

# **The COVID-19 Pandemic and Changes Unseen in a Century**

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**Abstract:** The COVID-19 pandemic can be compared to a world war that makes the existing international order unsustainable. The pandemic is interacting with global changes unseen in a century and exerting major impacts on international politics, world economy, major-country relations, the geostrategic landscape, global governance, and development models. In the next three to five years, the international landscape will be a chaotic situation, highlighting not poles but competing states and transformation, thus making it more difficult for major countries to cooperate while medium-sized and small states have to huddle for warmth and seek a way out within their respective regions. Although further observation is required during the ongoing pandemic and worldwide economic recession, some major trends in the world have emerged. A restart to China's international relations is called for.

**Keywords:** COVID-19, pandemic, international order, changes unseen in a century, China and the world

The globally sweeping COVID-19 pandemic coupled with changes unseen in a century, as well as frequent Black Swans and Gray Rhinos, has shocked the international order, bringing uncertainties and instability. Affected by the pandemic, the changes unseen in a century will accelerate their evolution, or even fission on multiple fronts, pushing China's relations with the world to a crossroads. At the juncture of the two centenary journeys, how will China strengthen and make a decisive, well-planned step forward?

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## **Geopolitics of Pandemic**

The pandemic can be compared to a world war that makes the existing international order unsustainable.

In recent centuries war gave birth to a new international order. Like the Westphalia system stemming from the Thirty Years' War, the Versailles-Washington system from World War I, and the Yalta system from the Second World War, the contours of the current international order were outlined by post-World War II events. The foundation of this order is crumbling after the post-Cold War shocks of 9/11, the international financial crisis, and the surprise upset in the 2016 US presidential election. US leadership and willingness to lead are declining along with US participation and power in international governance. The limited role, authority or functioning ability of the United Nations, World Trade Organization, International Monetary Fund and World Bank delineate the new reality that global arms control is on the brink of collapse, the mechanism of major-country cooperation is in disarray, and international rule-based decision-making is collapsing.

The pandemic has caused global mourning, brought countries to economic standstill, roiled stock markets, and caused oil prices to nose-dive. The interruption of communications and exchange, and the insults and rumors whose impact is no less than war, deal a blow to international order. The old order is unsustainable while a new one is yet to come, which is the essence of the changes unseen in a century.

The world after pandemic will be much like the one after World War I when the British Empire was unwilling to relinquish leadership but the US was emerging. History recalls how Europe was busy with reconstruction, Japan and Russia were fishing for influence amid the chaos, China was beset with domestic strife and external aggression, and marginal forces in Asia, Africa and Latin America were at a loss, a bewildering potlatch during which the great powers divided and realigned. The Great Depression and a second world war followed.

## **Poor Leadership**

The US Trump administration has indulged in selfish self-protection

rather than respond to the pandemic as world leader. Hardest hit by the pandemic, with more than 2.3 million Americans infected, the US has seen the death toll from the virus exceed 122,000. Starkly, more Americans have died in the pandemic than in World War I, and more than in 9/11, the Vietnam War and Korean conflict combined.<sup>1</sup>

The 2020 US presidential election is shaping up to be a contest between America First pursued by Trump and “regaining American leadership of the world” championed by Joe Biden. Even if Biden wins, it will be difficult for the US to regain world leadership owing to its domestic politics and external changes. Since, like Great Britain after World War I, the US remains capable of preventing other countries from overtaking it, its China policy will be touchy, tougher and arbitrary; its crackdown on China will be intensified; and the strategic game between China and the US will be aggravated.

Post-pandemic, the existing world pattern featuring a superpower with many other strong powers will change. The US remains the only superpower now but cannot keep its solo dominance. China has accelerated its rising but sees a bottleneck hindering it from surpassing the US. The EU’s overall strength is declining and its development direction uncertain. Russia strives for influence amid chaos with its international standing steadily rising. Populous India’s rise is frustrated by its shortcomings and defects. In a bitter defeat, Japan postponed the Summer Olympics due to the spread of the virus. In the wake of the pandemic, countries have to clear up a messy situation and re-chart their development, some caught up in embarrassment for passive sleeping, some torn between expecting international assistance and hesitation to seek it. US mono-polarity is gone but China is not yet ready to establish a bi-polar world with the US, so multi-polarization will have to wait for better conditions for China. The trilateral political influence of China, the US and Russia plays the dominant role in reshaping a future world order, while Europe, Japan and India are keen on promoting their strategic autonomy.

