

DEVELOPING A NEW US APPROACH TO CHINA AND COVID-19

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EXECUTIVE SUMMARY

Throughout history, common threats have allowed countries with otherwise tense and even hostile relations to cooperate: think of the United States and the Soviet Union allying against Hitler in the early 1940s; or U.S.-Soviet collaboration to eradicate small pox around the world in the 1960s and 1970s; or the United States and the People's Republic of China aligning against the Soviet Union during the 1970s and 1980s. The COVID-19 pandemic is a quintessential common threat. But instead of facilitating cooperation between Beijing and Washington, the COVID-19 pandemic has increased hostility through mutual public shaming, petty and largely baseless accusations, and, in the case of the Trump Administration, the President's adoption of race-baiting labels (e.g. the "China Virus" and "the Kung Flu"). Moreover, the United States has attacked and de-funded the World Health Organization (WHO), the major multilateral organization that could facilitate U.S.-PRC cooperation and maximize the utility of that cooperation around the world. Finally, the United States has allowed revealed reliance on foreign supply, particularly supply from China, of medical Personal Protective Equipment, including surgical masks, to catalyze a destructive pre-existing distrust of international commerce and globalization.

The failure to seize this opportunity for cooperation has already increased the suffering of the Chinese and American populations during this crisis. If that failure persists into 2021, an even greater catastrophe might metastasize in other parts of the world, particularly in the southern hemisphere. Developing countries will be hit hard by the health and economic fallout from the pandemic and the global recession that it created. The failure of Washington and Beijing to work together to mitigate the health and economic costs in Africa, Latin America, and Asia will hurt the diplomatic

reputations of both countries. And if Washington continues to appear to be the major obstacle to bilateral and multilateral cooperation regarding the pandemic, and Beijing moves unilaterally and engages multilateral institutions while the United States remains largely absent in them, the United States will have unnecessarily weakened its own diplomatic standing in the broader and on-going strategic competition with the PRC. Finally, if the United States tries to solve its dependence on imports of important manufactured goods through ham-fisted protectionist measures, Washington will exacerbate the harm already inflicted on international economic cooperation in the past 4 years through U.S. withdrawal from TPP, disregard of WTO rules, and attack on WTO adjudication bodies.

KEY COMPONENTS OF AN ALTERNATIVE STRATEGY

The United States must:

- Stop the blame game and drop the race-baiting. Call for an international investigation into the lessons learned during the pandemic that includes critiques of mistakes made by both China and the United States. Such an investigation should be conducted only after the pandemic is brought under control.
- Re-fund the WHO and try to shape its agenda to reduce any undue or counterproductive Chinese influence in the organization.
- Share best practices with China about how to limit the spread of the virus and treat those whom it has afflicted.
- Prepare in advance for massive vaccine production and global distribution, regardless of which country's scientists are behind the breakthroughs.

- Cooperate with China and the WHO to build medical infrastructure capacity in the developing world.
- Reinvigorate U.S. engagement with the IMF and the Paris Club and press China to coordinate relief of its debts to the developing world with the major American, European, and Japanese lenders.
- Supplement increased domestic production of critical products with diversified international sourcing and strategic reserves of imports. Re-engage the WTO and push for needed reforms within the organization.

THE PROBLEM

The governments of both China and the United States have handled the outbreak of the COVID-19 pandemic very poorly. Rather than accepting criticism for their mistakes, officials in both governments have blamed the other country for many of its problems and taken the occasion to mock the other political system as unable to manage the challenge at hand.

In China, where the epidemic began, the government managed the original outbreak of the virus terribly. The local governments in the city of Wuhan and surrounding Hubei province suppressed the bad news that a virus was spreading in the city, silencing through coercion the voices of doctors who were blowing whistles and pointing to the dangers of an epidemic. Until late January, the Chinese government did not even recognize publicly that the disease was clearly being spread between humans. But the disease has proven itself so contagious in multiple countries that it seems impossible to believe that health care workers in Wuhan were not among the early patients, which would be a very clear sign of human-to-human transmission. The absence of a free press in China also hampered the prompt dissemination of knowledge about the disease to the general public in Wuhan and beyond. The reluctance of local officials to draw attention to problems is predictable in a system that blames and often punishes those officials for bad outcomes, even if forces that were generally outside of their control were at fault. Most likely, there were also additional cover-ups at higher levels in the Chinese Communist Party. Central government elites do not want to see the PRC's

reputation tarnished on the international stage, and more importantly, want to ensure that the CCP's legitimacy at home is not harmed by coverage of the origins of the pandemic and the weak and even destructive early responses to it. In attempting to deflect blame on others, China's "Wolf Warrior" diplomats attacked the United States. Chinese Foreign Ministry spokesperson Zhao Lijian even amplified conspiracy theories about the U.S. Army planting the disease in Wuhan.

