Throughout the United States, it is becoming increasingly clear that the Chinese Communist Party (CCP) is exploiting COVID-19 in an effort to reshape the global order and enhance China’s international leadership at the expense of the US. A range of prominent commentators further assert that the Trump administration bears much of the blame for this turn of events.

This argument tends to rest on twin assumptions:1

1. China is winning the battle of narratives when it comes to comparative national competence and its decisiveness in responding to its COVID-19 outbreak.

2. The Trump administration is damaging America’s standing by getting off to a bad start in its response to the pandemic, exposing the underlying weaknesses of American institutions and preparedness for such a crisis.

These arguments correctly acknowledge that the global pandemic is occurring within a context of US-China strategic, political, and economic competition and/or rivalry. This is the point of warnings to the administration that there is more at stake than containing and managing the virus, even if that is the immediate priority.

Warnings that China is seeking to advance its standing and interests at US expense by means of the pandemic are welcome, timely, and true. But accurate commentary, balanced comparison, and proper perspective are required. Without them, commentators are recklessly undermining their own nation’s foundations for leadership and advancing CCP objectives.
From the point of view of an Australian, a resident of the region, who is affected by both the epidemiological and geostrategic aspects of COVID-19, it seems like some of the increasingly breathless commentary by influential American commentators is lacking in balance and empirical accuracy. Worse, some analyses even seem to inadvertently and uncritically adopt CCP criticisms of the administration and the United States more broadly.

Beijing is aggressively engaged in a propaganda campaign to characterize its response to COVID-19 as decisive and representative of a superior system, while calling the response of Western democracies like the United States “sloppy.” The further charge against the Trump administration is that it is more interested in “spreading disinformation” than in “caring about how to prepare its own country better to protect the people from the disease.”

Introspection and constructive criticism are healthy and helpful. They are not the same as beating oneself up and giving a free kick to a rival eager to exploit division and doubt. The purpose of this paper is to bring some perspective to assessments of the Trump administration’s response and the implications for US, and conversely Chinese, global leadership.

Holding the Communist Party Accountable
President Donald Trump is factually correct that COVID-19 “could have been stopped right where it came from, China” and that “the world is paying a very big price.” The broadly accepted and documented timeline of events support this conclusion.

Indeed, modeling suggests that had Beijing undertaken interventions to contain the virus one week, two weeks, or three weeks earlier, rather than denying the problem and delaying from a desire to control messaging and suppress dissent, cases could have been reduced by 66 percent, 86 percent, and 95 percent, respectively. This would have had obvious beneficial results for the rest of the world. While the new strain of coronavirus was identified in mid-December 2019, Wuhan was not locked down until January 23, 2020, meaning that an estimated 5 million people had left the city in that time. The Chinese did not ban group travel overseas until January 25, yet when countries like Australia and the US banned arrivals from mainland China in early February, Chinese diplomats and officials castigated them for being “insensitive” and “overreacting.” Meanwhile, Beijing refused help from US experts and delayed assistance from the World Health Organization for several weeks after the dangerous coronavirus strain was identified.

The immediate diplomatic battle is over-use of terms such as “Wuhan coronavirus” or “Chinese virus” by senior members of the Trump administration. Various American news reporters and commentators have condemned such usage as racist, xenophobic, or offensive, mirroring accusations leveled by the CCP—even though these outlets and others now critical of the term were using “Wuhan virus” just a few weeks ago.

Others argue that debating the use of these terms is pointless and a waste of time. They contend that “little is gained by repeatedly emphasizing the origins of the coronavirus—which are already well known despite China’s propaganda—or engaging in tit-for-tat rhetorical exchanges with Beijing.”