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<sup>1</sup> Olivia B. Waxman and Chris Wilson, “How the Coronavirus Death Toll Compares to Other Deadly Events From American History,” *Time*, June 17, 2020, accessed June 21, 2020, <https://time.com/5815367/coronavirus-deaths-comparison>.

China's relationship with developing countries is being tested as Asia, Africa and Latin America suffer pandemic-triggered setbacks. The Middle East's prospects dimmed with the pandemic, falling oil prices and terrorism, and a possibility exists for the region to enter a Dark Age. Latin America, which had failed to speed up reform and development, missed its window to effect infectious control, and now is in political and socioeconomic chaos, and "disoriented at development direction." Dependent on global trade and investment, the African continent has the world's weakest public health system; once the pandemic explodes, African countries will be trapped in a humanitarian crisis. As the BRICS fade, fence-sitters India and Brazil maneuver among the US, China and Russia.

### **Full-Blown Recession**

The global economy is in a full-blown recession and only a step away from economic depression. A world that seemed prosperous, benefitting from interconnectivity wrought by globalization and IT, and generally peaceful and stable was the international environment during which China rose. After the 2008 international financial crisis exposed deep-seated problems in US and European economies and a global development imbalance, the US remedy for the crisis was not a curettage-like structural reform, but quenching thirst with a poison and laying blame upon other countries for its domestic problems. Instead of curing the chronic illness, it created more ailments. American voters' election of non-traditional presidents Barack Obama and Donald Trump resulted from social polarization incited by economic and political malposition in the US. While the debt crisis is not over, Europe has experienced the Ukraine crisis, refugee crisis and Brexit crisis, with the European economy never picking up.

"To make America great again," Trump abandoned multilateralism, internationalism and free trade for unilateralism, protectionism, and a trade battle with China. Although the US economy and stock market rebounded through coercion and power politics, the base is hollow. There is plenty of proof for a sluggish world economy. Europe is in economic doldrums. The Russian economy is not improving. India's economy, once a favorite, has suddenly stalled, but China's economy has begun to enter a new normal.



The pandemic has added to economic woe. In the first half of 2020, China, the world's factory and most economically dynamic East Asian country, along with the financial, tech, aviation and recreation industries worldwide, were seriously hampered by the virus. Asia, Africa and Latin America have been hurt to the bone. The major economies' GDP dropped by 10-30 percent with unemployment about 20 percent. It is a consensus that the pandemic's economic downturn will far surpass the 2008 financial crisis, though people differ over whether it will slide into economic depression as devastating as that in 1929-1933. The Great Depression presaged a second world war, which paralyzed or semi-paralyzed the world economy. So far, this round of crisis is not probable to trigger a great depression in its narrow sense. It is likely to be worse than 2008 but better than 1929. However, measured by conventional standards (economic recession defined as lasting more than two years, and negative actual GDP growth exceeding 10 percent), it is quite likely the current crisis will lead to an economic depression in a general sense. What happens will largely depend on the spread of the pandemic and development of a vaccine. Research for a vaccine is inconclusive, and to go to market will take at least one to two years. During this time, the pandemic is likely to spread in India, the Middle East, Latin America and Africa, while China, the US, Europe and Japan deal with the risk of a second outbreak. Disruption makes reintegration of the global supply chain, industrial chain and demand chain unforeseeable.

As the superstructure is determined by economic foundation, national security and international security are based on economic security. While the pandemic lingers, economic development remains hopeless but international cooperation is suspect. It is a pity that, in the pandemic, cooperation among major countries has been replaced by competition and confrontation, badly hurting the confidence which is the most valuable for promoting economic recovery. If the G20 Summit would be duly launched and give birth to an extensive and in-depth international cooperation like what happened in the wake of the 2008 financial crisis, recovery of the world economy is not inconceivable as America's financial system remains strong, China's economy is remarkably resilient, and the world's major economies are fundamentally sound. However, if the US persists in trade conflict or

insists on mandatory backflow of industries such as respirator manufacturing to achieve local production and local consumption, or makes unlimited claims against China that lead to international political disorder, international trade will decline, foreign investment will shrink, and the global economy will worsen. If this is what happens, a great depression is unavoidable, which will be different only in form, degree of destruction and time duration. The G20 video summit, on the other hand, is a beginning for major economies trying to cooperate.

### **Antagonism and Interaction of China-US**

There are no eternal friends, but only eternal interests. Realignment of major-country relations is an everlasting theme of international politics. This round of realignment is driven by a change in the China-US relationship, incurring new interactions among various strategic forces including China, the US, Russia, Europe, India and Japan. Results will profoundly impact the international order.