Once the Chinese central government publicly recognized the spread of the highly contagious disease and locked down Wuhan on January 23, the Chinese government appears to have been quite effective at limiting the spread of the disease, expanding hospital capacity quickly, distributing protective gear to health care workers, expanding testing protocols, and isolating, often forcibly, infected individuals and even people suspected of having been exposed to the virus. Chinese doctors and health care officials almost certainly have learned valuable lessons to share with the outside world, including the United States. This is true even if the system in which they work caused tremendous damage by allowing a large, international city like Wuhan to become a giant incubator for a highly contagious and dangerous disease that would spread through the country and around the world.

The reluctance of the World Health Organization to label COVID-19 a global health emergency until the end of January, a full week after the lockdown of a large, international Chinese city, may also have caused significant damage. While forthcoming investigations will likely reveal more fully why this delay occurred, it seems probable that some combination of Chinese political pressure on the member states or top leadership of the WHO to preserve the PRC's reputation on the international stage and the WHO's overreliance on official reports from member states like China were the cause.

The slowness of the WHO to reach that conclusion may have delayed reactions to the coming catastrophe in various part of the world in consequential ways, but oddly the one place where this does not seem to have been the case is the United States. And ironically, Washington has become the loudest critic of the organization. Even after the disease appeared threatening to the world, including the United States, the Trump

administration largely dismissed the danger as overblown or, worse, inflated intentionally by the administration's political opponents. It is very difficult to see how an earlier recognition by the WHO that the novel coronavirus constituted a global health emergency would have changed that flawed American reality. Critically important weeks were lost in implementing serious policies to combat the disease. And the much-touted ban on travel from China at the end of January, however sensible, apparently did little to stem the tide of the disease in the United States, since it had arrived earlier and begun spreading. In the case of New York, the disease apparently arrived indirectly from China via Europe before the travel bans on both regions were established. Subsequent repeated claims that tests were universally available and being provided in sufficient numbers to meet the challenge were — and remain — patently untrue in large swathes of the country. Governors were often left to fend for themselves and engage in interstate competition to acquire protective gear and medical equipment for physicians, which, in some important cases, had to be sourced from China.

During the Trump administration, the U.S. government has downgraded the importance of science and expertise in its decision-making processes, and, under the banner of “America First,” has generally avoided using multilateral organizations and agreements to protect and assert U.S. interests. Under President Trump, fewer government health experts were on the ground in the U.S. mission in China than in past administrations. President Trump clearly prefers making decisions based on gut instincts and on his hopes rather than on the results of careful research. To this end, he claimed early on that the disease posed limited risk to the American economy or society; that it would disappear soon “like a miracle,” perhaps when warm weather arrived; and that injecting disinfectants and UV light could be explored as potential cures for the disease. Following his own infection, President Trump downplayed the dangers of the virus again by drawing fallacious comparisons to the common flu.

The Trump Administration — and especially the President himself — has blamed the Chinese government and the WHO for the hundreds of thousands of deaths in the United States and the massive hit to the American economy. The

Administration has promised to “make China pay,” and has cut off all funding to and cooperation with the WHO. Finally, Trump Administration officials have spread rumors about how the virus escaped from a lab (a possibility, but an unproven hypothesis) and even that the disease may have been intentionally created there and then intentionally spread to the rest of the world (a near impossibility given the structure of the virus and the irrationality of such a move by Chinese leaders). Once he began taking the disease more seriously President Trump used race-baiting descriptions of the disease such as the “Chinese virus” and the “Kung Flu,” and seemed to celebrate a corrected increase in the Chinese official death totals, adopting a morally bankrupt standard for international competition. In the process, the reputation of the United States around the world, already reeling, has taken further hits, and rather than competing with China in organizations like the WHO, the United States has simply ceded its leadership in that organization while China has predictably moved partially into the void by increasing its own financial contributions.

OBJECTIVES

Learn negative lessons and best practices:

Finger pointing has saved no lives and has done nothing to prevent the next epidemic. A good dose of self-criticism on all sides will be needed to improve future responses to similar challenges, which will almost certainly arise. More urgently, a good dose of humility and self-reflection might allow for greater international cooperation in this ongoing crisis. Whatever mistakes and cover-ups occurred in Wuhan, China is now a repository of useful knowledge about the virus and how best to control its spread. It also has a very strong scientific community studying the origins of viruses and medical treatments to combat them. These scientists can cooperate with American experts both to find a vaccine and to develop effective treatments short of a vaccine, regardless of whether the virus actually leaked from a scientific facility in Wuhan with insufficient safeguards. There will be time later to assess the early mistakes of China and others in greater detail, but the disease is spreading now, and both countries should be tackling it together.