This report takes a contrary position. Consider why the CCP is so eager to wipe terms such as “Wuhan coronavirus” from common parlance and official language. From a geopolitical perspective, COVID-19 is deeply troubling to the party because it changed the global conversation from how quickly China can construct a one thousand–bed hospital, build a dam, or commercialize self-driving cars to how the country is ruled and governed. Initial attempts to control information and suppress dissent rather than prevent a health crisis posed awkward questions about the strength and resilience of Chinese society under authoritarian institutions.
With the deepening global economic disruptions, this is clearly not just a matter of interest for social scientists and political philosophers. For many businesses, China remains an attractive place to base manufacturing operations or to make some money in the short term. But perceptions of the resilience, reliability, and trustworthiness of its political economy will influence whether global institutional investors and superannuation funds park their capital in the country; whether multinationals continue to rely on supply chains based in China and to invest tens of billions in the country as part of a long-term bet; and whether the renminbi can become a genuine “store of value.” Returning to geopolitics, the United States still has a strong hand. Despite Chinese propaganda about self-sufficiency, Beijing needs the world and advanced markets (especially the United States) most of all.¹⁴

Indeed, it is strange that some eminent commentators recognize the United States is engaged in a comprehensive competition and/or rivalry with China but continue to downplay the critical importance of language. Beijing seeks to define accepted terms because such terms frame and reinforce preferred narratives. In turn, such narratives shape assumptions, action, and responses and will define how historical episodes are understood and remembered.

The onset and spread of COVID-19 occurred as a result of a monumental failure of Chinese governance and institutions. This is why the CCP is desperately seeking to advance the argument that transparent and accountable values, policies, and practices such as those favored by Western democracies do not matter. More than that, according to party propaganda, China’s authoritarian alternatives offer a superior model and outcome.

From the regional point of view, the origins of COVID-19 have led to a burgeoning conversation about the trustworthiness and reliability of Beijing’s institutions and values and whether they are fit-for-purpose for both industrialized and developing political economies. As mentioned, these conversations are taking place not just among politicians and policy experts but in the business community and among laypersons. Such conversations are not based on racism or xenophobia but are due to the current hardship thrust upon them.

Before the coronavirus outbreak there was already an established conversation in the United States and elsewhere about diversification away from China as a risk management strategy. COVID-19 has added a political and institutional aspect to the need for diversification, which is precisely what many Americans have been advocating for. It does not make strategic, economic, or moral sense to discourage that conversation at a time when it is most pertinent. Such developments have immense implications for the future shape and expansiveness of strategic Chinese economic blueprints such as the Belt and Road Initiative and Made in China 2025.¹⁵

In short, it is clearly in the US interest to remind the world, and update the historical record, about why authoritarian institutions and practices are dangerous and why those who are behind them tend not to learn important lessons. Bear in mind that since the 2003 SARS outbreak, Chinese scientific experts had repeatedly warned about the likelihood that further coronavirus strains would appear if SARS lessons were not learned.¹⁶

It is not about race or culture but continuing an ongoing and necessary discussion about the virtues and effectiveness of various political values and institutions. Removing reference to the origins and spread of COVID-19 allows the CCP to avoid scrutiny of its values and institutions and apply such scrutiny only to Western democracies.

To permit the CCP to dictate the conversation in this context—with the unwitting support of prominent US news outlets and commentators—would be to walk away from an unavoidable and necessary battleground. Vacating this space means acquiescence, submission, and a loss of will or confidence in our own system, institutions, and values. And in any...
competition or rivalry, reminding the world of the weaknesses of the other side’s institutions and values is the same as promulgating the relative strengths of one’s own.

**Inaccurate and Unbalanced Comparisons**

Domestically, it is critical to the adaptability, agility, and responsiveness of the American system to point out problems and failings of the US government and national institutions. In this context, there have been reasonable criticisms of government and national unpreparedness in responding to COVID-19.

However, exaggerated or unbalanced historical and international comparisons undermine US self-confidence and will damage global confidence in American leadership. They also create undeserved avenues for Beijing to advance its standing in the world.

With respect to mistakes in responding to the pandemic, the United States is far from alone. In Australia, Prime Minister Scott Morrison received widespread criticism for his slow and initially uncertain response. Western nations unprepared for pandemics, such as the European Union countries, have received even worse assessments. The only countries that have been decisive in responding at an early stage—such as Japan, South Korea, Taiwan, and Singapore—are those that in 2003 experienced SARS, another coronavirus strain that began in China.

In this context, Beijing’s enormous errors, including delays in isolating the infected and preventing them from traveling within China and overseas, were described above. Nevertheless, the CCP is demanding gratitude from its citizens for “superior management of the epidemic”—though Chinese citizens, who are in the best position to judge, reject and severely mock such campaigns.

