

Coronavirus: The Great Disruption

# Reports of the death of liberal international order are exaggerated

The coronavirus pandemic will cause economic disruptions that may lead countries to turn inward, but the fundamental world order of asymmetrical multipolarity won't change

**Bilahari Kausikan**

For *The Straits Times*

The middle of a global crisis is not the best time to make geopolitical assessments.

Fear spawns extravagant leaps of illogic. Emotion masquerading as judgment has led to sweeping speculation about everything from changes in the United States-China power balance and the collapse of the global order to the future of Western democracies.

All this is grist to the commentariat's mills. But crises require clinical cold-blooded analysis. So let's all take a deep breath and calm down.

The number of Covid-19 deaths in the US has surpassed those in China. The Covid-19 pandemic isn't over for anyone yet. More people are going to die before it ends.

So what? The human tragedy aside, does it really matter?

Over the 17 years since the severe acute respiratory syndrome (Sars) first appeared, many more people have died from flu and other coronaviruses than have so far died from Covid-19 globally. What geopolitical difference did all those deaths make?

When this pandemic ends, irrespective of the final number of fatalities, I doubt that the relative balance of power or relations between the US and China will be altered in any fundamental way. Covid-19 is not nuclear war or the medieval black plague. Its strategic effect, if any, will be marginal.

Strategic competition and the trade war will not cease. Even as the pandemic rages, the US is tightening restrictions on Huawei. If the US eases tariffs, this will be temporary – to facilitate import of medical supplies.

Shifts in relative power balances were under way well before the pandemic hit. China and the US have both been materially damaged by the Covid-19 crisis; they will both eventually recover.

The damage and the recovery may not be perfectly symmetrical. But the US and China will both remain big, powerful and influential countries that cannot be ignored. Neither is particularly trusted by other countries, as several pre-pandemic surveys have consistently shown.

I doubt that either China or the US will come out of this looking brilliant. The weaknesses of both have been exposed. Mistrust of both will probably be enhanced.

No Western system could ever have acted to contain Covid-19 with such decisive ruthlessness as China. But Beijing was compelled to take draconian measures only because the Chinese Communist Party's (CCP) instinctive, almost Pavlovian, initial response was to cover up.

The waste of vital time allowed the disease to take hold in Wuhan and spread throughout China – threatening social stability and, potentially, the CCP's control – and rapidly proliferate beyond China's borders.

Democracies are always slow to react, and the US under President Donald Trump much slower than usual. For different reasons, Mr Trump, like the CCP, initially downplayed the gravity of the situation.

But history has time and again shown that America is resilient and capable of immense efforts once roused. Despite Mr Trump, the US is gradually mobilising. It will eventually contain the virus in its own way.

Delayed responses by China and the US (and Europe) have increased the economic costs of the pandemic. But all of us will have to pay the bill.

This does not inspire great confidence in any of them.

**CHINA'S 'MASK DIPLOMACY'**

Beijing is now capitalising on its ability to contain the fire it allowed to spread in the first place. Its propaganda apparatus is in overdrive, touting China's success. Beijing offers aid and advice, and contrasts its efforts with the West's



An apocalyptic mural in Los Angeles, California, by Hijackhart, where soldiers wearing face masks fight the Covid-19 disease with disinfectant and hand sanitiser amid the coronavirus pandemic. Delayed responses by China and the US (and Europe) have increased the economic costs of the pandemic, says the writer. But, he says, all of us will have to pay the bill. PHOTO: AGENCE FRANCE-PRESSE

fumbling responses, in the hope that its own culpability be overlooked.

Give credit where due: By considerable sacrifice, China did contain the fire relatively quickly. It would otherwise have been worse for everybody.

But I doubt that China's "mask diplomacy" will have more than a temporary effect.

Even before the pandemic, the trade war, Hong Kong, Beijing's bullying tactics, and mistreatment of Uighurs in Xinjiang, among other issues, were wearing some of the gloss off the China story. The liabilities as well as the benefits of Chinese BRI (Belt and Road Initiative) investments were already becoming clearer.

No country will ever shun China. But "mask diplomacy" will not totally reverse the greater caution and scepticism that were already manifest in many countries' dealings with China. The simple reason being that Beijing's approach to the issues that led to this change of attitude will not substantially change.

Over-eager efforts to change the narrative of China's role seem to have begun to back-fire. Triumphalism grates; there have been complaints about the reliability of Chinese masks and test kits rushed to Europe that are reminiscent of complaints about the quality of some BRI projects. The Chinese government may not

**Coronavirus: The Great Disruption**

The coronavirus pandemic raging across the world is taking a huge toll on lives and economies.

Already touted as the biggest global crisis since World War II, it has forced countries to take unprecedented measures – slamming borders shut, quarantining millions, and shutting down workplaces and schools. These actions exact a steep price – millions have lost their jobs, with tens of millions more at risk as businesses fold under the pressure. In turn, states are pumping massive amounts of money into their economies to prevent them from crashing before a cure or vaccine is found.

