

After Jurong Junior College, he entered the National University of Singapore. A late bloomer, he graduated as the top history and political science student.

He was on a Singapore Armed Forces scholarship and served as a career commissioned officer till he was 26. He went on to get a master's in war studies from King's College London and when he returned, was a research associate at a think-tank and founded a commentary syndicate focused on Asian issues.

In 2009, he enrolled in the Singapore Management University's two-year Juris Doctor programme. He refers to himself as "legally trained" rather than a lawyer because with his MP work since 2011, he hasn't been able to develop his law career. When he became party secretary-general, he basically turned full-time MP.

His CV lists him as a locum solicitor at Donaldson & Burkinshaw and he shares that he's not sure if he will renew his practising certificate.

He got married in 2012 and his wife, Ms Loveleen Kaur Walia, 37, is a former theatre practitioner who now teaches speech and drama. Their daughters are aged five and two and they live in a condo in Eunos.

Luck helps

He joined the WP in 2010 because he was inspired by Mr Low and party chairman Sylvia Lim. He didn't expect to be elected into Parliament the following year.

In fact, in 2009, he started a blog called Singapore 2025 to house the current affairs articles he had written. 2025 was the target date he hoped to be involved in active politics. "It happened much quicker," he notes.

His entry into opposition politics was low-key though. At GE2011, the focus was on another new face, Aljunied GRC colleague Chen Show Mao, a high-flying corporate lawyer with degrees from Harvard, Oxford and Stanford.

Was there any competition between you and Mr Chen, I ask.

"No, no, not at all," says Mr Singh. "He was in a different league altogether."

But Mr Chen didn't stand out in Parliament, either in his first term or his second. He didn't contest last



ST Executive Editor Sumiko Tan with Leader of the Opposition Pritam Singh at the lunch interview on Jan 7.
ST PHOTO: LIM YAOHUI

year but remains in the party.

Mr Singh will not be drawn into discussing Mr Chen's performance. It is party policy that "in public we never run down or criticise our running mates no matter what other people may feel about it."

But he says he will always remember Mr Chen for "the incredible shot in the arm that he gave the WP by virtue of his participation in 2011."

In his earlier MP days, Mr Singh had a more strident style. He has toned this down considerably, to the point, some say, he is too careful and overly politically correct.

On why he has become less confrontational, he says: "Sometimes the more you learn, the more you also reframe how relevant you can be. If you know one track is not working or has reached the limits of its usefulness or utility, then you choose another approach."

He won't talk about the process by which he became party secretary-general in 2018, when Mr Low put in place his plan to not contest the post.

But in the book *Journey In Blue*, party member and former Non-Constituency MP Yee Jenn Jong writes that the biggest criterion for the position was "how the person could stand up to attacks by the PAP." He also had to inspire confidence in members and preferably be an elected MP. Mr Singh was "the best fit."

Card-carrying members number in the hundreds and they are the party's core, Mr Singh says. "It is the volunteers and the movement that we call it which gives us a certain heft."

I wonder what it was that got him to be where he is. He says he believes in hard work but luck can sometimes play a part too, and shares an anecdote.

When he was in Basic Military Training, he was very skinny and could run quite fast. One of his good friends was very fit and Best Recruit, and they were quite competitive when they ran.

During a race, Mr Singh was lagging behind. "At the last 50m or 100m, my platoon commander, this Malay gentleman, 2WO Abdul Razak, glares at me purposefully and shouts, 'Singh! Come on! You better overtake him!'"

"I don't know what it was but the fact that he

was there giving me that motivation gave me extra energy. He was a good leader, at the right place, at the right time." He beat his friend by mere metres.

The lesson he took away was that a person's success isn't a solo effort but because "many stars and moons came into alignment for that to happen."

So who gave you that push to ace the race in politics?

He says Mr Low's leadership by example rubbed off on him in a significant way, and he is grateful Mr Low remains in WP's central executive committee.

Does he feel bad that he, rather than Mr Low, got the LO title?

"Most definitely because many of us basically grew out of the crucible of his vision. It would have been more fitting for him to have been LO before me."

Does he signal a new era for the WP, the way Mr Low did when he took over from Mr J. B. Jeyaretnam?