American relations with China have changed. Engagement with China has given way to containment and crackdown, strategic competition, trade friction and geopolitical gaming. Amid the contest over Taiwan, Hong Kong, Xinjiang and Tibet, ideological rivalry is a new normal. The COVID-19 pandemic should have been a buffer, a relief valve or a binder for the China-US relationship, but due to all sorts of accidental mishaps, it has become a transformer, an accelerator and a catalyst that intensifies the game between China and the US instead. Although there are occasional causes such as the epidemic situation on both sides being out of sync and the emotional confrontation between the two sides, the fundamental change in US outlook toward China is that the US defined China as a major strategic rival, and is using its power to contain China. Domestic political factors in the US have added fuel to the fire. To ensure reelection, the Trump administration has lost no time to pass the buck and blame China for US problems at home while extremists smear and seek to suppress China. The Biden campaign team has joined the performance to show toughness on China. It is foreseeable that the interaction of the pandemic with the US election is likely to further worsen China-US relations. Anti-China hardliners in the US

expect hostility between China and the US to become reality.

Rivalry between China and the US is unlikely to become a cold war, however, foremost because Chinese and American interests are so deeply intertwined that neither is able to bear the cost of long-term confrontation. A secondary reason is that the good old days for America's alliance system and the Western-dominated world are gone, as evident in how the policies of Europe and US toward China are out of sync, the rift in the West is expanding with the pandemic, and China-EU relations are at their historical best. The overall China-Russia relationship is so solid that US intent to crack down on China with Russia will never happen. Japan and India can only bet on benefits from both sides.

Whereas China and the US will eschew a new cold war, neither can they become two poles. What is more likely is that the US will step up building small circles to exclude China, withdraw itself from international financial, economic, trade, science and technology bodies, separate somewhat from international industrial chains and organizations, and establish new circles in fields where it can more efficiently exclude and isolate China. Meanwhile China will work at advancing its Belt and Road Initiative and its neighborhood with a shared future concept. Two economic circles, one centered around the US and one around China, are not the same as two Cold-War blocs. China and the US cannot decouple. They have to cooperate amid competition, while other countries cannot solely rely on either and have to do business with both.

The China-US competition and game will not change fundamentally, no matter the results of the 2020 US presidential election. The US, Europe and Japan share interests in jointly containing China, but potential does exist for China, Europe and Japan to tap positives in future relations. Cooperation between China and Russia is driven by their strategies; the basic structure of the US-Europe alliance will be difficult to change in a short run but a gap may widen. In Asia, while the China-Japan relationship is relaxing, the China-India relationship is mixed.

As the US has ruined its own image, the world no longer pins hopes on American leadership. Though China has grown big, it is not strong enough, nor intends, to replace the US in a unipolar world. Russia, Europe

and India are short on capability or will to lead the globe. Within the coming three to five years, the international landscape will feature a chaotic situation highlighting no poles, but instead warring states and transformation, thus making it more difficult for major countries to cooperate, while the medium-size and small states huddle for warmth and seek a way out within their regions.

China's relative advantage in managing major-country relations is derived from unrelenting recent efforts at major-country diplomacy with Chinese characteristics and its endeavor to supply anti-epidemic public goods. US and European calls for accountability, compensation, and pressure on China will grow louder, while anti-China and anti-Communism adherents will certainly take the opportunity to make a big deal out of the pandemic. There is a high risk of China being mobbed for compensation. Grievances in several African and Latin American states have turned outrageous, with demand for debt reduction, compensation and accountability from China, which is a new trend in China's relations.

### **Future Centrality of Asia-Pacific**

China's rise is prelude to the eastward movement of the global power center. Its rise has stimulated a renaissance for Northeast Asia, and together with the revitalization of Southeast Asia and India's rise, make the Asia-Pacific the most economically dynamic region. After the Second World War and for some time after the Cold War, the US and Europe dominated the international order, chanting the "end of history," trying to expand NATO eastward, and doing anything they wanted based on their economic, military and political advantages. But, since the turn of the century, particularly since the end of the Iraqi War, US-Europe relations are increasingly estranged, hence widening the Atlantic.

