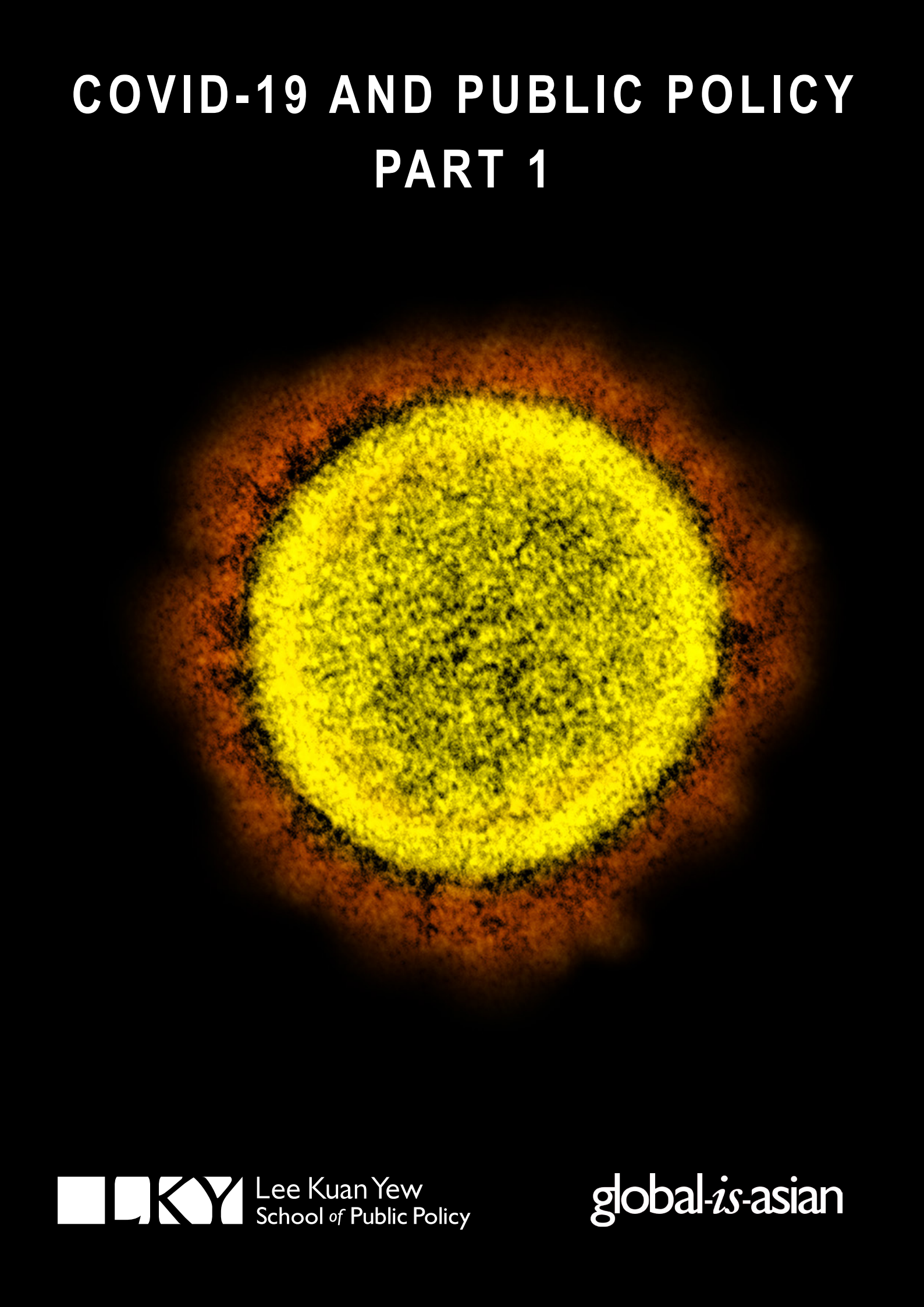
COVID-19 AND PUBLIC POLICY
PART 1



Lee Kuan Yew School of Public Policy

global-is-asian

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Introduction

Describing the COVID-19 pandemic has been like trying to hit a moving target. News organisations scramble to keep up with the latest facts and figures while governments and NGOs continuously adjust their policy response under intense pressure.

It's clear that the ultimate reckoning of the crisis won't be written until long after a vaccine is found and academics and experts have time to evaluate all the data.

In the meantime, we are left to react and learn as best we can.

In this publication we have selected key articles that shed light on what we do know about the situation. Each article follows the constantly evolving nature of the pandemic. We begin with an article from 7 February 2020, the very same day that Singapore raised the DORSCON level from yellow to orange.

Since then, Singapore has gone from being an example of excellent policy-making in response to the pandemic, to a cautionary tale of what can happen when vulnerable populations — namely foreign workers in cramped dormitories — are exposed to the virus.

What's next remains to be seen. Looking back, we share an article, "Closing the “governance gap” in infectious diseases before it’s too late," from July 2019 that highlights structural problems that remain to this day.

Beyond the human toll of sickness and death, we examine the economic and geo-politcal ramifications as governments rush to shore up their economies and international relations rebalance themselves.

And all of us look to the future with a bit of apprehension and curiosity — wondering just what a post-COVID-19 world will look like.

We hope you find this anthology useful in navigating the evolving COVID-19 situation.

Sincerely,
Global-is-Asian staff

ON THE ROAD TO PHEIC

(PUBLIC HEALTH EMERGENCY OF INTERNATIONAL CONCERN)

(Previous page) A man walks on the street in Macau, China wearing a protective mask to prevent infection by the coronavirus. Photo: Macau Photo Agency

THE WORLD RESPONDS TO THE NOVEL CORONAVIRUS OUTBREAK

07 FEB 2020

A month after reports of the novel coronavirus (2019-nCoV) outbreak in China, Singapore confirmed its first imported case on 23 January 2020. At the time of writing, this number has risen to 28 confirmed cases, including 7 instances of local transmission. According to Singapore's Ministry of Health, there is "yet no evidence of widespread sustained community transmission in Singapore."

Why did WHO override their initial decision to not call it a global emergency?

The World Health Organization (WHO) initially refused to declare the coronavirus outbreak a PHEIC (Public Health Emergency of International Concern). But on 30 January, this decision was overridden.

"I agree that it was the right decision [at that time] not to call it a PHEIC yet, but this has changed, mainly in relation to the possible spread to countries with fragile health systems," says Professor Tikki Pangestu, a global health expert and Visiting Professor at the Lee Kuan Yew School of Public Policy.

The earlier decision to not raise international alarm is based on various criteria. Factors like disease severity, mortality rate and moderate transmissibility are assessed by an independent group of experts, not just WHO staffers.

According to Professor Pangestu, this was a difficult call for WHO. Just a few years ago, WHO had been accused of overreacting by declaring a PHEIC around pandemic influenza H1N1, which then turned out to not be a major public health crisis.

China's response

Medical staff transfer a patient to hospital in Wuhan, Hubei, the epicentre of the outbreak.

China's transparency has garnered international acknowledgement. This is very different from the SARS outbreak in 2003.

As Professor Pangestu notes, the Chinese government has been forthcoming in sharing data, responding with alacrity and unprecedented speed to deal with the outbreak.

In light of the Mayor of Wuhan's interview admitting the poor management of the epidemic by city officials, China has much room for improvement. There still is a "governance gap" in controlling infectious diseases but within the country itself, due to its massive size.

"Clearly there needs to be better communication channels and raising of awareness among provincial officials of the potential public health implications of such events," says Professor Pangestu.

Despite that, China has implemented remarkably aggressive state-level efforts to wrest back control of the situation now. In order to house patients, China has constructed two hospitals in two weeks to house 2,600 patients. At the height of the Lunar New Year holidays, authorities also made a bold move to put major cities in Hubei Province on lockdown.

While the lockdown makes sense, maintaining it poses tremendous challenges and could possibly exacerbate the situation, Professor Pangestu says. "Beyond inconvenience, economic impacts, enforcement challenges and human rights issues, the big question in Wuhan seems to be 'how many have already left the city before the lockdown was implemented'?"

With the evidence that it has now spread around the region, the call for the quarantine seems too late. Wuhan's healthcare system is overwhelmed, and there is concern this situation might replicate itself in other developing nations. Already the number of confirmed deaths within China has risen above 600, and there have been two deaths outside China, in Philippines and Hong Kong.