No, Mr Singh says. A lot of what the WP is today started from Mr Low and "this is the right track" for an opposition party that seeks to institutionalise the idea of a responsible opposition in Singapore politics.

The WP cannot be a party that doesn't take into account the sentiment of Singaporeans, he argues.

"On certain issues, certainly, Singaporeans call for a more robust form of opposition, and on other issues, I think, they would be more satisfied if you took a more check-and-balance approach. Mr Low distinguished between a mad dog and a watchdog... it goes to the nub of what I think society would regard as sensible."

The PAP's comeback has been that the WP doesn't come up with real policy alternatives and its manifesto is PAP-lite.

What does he say to those who feel the WP doesn't take on the ruling party robustly enough?

People are entitled to say that the party should be more combative, he says. "But ultimately, the party has to make a cold, hard calculation as to what is required to ensure that the opposition grows from strength to strength, bearing in mind what is the threshold that Singaporeans can accept of an opposition in Singapore."

He admits that, internally, it is difficult to make everyone sing from the same song sheet as motivations for joining the opposition vary. Some are more angsty, some have a longer vision and an open mind, and others are more hasty for change. The party, though, is known for its discipline.

On its ambitions, he reiterates that the aim for now is for Parliament to have one-third opposition MPs. This will be a "sweet spot" where you have a responsive government and an opposition providing real checks and balances, he believes.

We've been talking for nearly two hours and move on to do the video.

When he's done with the last question, he does that clapper motion in front of the camera, wrapping up the shoot and sending everyone laughing again. **ST**



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THE FULL
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Seven-time Olympian Seiko Hashimoto to lead Tokyo 2020 Games

Japan wants to let sleeping dogs lie on gender equality, but society is stirring

JAPAN, WITH ITS GLOBAL REPUTATION BATTERED over an Olympic-sized sexism scandal, has chosen Ms Seiko Hashimoto to lead the Tokyo 2020 Games, looking to the seven-time Olympian and mother-of-six as the poster girl for its commitment to gender equality.

Ms Hashimoto, 56, stepped up to the plate on Feb 18, vowing to “change the mood in society” that has soured on her 83-year-old predecessor Yoshiro Mori’s derogatory comments on women.

She vowed to double women representation on the 34-member Tokyo 2020 Committee to 40 per cent.

But beneath her appointment is a country that hopes to let sleeping dogs lie, after Mr Mori, a former prime minister who left office with a historic low approval of 9 per cent, lamented that meetings with many women “take too much time” as they “talk so much”.

It is no secret that Japan has fallen way short of ex-Prime Minister Shinzo Abe’s vow of building “a society in which all women shine”, ranking 121st out of 153 countries in the latest World Economic Forum’s gender report.

What sets this latest scandal apart from the many other battles for gender equality is the international angle – and hence the loss of face for a nation that prides itself on its image.

Observers believe that had this been a domestic scandal, Mr Mori would have been able to keep his job after a half-hearted apology and retraction of his comments.

“The fact that the popular movement found allies in the international community and managed to force him out is a really significant victory,” Sophia University political scientist Koichi Nakano told The Straits Times. “The conservatives want nothing more but to shrug their shoulders and pretend this is a minor setback.”

Ms Hashimoto’s appointment signals a breakthrough into the old boy’s club, even as sociologist Emi Kataoka of Komazawa University said: “The issue is just the tip of the iceberg of a more inherent culture of disdaining women. In Japan, women are treated only as supporting characters to men.”

The ruling Liberal Democratic Party (LDP), in



Ms Seiko Hashimoto has vowed to double women representation on the 34-member Tokyo 2020 Committee to 40 per cent. PHOTO: EPA-EFE

an attempt to redress the gender imbalance in its decision-making general council, had proposed inviting women to attend these meetings – but without the right to speak.

“It is important to fully understand the kinds of discussions happening,” said LDP secretary-general Toshihiro Nikai, 82. “Women can take a look at what this is about.”

They can then give their feedback to the secretariat after the meeting, and it may be taken into account during policy-making, media reports said.

Ms Kimiko Kubo, head of the think-tank Fusae Ichikawa Centre for Women and Governance, said: “This is not just about getting women into the room. Mr Nikai does not understand the true essence of the problem, and the LDP’s awareness of gender equality has really fallen behind.”

