

# Strategic Analysis Paper

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## Covid-19 Worsens Food Security in South-East Asia

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### Key Points

- Most of South-East Asia (excluding the Philippines and Indonesia) has managed to keep infection rates much lower than other parts of the world, despite weak health infrastructure and high population density in many countries.
- Early and decisive action was key in keeping infection rates low. Poor early governance has been a key driver in high infection rates in Indonesia and the Philippines.
- Measures taken to control the pandemic have led to economic slowdowns and recessions in all South-East Asian countries except for Vietnam.
- Lockdown measures and economic troubles have translated into poorer food and nutrition security in the region.

### Summary

The Covid-19 pandemic has led to serious consequences for health, the economy and food security in South-East Asia. For the most part, South-East Asia has largely avoided the uncontrolled infection rates seen in much of the rest of the world, thanks to government action prioritising public health over the demands of the economy. That was especially evident in Vietnam where there have been just over 1,000 Covid-19 cases, despite early contact with the disease. Indonesia and the Philippines, however, have been especially badly affected by the Covid-19 pandemic, largely due to early mismanagement in both countries.

Though most countries in the region have escaped the worst health impacts of the disease, this has led to economic troubles for many. The Philippines is predicted to contract the most sharply in 2020, after early failures in controlling the virus led to a series of strict lockdown measures, which subsequently depressed consumption and reduced the flow of remittances.

Thailand has also experienced a sharp economic contraction, which has contributed to ongoing protests in the kingdom. Only Vietnam appears to be weathering the economic consequences of the pandemic, in large part due to successful early measures to limit the spread of the virus, which allowed the country to re-open quickly.

As South-East Asia's economies have contracted and slowed, there have been serious concerns for food security in the region. Farming, which is a major employer in most South-East Asian countries, has experienced a significant drop in rural labour due to movement restrictions, which has caused a fall in both farm productivity and rural incomes. Overall, millions are likely to fall into poverty after 2020, including millions who were otherwise predicted to escape it. As a result, food consumption has fallen among many households and significant numbers of people have reported not being able to afford enough food.

### Analysis

Food security has declined in much of the world in 2020, in no small part because of the Covid-19 pandemic and related lockdown measures. In South-East Asia, the pandemic has exacerbated a number of existing food security risks. Food security has significantly improved in the region over the last two decades, [in part due to](#) strong economic growth, improved agricultural output and growth in agricultural incomes. Undernourishment has also fallen more sharply in South-East Asia than any other region since the early 1990s. Despite major improvements, there are major challenges to food security across the region. Poverty rates remain high, exceeding 40 per cent in some countries, and [roughly 60 million](#) are undernourished. Even in countries where undernourishment has declined the most, such as Laos, Cambodia and Myanmar, levels of undernourishment remain alarmingly high.

#### *Covid-19: The South-East Asian Experience*

The Covid-19 pandemic arrived in South-East Asia sooner than in many other parts of the world. The region has only recently seen major spikes in the disease, however, [most notably](#) in Indonesia and the Philippines. Both countries have struggled to contain the virus – in Indonesia there have been around half a million cases, while in the Philippines cases have risen to [over 400,000](#). The explosion in cases has been largely due to poor governance and pandemic management. In Indonesia, members of Joko “Jokowi” Widodo’s cabinet have touted remedies with no basis in science [such as herbal juices](#) and eucalyptus necklaces. By the end of August, Indonesia had one of the lowest rates of testing in the world and of those who were tested, [17 per cent](#) tested positive (according to the World Health Organization (WHO), a positive rate of more than five per cent indicates an uncontrolled outbreak).

In the Philippines, a similar story has unfolded, with the country overtaking Indonesia as the regional epicentre of the pandemic for a period [in August](#). In March, when the Philippines became the first country outside of China to record a Covid-19 death, the government [established a task force](#) made up of former generals, rather than health experts. Despite one of the longest and most strict lockdowns in the world, cases continued to spike, as [people returned](#) to rural areas from overseas or the cities in which they worked, which allowed the virus to spread beyond urban epicentres – a situation worsened by poor contact tracing. Much as in Indonesia, testing rates have been low. In August, the Philippines [ranked 127<sup>th</sup>](#) in total

tests per million people and the country was slow to produce testing kits and imports have been prioritised over mass production.

The two countries have been tragic outliers, as most South-East Asian countries have [managed to avoid](#) the massive spikes seen across much of the world. Vietnam, which has a population roughly similar to that of the Philippines, has kept cases low, at [around 1,200](#), despite poorer public health infrastructure than many of its neighbours. At the start of the pandemic, Vietnam was quick to react, developing testing kits, strategically testing its population and aggressively contact tracing. The [country closed its borders](#) with China as soon as the first death was announced in Wuhan and pandemic preparations began a full month before the WHO announced a pandemic. As cases rose early in the pandemic, Vietnam hospitalised every infected person and traced their contacts to [the fourth degree](#), requiring those contacts to isolate as the army sanitised neighbourhoods.