Relative danger

Speaking on Channel NewsAsia, Professor Pangestu responded to a question about the virus' R0 (pronounced R naught) or measure of contagion. "The R0 for the Wuhan coronavirus is around two...compare that with measles, a childhood disease, that has an R0 of between 16 to 18." He added that the figure is an average number and is changing every day, so to "take it with a pinch of salt".

Asked if we were on the verge of a worldwide pandemic, Professor Pangestu replied that we were not. He said that a pandemic would mean, "very widespread distribution, with high fatality rate, with no vaccines...I don't think this is going to happen here".

How Singapore is handling the situation

Singapore has taken numerous measures in response to combat this outbreak. There are extensive quarantine measures and travel restrictions on those who have recently been to China.

Although the move to utilise university halls as quarantine centres has raised some eyebrows, Professor Pangestu does think it to be reasonable. According to the Ministry of Education, "the designated hostels will only be primarily activated when a student in our educational institutions or schools is required to serve QOs (quarantine orders) and does not have suitable accommodation."

But Professor Pangestu points out that in overall terms the WHO does not recommend travel bans or quarantines.

There was a mask shortage recently when the news of the first coronavirus patients in Singapore were confirmed, and the government is also doing its best to stem public panic over the outbreak.

As Professor Pangestu notes, "It [the mask shortage] is a reflection of unnecessary anxiety and panic, even when the government has stated multiple times that you don't need to wear a mask unless you are ill." In this case, what can be done to educate and ensure that the public take steps in ensuring that their own preparedness?

"This is a hard one, beyond better education and awareness, and scientific literacy, among the public," says Professor Pangestu. He continues, "There is also the danger of misinformation on social media making the situation worse and causing confusion."

Other concerns

There are also other issues to consider, such as having in place an international plan to deal with the shortage of medical supplies. When a country's healthcare resources are tied up with one disease, the treatment of other illnesses experience setbacks. This applies particularly to low- and lower-middle-income countries (LMICs). In West Africa, for example, the Ebola epidemic in 2014-15 resulted in a large drop in immunisation rates among children.

Professor Pangestu believes that an international global fund is one possible approach that can help LMICs. WHO can also step up its technical assistance so LMICs can strengthen their health systems as a whole.

Looking towards the future

The SARS outbreak in 2003 caught the world off guard, but it showed us the need for a national contingency plan. For Singapore, the Disease Outbreak Response System Condition (DORSCON) is a crisis management plan drafted after SARS, and improved again after the H1N1 pandemic in 2009. As of 7 February 2020 Singapore has set their DORSCON level to "yellow" with a "low to moderate" impact on public health.[1]

As Professor Pangestu said on CNA, "engagement, and cooperation with the public, that is the most important thing."

1 After publication on 7 February 2020, Singapore raised the DORSCON level from yellow to orange.

SINGAPORE EARNS HIGH PRAISE FOR COVID-19 RESPONSE

01 APRIL 2020

Chairs indicate "physical distance among the audience is expected" Taken in Singapore on March 22, 2020. Photo: Bingxiong Chen

While countries across the world, from the United States and Europe to the Middle East, are battling to control the rising spread of the COVID-19 outbreak, Singapore has been held up by global health experts as "the model to emulate" in effectively containing the global pandemic.

The city-state was one of the first few countries to be hit by the coronavirus contagion outside China in January 2020. But the government's swift action to impose border controls, perform contact tracing of known carriers and aggressive testing methods, enabled Singapore to slow the rates of infection and keep the fatalities to just three so far, without overwhelming the nation's healthcare system.

This is in sharp contrast to the alarming spike in numbers in the worst-hit nations such as Italy, Iran and the US — where tens of thousands are infected and the mortality rate is rapidly rising. The early decisive move has also allowed Singapore to avoid sweeping school closures and business shutdowns currently imposed in most countries worldwide to blunt the accelerating pace of the virus, while earning high praise.

"Singapore is leaving no stone unturned, testing every case of influenza-like illness and pneumonia," said the World Health Organisation (WHO) Director-General Tedros Adhanom Ghebreyesus, adding he was impressed with the government's approach "to find every case, follow up with contacts, and stop transmission."

In an interview with with CNN's Fareed Zakaria — talking about Singapore's response to COVID-19, Prime Minister Lee Hsien Loong said the government took the outbreak very seriously from the beginning. "We watched what was happening in Wuhan, in China. We prepared our people. In fact, we have been preparing for this since SARS, which was 17 years ago."

Indeed, the SARS outbreak in 2003 — which killed 33 people, gave the government valuable experience in combating infectious diseases, and a perspective on the goal of saving lives.

Sound policy prescriptions — beyond washing hands

Policy observers further attribute the coming together of three critical factors — economic policy, assured political leadership and evidence-based knowledge — for Singapore's thus far successful response to the pandemic.

"My own view is that well-designed economic incentive schemes, working in tandem with established domestic laws and the population's confidence in scientific knowledge and political leadership, have been critical in reaching good outcomes in Singapore," noted Professor Danny Quah, Dean and Li Ka Shing Professor in Economics at the Lee Kuan Yew School of Public Policy.

Singapore National Parks notice. Taken on March 30, 2020. Photo: Jnzl's Photos

To address the economic challenges wrought by COVID-19, the government took the extraordinary step to push through a supplementary budget worth S$48 billion in late March — drawing on national reserves for the second time since the 2008 global financial crisis — to stabilise an economy heading for a recession. The move is the most aggressive response yet by policymakers and comes just weeks after Singapore's annual budget — which allocated an additional S$6.4 billion to help support businesses and households hurt by the outbreak.

Describing the pandemic as an "unprecedented crisis of a highly complex nature". Deputy Prime Minister and Finance Minister Heng Swee Keat, while announcing details of the landmark package in parliament added: "In economic terms alone, this will likely be the worst economic contraction since independence."

The stimulus measures "were targeted and clearly laid out" and provide much needed relief to the most vulnerable and affected sectors of the economy, underlined Prof Quah. "Both demand and supply side considerations are taken into account: businesses receive investment relief at the same time as consumers see an immediate boost to their cash holdings, thus raising economy--wide spending power."

Beyond the robust economic policy response, a clear and transparent communication strategy adopted by Singapore's political leaders further helped to strengthen public trust and confidence in the government's handling of the crisis.

For instance, when the government raised the national alert level from "yellow" to "orange" — the second-highest on February 7 — it sparked panic buying of essentials as such as rice and toilet paper across the nation. This prompted an urgent televised address from PM Lee to calm the public. "Fear can do more harm than the virus itself," he said, reassuring Singaporeans that the city-state has sufficient supplies to tide through the pandemic.

In fact, trust and transparency are critical in times of crisis, added PM Lee during the CNN interview. "We put a lot of effort into explaining to (the public) what is happening, speaking to them and I have done it a few times directly on television, so people know that we are level and we tell it straight."

"We are transparent — if there is bad news, we tell you. If there are things which need to be done, we also tell you. I think that you have to maintain that trust because if people do not trust you, even if you have the right measures, it is going to be very hard to get it implemented."

"In Singapore the messaging has remained clear, consistent, and well-informed. Credibility is high. This has continued to reassure the population appropriately to and maintain trust in the system," observed Prof Quah. "I think that is the policy with which the government has tried to take forward in its communication with the public."

Contrast this, he added, with the way US President Donald Trump spoke to the American people about COVID-19, where he downplayed the severity of the outbreak. "One week the president is calling the coronavirus a hoax. The next week he says he has known all along it would be a serious pandemic. How he is behaving and how he communicates violates every rule that we know about crisis management," added Prof Quah.

Lessons for others

Even as Singapore's measures to contain the first wave of infections proved largely effective, the highly invasive methods used by the city-state to fight the deadly pathogen has raised questions. This includes the use of surveillance cameras and police officers to help the government track down the close contacts of confirmed cases. Singapore has also used a tough new online falsehoods law to correct misinformation in posts about the coronavirus, which critics have argued appear draconian.

Prof Quah pointed out that such criticisms have been levelled against other Asian countries as well — such as South Korea and China, which have also resorted to stringent measures to combat the virus.

"The charge that the system being draconian, the charge that some people accept surveillance more readily than others is an easy and convenient trope. And sometimes I think observers use that in a way to try and say, well, it was easy for them but it's harder for us. This trope doesn't do any of us any good."