The fluctuating security situation in the Korean Peninsula, East China Sea, South China Sea and Taiwan Strait give the Asia-Pacific a high potential for military conflict. From the Asia-Pacific rebalancing strategy pursued by the Obama administration to the Indo-Pacific strategy pursued by the Trump administration, moving strategic focus eastward has become a bipartisan consensus and national policy in the US. Driven by this,

Russia marches southward, India looks east, Australia advances northward, Japan moves westward, and even Europe comes from afar. The vast Pacific has become not only very crowded all of a sudden, but also unstable. So far, the geopolitical and geo-economic significance of the Asia-Pacific have outmatched those of any other region.

After COVID-19 broke out in China and East Asia, China, Japan and South Korea took a lead in controlling its spread. China, South Korea and Singapore among others achieved epidemic prevention, setting an example of the comparative advantage of oriental culture, values, collectivism, and social governance models, in a revival of Asian civilization. East Asian cooperation among China, Japan and South Korea is growing, the ASEAN+3 has been reactivated, and the advantages of the Asia-Pacific are prominent.

Other regions have all been overshadowed. Post-modern Europe has seen one crisis after another. During the assault of the pandemic, the EU's shortcomings and defects are so obvious that people have begun to talk seriously about the EU's abolition, making the absence of the West a question for history. In the Middle East, the strategic vacuum left by US military withdrawal, and the inability of Russia and Europe to control the situation have agitated regional powers. Iran, Saudi Arabia, Israel and Turkey have power ambitions but it is hard for them to stand out. Negative oil prices accelerate economic malaise for the Middle East. In Africa and Latin America, countries' comprehensive influence will fade after the pandemic.

Post-pandemic, a country's recovery will count on its economy, supply chain and industrial chain. Asia-Pacific security is of concern to China, with the US Indo-Pacific strategy, the South China Sea and Taiwan Strait hanging out of balance. In the intensifying China-US game, China must weigh how to manage its neighborhood, the Belt and Road, and the risks of potential military and security conflicts.

## **Globalization**

The industrial revolution followed by a science-technology revolution sped up globalization. Where is the tide of globalization going? With the chronic illnesses of Western liberal institutions and capitalist system

exposed, and the efficiency, dynamics and vitality of socialism with Chinese characteristics concurrently revealed, it has more and more become a puzzle of the era to the men of insight in the West that a free market economy does not necessarily lead to Western liberal democracy. Economic globalization will not go hand in hand with political globalization as projected by Western strategizing. Uncoordinated with domestic policies, economic globalization would mean uneven development. Unless emphasized and mended with structural reforms, such an imbalance will intensify domestic social conflicts, and boost protectionism, populism, isolationism and adventurism abroad.

The “Trump phenomenon” is a result of how the US has failed over the past 20-odd years to shape itself to conform to globalization and multi-polarization. Measures Trump took in his term do not prompt America to adjust in the direction of globalization but oppose it with trade protectionism, decoupling with China, and calling on industries to backflow.

US leaders have failed to resolve deep-seated structural problems and created international tension. Globalization of economy, information and resources should have corresponded with global governance, but shortages in funds, personnel and authority, and a shaky economic foundation are the upshot. During past international financial or economic crises, the IMF and the World Bank had limited roles as compared to central banks of various countries. As a result, countries of the world have raced to adopt ineffective financial stimuli and tax cuts.

The pandemic warns that each country has to reconsider the importance of global governance. The US, among other nations, may incorrectly treat COVID-19 as the fault of globalization. Redoubled efforts against globalization might narrowly identify “localization” and “regionalization” of relevant industries as the right way or actively drive industry backflow, rather than seek cooperation over medical supplies and other problems. It is only adding insult to injury to de-invest in WHO and denigrate the World Trade Organization (WTO).

Globalization is the historical trend. The few politicians going against this tide are overrating themselves. The final results of the pandemic are yet to unfold, but threats of “decoupling” and “industry backflow” are easier said than done and will be punished by history. It is the right choice



for China to advocate community with a shared future, the BRI, free trade and multilateralism, and to promote such with resolve. As for global governance that the West used to admire but now tries to dump or is incapable of maintaining, China may use the old bottle for new wine, enriching and perfecting it on levels of theory and practice so as to raise its international discourse power and influence.

### **Contention over Ideology**

China's rise is the most outstanding change in international politics after the end of the Cold War. The growing maturity and confidence of socialism with Chinese characteristics is reflected in its rise. By contrast, the West is fading away, the capitalist system is riddled with ills, and the liberal international institutions it dominates are collapsing. Ideological and institutional struggle between the US and Soviet Union has evolved into a contest between Chinese and the US development paths and models. The change in US strategy toward China is intended to cope with China's rise and contain the shock brought about by China's development model on Western freedom and democracy. Such anti-China celebrities as Mike Pompeo, Peter Navarro, Steve Bannon and Newt Gingrich keep their anti-China ideology on slow burn.

