



US-China Dynamics in a Global Crisis: Opportunities and Constraints

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Executive Summary

During the week of April 6, 2020, the NCAFP convened a set of video teleconferences (VTCs) with a small group of authoritative participants from the US and China—both senior scholars and former officials—to discuss challenges and potential opportunities in bilateral relations.

The emergence of the COVID-19 global pandemic and accompanying worldwide economic crisis, which would normally be an occasion for bilateral and multilateral coordination and cooperation on a global humanitarian challenge, has not engendered more communication between the US and China on these issues, but has in fact, exacerbated rhetorical sparring and mutual suspicion and hostility.

Finding avenues for coordination and enhancing communication is in the best interests of both countries and the world. Lives may well depend on the ability of the two sides to minimize conflict and maximize cooperation. The top priority, therefore, should be sharing and adapting best practices to manage medical care for the infected, to slow or stop the spread of the disease, and to restart and maintain global economic activity in this period of disruption.

Enhancing direct communication at all levels—government to government, expert to expert, and people to people—is urgent and necessary to capture important relevant experiences and to secure needed materials and capabilities.

Dissecting the mistakes and missteps of policy reactions to the initial outbreak is important in the long-term, but it cannot be accurately assessed until the virus is under control worldwide. There are still many unknowns. The perceived gloating of each side over the other's difficulties in meeting this crisis has already damaged public perceptions in each country and distracted from the obvious priorities of fighting this deadly disease and stemming the bleeding of our collective prosperity. There is a high risk of a further downward spiral in bilateral relations amid this crisis and the difficult domestic political environments in each country, but what we do now may establish new boundaries for bilateral cooperation in the coming decades.

* This is not a consensus document, though the rapporteur thanks the American participants for helpful comments on prior drafts. For more information on this report, please contact rorry.daniels@ncafp.org

It is unclear if the necessary shift in mindset to include coordination and cooperation within a broader framework of strategic competition is achievable without sustained commitment and direction from the highest levels of government. These conversations occurred shortly after a phone call between President Trump and President Xi that seemed to at least temporarily slow a sharp downward trend in rhetoric sparked by the spread of the COVID-19 virus in the first quarter of 2020. However, since then, the finger-pointing and blame game has intensified and efforts toward international collaboration have been less than successful.

Given the historic nature of the current moment, participants identified the following bold moves to meet these unprecedented challenges:

- President Trump and President Xi should convene the first-ever US-China virtual leaders' summit, to prepare for the next G20 leaders meeting, by directing working-level coordination on the following topics:
 - Resolving disruptions in the global supply chain of essential materials and equipment;
 - Research, production and distribution of the COVID-19 vaccine; and
 - Coordinating medical and financial aid to the developing world.
- A virtual summit could also reaffirm existing commitments in bilateral relations, including the implementation of the phase one trade deal and the US one-China policy, as well as establish a commitment to an after-action review of the initial policy responses to the pandemic.
 - A summit will not resolve the myriad competing national interests in US-China relations, nor does it need to do so. But it would be immensely helpful for each side to self-identify and announce respective commitments to shared goals, such as recovery of the global economy.
- Both sides should operate on the principle of “no surprises.” The goal should not be to dismiss or ignore strategic competition but to preserve room for simultaneous coordination or cooperation by conducting competitive activities in a transparent manner.
 - China should identify and connect a counterpart to the US INDOPACOM Commander to facilitate communications on military issues.

- Both sides can make use of existing sister cities relationships to assign responsibilities for assisting new outbreak areas or hotspots. This could also help unblock bottlenecks in the medical equipment and services supply chains.
 - Should both locations be successful in managing their respective outbreaks, the pairs can team up to “adopt” other countries or localities around the world, creating a global web of cooperative grassroots exchanges.