Nonetheless, Singapore's example could contain lessons for other countries that are currently caught in the vicious grip of the pandemic, he added.

"In different parts of the world we're seeing very different behaviours emerging. I think Singapore has done remarkably well at this point in keeping things under control. I hope that the lessons from here will be helpful for all other nations having to manage the very difficult circumstance they're finding themselves."

Despite Singapore's ability to contain the virus, the government is acutely aware the fight is far from over. "I hesitate to talk about success because we are right in the midst of a battle, which is intensifying," noted PM Lee in the CNN interview, who anticipates the pandemic to spread to other parts of the world such as India, Africa, South-east Asia and Latin America.

"By the time it goes around the world, and then finally runs its course, I think that is several years, unless something happens to abort that process."

Read the full article Singapore's Policy Response to COVID-19 by Professor Danny Quah (originally published on VoxEU as a chapter in a VoxEU eBook).

Photo: Chad Davis

FORESEEABLE PODCAST: COVID-19 AND THE GLOBAL RESPONSE

This podcast episode was recorded on 14 February 2020. Below is an editied transcript of the interview. Click here for the full transcript and podcast.

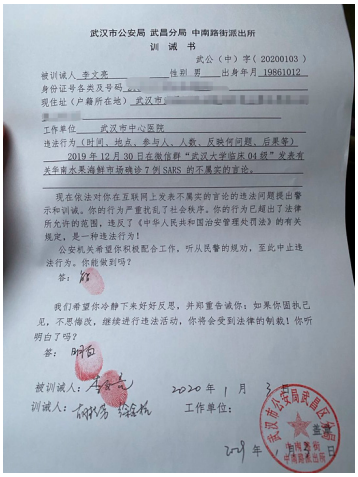
QR link to podcast

David Austin: You are absolutely the man in demand right now. Your expertise really matches what's happening right now with the COVID-19. 13 years at the World Health Organization in Geneva as Director of Research Policy and Cooperation Department, and I know you've been speaking a lot...

Tikki Pangestu: Just a quick wrap up on the current situation - I think the situation remains pretty grave in China so, I think that is going to be a continuing challenge for the Chinese government to deal with, but at the same time, despite a lot of the rumours that are spreading around, I think they're doing the best that they can. I do not think there is any issue of them massaging or hiding figures, it's just that the situation is moving so quickly, and they could be a little bit overwhelmed in terms of their capacities to test people.

David Austin: So I wanted to go back to the description of China, because I know in some of the other questions, at least compared to SARS, people were giving China a lot of credit for acting better at this time and for learning the lessons... But are we being too kind in our assessment of China? Are they are they doing enough? There are still quite some horror stories coming out as far as, you know, the treatment of patients, the doctor dying, the mistreatment of frontline staff...

Tikki Pangestu: To answer, let me sort of try and get at it from a slightly different angle. At the level of the Chinese Ministry of Health in Beijing, I believe they continue to be very transparent and open, in terms of sharing the data regarding the virus as well as the disease itself, especially with the WHO.



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2019 年 12 月 30 日在微信群“武汉大学临床 04 级”发表有关华南水果海鲜市场确诊 7 例 SARS 的不属实的言论。
现在依法对你在互联网上发表不属实的言论的违法问题提出警示和训诫。你的行为严重扰乱了社会秩序。你的行为已超出了法律所允许的范围，违反了《中华人民共和国治安管理处罚法》的有关规定，是一种违法行为！
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我们希望你冷静下来好好反思，并郑重告诫你：如果你固执己见，不思悔改，继续进行违法活动，你将会受到法律的制裁！你听明白了吗？
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被训诫人：李文亮 2020 年 1 月 3
训诫人：[redacted] 工作单位：
2019 年

Letter of Admonition issued to Dr. Li Wenliang for "spreading rumours" about a SARS - type virus in Wuhan China on 3 January 2020. Considered a whistleblower, Dr Li later contracted COVID-19 and died from the disease on 7 February 2020.

Tikki Pangestu (continued): And it goes back to what you said earlier. I think they really learned a big lesson after SARS that, you know, in the context of, let's say, international solidarity, viruses don't need visas and passports to cross borders, that if they do not behave as a good, let's say, global citizen, they risk becoming an international pariah, which is what happened after SARS.

They were widely condemned for hiding the real situation. So, I believe at the level of the Minister of Health, they continue to be open, to be transparent. The second point and a caveat to this is, I would say they are doing the best that they can, taking into account the magnitude of the problem that they're facing, possible limitations in both clinical care workers as well as laboratory workers to do the diagnosis. All the other medical support workers, people who are doing x-rays, the nurses in the hospital, they're probably facing a bit of a crisis. [The] situation is changing all the time. And this, I believe, this is my own personal view, is complicated by the fact that there is probably a communication gap between what the Central Government wants people to do and what happens at a provincial level, what happens at the level of cities, for example. Now you mentioned the case of the doctor who died. Totally unfortunate, but I believe in that particular situation, you know, China has a very strict hierarchy power system. In that particular case, the mayor of Wuhan did not have any authority to make a decision on his own. He might have been well aware of the risk, I don't know. But he could not sort of make a decision to say, "Hey, there may be something in this. Let us investigate." I think his hands are tied. So that is some sort of, I don't know, maybe some governance weaknesses in the links of command.

I'm not making excuses; I think overall the government is still committed to sharing.

David Austin: Can you share with us any insight of what it's like at the World Health Organisation behind closed doors when crises like these arise and you've got, the world's media, all the eyes of the world are on the WHO. How do they function?

Tikki Pangestu: Very good question. And, I was at WHO when SARS happened, and the fallback of the organisation is always: what is the evidence? So, we do this through various ways. And as you know, with COVID-19, for the past three weeks, even a month, we have had an emergency committee working in Geneva. This is an independent group of international experts who are not WHO staff members, who have the expertise and who closely monitor the report from the countries. So, the WHO first and foremost relies on reporting for countries. And what a lot of people don't realise is that countries actually have a legal, moral obligation to report cases like this to the WHO. So it looks at data from the countries, but at the same time, it relies on this independent group of experts to say, "Hey, what do we do next?" And as you know, this expert committee had been deliberating for the last two or three weeks.

They delayed the announcement or the Public Health Emergency of International Concern (PHEIC) based on the existing evidence. So, I believe it's a very open, a very transparent, a very independent process based on scientific evidence. And that's to me, the only way to move forward. At the same time, as you mentioned, for political reasons, declaring a PHEIC is not something that WHO takes lightly.

Tikki Pangestu (continued): Now, why is that? It has a lot of implications and repercussions. And it's a situation [that] when I reflect back is 'if you do, you're damned, if you don't, you're damned'. If you do - H1N1 in 2009, swine flu, we declared a PHEIC. And nothing really happened. The disease was mild. Yes, it spread very widely, very mild.

There were no fatalities, at least not many. And WHO was accused of overreacting, creating panic, hysteria, causing economic impacts, etc. So, we were a bit stung by that. So this time, perhaps a bit more careful. In the case of Ebola, there was no hesitation. It spread tens of thousands of cases, 30% death rate, no question.

We didn't deliberate. In this case, it was like, once again, a new situation. Huge problem in China. Was it a global pandemic? Maybe not. Low fatality rate, many cases recovered, like in Singapore, they have been discharged. That's why they deliberated. At the end of the day, they decided for whatever reason, based on evidence, yes, we'll declare it.

So, in a way they played it safe, but as I said, it has a lot of repercussions. And, perhaps in relation to this, WHO can issue a declaration like that, but it cannot enforce it on countries. You know, WHO is not an international government that can enforce, and as you know, many countries actually went against the WHO recommendation. I mean, the US is a clear example. Because WHO very clearly said, "Don't impose travel bans," and yet that's what the US did. And I think maybe 10 other countries. So, you know, people need to understand what WHO can and what WHO cannot do.

I still remember, during Ebola 2014-15, WHO was very severely criticised for being slow to react, not helping countries. And what I like to tell people is that, WHO is not an organisation that can send a hundred doctors, a hundred nurses, a hundred field hospitals halfway around the world in 48 hours. It is not an emergency response organisation. So I thought during Ebola we were unfairly criticised and maybe this time around WHO was a little bit more cautious. I leave it at that, I can go on for hours on this-

David Austin: Well I'd like to know more about what WHO can do as far as their mandate, besides just declaring a PHEIC, what other levers do they have to pull and what decisions do they have to make, besides just the big obvious decision of 'is this a crisis or not?'