Despite Mr Abe’s goal of having 30 per cent of corporate management jobs held by women by 2020, this stands at just 12 per cent today. And only two of Prime Minister Yoshihide Suga’s 20 Cabinet members are women.

Hopes are high that the global attention has prodded Japan towards a more equal society, but Dr Kataoka warns of a major obstacle.

Young Japanese, who are much more aware about gender equality issues than the older generation, must fight to dismantle the social mechanisms that breed inherent discrimination, she said, while also resisting the pressure from society to conform. **ST**

WALTER SIM

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Despite Mr Abe’s goal of having 30 per cent of corporate management jobs held by women by 2020, this stands at just 12 per cent today.



Indian climate activist linked to Greta Thunberg wins bail after arrest on sedition charges

AN INDIAN CLIMATE CHANGE ACTIVIST WAS granted bail on Feb 23, 10 days after being arrested for allegedly creating a “toolkit” – tweeted by climate change campaigner Greta Thunberg – to help the country’s farmer protests.

The arrest of 22-year-old Disha Ravi on charges of sedition – which can carry a sentence of life imprisonment – sparked fierce criticism from activists and India’s opposition politicians.

Police alleged that Ravi was a “key conspirator” in the formation of the toolkit, which was shared by Swedish climate activist Thunberg on social media.

The toolkit offers basic advice on joining the protest on the ground and spells out how to show



Climate activist Disha Ravi, 22, leaving an investigation at the National Cyber Forensic Lab after she was granted bail in New Delhi, India, on Feb 23.

PHOTO: REUTERS

support on social media.

Officers said the aim appeared to be to “create disharmony among various social, religious and cultural groups and encourage disaffection and ill-will” against the Indian government.

According to the Indian Express newspaper, a Delhi court found no “palpable reason” to deny bail to Ravi, “considering the scanty and sketchy investigation.” [ST](#)

– AFP

South Korea replaces first woman foreign minister

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SHE MADE HISTORY IN 2017 AS SOUTH KOREA’S first female Foreign Minister and won fans for her charisma and signature silver hair.

Now the longest-serving minister under the administration of President Moon Jae-in, Ms Kang Kyung-wha was widely expected to remain as the country’s top diplomat until the end of Mr Moon’s tenure in May next year.

So it came as a surprise to many when the presidential Blue House announced on Jan 20 that she would be replaced by former national security adviser Chung Eui-yong in a Cabinet reshuffle.

Experts interpreted this as a last-ditch attempt to restart stalled dialogue with North Korea under a Joe Biden administration, given Mr Chung’s extensive experience dealing with Pyongyang and the White House. He took office on Feb 8.

But with Ms Kang’s exit, questions are being raised about falling female participation rate in the Cabinet, and whether gender bias had set her up for failure in the first place.

Amid mounting criticism over her role last year, she said she was doing her best but “sometimes I feel some things happen because I am a woman.”



With Ms Kang Kyung-wha’s exit, questions are being raised about falling female participation rate in the Cabinet, and whether gender bias had set her up for failure in the first place. PHOTO: AFP

According to experts, the presidential office of the Blue House did not intend for her to play a major role in diplomacy, and left her out of major meetings.

Professor Kim Jae-chun of Sogang University, however, felt that Ms Kang was a wrong fit for the top job from the beginning. Her appointment back in 2017 was controversial as she was the first top diplomat without much experience dealing with the United States, China, Japan and Russia. [ST](#)

Probe into Sri Lanka attacks finds ex-president should face charges

SRI LANKA'S EX-PRESIDENT AND HIS INTELLIGENCE chiefs should be prosecuted for failing to prevent suicide bombings two years ago on Easter Sunday that killed 279 people, said an investigation report released on Feb 23.

Maithripala Sirisena, who left office last year, was found to have been negligent by an investigation he set up five months after the Islamic militant attacks on three hotels and three churches on April 21, 2019.

It quickly emerged that Indian intelligence had warned Sri Lanka 17 days beforehand about the risk of attacks, following a tip-off from a suspect.