Other parts of South-East Asia have also succeeded in containing the virus, to varying degrees. Despite being the [first country](#) outside of China to record a case of Covid-19, and early missteps in its pandemic response and high population density, Thailand has also managed to keep infection rates low (at [just under 4,000](#) cases as of 25<sup>th</sup> November 2020). Like Vietnam, Thailand acted early, screening new arrivals for signs of the virus as early as 3 January, enacted strict lockdown measures [after only 800 cases](#) and strongly encouraged everyone to wear masks in public. Cambodia and Laos also had similar levels of success in controlling the pandemic for many of the same reasons as Vietnam and Thailand.

#### *Consequences of the Pandemic: Economic and Food Security*

Vietnam, Thailand, Cambodia and Laos have kept the pandemic under control by prioritising public health over economic considerations. Consequently, there have been economic repercussions, and by extension, threats to food access for some in the region. Thailand in particular, has suffered economically this year. In 2019, the kingdom saw its [slowest GDP growth](#), at 2.4%, since political unrest led to a coup in 2014. Its tourism and export driven economy [contracted by 12.2%](#) in the second quarter of 2020, the biggest economic downturn in the country since the 1998 Asian financial crisis, which has contributed to major protests. Job losses have been severe, with 3.2 million losing employment this year, of whom an [estimated 2.5 million](#) are not covered by social security programmes. According to the World Bank, [around one-third](#) of Thai households rely on income from sectors directly affected by the pandemic, with both middle-class and poorer Thais more likely to experience hardship.

As South-East Asia's second-largest economy, Thailand's slowdown is particularly concerning due to the likely impacts it will likely have on its neighbours. It is not the worst affected economy in the region, however, with other countries suffering severe economic contractions. Not only has the Philippines failed to control the pandemic within its borders, it also faces the worst economic forecasts in the region. The International Monetary Fund has predicted that the Philippine economy will [contract 8.3%](#) this year, as late lockdown measures have led to high unemployment and a [15.5% reduction](#) in consumption (which accounts for a quarter of the economy). Remittances, a key pillar of the Philippine economy, also fell sharply, which [contributed to declining](#) consumption. Indonesia is projected to experience a [relatively mild](#) recession this year, as is Singapore. Vietnam, meanwhile, remains the region's only

economy that appears to have resisted the trend, largely because its excellent early handling of the virus allowed the country to re-open quickly. Forecasts predict that the Vietnamese economy will [slow to 1.6%](#) in 2020, before it recovers next year.

As South-East Asian economies have struggled to cope with the effects of pandemic control measures, food security in the region has become increasingly precarious for many, despite largely [adequate food supplies](#). Reduced mobility has posed a number of barriers to food access. In rural areas, lower mobility and lockdowns have led to an [overall reduction](#) in farm labour of around 1.4% in South-East Asia, which in turn has lowered agricultural output by more than three per cent. The region is heavily dependent on the agricultural sector as a source of employment – 62 per cent of the population is [directly employed](#) in agriculture in Laos, 49 per cent in Myanmar, 44 per cent in Timor-Leste and 37 per cent in Vietnam. Depressed agricultural employment directly impacts these workers, and farming households have reported among the [highest rates](#) of income losses in 2020 – in Myanmar, 75 per cent of farming households have reported lower incomes than in 2019, and [28 per cent](#) reported having zero income in June 2020.

Overall poverty has risen in the region as a result of the pandemic. According to the World Bank, [38 million people](#) are predicted to fall into poverty by the end of 2020 in the wider East Asia and Pacific region, including around 33 million people who would have otherwise been able to escape poverty, and there are fears that poverty in the region may increase for the first time in 20 years (China is [expected to continue](#) to see sustained, if subdued, reductions in poverty, making South-East Asian countries a major sub-regional driver of poverty increases). There is evidence that declining incomes and higher poverty has meant that people in the region are now buying less food. In Indonesia, a survey found that only [19 per cent](#) of households are eating as much as they should, while 35 per cent reported eating less due to financial constraints. In the Philippines, where the economic fallout of the pandemic has been especially severe, [60 per cent](#) of households have reduced their food consumption, and only five per cent of Filipinos had enough savings to be able to survive for three months at the start of the pandemic.

With food more difficult to access, nutritional security is expected to worsen, adding to the [61 million](#) in the region who are already undernourished and micronutrient deficiencies are already a persistent threat. While there has so far been little research into the impacts of the Covid-19 pandemic on nutrition in the region, it seems likely that reduced food access will lead to worsening nutrition in the region. Across South-East Asia, [around 25 per cent](#) of children under the age of five are stunted (stunting describes a low height for the age of the child, which can lead to other health and neurological complications), and 8.7% experience wasting (low weight for height). Adults are also at risk of poor nutrition, with [over a quarter](#) of women in the region suffering from iron deficiency anaemia. Lockdown measures such as school closures have prompted [particular concern](#), as many schools provide free or subsidised meals to children from low-income families, providing vital nutrition that they otherwise do not receive. Similarly, potential disruptions to supply chains has caused concerns that access to nutrient rich but perishable foods [could also worsen](#), putting vulnerable groups at risk of nutritional deficiencies. A number of Indonesian provinces [saw deficits](#) in staple foods due to such disruptions.

South-East Asia has had mixed experiences in the wake of the Covid-19 pandemic. While much of the region has controlled the virus well, these measures have ultimately weakened access to food and proper nutrition for many in the region.

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