Enhance cooperation and build multilateral capacity to mitigate disasters, particularly in the developing world:

The WHO and other multilateral institutions like the G20 should be bolstered to help address the medical and economic challenges that are likely to spread around the globe, particularly in countries with weak medical infrastructures and poor economies that will almost certainly suffer massive debt defaults. Again, this is true even if international politics and institutional weakness delayed the WHO's initial response to COVID-19. It simply does not follow any logic (except a tortuous political one) that the proper response to earlier failures by the WHO should be to cripple the major vehicle of international public health during a global pandemic. Heavily indebted nations will have a particularly hard time paying back their loans. Lending states, including China, should be encouraged to cooperate with each other to restructure their debt and avoid beggar-thy-neighbor approaches to debt repayment that will further weaken those developing economies and redound to no nation's advantage over the long run. Additional food aid should also be provided to prevent widespread hunger in Africa and Asia.

RECOMMENDATIONS

The United States must:

- **Stop finger pointing, deflecting blame, and, especially, race-baiting about the nature of the disease.** By amplifying unfounded conspiracy theories, deflecting blame for clear U.S. failures, and adopting racist language, U.S. officials have weakened the United States diplomatically on the international stage. Ironically perhaps, this has improved China's relative position in relation to the United States in the bilateral strategic competition at a time when China's own diplomacy has been alienating many countries in Asia, Africa, and Europe.
- **Share best practices.** The two sides should share and learn best practices — including mistakes to be avoided — for how to slow the spread of the disease. COVID-19 will not be our last epidemic. Each country needs to learn lessons for the long run, and political tensions between the two nations in the near term can be reduced by recognizing the need for an international probe of the origin and spread of the pandemic. The United States should advocate for such a probe and be open to critical review of its own actions. If China refuses the proposal, which seems quite possible, at least the United States would have gained diplomatically at China's expense.
- **Cooperate on vaccine creation.** The United States and China should work on vaccines together and should pledge to share any breakthroughs with each other and the rest of the world promptly. Cooperation can occur on a government-to-government basis or between universities and companies. One sign of hope is that Chinese and U.S. scientists have managed to perform some collaborative research on the disease despite the conflicts between the two governments.
- **Prepare in advance for massive vaccine production and global vaccine distribution.** Vaccinating everyone everywhere will be a massive logistical undertaking that will require great forethought before a vaccine is invented. Delays in distribution of even several months could easily cost an astounding numbers of lives. If political fighting over who receives vaccines and when occurs, it would be devastatingly destructive to international cooperation on all fronts for years to come. And until the entire world is safe from the pandemic, no one truly will be.
- **Assist the poorest nations in battling the disease.** Cooperate to remediate suffering in the developing world by boosting the medical response capacity in highly vulnerable areas like sub-Saharan Africa and South Asia. In 2014, the United States and China cooperated effectively alongside many other countries to address the Ebola crisis in Africa. The WHO should be a major actor in this cooperation regardless of any problems related to the organization's public response in January 2020. And to the degree that the epidemic is accompanied by famines in some places, as seems likely, the United States and China should support the efforts of the World Food Programme to distribute provisions and eliminate distributional bottlenecks slowing the delivery of needed aid.
- **Cooperate to manage debt defaults in the developing world.** The possibility of systematic

debt defaults in the developing world seems quite real and could have ripple effects throughout the entire global financial system. More multilateral cooperation will clearly be needed. The then brand new G20 responded rather well to the 2008 financial crisis and should be called upon again to address the fallout from the 2020 global recession. The COVID-19 crisis should also provide an opportunity for global bankers to push China to join international development financing groupings like the Paris Club, which reduce conflicts among lenders when debt crises occur around the globe. Without cooperation on debt restructuring, the international economy could be severely harmed by beggar-thy-neighbor strategies among lending institutions. In this context, the many nontransparent, bilateral infrastructure development loans made by China as part of the Belt and Road Initiative could loom particularly large.

- **Prioritize development of strategic reserves over economic nationalism.** Nations are now more acutely aware of their dependence on foreign supplies of needed products in a world of globalization and transnational supply chains. But global trade has also generally been a very

positive factor for the world economy and the American economy. Any significant reductions in global trade will likely lead to more, not less, poverty and more, not less, vulnerability to disease and hunger. Two potential solutions to protect global trade would be the diversification of global supply chains so that a single country, like China, is not so essential to the supply of final manufactured goods. This diversification would result in even more complex economic interactions around the world than exist today, but it would provide a much more efficient solution than each nation trying to produce many products entirely at home to reduce their vulnerability. To supplement such a globalist strategy, individual countries should be encouraged to create larger strategic reserves of needed medical and other supplies as an alternative to simply moving all production of those products back to their own countries. Economic nationalism as an alternative to strategic reserves would carry huge opportunity costs for global efficiency and wealth and could also infect international security politics in destabilizing ways. Similar approaches to stockpiling of internationally purchased products for security purposes have long been used effectively in the energy sector.