The report by the presidential commission of inquiry said the "balance of probability" was that Mr Sirisena was told by his intelligence chief about the warnings before the attacks.

Mr Sirisena, now a ruling party legislator, has previously denied any knowledge of the warnings, and made no comment about the report. **ST** - AFP



The report said the "balance of probability" was that ex-president Maithripala Sirisena was told by his intelligence chief about the warnings before the attacks. PHOTO: ST FILE

Wife of North Korea leader Kim makes first public appearance in a year

NORTH KOREAN LEADER KIM JONG UN'S WIFE, Ri Sol Ju, appeared in state media for the first time in more than a year on Feb 17, joining her husband at a concert on one of the country's biggest holidays.

North Korea's state-run television channel aired footage of the pair at the event marking the birthday of Mr Kim's late father and former leader Kim Jong Il.

Ms Ri had often accompanied Mr Kim to major public events, but had not been seen since January last year at an event for the Lunar New Year holiday, stoking speculation over her health and potential pregnancy.

South Korea's National Intelligence Service (NIS) told lawmakers that Ms Ri appeared to have refrained from outside activities to head off coronavirus infections but was "playing well with their kids." The NIS believes Ms Ri and Mr Kim have three children. Little is publicly known about the trio. **ST**

- REUTERS



A photo showing Supreme Leader of North Korea Kim Jong Un and his wife Ri Sol Ju together with members of the party central leadership organ watching a performance on the occasion of the Day of the Shining Star.

PHOTO: KOREAN CENTRAL NEWS AGENCY

Work from village, India style

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Some professionals are finding new joy in working from their home towns in rural India

FOR MANY INDIANS, THREE KEY MOMENTS frame the year-long catastrophe of the Covid-19 pandemic.

The first, the overnight nationwide lockdown the government imposed on March 24 last year. The virtual ban on movement upended lives, bringing misery to many, but sometimes also inspiration.

Second, the moment we realised our parents were especially vulnerable to the coronavirus. We became acutely conscious of their lives.

Software product developer Srividhya Balakrishnan, 27, loves working in her airy childhood home in Tiruchy, Tamil Nadu, over the flat she shares with friends in Chennai.
PHOTO: COURTESY OF SRIVIDHYA BALAKRISHNAN



For those working at home, the two coalesced into the third: epiphanies about money, mortality, priorities and passions.

Take Mr Prashanth Krishnamurthy. The 36-year-old drove more than 150km from Bangalore to his village, Settikere, near Tumkur town in March for a festival, and was stranded there when the country went into lockdown for two months.

His first thoughts: he had brought only two shirts, and the 600-year-old village home had no Wi-Fi.

Thankfully for the software development and operations manager with American investment management company BlackRock Inc, his mobile hot spot worked well.

"I was meeting my required targets and more, and actually saving four to five hours of commute," said Mr Krishnamurthy.

Walking around the 5ha of his family's farmland in his free time, he also had time to think.

"The area is drought-hit, and my father had given up farming after losing hundreds of coconut and arecanut trees and digging four useless borewells. Seeing him so sad, I thought, what if I gave it a shot?"

After some furious googling and tapping farmers nearby for their expertise, the software engineer, somewhat miraculously, revived his family farm. He employed a geologist, struck water, and planted 700 arecanut and 200 coconut palms.

In October, he added drought-resistant crops such as groundnuts, finger millet and horse gram.

Before he knew it, 10 months had gone by. His two shirts seem like a luxury, now that he wears a T-shirt, old trousers and a cotton neck-towel, farmer style.

"Earlier, weekend treks, gym workouts, branded shoes and restaurants were so important to me. I realised I can live without any of that and still be fit and happy," said Mr Krishnamurthy.

His day is now evenly divided between the laptop and his farm, and he sometimes takes video calls from the shade of a tree.

In another part of the same state of Karnataka, Mr Hari Muckatira, an IT recruiter at a top financial advisory firm in Manyata Tech Park in Bangalore, also began to work on his family coffee estate during the pandemic.

The 34-year-old and his wife drove more than 200km to Gonikoppa, his village in Kodagu, just as Covid-19 cases in Bangalore began to soar.