In contrast, the tendency of American commentators and news outlets to favorably compare the Chinese response with the American has geopolitical implications. Beijing is disingenuously propagating the message to external audiences that “the world should thank China” for its effective and superior response. The argument made by American commentators—that the United States is in danger of losing its global leadership because of its inferior response—is inaccurate, lacks appropriate balance, covers up CCP mistakes, and through that lack of balance, exaggerates US governance and institutional failings in comparative terms. Such inaccurate and false comparisons imply that Beijing’s response, and therefore governance and institutions, are indeed superior to those of the United States—precisely the falsehood the CCP is trying to promulgate.

One should criticize the administration’s mistakes and suggest improvements and changes, in addition to acknowledging areas where it has done well or is doing well. This is the tried and tested way to force governments to respond and adjust, thereby ensuring the adaptability and resilience of liberal democratic approaches to solving problems. Government and institutional improvement and learning are America’s enduring strength. Beijing knows this, which is why the CCP is engaged in an attempted cover-up of its mistakes and is gladly amplifying American shortcomings.

**America’s Underlying Economic Strength and Global Stature**

The COVID-19 discussion is also taking place alongside an increasingly heated debate about whether the United States was already losing its capacity to lead—either through policy mistakes or else structural trends working against it.

Consider one argument—that shortcomings in the US response to the pandemic are testing the foundations of American global leadership and that “Beijing is moving quickly and adeptly to take advantage of the opening created by U.S. mistakes, filling the vacuum to position itself as the global leader in pandemic response.” The Suez Canal crisis, which
marked the end of the United Kingdom’s reign as a global power, is even raised as a portent of what might occur.\textsuperscript{20}

The Suez Canal crisis is an ill-fitting analogy. According to eminent historian David Reynolds, the British inability to prevent Egyptian dictator Gamal Abdel Nasser from nationalizing the Suez Canal Company “was a palpable and lasting blow to national self-esteem and international prestige.”\textsuperscript{21} This impotence was attributed to a lack of means and resolve stemming from Britain’s declining position in the world. The British Empire was already entering its twilight years, with decolonization well underway. In 1956, the British defense budget had declined to around one-tenth that of the United States.\textsuperscript{22}

Economically, Britain had become dependent on “American benevolence” through schemes such as the Anglo-American loan agreement (1945), the Marshall Plan (1948-50), and Defense Aid (1951-7). British Cabinet papers reveal that the government of Prime Minister Anthony Eden had already resigned itself to being the “junior partner” of the United States.\textsuperscript{23} Britain’s inability to impose its will in the manner of a preeminent global power was due to the fact that it no longer was one.

The following are three important reasons why these circumstances do not apply to the United States in the current environment:

1. Underlying Economic Strength
The United States is still a significantly larger, more innovative, and more productive economy than China. In the 2019 Global Innovation Index, the United States ranked third, while China ranked fourteenth.\textsuperscript{24} China’s total factor productivity (TFP) growth has been declining since Xi Jinping came to power, while US TFP continues to remain positive. TFP is widely considered the best measurement of productivity, as it accounts for growth in GDP not driven by direct capital or labor inputs into the economy. This matters, as China is reaching the limits of growth through injections of capital and labor.\textsuperscript{25} Furthermore, China remains economically vulnerable in its reliance on foreign parts and know-how for production of high-tech products and components.

To be sure, COVID-19 has raised concerns that the United States is overly dependent on Chinese supply chains in areas such as pharmaceuticals and medical equipment. This is in addition to concerns being raised before the pandemic in areas such as electronic equipment and critical minerals.

However, the current pandemic will only lead to even stronger calls by government, policymakers, and businesses to further “disentangle” some supply chains from China, or at least diversify to other parts of the world, if not back to the United States. Rather than signaling declining economic leadership and relevance, COVID-19 will invigorate a domestic discussion about how better to protect the country’s knowledge, economic base, and supply chains.

2. Financial Institutions and Global Reserve Currency
Where institutions, firms, and individuals flee for safety and choose to park their wealth and capital in times of crisis—like the present—is an indicator of where true confidence in the future lies, or where long-term bets are being made.