Tikki Pangestu: Okay. So, the bigger decisions they have to make, and it's quite obvious, one of their main mandates is strengthening the ability of countries to take care of the health of the people, including situations like this. They are able, in fact, what I believe is their most important function, is to set norms and standards or best practices. Like in the case of outbreaks like this, and on which the PHEIC is based, WHO developed, back in 1969, something called the International Health Regulations. Now that's an international legal instrument, that all countries sign up to, that all countries commit to implementing the various recommendations, including prompt reporting of cases like this. Including telling WHO if they're going to close borders. So that's the first one, setting norms and standards.

The second one that's very important is convening power. WHO has tremendous convening power. Whenever something like this happens or even other sort of more controversial areas; patents around medicines is another area. It can bring everybody together around the table and say, "Let's collectively work together to solve our problem." In this case, for example, they are able to convene the World Bank. They're able to convene the European Union. They can call Mr. Gates in Seattle [and say] "Hey, we have an international crisis here. We have established something called the PEF (Preparedness Emergency Fund). We need all of you to donate to this fund so we can help countries like African countries to prepare for that. So, convening power that's unparalleled.

Tikki Pangestu (continued): I still remember, when I was working at WHO, whenever I needed to convene an expert committee, like you know, the one that's going for COVID, all I had to do was pick up the phone. The top people, the Nobel prize laureates, top scientists, they would come, without any expectation of payment. That's the convening power.

The third function is what we've already seen, information clearing house. As I said, there's a legal obligation. As you know, if you look at the last four or five days, you see all kinds of numbers from all kinds of sources in terms of the number of deaths, number of countries, etc. And it's very confusing. WHO is the clearing house. So I always tell people, go to the WHO website for the latest, most reliable estimates. So that's the information clearing house.

The fourth which is no less important, is what I mentioned at the beginning, helping countries with technical support. [WHO] cannot give money, it doesn't have a lot of money. Would you know that the annual budget of WHO, with 160 country offices six regional offices, is about $2 billion? That's the budget of a medium-sized hospital in the United States. That puts it into perspective, but it provides technical expertise to countries in terms of how they can strengthen their health system to better prepare, not just for epidemics, but for other diseases. So that's basically what it can do.

But in the context of COVID I think what I would like to emphasise is that perhaps its main aim is to continue building international trust and solidarity when something like this happens. And that's one of the reasons they do not recommend travel bans. Can you imagine, if the United States bans travel from one country, the minute you lock down a country, you're going to have problems. That country is going to say, "Hey you're going to ban me. You're going to affect all my citizens. You're going to affect my economy; the next time something happens in my country, I'm not going to tell anybody." You see the potential repercussions, so you know the overall [aim] is [to] maintain international trust, maintain solidarity, so that people continue to share information. Sorry I get carried away.

David Austin: No that's good, I can appreciate the passion and I know it comes from experience. Do you want to share with us the things that WHO cannot do?

Tikki Pangestu: I have already mentioned, emergency response. It really is about setting norms and standards. You know, at WHO in Geneva, only a small percentage of our staff are medical doctors, and most of them are not doing patient care work. We don't have laboratories. We don't have logistics support in terms of flying equipment. We don't have stockpiles of medicine. So emergency response is something we cannot do. The other thing we cannot do is provide immediate financial support because whatever budget WHO has, is mostly spent on the normative work.

It's mostly spent on convening expert committee meetings. A lot of it is in terms of developing documents, for example, around guiding countries, what is the best treatment for malaria? What is the most reliable test for COVID? So, it's mostly to support their technical work, so it doesn't have resources to directly give financial help to countries. So, these are the two main ones that come to mind.

And thirdly, what I already mentioned, it has no power to enforce countries to follow the recommendations. You know, the way I've always seen it expressed is that it has a lot of moral authority, it relies on solidarity. If China hide something, it will be condemned by the rest of the world. So, it cannot enforce things. Now, I saw a very interesting article just few days ago. How can that be changed? How can WHO have more, "clout" in terms of, let's say "punishing" countries that don't follow the recommendations.

Tikki Pangestu (continued): And the interesting suggestion was why doesn't, WHO work with, for example, the G20, to establish a coalition of countries, that sort of agree that they will follow WHO recommendations, and the countries that don't will be subjected to trade sanctions? You know, it's really a bit out of the box, but somebody is thinking, you know, how can these norms and standards being enforced more forcefully, which at the moment it can't be, more moral authority.

David Austin: Moral authority is what you have. When it comes to emergency response, is the WHO giving advice or setting standards for that as well?

Tikki Pangestu: No, absolutely. This expert committee that's been meeting and still continues to meet, they've formed a small team that have gone together with the EU delegations to go to China specifically to help the Chinese deal with this, and obviously they will be, continuing to sort of, analyse the evidence in terms of, maybe even revising the International Health Regulations in light of new information that can come up during the crisis.

David Austin: What are some of the emergency response organisations that are out there?

Tikki Pangestu: That's a good question. And I go back once again to the experience we had with Ebola in West Africa. What you're dealing with is an acute emergency situation where the local hospitals are being completely overwhelmed, people are dying. There are no medicines, there are not enough facilities to quarantine and people are dying. So, in West Africa, in the three countries, Liberia, Guinea and Sierra Leone, the frontline responders were Doctors Without Borders, (MSF Medicine Sans Frontiers), the International Red Cross, a couple of other NGOs. The point of that was they first responded, together with whatever limited, local government facilities there were. Within a week, they were completely overwhelmed. And I'm going to throw back the question at you. Do you remember which was the most effective organisation who helped to deal with the Ebola crisis? Do you remember?

David Austin: No, I don't

Tikki Pangestu: If you think about it, it makes sense. The organisations that came in within a week, understanding the gravity of the situation was actually the US military, the US Armed Forces. If you think about it, the US armed forces have 2000 doctors working for them, I think 5,000 nurses. They have the command structure. They have these huge air force transports. They were able to mobilise a hundred doctors, hundred nurses, 2000 tons of equipment, set up 50 field hospitals within 72 hours. No other organization would have that.

Not only that, and I go back to international solidarity, in the case of Ebola, it wasn't just the United States. France, the UK, Germany, and get this China, they sent emergency medical teams to help the West African countries. I believe that when it comes to situations like this, all your conspiracy theories about the Americans releasing a bioweapon, I don't take that at all. I mean, I believe that most countries will appreciate the value of solidarity in terms of saving humanity. That's all there is to it. So those are the main, responders in this case.

US service members head to Liberia to respond to the Ebola outbreak in West Africa in 2014. (U.S. Air National Guard photo by Maj. Dale Greer)

THE LEAD UP

CLOSING THE "GOVERNANCE GAP" IN INFECTIOUS DISEASES BEFORE IT'S TOO LATE

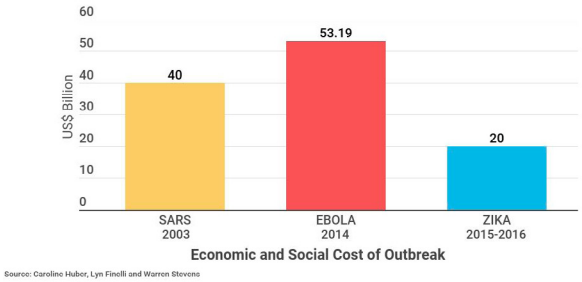
24 JULY 2019

The Ebola, Zika and bird flu outbreaks in recent years are stark reminders to the international community of the urgent need to control the spread of infectious diseases.

While current policies by governments and multilateral organisations have helped tackle this issue, more action is needed to improve overall global governance, says Professor Tikki Pangestu, a global health expert and visiting professor at the Lee Kuan Yew School of Public Policy.

The world faces a "governance gap" when it comes to cross-border epidemics, Prof Pangestu, a former director at the World Health Organization's (WHO) research policy and cooperation department, tells Global-*is*-Asian.

This governance gap, he explains, refers to the lack of a coherent and coordinated plan among key stakeholders, especially in developing countries, to deal with infectious diseases. Aside from creating robust national policies, it is imperative for states to liaison with international organisations for technical, financial and logistic support as well as capacity building. Otherwise, the



emergence of a fatal virulent virus or bacteria which spreads rapidly and easily "would quickly overwhelm healthcare systems, especially in developing countries," he warns.

