



RCCL in Collaboration with CALS Held the Online Roundtable on “How has COVID-19 (Re)shaped Government-Business Relations in Asia?” (28 July 2020)

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While COVID-19 is hitting the world with its unprecedented impact, governments throughout the globe are responding to the crisis in different ways. Being first identified in Wuhan, China in December 2019 and later developed into a pandemic, as declared by the World Health Organisation in March 2020, the new coronavirus has seen its world-wide outbreak. Domestic economies and international trades have suffered enormously while authorities are implementing different measures among jurisdictions. While in general, the governmental measures such as travel bans, lockdowns and social distancing have yet to be softened, the specific implementation may depend on the unique legal, social, economic and political circumstances of each society.

On 28 July 2020, the Centre for Chinese and Comparative Law (RCCL) of the School of Law of the City University of Hong Kong, in collaboration with the Centre for Asian Legal Studies (CALs) of the Faculty of Law of the National University of Singapore, held a Roundtable on “How has COVID-19 (Re)shaped Government-Business Relations in Asia?” — which was also the 5th session of the CALs’s Virtual Roundtables on Asian Law Series — discussing the implications of COVID-19 on government-business relations in Asia.

The Roundtable started with the welcoming speech by the Director of CALs, Dr. Jaclyn Ling-Chien NEO. She greeted all the participants and thanked all the speakers for their contribution and the participants for joining the Roundtable. The moderator, Prof. NG-LOY Wee Loon from the National University of Singapore, then explained the purpose and format of this Roundtable and introduced the speakers to the participants. Apart from the opening, introduction and closing, the Roundtable was divided into two parts: speakers’ presentations and the Q&A session.

In the first part of the Roundtable, each of the speakers shared their thoughts and insights with

the participants. They introduced, while each focusing on one or two jurisdictions, the impacts of COVID-19, governments' responses, the implications on trade and economics and the influence on government-business relations. They related the measures implemented to the regional ideology behind and explained the possible temporary to permanent impacts of these measures.

The first speaker was RCCL Director Prof. WANG Jiangyu, who focused on the Chinese perspective. With the first outbreak in Wuhan, and subsequently also in other cities and provinces, China had its lockdown measures as early as in January 2020. The economy has thus contracted extraordinarily in the first quarter of 2020. Prof. WANG pointed out that such an economic downturn is severe for China, a country which had been through no major financial crises or sufferings since 1970s. This resulted in a lack of experience of the Chinese leadership to deal with such great crises. Prof. WANG observed three general features of China's measures: (i) reluctance of stimulus packages; (ii) focus on medium, small and micro firms; and (iii) priority to get firms and factories to reopen. He explained that the Chinese measures focuses on administrative orders and has shifted from a pro-labour to a pro-employer mentality. He also compared the fiscal and monetary measures to help businesses in China, particularly smaller sized firms and factories, with the US and Japanese stimulus packages, which gave money directly to their citizens. The Chinese strategy effectively avoided significant spending and encouraged citizens to go back to work, with the government assisting in the resumption of production. Prof. WANG also compared to Singapore, which enacted its emergency laws through parliament, and found no clear legal basis behind the direct orders promulgated by the Chinese government.

The second speaker was RCCL Core Member Dr. DING Chunyan. With her focus in Hong Kong, she started by showing that Hong Kong had no lockdown measures implemented during the pandemic, distinguishing from that of the mainland China. She explained to the participants the three rounds of Anti-Epidemic Fund introduced by the Hong Kong government. They were mostly one-off subsidies with specific relief measures to particular industries. Dr. DING also compared to Singapore and pointed out that instead of adopting a legal solution with temporary and modified legislation, the Hong Kong government focused more on financial support and instantly applicable executive orders. The one-off subsidies could be announced much quicker than passing laws through legislature, so do social distancing measures. She explained the change of politico-economic order since the handover in 1997 requires the government to actively take actions in situations like the current pandemic. Moreover, with the recent political environment in Hong Kong, the timeliness and efficiency of its responses would be a matter of political legitimacy and a test of government competence. While there is criticism from different sectors of the society, for instance regarding the allocation of resources, Dr. DING thought that the implementation of the measures could be another problem that the government would need to handle next.