Every single one of these measures will have consequences which will change and reshape the world as we know it. To what degree is yet to be determined. But questions are already being raised.

For instance, as nation states turn inward in a defensive crouch, how will that affect multi-

lateralism, international trade and the nature of global supply chains? Will the virus accelerate the United States-China decoupling and ongoing shifts in the global balance of power? As the two big rivals examine the trauma visited on their respective systems of governance, how will they respond to the shortcomings laid bare? How will business and workplaces be altered by the pandemic's rupture of existing practices?

As the crisis unfolds, expect more orthodoxies and established practices and relationships to be challenged. Some may be permanently upended; others may prove more resilient. To make sense of the impact and fallout of the Covid-19 pandemic, leading opinion leaders share their views of this global upheaval with *The Straits Times* in *Coronavirus: The Great Disruption*, a special series that starts today and will run this month.

be involved. But that is beside the point: China wants credit, China takes responsibility.

There are already signs of pushback against too crass Covid-triumphalism. There could

also be more invidious lingering effects.

Mr Trump calling Sars-CoV-2, the coronavirus that causes Covid-19, the "Chinese virus" is racist and unacceptable.

The phrase and all it insinuates may nevertheless stick in people's minds even if they dare not voice the politically incorrect thought. After all, more than a century later, we still call the 1918 pandemic "Spanish flu". The long-term reputational effects of calling the virus "Chinese" could be invidious.

Kindergarten-like behaviour – the trading of insults and conspiracy theories – has paused. Both sides have said they will cooperate against the disease. That's all to the good.

**DOMESTIC INTERESTS FIRST**

For all the talk of global cooperation, what this pandemic has shown is that in a crunch, all countries look to themselves first. This has always been the harsh reality, now thrown into stark relief.

A recent Gallup poll had 49 per cent approving of Mr Trump's handling of the Covid-19 crisis. A Pew survey gave him 50 per cent. Republican support was much higher. Will Mr Trump eschew racial labels or will he resurface them if he sees advantage for the presidential election?

The Chinese people do not seem to have entirely absolved the CCP of responsibility for its initial

bungling. If it feels insecure, will the party hesitate to resurrect absurd conspiracy theories to distract the public and bolster the nationalism that legitimates its authority?

In the meantime, the already bad atmosphere of US-China relations has been further poisoned, making life difficult for all other countries.

In so far as mistrust of both has been enhanced, few countries anywhere, except the irredeemably compromised, are going to place all their bets on one side or the other.

Most countries will try to simultaneously hedge and balance, seeking maximum strategic autonomy, while trying to maintain the best relationship possible with both the US and China.

What was already emerging before the pandemic was a fluid and dynamic system of asymmetrical multipolarity.

The US will still be at the top in most dimensions of power. China will occupy the second tier and continue to move towards a less unequal equilibrium with the US.

Shifting combinations of middle powers and smaller regional actors will continually arrange and rearrange themselves along the central axis of US-China relations, sometimes tilting one way, sometimes another, as their interests and circumstances dictate.

Navigating this system is not easy. It may get more complicated. But that was essentially where we already were before the pandemic.

**ECONOMIC IMPACT**

The serious economic impact could, however, lead to structural changes in the international order. However, I would still be cautious about drawing definitive conclusions.

Some tentative observations can be made: The pandemic has exposed the vulnerabilities of over-reliance on Chinese supply chains. Some corporations were already hedging their China risks because of rising costs and US-China trade tensions. A significant reorientation of supply chains could have profound implications for globalisation and the liberal international order.

What has already occurred may strengthen the hand of those who advocate "decoupling" and perhaps even facilitate separation of certain domains. But Japan's decades-long search for a viable "plus one" for a "China plus one" strategy suggests that it will not be straightforward to diversify out of China in a major way.

What is therefore at present unclear is the extent to which countries can reduce dependence on China, although some diversification will almost certainly occur.

Interdependence – which has been underscored by the speed with which the virus spread from China to the US and Europe – makes across-the-board systemic decoupling still highly improbable, unless the pandemic drags on for years or the virus mutates into a more lethal form that causes even greater panic.

It was much simpler for the CCP to command a halt to production, than for it to decree that production resume. What is needed to jump-start the economy and save businesses, increases systemic risks of debt.

Chinese economic policymaking is not autonomous. Chinese policymakers must juggle contradictory considerations to operate in the context of a global economy in which external demand will have a major impact. Sequential and mutually reinforcing contractions in China, the US and Europe will probably cause a global recession.

There will be domestic political consequences for all countries. Their exact nature cannot now be predicted, but they are unlikely to be pretty, and a turn inward seems likely in many countries. Still, I would not be too hasty in proclaiming an end to the liberal international order.

The period when that order was unchallenged was historically exceptional and short, only about two decades from 1989 when the Berlin Wall came down, to the global financial crisis. For half of the 20th century and almost all of the period since the second decade of the 21st century, international order was divided and contested. The pandemic may well catalyse a return to such a more historically normal order. That is a serious enough situation but not the same thing as a collapse of the existing order.

Over-dramatic predictions can become self-fulfilling.

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