The impact of infectious diseases

Aside from the obvious health implications, cross-border diseases such as measles, yellow fever and swine flu (also known as the H1N1 virus) carry significant social, economic, security and environmental challenges. They also have varying consequences for morbidity, mortality, urbanisation and climate change.cost-of-diseases health governance

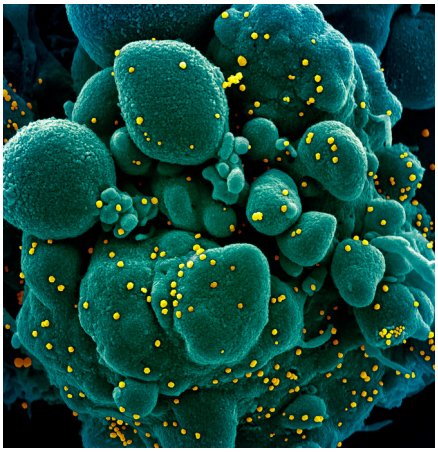
West Africa's Ebola scare in 2014, for example, led to an estimated US$53.19 billion in economic and social costs for regional economies, according to a 2018 study published in the Journal of Infectious Diseases. Not only did tourism greatly suffer, private sector growth, agricultural production and trade also plunged. In comparison, the 2003 Severe Acute Respiratory Syndrome (SARS) crisis cost an estimated US$40 billion, while the 2015-2016 Zika virus outbreak in the Americas caused US$20 billion in social costs, the study said.

(previous page)

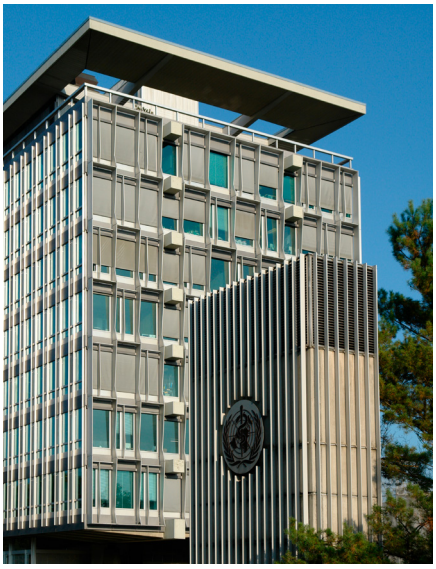
Safety suits for the DFID - UK Department for International Development decontamination team, as part of their Ebola response in 2015.

A member of the team checks the suits for gaps or exposed areas. Once he's happy, he writes their names on the front and the time. This helps prevent his team mates from working more than the 90 minute limit, which is in place due to the high temperatures and lack of ventilation of the suits, which makes longer shifts dangerous. The safety of his team is key. Photo: Corporal Paul Shaw/MOD

Colorized scanning electron micrograph of an apoptotic cell (green) infected with SARS-COV-2 virus particles (yellow)



World Health Organisation headquarters and logo, Geneva. © Yann Forget / Wikimedia Commons / CC-BY-SA



Tikki Pangestu, Visiting Professor, Lee Kuan Yew School of Public Policy

Anti-vaccination bumper sticker outside Health Care Town Hall in Skokie, Illinois, USA. Photo: Jennifer P.

Less discussed are the more indirect health outcomes. When a country's healthcare resources are tied up with one disease, the treatment of other illnesses often experience setbacks. During West Africa's Ebola crisis, there were an estimated 10,600 additional deaths from HIV/AIDS, tuberculosis and malaria, while healthcare services were reduced by 50% in Guinea, Liberia, and Sierra Leone, according to The Centre for Disease Control and Prevention.

Meanwhile in the United States, a growing opioid epidemic has increased the growth of certain infectious diseases, including HIV/AIDS and hepatitis, officials warned in April.

Global impact

The effects of easily communicable illnesses are not just limited to the impacted areas. However, their repercussions are felt on a global scale. African swine fever, which is currently wreaking havoc across parts of Europe and Asia, has dramatically disrupted the global pork market. The culling of affected pig herds has hit global pork supplies and increased prices, creating knock-on effects for farmers and consumers. The fatal illness has already caused a spike in consumer price inflation in China, one of the world's biggest pork consumers.

Similarly, global developments and changes in societal behaviour also impact diseases.

Take the Zika virus — researchers recently discovered that climate change plays a major role in the spread of Zika. Warming temperatures cause Aedes mosquitoes, which spread dengue, Zika and other yellow fever viruses, to bite and breed more, thus increasing the spread of disease.

In many Western societies, more people are cultivating a growing aversion towards vaccinations which have also contributed to a measles resurgence, analysts have found. Known as "vaccine hesitancy," the phenomenon was listed as one of the WHO's top ten threats of 2019.

The need for collective action

Given the deeply interconnected nature between disease and the global environment, a truly global response is warranted. Whilst existing treaties such as the WHO's International Health Regulations require countries to work together in combating infectious diseases, a governance gap still remains, Prof Pangestu warns.

Many countries are too preoccupied with national interests to consider more comprehensive solutions, he tells Global-*is*-Asian. "There must be a spirit of solidarity and mutual trust among nations within which effective public policies must operate. This is necessary for collective global action and strong political will in the face of diverse global health threats which can affect all nations."

At present, nations suffer from "a lack of trust and empathy, strong anti-science sentiments and an unwillingness to consider the global good," he says.

And this view is shared by many industry experts. Former WHO Director-General Dr Margaret Chan and senior consulting fellow at Chatham House Dr Charles Clift, said in 2015 that "the highest barrier to global health governance is the conflict between the rights of sovereign states and the need for global solidarity."

However, increasing protectionism, as embodied by the United States, is only exacerbating the issue. The current rise of populism and nationalism goes hand-in-hand with the gradual erosion of multilateralism, and that has made it difficult to deal with global problems, says Prof Pangestu.

For example, Washington's "America First" programme and its related trade wars and rising protectionism could "affect the access and affordability of medicines and also the free movement of health workers," he adds. Policy restrictions on defence and foreign affairs may also "prohibit the US military from helping poor countries during a major epidemic."

Closing the governance gap

In order to instigate a multilateral, coordinated response to health crises, states should identify a key coordinator such as the WHO to help, says Prof Pangestu. Governments then need to support the WHO's mandate with political commitment.

Good health governance is dependent on national governance so the responsibility falls on states to enact relevant reforms and update regulations as necessary. At present, most societies operate on a state-centred health system but as the WHO recommends, governments must break out of their policy silos and work with global, regional, national and local actors. The intertwined nature of health issues, according to the WHO, calls for a collaborative approach whereby government agencies should liaison with community groups, businesses, foundations and international bodies.

Some countries have already taken that to heart. Singapore, for example, amended its Infectious Disease Act in late 2018 to allow the health ministry to share individual data with third-party researchers if the information is necessary for scientific investigation. South Africa, meanwhile, holds regular training workshops for health professionals to learn about infection prevention and control. Down Under, the government of South Australia has established regional health networks to increase accessibility to services and overall responsiveness. And over the past year, Greece has rolled out more than 100 new community-based primary health units that are free at the point of access.

Identifying other key players, like the militaries of rich countries that have the capacity for a rapid and substantial response could also help, Prof Pangestu advises.

ECONOMIC DAMAGE

(Photo: Jason Leung)

WORLD'S GOVERNMENTS HOPE TO SAVE THEIR ECONOMIES

14 APRIL 2020

The COVID-19 pandemic is turning out to be most wrenching economic shock in a generation.

Global markets have had their worst quarter since 1987. The unemployment rate is dramatically higher in many countries, with the United States Treasury Secretary suggesting that it could hit 20% in America, before walking back the estimate. Goldman Sachs expects the world's largest economy could contract by a whopping 34% by the second quarter of 2020.

In Asia, it could drive as many as 11 million people into poverty, with low wage and informal sector workers the most vulnerable, according to the World Bank.

Economist Nouriel Roubini said the "best-case scenario would be a downturn that is more severe than the GFC ... but shorter-lived" but added that there's a strong chance we're facing "persistent depression and a runaway financial-market meltdown."

In response, governments everywhere have tossed out the rulebook. Governments that once emphasised fiscal prudence are now spending huge sums on benefits schemes and business support designed to tide over both businesses and employees until things start to look up.

The key questions are whether or not these will be enough and whether the huge expense could create its own problems over the long run.

