

Special Commentary: COVID-19 and Indo-Pacific Strategy: Korea is Up, China is Down, and the US (For Now) is Out

May 04, 2020 | Professors John Schaus and Nathan Freier

The COVID-19 pandemic has led to over three million confirmed infections and more than one hundred thousand dead globally. In the United States, over <u>sixty thousand people have died</u> and more than 1 million have been infected. According to epidemiologists, this is only the first phase. Thus, near-term "success" against the outbreak reflects a current snapshot in time, not necessarily a permanent outcome.

In light of our very preliminary understanding of the long-term impact of the outbreak and national-level responses, there are discernible trends about how countries' responses are impacting their standing in key regions and around the world. Few regions offer such stark contrast in stories as the Indo-Pacific. In that region, South Korea is up, China is down, and the United States is out. These shifts may or may not endure. What is increasingly clear, however, is that ineffective responses—perceived at home or abroad—will limit policymakers' freedom of action for some time to come.

SOUTH KOREA IS UP

South Korea, with extensive tourist, educational, and commercial links with China, was one of the first countries outside China to be hit by a large COVID-19 outbreak. South Korea experienced a rapid rise in cases through community transmission in early February, resulting in a series of policy-decisions that have (so far) proven effective in "flattening the curve" of infections and keeping large parts of South Korea's economy open for business at the same time.

South Korea's current achievement during the pandemic is not an accident. It learned hard lessons from previous outbreaks, particularly the 2015 Middle East Respiratory Virus (MERS) epidemic. During the MERS outbreak, <u>South Korea was the most impacted country</u> outside the Middle East. Having identified areas for improvement from that experience, <u>South Korea's leadership prioritized rapid responses</u> in the early days of the COVID-19 outbreak. South

Korea's response, largely viewed as successful at home, resulted in a <u>landslide electoral win</u> for the governing party in nation-wide parliamentary elections in April, despite pre-outbreak concerns on several issues. The <u>election margins</u> were the largest for a single party since 1987 when South Korea began directly electing its legislature.

Though certainly not monolithic, South Korea's governing party will likely have greater latitude to pursue its preferred policies. It will also have greater "cushion" to take unpopular or controversial policy positions. A key question on this front will be South Korea's (and South Koreans') continued willingness to entertain US efforts to increase South Korea's share of host-nation support for US troops stationed in South Korea. This is an area where the current US administration has sought to increase South Korean support, from \$830 million per year in 2017 (roughly 40 percent of US costs), reportedly to \$5 billion per year based on a report in April of 2020.

CHINA IS DOWN

China has posted some of the most impressive numbers of any country in its effort to counter the coronavirus. If China's reported numbers are true, its response demonstrates significant political resolve and health-effective measures to contain the spread of the disease. Most foreign analysts are doubtful that even a state with near-pervasive control of daily life, like China, could so effectively contain the disease.

Among those watching from within, there is significant uncertainty about who is really leading China's domestic response to COVID-19. Initial reports of an emerging disease from doctors in Wuhan were met with <u>political condemnation and legal consequences for the reporting doctor</u>. Later, <u>Beijing fired the city and provincial leaders</u> for poorly managing the early stages of the outbreak. This came despite at least a <u>13-day lag</u> between Beijing learning of the outbreak and it making any public statements on the issue.

And, following a 76-day lockdown of the city of Wuhan, much of China began re-opening in April, with paeans to Xi Jinping's adroit handling of the disease blanketing Chinese media. Beijing has imposed restrictions on publishing research into the origins of the outbreak. Further, China has expelled numerous international reporters, reducing international access to China and limiting independent corroboration of its claims of success. Expelling reporters from several leading international newspaper outlets has only contributed to international perception that China's approach is China first and burn the bridges behind.

European diplomats are increasingly public in their criticism of China's crisis diplomacy as well. Concerns include price gouging and sending ineffective supplies. Spain, for example, has returned two consecutive shipments of test kits purchased from China for being faulty. More pointedly, diplomats express a sense that China "does not purvey the will to create partnerships, but [instead] the will to tell people what to do."

Facing a difficult public relations position due to the perception of one-sided diplomacy and flash-over-benefit aid, China leverages its international representatives to foment <u>conspiracy</u> theories and false <u>narratives</u> on the origin of the disease.

Finally, as though its eroded domestic credibility and its cratering foreign-facing diplomatic efforts were not trouble enough for Beijing, it is rapidly undoing more than a decade's work building ties in Africa. In particular, Chinese restaurants and hotels have been directed to not serve customers of African origin. Additionally, Africans living in China have reported being evicted from their apartments for fear that they carry the virus—despite having not traveled outside of China.