American financial markets are still the deepest and most diverse and among the most trusted in the world. It is telling that as the pandemic develops, global entities are fleeing to purchase US dollar assets (followed by the Japanese yen, Swiss franc, and gold).\textsuperscript{26}

In contrast, the onset of the pandemic has deepened wariness of the long-term prospects of China as a safe and reliable political economy with enduring institutions—which is precisely why the CCP is seeking to eliminate the term “Wuhan coronavirus” from parlance.
With respect to the Chinese renminbi, it is neither free floating nor freely convertible. This continues to place severe limits on the extent to which it can become a store of value and therefore a genuine reserve international currency. The latter allows countries such as the United States the “exorbitant privilege” of reduced borrowing costs, given the enduring demand for US dollars.

Moreover, although commitment to a “managed currency” offers China some measure of currency stability and protection against the destabilizing effects of “currency speculators,” it also means Beijing effectively outsources the value of its currency to other countries—to the United States most of all.

3. Allies, Partners, and Global Governance

There has been criticism of aspects of the Trump administration’s approach to alliance/partnership management and its perceived hostility towards global institutions within which American leadership can be exercised. Some of these criticisms are justified, while others are exaggerated or ill-directed.

Some eminent commentators have also raised the specter that China’s immediate ability to supply countries such as Italy and Serbia with ventilators, masks, testing kits, and even doctors creates more fertile ground for Beijing to seize global leadership from Washington in the midst of the pandemic. Certainly, these two countries, whose governments have taken a more favorable view of Beijing than their EU counterparts, have prominently acknowledged such assistance.

Even so, the receiving European countries view immediate reliance on Chinese largess as more indicative of European disunity and dysfunction than a failure of American leadership. This episode speaks more to cynical opportunism by Beijing than a transfer of global leadership from the United States to China.

In the immediate future, the United States will be too preoccupied with managing the domestic devastation of COVID-19 to give due attention to helping other countries or leading a rethink of global governance arrangements in public health or other areas.

Calling on the United States to refocus on better meeting the demand for global leadership—including through better collective action with its numerous and long-standing allies and partners—is reasonable. But it is too long a stretch to conclude that COVID-19 is leading to a passing of the torch of global leadership to China. The latter’s ad hoc allies and partners such as Russia, North Korea, Iran, and Pakistan can command attention, cause formidable problems, and coerce neighbors, but they will not collectively reshape the world and global governance with China.

Indeed, there is very little evidence that the pandemic has increased appetite for Chinese leadership. When the dust settles, Washington should seize the opportunity to reinforce its leadership and agenda-setting credentials when it comes to multilateral governance.

Conclusion

This US administration believes that China is engaged in a comprehensive competition and rivalry with it. Leading Democratic foreign policy thinkers such as Kurt Campbell and Jake Sullivan argue the “goal should be to establish favorable terms of co-existence with Beijing in four key competitive domains: military, economic, political and global governance.” While Democrats and Republicans might argue about strategy, tactics, and priorities, both sides are essentially arguing for similar outcomes.

Global cooperation, including with China, is needed to fast-track medical solutions to the pandemic, and that is occurring. But Beijing is also engaged in subversion of both the United States and the truth. With much shameless cynicism, Beijing is
attempting to advance its standing through a virus unleashed on its own population and the world through its own poor governance institutions and practices. How else to explain the CCP’s fiction that COVID-19 was brought to China by the US military or, as mentioned earlier, that the world should “thank China” for acting “decisively”? 

Propaganda should not be dismissed as mere mischief-making or an annoyance. Beijing is highly adept at controlling narratives to advance its strategic objectives and will use the pandemic to advance the narrative that its authoritarian institutions and practices are superior and lead to better moral and practical outcomes.

The CCP will prevail in this propaganda campaign only if the United States refuses to recognize that there is a competition over the narrative accompanying COVID-19 and its impacts or that competing might offend or provoke its opponent. The CCP will also prevail if the United States continues to downplay its strengths while ignoring its rival’s weaknesses or if a growing number of Americans lose confidence and nerve.

Endnotes


22 SIPRI Military Expenditure Database, https://www.sipri.org/databases/milex


28 For example, see Kurt Campbell and Jake Sullivan, “Competition Without Catastrophe: How America Can Both Challenge and Coexist with China,” Foreign Affairs 98, no. 5 (September/October 2019): 96-110.


32 Campbell and Sullivan, “Competition Without Catastrophe,” at 100.


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