With only one house every few kilometres in Gonikoppa, the couple found themselves naturally socially distanced. Mr Muckatira now spends his morning at the estate, and the rest of the day on phone interviews and video calls.

"My school friends also moved back during the



pandemic, so we meet to play hockey, trek. Walking up the hilly estate is also a good cardio workout,” he said.

Another IT specialist, Mr Ranga Rao, a project lead in Applied Informatics, drove more than 300km from Hyderabad city to Ongole, his tiny agricultural village in Andhra Pradesh, on a special pass just after the lockdown was imposed.

He struggled for two months without Internet connectivity, until a group of returned professionals installed a connection with signal boosters.

“We now have 100Mbps speed, unimaginable in this village,” said Mr Rao.

Many professionals mentioned digital customer service firm Zoho, whose CEO Sridhar Vembu worked from a Tamil Nadu village long before the pandemic.

Mr Vembu tweeted on Jan 13 that moving to a smaller community may save professionals today from the “rat race” and many of the toxic “prestige traps” in large urban areas.

To reverse decades of “top soil erosion” in rural areas as talent left them, Zoho is now setting up rural centres for its employees.

“At the end of the day, one needs to think of physical and mental wellness as important. In an environment that is healthy, peaceful, and slow, you can think more creatively and productively,” said Mr Dinesh Tewari, 41, the founder of Circle of Life Healthcare.

Mr Tewari moved his office from the concrete drylands of Gurgaon near Delhi to a cottage in the Himalayas in Kohima, in the north-eastern state of Nagaland – because he happened to be stuck there on vacation in March.

Every professional working from rural or small-town India since Covid-19 broke out has raved about the lower cost of living, greater savings, better health, fabulous weather, good enough Internet, quality family time, and stress-free work.

For Ms Srividhya Balakrishnan, 27, moving back to her native town Tiruchirappalli from Chennai city was an opportunity to be close to her family before she gets married this year. The product developer at customer software solutions firm Freshworks got to cook with her father, rekindle school friendships and enjoy a mellower pace of life.

But to some, rural domesticity wasn’t all that romantic.

Married women managed to be productive from their new village offices too. But after a measure of spousal equality in an urban home, some found rural India, especially in the husband’s home, restrictive.

Entrepreneur Archana Shukla, who runs two training and recruitment companies, said her mother-in-law seemed to think office work was a ruse to shirk household chores.

Though Mrs Shukla’s home is in Noida, a suburb in the Indian national capital region, the 35-year-old happened to be visiting her in-laws’ remote village near Rae Bareilly in Uttar Pradesh for a wedding, when the lockdown forced her to stay put for six months.

“Forget Wi-Fi or proper mobile network, even electricity was unreliable,” Mrs Shukla said. Relatives would talk to her just as she got on a call, or taunt her as insensitive to her mother-in-law, who was recovering from cancer.

“It was very, very hard,” Mrs Shukla said.