Fiscal versus monetary

Central banks were quick to move as the coronavirus pandemic began to take hold. Many increased their debt buying programs and most have cut rates. But interest rates were already low before the outbreak began. In fact, the European Central Bank and the Bank of Japan already had set rates below zero.

Monetary policy can lower the cost of borrowing, which can spur on the economy hit by demand--side shocks. But it can't address many of the most serious challenges facing the global economy right now. Supply chains have been affected, consumer confidence is plummeting, and people aren't buying very much while they're locked in their homes, especially if they've lost or expect to lose their job. Making it cheaper to borrow money won't do much to address those problems.

In fact, investors also seem underwhelmed by central bank moves so far. One economist remarked that when the Federal Reserve cut rates, "the markets were happy for about 15 minutes, and then they gave it a Bronx cheer."

Monetary policy will continue to play a role especially in ensuring that banks and firms have enough liquidity to meet their needs, but it appears that government spending initiatives will have to do most of the heavy lifting in responding to this crisis.

Employees or employers?

There are two basic approaches to dealing with the looming unemployment crisis. One is to hand out money to employees directly, while the other is to subsidise wages for businesses until they can get back on their feet. Or a combination of both.

The US has opted for the former, with a $2 trillion package that will send money directly to Americans, with most adults receiving $1,200. The government will also expand unemployment benefits, including an additional $600 weekly benefit for self-employed businesses.

Many European countries, along with Australia and Singapore, are offering wage subsidies, in many cases alongside cash payments. They're paying up to 80% of each employee's wage (depending on the country) while the lockdowns drag on. The main advantage of subsidies is that businesses won't be forced to lay off employees and then rehire them when the economy starts to pick up again.

Singapore's third relief package includes a one-off handout of $600 to every adult Singaporean. It will also give all firms a subsidy of 75% of the first $4,600 of all wages for local workers in April, while the country has triggered a "circuit breaker," where all but essential activities are prohibited. The previous stimulus packages allowed an offset of only 25%, with the higher rate only given to hard-hit firms.

An empty street in Spain on 20 March 2020. Photo: Pacopac

Japan has unveiled a massive package, worth about 20% of the country's GDP, adding to a public debt that's already the world's largest, at more than double the size of its $5 trillion economy.

In Spain, which is one of the worst affected countries, the government has suggested that it might attempt to move to a universal basic income. Interestingly, it has suggested that it would be a long-term feature of Spanish policy rather than a short-term emergency measure.

However, it's unclear if the government will be able to muster a majority to pass the package, and some economists wonder if such an expensive measure is feasible. It is also unclear if and how this will impact Spain's longer-term commitment to the public debt and deficit criteria imposed on Eurozone members.

Most developed countries have added other forms of relief too, such as grants and loans for businesses, deferral of tax payments and student loans and with rent relief policies. Australia is offering free childcare to people who still need to go to work for the duration of the pandemic.

Difficulties for the developing world

Developing countries could face an even bigger challenge, because they don't have as much money at their disposal. Analysts doubt, for example, that Indonesia's stimulus package — which is even smaller in magnitude than Singapore's — will be nearly enough to stop job layoffs. The same can be largely said of India which also lacks fiscal space to deal with large-scale stimulus.

China's approach has been a little different. It has mostly given money into banks and local government, with the expectation that the money will eventually reach businesses and residents. So far its response has been far smaller than comparable efforts during the Global Financial Crisis in 2008, but more stimulus measures are expected. Professor Ramkishen S. Rajan from the Lee Kuan Yew School of Public Policy says China's previous experience might push it towards a more moderate response.

"The 2008 fiscal stimulus led to rising local government debt, weakening of the banking system which lent aggressively to state-owned enterprises and subsequent rapid expansion of shadow--banking activities in China which in turn led to other problems which the Chinese government has been attempting to tackle the last few years. China has no doubt learnt some painful lessons from that episode," he said.

Can we afford it?

This is an enormous amount of money, and there's no doubt it will affect the balance sheet of nearly every government, not just because of additional spending, but also because tax revenues will likely be much lower with so many people out of work.

Eventually, it has to be paid off. And that could take a long time. For example, the government debt to GDP ratio peaked in the US during World War Two and didn't return to pre-war levels until 1962. Even so, this era coincided with strong economic growth in the US.

The US already had $23.5 trillion in debt before it started spending on its latest stimulus package. But there's a robust academic debate about whether government debt really matters, especially when it's borrowed at very low interest rates. This is especially true in the case for US-issued debt, because there's a strong global market for has there is an insatiable US government bonds.

Prof Rajan says the concern is actually bigger for developing and smaller developed nations, which don't have a strong overseas market for their bonds. Europe could pool the risk by issuing EU "corona bonds", but there has been significant opposition to the idea.

"Unless the stimuli can adequately jump-start growth (leading to stabilisation or decline in debt--to-GDP ratios and rise in tax revenues), they will invariably face concerns about fiscal sustainability," he said.

Either way, increased debt seems unlikely to stop many governments from spending, and many economists argue that in times of crisis, the need to spend greatly outweighs the risk of taking on additional debt.

Will it work?

Christina Romer, the Berkeley economist who led President Obama's Council of Economic Advisers during the financial crisis, told Vox:

> "It's not cyclical unemployment. It's quarantine unemployment. Businesses aren't allowed to operate. People aren't allowed to be out of their home. The idea that if you just give people money it'll somehow prevent the unemployment rate from skyrocketing makes no sense. No amount of demand stimulus will get people to go to restaurants if they're closed."

Former Federal Reserve Chairman Ben Bernanke said it's closer to natural disaster funding than a recession-era stimulus. It's designed to keep people from starving or being evicted for a short period until the worst passes.

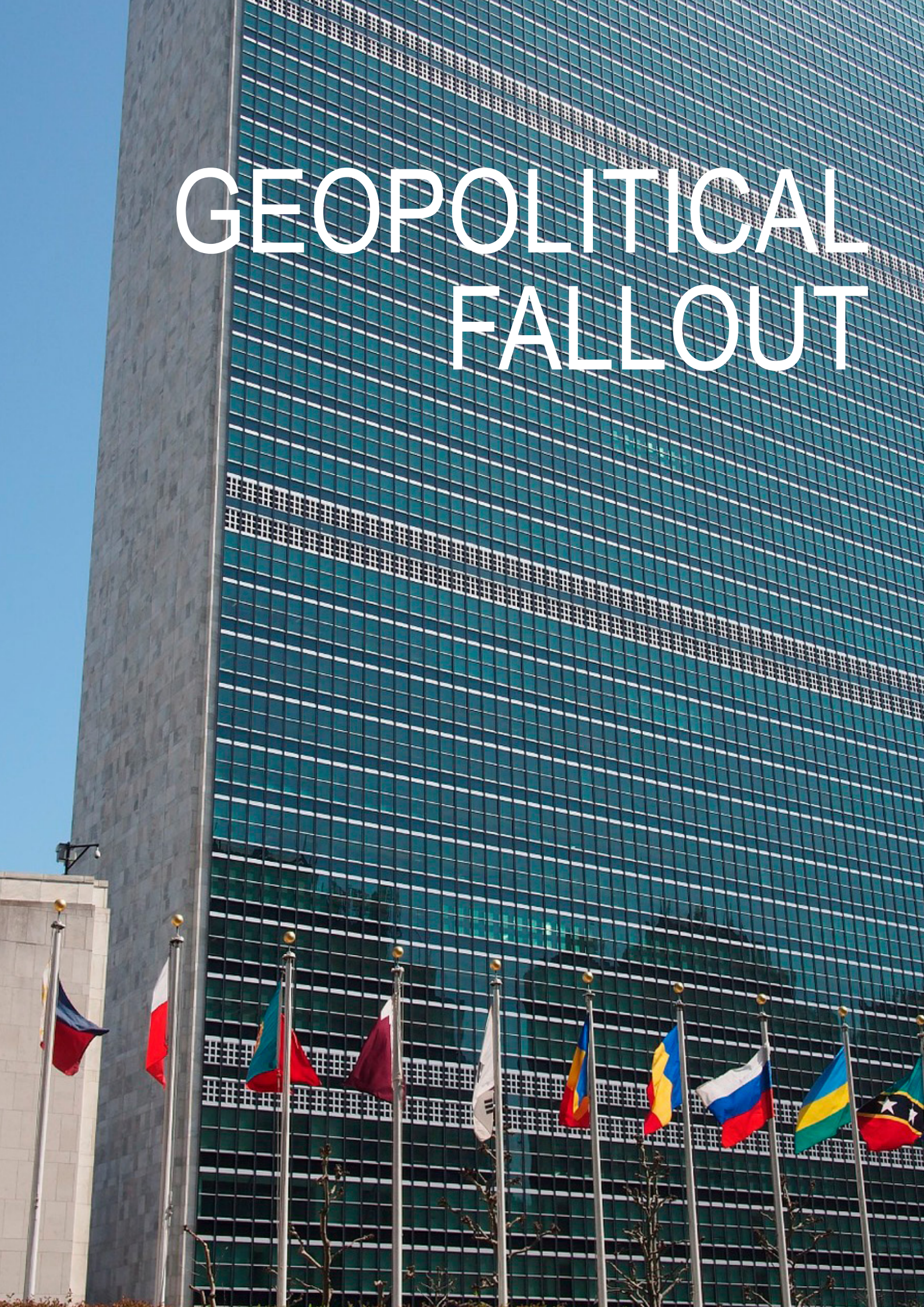
In reality, he says there's only one thing that's going to pull the global economy out of this slump.