Since "Made in China 2025," government subsidies to state-owned enterprises, and China's structural reform are targets of the US-China trade conflict, the dispute seems aimed at institutions or politics. The signed first-phase agreement between the two was a window phase for a temporary truce, but COVID-19 upset that.

China has rapidly controlled infection and resumed production by providing centralized leadership and unified command, taking concerted actions, combining central and local efforts, encouraging mutual assistance, giving full play to public health facilities, strengthening community management and putting people first, which manifests China's unique institutional advantages in sharp contrast to the shortcomings exposed in American and European institutions in the form of partisanship, over-liberalization and political polarization. The West is unwilling to acknowledge its system decline and policy failure. It indulges in tarnishing



China's image to cover up its shortcomings, accusing China of hiding facts about the pandemic, of fulfilling its geostrategic ambition by conducting epidemic diplomacy, and of boasting about ideological victory, just as some Western media claimed COVID-19 prompts a strategic contention between China's model and the Western model. If so, it would be a misfortune for international politics. As a matter of fact, institutions or systems vary in advantages and disadvantages. China will never sell its model nor accept Western models.

Chinese responses to the pandemic gave full play to the power of science and technology. China could stabilize and control the situation using its scientific advances which include big data, health code, express delivery, a central epidemic information system, data chain for tracing, central e-payment system, and grid management. China's comparative advantages are bound to prompt the West to try to adjust, but public opinion, the ballot box, and the absolutism of liberty and human rights will intercept its best efforts. The US will speed up its sci-tech decoupling with China to hold back China's science and technology advances, and will no doubt step up accusations against China over technology ethics and digital monitoring issues. Contention and competition in advanced technology fields will become a central plank for international politics in the coming years, in a parallel to an arms race.

### **Restart of China's Relations**

China is not what it used to be. China had been bullied and humiliated while trying to stand up and while fighting for respect. Such a bitterness in China's relations with foreign countries is only best known to the Chinese people.

With China continuing to rise, coupled with its economic prosperity, political confidence and strategic initiative, China's relations now can change. In short, the world is not what it used to be either, as China advances from major country to strong power. At the moment, China's relationship with the world features mutual bending, deep linkage and interaction, but China is turning from its past tack of one-way merging into the world, to mutual shaping of it. Merging with the world is not the final

goal. China wants creative involvement and constructive pioneering. Since the 18th Party Congress, China has a closely-knit five-pronged strategic framework, taking ideological win-win as base, peaceful development as strategic choice, the Belt and Road as means, building a new type of international relations as a phased objective, and community with a shared future as ultimate pursuit.

Instead of observing the change in China's international relations from a progressive historical perspective, the US anticipates China's involvement in and guidance of the world with strategic vigilance, thus prompting the US to use high pressure to block and contain China. Some, like Steve Bannon, visualize the Belt and Road as a mixture of geostrategies with which China is to realize its global ambition. China's charitable assistance in the pandemic has been stigmatized as using the epidemic to achieve its geostrategic goals.

This calls for a restart. As the pandemic made the changes come more quickly and more violently, China's foreign relations are more complex and multifaceted.

China was the first to come out of the darkest and most arduous moment of the pandemic and resume production. As seen at the National People's Congress and Chinese People's Political Consultative Conference, strategic deployment is advancing. The critical point is whether China is able to do its own things well while the rest of the world is mired deep in the catastrophe that follows the pandemic. While doing what it can to provide public goods, China will restart international relations and achieve great national rejuvenation.

China has to unswervingly advance reform and opening up in the new era, not give up halfway. We have to get ourselves together so as to go into the battle with a light pack. As the first centenary goal is drawing to a close, we need to pause to sum up experience, learn lessons, and create rules and conditions conducive for us to sprint for the second centenary goal. Putting off preconceptions in favor of facts will allow China to sort out, regulate and guide in a timely way the current collision of thought from left and right in the new era. Without unity of thought, it would be exceptionally difficult to meet the second centenary goal. A balance

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between development and security is vital. The biosecurity issue revealed by the virus pandemic, coupled with national security concerns, indicates development must be ensured by security, otherwise we could run the risk of seeing development gains wiped out. Development is, of course, the absolute principle, but the development after 40 years' reform and opening up must be prefixed: only safe development counts.

*(edited by Zhao Jinfu)*