China Crisis

For a country seeking superpower status, the novel Coronavirus Disease-19 (COVID-19) outbreak has put China in an unwanted spotlight. The Chinese government's extraordinary measures to contain both physical and reputational impact have been impressive, yet disturbing. China quarantined 45 million people, the largest quarantine in human history, and built over 20 mass quarantine centers for non-critical patients in Wuhan. However, Chinese authorities have also been "turning to a sophisticated authoritarian playbook honed over decades of crackdowns on dissidents and undesirables to enforce quarantines and lockdowns across the country."[1] Meanwhile, ramifications of a potential pandemic are being felt globally. For all of China's stature, its strengths may now be its Achilles heel.

As the coronavirus threatens the well-being of China's people, the outbreak poses considerable risks to China's ruling Communist Party and President Xi Jinping. China's "digital totalitarian state" utilizes everything from CCTV cameras to new technologies for DNA analysis and facial recognition. While useful in tracking and containing the outbreak, these resources are often used to repress human rights (notably those of Uighur minorities) and quell dissent. Control and censorship of all information surrounding the outbreak has the Chinese public outraged as authorities suppressed and punished those with early warnings about the virus. As quarantines and other cautionary measures prevent business as usual, executives and local leaders are pushing to get people back to work. "It undermines the argument that China's single-party authoritarian governance model is the ideal system for China and can provide a better quality of life for its citizens than any potential alternatives, particularly liberal democracy." [2]

Whereas "Made in China" was once a boon, it may now be a burden. With 22 million businesses (90% of all active business) in China located in areas impacted by the coronavirus, supply chain disruptions "would impact at least 56,000 companies around the world with suppliers either directly or in the first and second tiers."[3] Such disruptions have already occurred in manufactured goods, such as consumer electronics and commercial parts, as well as in transportation and tourism. Apple, for example, warned of global iPhone supply shortages and possible drops in revenue. Most critical is the American healthcare industry's reliance on foreign suppliers. Notably, 97% of antibiotics sold in the U.S. are made in China. "For many, the virus comes after two long years dealing with trade war tariffs and has added to the sense of China fatigue."[4] Many companies have questioned their future operations in China.

The coronavirus epidemic has deepened political and economic cracks in China's armor, and exposed vulnerabilities in its regional and global ambitions. China will likely manage these risks by digging deeper into their heavy-handed ways. That resolve seems to be at the core of why Defense Secretary Mark Esper named China as the Pentagon's "top concern" at the recent Munich Security Conference, pointing to Beijing's "predatory" economic practices and broader military expansion.[5] Even after China withstands the virus' threat, will the country be able to withstand the doubts about their might? This may be China's greater crisis.

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[1] James Griffiths & Nectar Gan, "China's massive security state is being used to crack down on the Wuhan virus," *CNN*, February 11, 2020, www.cnn.com/2020/02/10/asia/china-security-police-wuhan-virus-intl-hnk/index.html.

[2] Melanie Hart & Jordan Link, "Chinese President Xi Jinping's Philosophy on Risk Management," *Center for American Progress*, February 20, 2020, www.americanprogress.org/issues/security/news/2020/02/20/480680/chinese-president-xi-jinpings-philosophy-risk-management/.

[3] Huileng Tan, "Coronavirus outbreak in China spurs supply chain shifts that began during trade war," February 20, 2020 *CNBC*, www.cnbc.com/2020/02/20/coronavirus-outbreak-spurs-supply-chain-shifts-started-by-us-china-trade-war.html.

[4] Finbarr Bermingham and Su-Lin Tan, "Coronavirus: China's manufacturing supply chain pummeled from all sides in efforts to restart," *South China Morning Post*, February 20, 2020, www.scmp.com/economy/china-economy/article/3051534/coronavirus-chinas-manufacturing-supply-chain-pummelled-all.

[5] Olivia Gazis, "U.S. officials sound alarm over China at security conference," *CBS News*, www.cbsnews.com/news/u-s-officials-sound-alarm-on-china-at-global-security-conference/.