"Nothing is going to work, the Fed is not going help, fiscal policy is not going to help if we don't get the public health right, if we don't solve the problem of the virus, of the infection, so making sure that the risk has declined sufficiently before put people back in the line of fire," he told CNBC.

Prof Rajan says this initial round of stimulus will almost certainly be "vastly insufficient," and it's very likely that there'll be much more ahead, although how much and in what form will depend on the severity of the economic damage and the success of the initial stimulus.

"This is where an old-style stimulus is needed to help replace the decline in private sector economic activity. It is clearly too early to tell how much additional stimulus will be needed here as it depends on the extent to which growth has declined and the initial stimuli to stave off unemployment and bankruptcies wear out," he said.

What's more, he points out that many governments are now questioning the wisdom of a supply chain that relies too heavily on China, and cautions that a longer-term shift towards a higher degree of self-sufficiency will likely curb global growth potential.



GEOPOLITICAL FALLOUT

Official White House Photo by Joyce N. Boghosian

HOW WILL COVID-19 RESHAPE THE GEOPOLITICAL LANDSCAPE?

08 APRIL 2020

The direct impact of the COVID-19 pandemic has already been devastating, especially in epicentres like Wuhan in China, Lombardy in Italy and now New York City in the United States of America.

The economic effects have also been quick to hit, with extreme volatility on global markets and record jobless claims in many countries. In the United States alone, the number of people who filed claims for unemployment benefits shot to a record high of more than 6 million in a single week. Closer to home, the Monetary Authority of Singapore also noted that Singapore's economy will shrink by 1% to 4% this year. The world is bracing for a recession.

But how will the pandemic affect global diplomacy? At a time when many believe requires unprecedented global cooperation, will the virus bring nations together or drive them further apart?

US-China relations

So far, the pandemic seems to have sown division between the world's two biggest economies. US President Donald Trump has repeatedly described SARS-COV-2 as the "Chinese virus" and the US State Department pushed to include the term “Wuhan virus” in a joint statement of the G7 ministerial meeting on 24 March, which resulted in separate statements.

On Twitter, a platform banned in China, a Chinese official pushed unfounded rumours that the US military brought the virus to Wuhan late last year. In addition, there’s been a tit-for-tat round of expelling Chinese journalists from the US and American journalists from China.

The Beijing-Washington relationship had already been tense well before the pandemic began. There are long running frictions over the South China Sea and Taiwan, and the protests in Hong Kong have not made relations any smoother. But it is trade that has been the biggest bone of contention over the past few years, with the US ratcheting up tariffs and Beijing responding in kind.

So far, the global pandemic has only threatened to further elevate tensions. Much of the US medical supply chain is in China, and the US is facing a shortage of medical equipment that could prove deadly. The Associated Press has found that hand sanitizer and swab imports both dropped by 40% while N95 mask imports were down 55% in the past month. China hawks within the Trump administration, like Trade advisor Peter Navarro, want policies that push US companies to reshore their production lines to the US. That's likely to have an impact, but not necessarily the one he intends.

"More likely is a shift to diversify regionally, or to invest more in capital equipment and robotics to reduce demand for inexpensive Asian labor," the Lee Kuan Yew School of Public Policy's Associate Professor in Practice James Crabtree wrote in the Nikkei Asian Review.

"Some multinationals will repatriate as Navarro and his ilk demand, moving a portion of their production back to home markets in Europe, Japan or the US, or perhaps to markets close to them, like Mexico or Poland," he said.

But if relations are prickly, they can always improve. And Mr Trump gave a very upbeat assessment of his most recent discussion with his Chinese counterpart.

"Just finished a very good conversation with President Xi of China. Discussed in great detail the CoronaVirus that is ravaging large parts of our Planet. China has been through much & has developed a strong understanding of the Virus. We are working closely together. Much respect!" he said on Twitter.

China's global ascension

China has spent the better part of a decade greatly expanding its role in global affairs. Its belt-and-road initiative involves more than a trillion dollars in infrastructure projects or loans in more than 60 countries over a decade, although estimates vary on the size and scale. The projects are aimed at reshaping the global trade routes and re-orienting the world towards Beijing.

"The COVID-19 outbreak has not dented President Xi Jinping's ambitions for the great rejuvenation of China," wrote Drew Thompson,a Visiting Senior Research Fellow at the Lee Kuan Yew School of Public Policy.

Although Trump will almost certainly continue to blame China for the outbreak, Beijing is making a determined effort to reframe the discussion. China is sending aid to a number of European countries, and it will send more than a million test kits as well as Personal Protective Equipment to Africa, where public health systems are weak. In an effort President Xi Jinping has described as a "health Silk Road".

But if China is donating badly-needed gear, its motives might not be totally altruistic. For example, one major donation to the Netherlands (which has seen comparatively few cases) came from Chinese telecoms giant Huawei. Some have suggested that's a little too convenient, given that 5G auctions are due to start in June.

There's no guarantee that China's overtures will improve its global standing. There are also risks on the domestic front as the Chinese economy tries to recover. China is likely to miss high-profile economic targets, and the response to the outbreak could worsen China's debt-to-GDP ratio, which was more than 300% before the outbreak, adds Thompson.

"The initial cover-up and politicisation of public health, like all aspects of Chinese society, reflect the underlying fragility of the country's system of governance," he said.

Pariah states

Already, there's a push to reduce sanctions on North Korea, Venezuela and Iran, which has seen a particularly bad outbreak of COVID-19. In fact, one Iranian university study said the pandemic could claim as many as 3.5m lives in a worst case scenario.

The US says there's no need to relax sanctions on Iran, as they don't apply to humanitarian assistance.

"They've got a terrible problem there and we want that humanitarian, medical assistance to get to the people of Iran," said Secretary of State Mike Pompeo.

But critics say the tangled web of rules and regulations is so complicated that businesses and banks fear falling foul of an overzealous US administration even while trying to abide by the sanctions. The UK has pushed the US to ease up, and the EU is shipping medical supplies. The United Nations (UN) Human Rights Chief Michelle Bachelet has called for the sanctions to be relaxed.

"The majority of these states have frail or weak health systems. Progress in upholding human rights is essential to improve those systems – but obstacles to the import of vital medical supplies, including over-compliance with sanctions by banks, will create long-lasting harm to vulnerable communities," she said.

A fracturing European Union

The COVID-19 pandemic is not the only problem wreaking havoc in European states. In fact, Europe has succumbed to a "my-country-first" reaction, revealing the cracks in the supposed EU unity.

Despite the economies of Italy and Spain being absolutely devastated by the outbreak, Eurozone finance ministers could not agree on delivering joint aid. Only the independent European Central Bank has made any meaningful action to keep the Euro stable by providing member states with the liquidity they need.

It remains to be seen whether these European states can emerge from the crisis while still maintaining their unity. Europe's ability to play a meaningful role in the global context is also dependent on its ability to move past the "save yourself if you can" mindset.

Multilateral blues

The World Health Organisation (WHO) issued its first official guidance on COVID-19 on January 10, just days after the first cases appeared in Wuhan, and it has been intimately involved in the response ever since. It is now trying to find US$2bn for a fund to help protect the world's most vulnerable from the illness. So far it has only scraped together a little over 10% of that figure.