The third speaker was Dr. Umakanth VAROTTIL from the National University of Singapore. He started by introducing the lockdown measure implemented in India in mid-March 2020 which affected 1.6 billion people but only four hours of prior notice was given before implementation. Because of the short notice, many workers were left in the cities and could not go back to their homes. Some of them even died on the way walking back while transportation was stalled because of the lockdown measures. He also pointed out the significant social impact of the measures on the “informal sector of economy”. Dr. VAROTTIL then discussed the Indian responses with the perspective of the three arms of government. Firstly, regarding the executive arm, there were office memoranda and circular on an almost day-to-day basis, therefore creating uncertainty to businesses. While the government seems to be reluctant in intervening with freedom of contract, most of the executive orders were on relaxation of filing requirements only. However, it was also noted that the Indian government has declared COVID-19 as a “natural calamity”, and this declaration has an advisory effect. Secondly, regarding the judicial arm, Indian courts were flooded with contractual disputes for intervening circumstances, *force majeure* and frustration matters. With the high threshold to get out of contract according to case laws, parties were more likely to find that they would have to perform according to the terms. Dr. VAROTTIL compared this reluctance of the Indian government to intervene with the Singaporean response with its parliament passing the COVID-19 (Temporary Measures) Act 2020. The Singaporean Act attempts to relieve the courts from the heavy burden, demonstrated by the Indian courts, with legislative intervention to prescribe conditions for parties to be released from their contractual obligations. Lastly, regarding the legislative arm, there were statutes to suspend insolvency and bankruptcy. The idea was to put insolvency cases which met the ordinary threshold on hold, and let them recover after the pandemic. However, as Dr. VAROTTIL raised, there would be concerns as to its abuse involving fraud and moral hazard issues.

The last speaker was Dr. Trang (Mae) NGUYEN from the Temple University. She addressed the Roundtable with her findings regarding Vietnam. She started by sharing the astonishing success in keeping the COVID-19 confirmed cases to 441 and no deaths up to date in Vietnam. She believes that the improvement of central-local cooperation was influential to the success in handling the pandemic. Relief measures were implemented to help businesses with domestic coordination. The Vietnamese government took the opportunity to respond to the national call to prioritise domestic market. Previously, the nation has seen its heavy reliance on China’s raw materials, the government support during COVID-19 has strengthen the national supply chain throughout different sectors of Vietnamese domestic market. Dr. NGUYEN noted that, while Vietnam remains a party-state, the success in COVID-19 has demonstrated the growing capacity of the government, therefore renewing the confidence in the party’s administration. The basis of legitimacy has been expended from economic growth, which relied heavily on China, to its success in safeguarding the nation’s public health and safety, with development of its domestic economy. Moreover, contrasting to the general de-globalisation trend in the world, Dr.

NGUYEN found that Vietnam was embracing the opportunities to engage with the European Union. They settled in with a free trade agreement, incorporated with a permanent dispute resolution mechanism. This further helped Vietnam to look for alternative options in restructuring its supply chain, which was long dominated by China.

After all the speakers have delivered their speeches, the Roundtable then proceeded to the Q&A session. The participants were actively engaged and showed huge interest into this Roundtable's topic. Prof. NG-LOY read out the questions and invited the speakers to respond. The panel received many critical follow-up questions regarding different aspects and each of the speakers had the opportunity to respond to the questions related to the jurisdictions of their focus. The speakers went further into the details of the governments' responses and discussion about legal concepts such as *force majeure* and *rebus sic stantibus*. Particularly, one question concerned the proportional structure between the discussed states and markets. The speakers took turn to address this question and compared the governance and institutional structure among the jurisdictions they focused. At last, the speakers noted that it may be too early to determine the overall impacts of COVID-19 or to suggest the possible outcome from the legal and economic reforms, international trade agreements, and the commitments by the governments and businesses.

The Roundtable concluded with Prof. NG-LOY's closing remarks. She thanked the speakers and participants for their support.



The poster is for a virtual roundtable event. At the top, it features logos for NUS (National University of Singapore) Centre for Asian Legal Studies, Faculty of Law, and CityU (City University of Hong Kong) Centre for Chinese and Comparative Law. The main title is "VIRTUAL ROUNDTABLES ON ASIAN LAW SERIES" in orange and white, with the subtitle "SOCIALLY DISTANT, INTELLECTUALLY CONNECTED". The topic is "HOW HAS COVID-19 (RE)SHAPED GOVERNMENT-BUSINESS RELATIONS IN ASIA?". The date is "28 JULY 2020 (TUESDAY)" and the time is "11AM (SGT) (90 MIN)". The speakers listed are NG-LOY WEE LOON (Moderator) from NUS, WANG JIANGYU from CityU, TRANG (MAE) NGUYEN from Temple University Beasley School of Law, DING CHUNYAN from CityU, and UMAKANTH VAROTTIL from NUS. A QR code is located at the bottom right, and a registration link is provided at the bottom left.

(Source of Photo: Centre for Asian Legal Studies, Faculty of Law, National University of Singapore)