China's economic influence is in doubt because its <u>economy is in its first contraction</u> in over a generation. Its diplomatic influence is also fading as it is rapidly seen as a selfish actor with little concern beyond how its actions can be sold to China's domestic audience.

THE UNITED STATES IS (CURRENTLY) OUT

The important lesson for US policymakers now is that—despite China's tarnished reputation and an emerging backlash—the United States is not an automatic beneficiary. In fact, the United States will have to invest—likely significantly—to make near- to mid-term gains in the Indo-Pacific.

The United States' fragmented, yet all-consuming, domestic response to the outbreak has limited US bandwidth for a proactive foreign policy agenda. The <u>State Department website</u>, for example, features the White House press briefing on the US COVID-19 task force more prominently than it does its initiatives to counter the outbreak through diplomacy and development efforts with the Association of Southeast Asian Nations. The present US response, almost entirely focused on domestic issues, has left US allies and partners to fend for themselves.

The region is not without opportunity. Across the Indo-Pacific region, as COVID-19 containment turns more aggressively to COVID-19 recovery, the United States could turn the crisis in its favor. Doing so will require recognizing the needs of Indo-Pacific countries and opting to make the necessary investments to derive long-term benefit.

CREATING OPPORTUNITY FROM CRISIS

Currently, most of the Indo-Pacific region is dependent on trade with China to grow—much less to sustain—their GDP. Recent reports indicate that Vietnam is set to be a world-leader in GDP growth for the current year, yet its growth is likely to be only 2.5 percent. Other countries in East and Southeast Asia are expected to have even slower—or more likely, negative—growth through 2020. For developing economies where people's livelihoods are even more precarious

than many Americans, this can be a death-knell, not just for economic growth but also for long-term faith in trade-based economic growth.

In the midst of the COVID-19 crisis and during recovery, the United States can influence regional growth. As the United States seeks to demonstrate the benefits of an alternative to China's debt-trap diplomacy, the next few months are likely the best window to build ties at a relatively low-cost to US businesses and consumers. Done correctly, this can be an effective and affordable cost-imposing strategy by the United States in competition with China. If sustained over the mid- to long-term, the United States can increase the amount China has to invest to retain many of the regional relationships and access it currently enjoys.

The United States has had considerable debate over this topic over the past decade or so, specifically around the Trans-Pacific Partnership. Independent of one's view of that particular deal, the present circumstances provide the United States an opportunity to bargain-shop for both good deals and good will in Asia. Regional states are looking for ways to rebuild their economies following COVID-19. If the United States is seeking to provide an alternative to China, there will not likely be a better opportunity than now.

Turning short-term benefits into long-term returns may involve creative thinking. The recently established Development Finance Corporation is an agency well suited to consider and advance such thinking. A successful approach would provide an inducement to US firms to diversify their supply chains out of a single country; would enable states throughout the region in need of economic infusion to see possible benefit; and would re-establish post-COVID supply chains that contribute to more diversified regional economic benefit than those that dominated the past four decades.

Closer (and more plentiful) economic ties with countries in Asia would help them mitigate dependency on trade with China. It would provide US firms a diversity of suppliers to mitigate the risk of future shocks. It would provide US diplomacy greater access and goodwill in achieving broader US interests. Finally, US regional alliances would grow stronger. This would have a tangible impact on collective security and regional deterrence.

The preponderance of effort to turn the current crisis into strategic benefit for the United States will be in areas beyond the US Army's purview. However, the Army can take several actions to contribute to national interests. First, speak with allies' and partners' armies. Start the conversations by listening. What was their experience of COVID-19? How were they called upon to respond? What lessons have they learned—and what can we do to leverage their lessons for our own future planning? After a healthy listening phase, start considering—with the ally or partner—what next steps would be value-added in bilateral subject matter expert exchanges, bilateral consultations, training, or exercises. Finally, bring those lessons back to the Army (or more broadly, to DoD) to improve US planning and preparedness for the next challenge—expected or unexpected that comes along.

SO, AMERICA, ARE YOU IN?

The United States' is largely absent from round one of international COVID-19 response. Frankly, most countries have focused internally as well. As the United States prepares for round two, targeted US responses in the Indo-Pacific can reshape international trade patterns in ways favorable to US national security. Imagine a positive transformation of Indo-Pacific affairs that re-orients the region to positive-sum and mutually beneficial engagement. The United States could lock in significant gains for decades. This is an opportunity unlikely to come again in the next century. Future generations would thank this administration for maximizing the current moment.

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