As an institution, the WHO has previously faced criticism both for not moving fast enough and for being too alarmist. And this time, it faced criticism for trying to placate China, even when it was apparent that the virus was spreading. Still, many public health advocates say it has played an absolutely vital role in trying to contain the illness.

But the UN body is in a difficult position, as it has little power and depends on the cooperation of nation states to conduct its business. It has a bi-annual budget of a little under US$5bn, which is less than what Facebook paid in fines to the US Federal Trade Commission last year. And much of it comes from private donors instead of nation states.

It's not at all clear that the WHO's role in responding will yield it more resources. In fact, one US Senator wants an investigation into the body, with an eye towards slashing funds. And even as the pandemic was starting to spread, the US President was proposing cuts to the CDC and the US contribution to WHO.

Small victories, big opportunities?

If there are disputes and disagreements that have been exacerbated, there are also suggestions of a diplomatic thaw in some places.

Despite long-running antagonism over a variety of issues, Japan acted quickly to marshal resources to help China in the early days of the outbreak. Members of the ruling party even made personal donations to help.

There are many other examples. North Korean leader Kim Jong Un wrote to South Korean President Moon Jae-in to express his condolences over the coronavirus outbreak. The UAE, which has frosty relations with Tehran, has nevertheless sent aid to Iran to fight the pandemic.

The key question is whether or not these short term overtures will result in longer term diplomatic gains, and whether those gains will balance out the additional friction elsewhere.

COVID-19: HOW WILL INCREASED TENSION ON US-CHINA RELATIONS IMPLICATE THE REGION?

06 MAY 2020

In the midst of already souring relations between US and China, the current global coronavirus pandemic may be aggravating the animosity that both superpowers have against each other.

How will a mixture of US-China bilateral tensions and the ramifications from the global pandemic impact the security and prosperity of Asia and beyond? This was the focus of the second virtual episode of the Lee Kuan Yew School of Public Policy's "Asia Thinker Series" on the global pandemic.

Moderated by Professor Bert Hofman, Director (East Asian Institute) and Professor in Practice, Lee Kuan Yew School of Public Policy, National University of Singapore, the session saw a distinguished panel of experts examining the role politics play in the managing of a global pandemic, as well as the complications this has for Asia.

COVID-19: A catalyst for increased tensions?

Professor Kishore Mahbubani, Distinguished Fellow at the Asia Research Institute, National University of Singapore started off the discussion by acknowledging it would have been "very good for the world" if both the US and China had decided to take a strategic pause to focus on fighting COVID-19 together.

Against a common enemy, working together to overcome this health crisis should be priority. "Sadly," he continued, "the opposite happened and as a result, what COVID-19 has done is to actually aggravate the US-China geopolitical contest when it should have actually calmed it down."

Despite the hefty price that both nations — as well as the rest of the world — will pay in terms of lives lost in the aftermath of the pandemic, it's becoming increasingly apparent that neither side is willing to give in.

The roots of a major geopolitical mistake

As put forth in his book Has China Won?, Professor Mahbubani also believes that the United States has made a fundamental strategic mistake in launching this major geopolitical contest against China, without first working on a comprehensive global strategy. "It is in America's national interest to work out a comprehensive strategy, and to build on the advice that Sun Tzu very wisely gave: Know thyself, know thy enemy. A thousand battles, a thousand victories."

The first big mistake is that the United States does not know itself, said Professor Mahbubani. "Now, we all know about the great strengths that the United States has. But at the same time, America has developed some structural problems, as Professor Danny Quah has documented. It's the only major developed society where the average income of the bottom 50% has gone down over a 30-year period. America has become a plutocracy and a society that is incapable of making U-turns and adjusting to new realities."

"For example, if they're serious about China being the number one adversary, what they should do is stop fighting in the Middle East, but they can't. That's an example of the rigidities that America has accumulated," he elaborated.

At the same time, the second part of Sun Tzu's strategy is "know thy enemy" — most Americans know very well all the structural weaknesses of China. And like any other society, China has many weaknesses.

But, Professor Mahbubani stressed, what most Americans are not aware of are some of the fundamental structural strengths that China has developed. "One example I give is that the Chinese communist party, and I know this is a very controversial thing to say, has effectively become a meritocracy where the best and brightest join it."

"The Americans must recognise that the return of China is the return of a strong civilisation, which was the number one economy in the world from the year 1 to the year 1820. So, the return of China is conceptually natural — it cannot be stopped."

Possible US-China Economic Decoupling

Part of the strategic competition between the US and China involves the possible decoupling of these two major economies. While this may have been coming for a while now, COVID-19 could be accelerating the process.

Professor Alicia Garcia-Herrero, Chief Economist for Asia Pacific, Natixis, thinks that this might even come from both sides as it becomes more and more obvious to China that the decoupling is unavoidable. While she emphasises that there can be no such thing as a complete decoupling, there will be increasing difficulties in terms of interdependence.

"We've moved from the very obvious trade war, which was basically dealing with the surface, meaning import tariffs, to a more complex impact of that trade war and COVID-19 on the global value chain," she said. "The centricity that China has played for a long time in that global value chain is being basically diminished, simply because it's becoming crystal clear that the dependence on them in the value chain can also bring some problems if push comes to shove."

Beyond global value chains, she continued, what the world is seeing is also the deglobalisation of the movement of people. While that is forced partially by COVID-19, it is also a product of structural changes that go beyond China.

"And finally, a very tricky and dangerous type of deglobalisation we may be seeing that's accelerated by COVID-19... is financial disintegration. In particular, the decoupling of China's companies listed in the US and US investors who are tapping the Chinese market — we're starting to see signs that this might be increasingly dangerous from both sides."

A triple whammy

According to Professor Khong Yuen Foong, Vice Dean (Research) and Li Ka Shing Professor in Political Science, Lee Kuan Yew School of Public Policy, while there is never a good time for any pandemic, being inflicted by it now is like being whacked by what he calls "a triple whammy," from a geopolitical point of view.

"The pandemic couldn't have come at a worse time for US-China relations. The first whammy is the year-long trade war that has strained US-China relations, and the pandemic has made matters worse. That is one reason why the US and China have found it so difficult to cooperate. Second, the trade war itself was a symptom of a larger dynamic, namely the shifting balance of power from the West to the East.'

He continued, "In official documents, the US identified China as a strategic rival. To the US, this is a rival that espouses values inimical to the core values of the US and has to be confronted. Third, we are six months away from the US presidential election."

These three contextual factors lead him to believe that as the curve flattens, there will be enormous pressures in the US, and perhaps Europe, to assign blame and to seek accountability.

"The blame game will take on an extremely impassioned character because of the huge casualties and the economic havoc. Within the span of four months, US coronavirus deaths have already surpassed the fatalities of the Vietnam War. So I expect a lot of anger in the months ahead that would be directed at the source of the pandemic."

As we are beginning to see, Trump and the Republicans will turn to deflecting blame, focusing on allegations of China's lack of transparency. This blame game is only expected to intensify as the elections approach.

"The main danger of this, however, is not that it will lead to a direct US military confrontation. Rather, it will make relations so tense and trust so low that it could spark a larger conflict.

What does it mean for SEA?

Ultimately, Southeast Asia will be caught in the middle.

"The strain in US-China relations will lead to the unwelcome dilemma of being asked, once again, to choose between the US and China on the issue of whether to assign blame. And if so, who's to blame? As many know, in recent years, most of the ASEAN countries have repeatedly said they do not want to be put in this position of having to choose between the US and China," said Professor Khong.

However, sitting on the fence has become increasingly difficult. Both the US and China will bring pressure on Southeast Asia to side with them in the blame game. Despite this, he believes that the majority will not support a probe or an investigation of the kind wanted by the US and its allies. In fact, Professor Khong thinks most in ASEAN will give China the benefit of the doubt.

"Most importantly, for most in ASEAN and beyond, the issue is not whether China covered things up but rather, when the pandemic took hold, which societies did best at containing the spread and saving lives?"

He continued, "The other performance test will be who would recover faster economically? While the jury is still out on this one, I would not underestimate America's economic resilience and its technological ingenuity, but if China were to do better than the US on the economic front, this narrative about being the wave of the future will fall on receptive ears in Southeast Asia."

Watch the full recording of COVID-19: How will increased tension on US-China relations implicate the region?

QR link to recording of session.