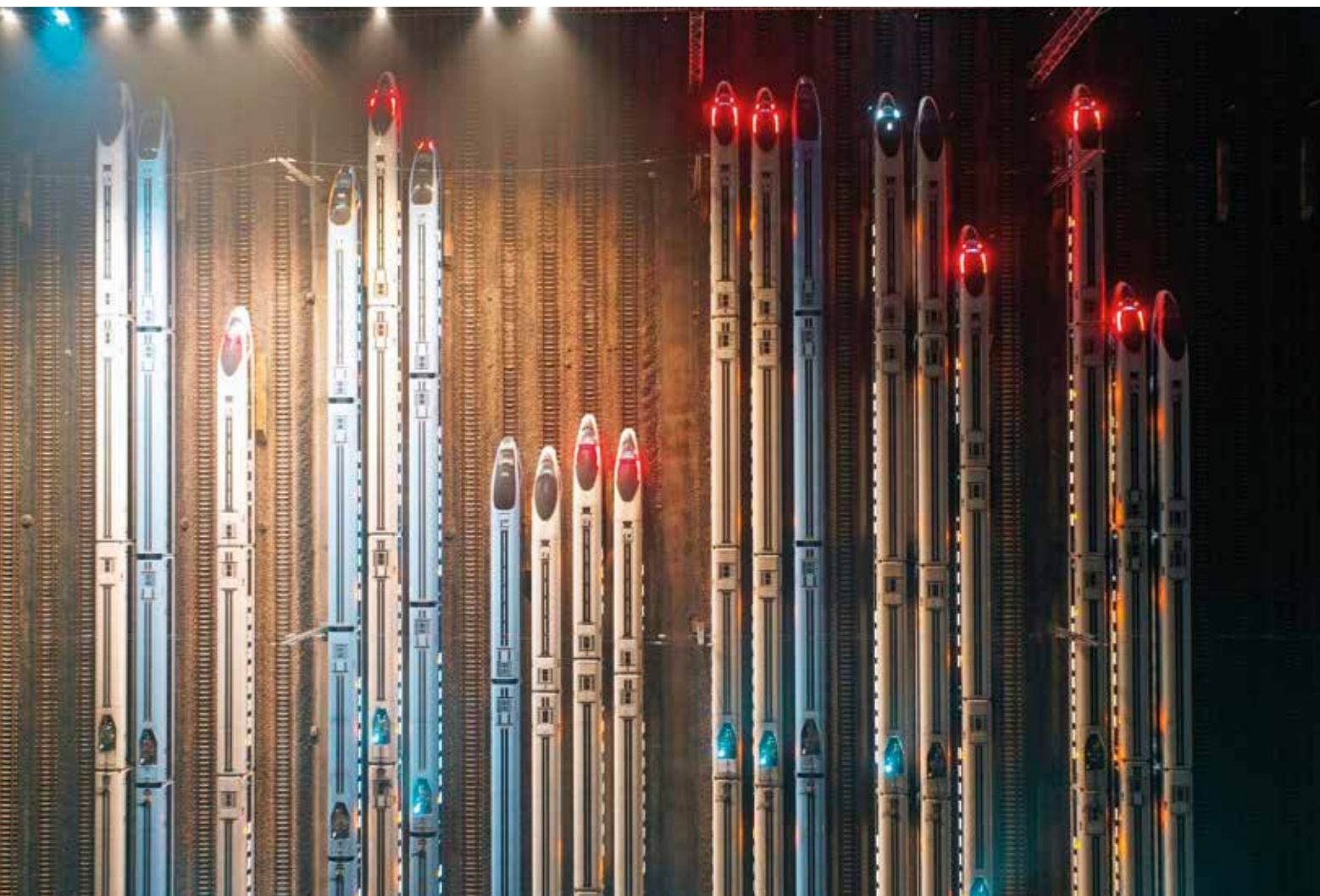
“In the end, I know I’m capable of this much more,” she said. [S](#)

Bangalore IT professional Prashanth Krishnamurthy, wearing a towel here, revived his family farm in Settikere village during the pandemic, much to his father’s joy. He plans to work on both software and the soil hereon.

PHOTO: COURTESY OF PRASHANTH KRISHNAMURTHY

Many professionals mentioned digital customer service firm Zoho, whose CEO Sridhar Vembu worked from a Tamil Nadu village long before the pandemic.





Big Picture

PHOTO: AFP

Bullet trains on track, but passengers stay home

CHINA'S RAILWAY AUTHORITIES USUALLY brace themselves for some 296 million train trips and three billion journeys taken during the Chinese New Year peak season from January to March each year. However, bullet trains this year saw a sharp dip by nearly half the number of passengers as China's Ministry of Transport estimated only 1.15 billion trips taken this season, the fewest on record since the government began releasing data in 2003, reported Nikkei.

Peak travel season, also known as "chunyun", is often called the world's largest annual human migration, as hundreds of millions of Chinese either travel home during the extended holiday or go on vacations abroad.

A year ago, Chinese New Year travel fell by half, and, while this year's estimate is 20 per cent lower than last year's, the transport authority said the actual number of trips could be even fewer as authorities discourage travel to reduce Covid-19 transmission risks.

They have introduced measures such as requiring those returning to their hometowns to do a nucleic acid test at least seven days before they depart. They also have to undergo 14 days of health monitoring at home when they return, during which they are encouraged not to gather with others or leave home. The rules kicked in on Jan 28 and will remain in effect until March 8, practically ensuring that many Chinese nationals will not make the journey home. [ST](#)

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