Discussion Summary

- The two sides are in a communications crisis at the precise time when greater coordination and cooperation is needed to save lives at home and abroad.
- The media and messaging of both sides has focused on systems competition, i.e. whether the political characteristics of each side has produced “better” or “worse” outcomes in managing the pandemic.
 - This narrative framing is souring the atmosphere for coordination and cooperation.
 - Meanwhile, there is no evidence that political systems are the key variable in successful responses to the pandemic—top-down technocratic Singapore and bottom-up democratic South Korea have kept spread down and fatalities low.
- The systems competition narratives are indicative of trends apparent long before the COVID-19 outbreak. There are some on both sides who view bilateral relations in zero-sum terms and believe economic decoupling is the only way to protect national interests in the long term.
 - The general public is becoming more receptive to zero-sum arguments as the crisis reveals bottlenecks and dependencies for essential materials and supplies.
- The recent truce in competing media narratives—in which US officials stopped using the labels of “Wuhan virus” or “Chinese virus,” and Chinese officials stopped accusing the US military of bringing the virus to China—is helpful. The challenge will be maintaining this truce despite incentives for scapegoating.
- The issues that were sensitive to each side before the crisis, including maritime territorial disputes in Asia, cross-Taiwan Strait relations, control of high-technology networks, etc., remain as difficult as ever to resolve. Steps taken to intensify competition during the COVID-19 crisis are magnified as particularly provocative, even if the steps follow procedure or policy precedent.

- China is increasingly concerned about US legislation urging stronger relations with Taiwan and about lawsuits filed in the US to seek compensation from China for damages resulting from the outbreak.
 - For the former, US participants reminded Chinese participants that the US Congress does not control Executive branch decisions on how to conduct official or unofficial relations.
 - For the latter, US participants noted that China’s commitment to an after-action report that would acknowledge mistakes made and suggest improvements for the future may deflate some momentum behind the lawsuits.
- The US is increasingly concerned about China’s aggressive actions in the East and South China Seas, including the sinking of civilian fishing vessels by Chinese Coast Guard, and by China’s more frequent military exercises over and around Taiwan. Better communication on these issues would be helpful in preventing accidental escalation between the two militaries.
 - There needs to be a better way to signal policy continuity—if bilateral channels are not working, then each side should find opportunities to state unilaterally that policies have not changed.
 - There needs to be a better way to signal policy changes, if changes are occurring, so that those changes do not come as a surprise to the other side.
- There is a sense in China that the US military is stretched thin by the COVID-19 crisis and that this may confer strategic opportunities. The US participants noted that this would be a dangerous and quite risky assumption on which to build policy; the US military can still muster significant power as needed; and challenging the US at a time when nerves are raw would be a huge strategic mistake.
- China can share best practices for managing domestic medical supply issues. For example, during the COVID outbreak the Chinese implemented a program in which lightly affected provinces and cities were matched up to assist severely affected provinces and cities, so that grassroots organizations could swap supplies and services efficiently. China and the US could implement a similar program by bringing governors and mayors together.
- In the short term, it will be near impossible to decouple major supply chains. To do so, investors would need significant access to capital, labor, equipment, and consumer demand, all of which are going to remain stunted during the pandemic period. Instead, the US and China could work toward building strategic reserves of essential supplies and equipment to carry through any sudden shocks in the future, and encourage others to do the same, to stem the tide of economic nationalism that threatens future economic cooperation and growth around the world.

- The COVID-19 crisis has facilitated mass adoption of new means of communication, including VTC connections. More frequent virtual bilateral discussions should be encouraged, to further explore potential cooperation, and to manage areas of miscommunication and misunderstanding.
- Chinese participants were interested in how the COVID-19 crisis will affect the US political environment. US participants were mixed on whether the pandemic is dividing or uniting Americans—on one hand, policy prescriptions seem to be divided along partisan lines; but on the other, there have been many volunteer and grassroots efforts to strengthen communities affected by the virus. No US participant was comfortable making predictions about who would win the 2020 election, but several noted that US strategic interests—some of which conflict with Chinese strategic interests—would endure beyond the start of the next presidential term in January 2021.
- The greatest tragedy that could occur in this embittered atmosphere is if either side used vaccine technology, production or distribution as leverage for great power competition. Steps need to be taken now to manage coordination, if not cooperation, on vaccine production and distribution. The top priority must be saving lives.
- Pursuing parallel paths to a vaccine is inefficient—the US and China should have their technical and expert communities working together to shave time off the clock, share data, and plan for eventual production and distribution. Nothing returns to normal until this end game is reached—if the US and China cannot find a path to cooperation on a species-level threat, there is little hope for advancing bilateral relations elsewhere.

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