Some Economic and Political Factors of Coronavirus Outbreak

The epidemic caused by a new strain of Coronavirus, called “2019-nCOV” by the World Health Organization (WHO) on January 30, is becoming a crucial factor in the current phase of ongoing political and economic processes.

Although the author lacks the expertise to discuss either the origins or the spread of the viral outbreak, he feels it prudent to admit that he shares the opinion of pundits who have expressed their bewilderment regarding the clear disparity between the scale of the epidemic and its effect on the aforementioned processes.

At present, it would not be an exaggeration to say that the global economy is potentially heading for a disaster. It would suffice to allude to various problems that are bound to arise when foreign investment and capital flow into the Chinese economy dry up. After all, the PRC has been one of the key drivers of growth of the global economy.

Leading Japanese companies (most notably, automobile manufacturers) that operate within China have already begun revising their business plans. Various reasons for such a move have been mentioned and so has the “word” Coronavirus.

In China itself, there is now talk about the need for contingency plans for the Belt and Road Initiative (BRI, a key government project) aimed at strengthening “communication with officials and businesses in countries along the BRI
routes to solve any problem as quickly as possible.” Such discussions began only two weeks after President Xi Jinping’s triumphant visit to Myanmar. A key outcome of this trip was a significant breakthrough in BRI-related talks.

It is also worth noting that the global threat, posed by 2019-nCOV, appeared around the same time when it became apparent that there was a solid chance the trade conflict between two of the largest economies in the world (with the potential to turn into a full-scale war with world-wide repercussions) could be resolved.

It is important, however, to point out that we are referring here to the prospect (not certainty). After all, the agreement between the United States and China, signed on January 15, 2020 offers an opportunity to gradually work out issues but does not guarantee that this process will be successful. And yet, this document has already made a substantial contribution to stabilizing the global economy.

However, this positive outlook may now be overshadowed by the latest threat stemming from the panic caused by the news of the “2019-nCOV” epidemic.

And its effect on the political situation in the world does not appear to be too far-reaching for now. If we choose not to concern ourselves with relatively “insignificant” matters, such as propaganda attacks against China in light of the “new” threat emanating from it (whose assessment, from Beijing’s perspective, is very biased, and does not correspond to that of WHO), and embarrassing comments fueled by racism published by Western media outlets, we will realize that the main effect of the start and spread of the epidemic has been the exacerbation of the Taiwan Issue yet again.

Let us remember that, at present, the Taiwan Strait Issue is the focal point of the political relations between the two world powers. And “2019-nCOV” became a factor in this conflict as soon as Beijing was first accused of excluding Taiwan from World Health Organization meetings on the coronavirus at such a critically important time.

At this point, some degree of clarification is required. WHO was established in 1948 as a specialized agency of the United Nations (a key international organization), which means that all UN member states are part of WHO.

Up until October 1971, the “Republic of China” (still situated on the island of Taiwan and several smaller near-by isles) had been a full member of the United Nations and all of its specialized agencies. Afterwards, the People’s Republic of China (PRC) took Taiwan’s place (the latter is often referred to as the “Republic of China”).

It is also important to point out that the aforementioned decision received support from Beijing’s current detractors. As at the time, the political landscape was such that it forced these critics to try and get the PRC on their side. And having lost its membership in the UN, Taiwan was no longer a full-fledged member of the WHO.

However, Beijing does not prevent Taiwan from working with the aforementioned or some other international (for instance, sports) organizations. But on one condition: the island cannot portray itself as an independent nation. In fact, the PRC would prefer that it identify itself as part of “One-China” (for example, a province) with Taipei as its main city.

Granted that Taiwan was to refer to itself as “Chinese Taipei” starting in 2009 when the Kuomintang was in power (a party with far less impudent demands than those made by the current ruling Democratic Progressive Party which champions the island’s independence), the PRC leadership and the then Taiwanese President Ma Ying-jeou came to an agreement. After that, Taiwan was granted the observer status at the WHO.

The first opportunity to use this special status came in 2016, i.e. during the presidency of Tsai Ing-wen, a far less cooperative leader.

Generally speaking, Beijing’s message to Taipei remains the same, i.e. meet the aforementioned (insignificant) requirement and then jump as high or as far (with a pole or without) or as many times as you want at various international competitions. Or Taiwan could join the fight against various viruses (that “threaten the entire world”), including the Coronavirus. Taipei’s refusal to fulfil the aforementioned obligation in May 2019 led to the PRC’s decision to bar Taiwan from participating in the 72nd session of WHO’s World Health Assembly.

In a similar vein, China has been dealing with particularly loud U.S. Congressmen who expressed their outrage about Beijing’s efforts to bully Taiwan and prevent it from joining the WHO at a time of great danger in the world. Prime Ministers of Japan and Canada as well as EU’s High Representative of the Union for Foreign Affairs and Security Policy have all shown their support for Taiwan’s wish to engage with WHO.

Finally, the United States must have thought that, during this current phase of an unending campaign to apply
pressure on the PRC over the Taiwan Strait Issue, a flyby near the island by a B-52 strategic bomber, capable of carrying nuclear weapons, would be a good way of making its point. This incident occurred on January 31, i.e. in the heat of the altercation over the issue to do with the Coronavirus, WHO, Taiwan and the PRC.

We can consider Beijing’s response to all of this to be the article in the Global Times newspaper, which talks about the fact that some in the US appeared to be calculating the “2019-nCOV” epidemic “would give the US extra leverage in negotiations for a phase two trade agreement”.

And we would like to add that it is yet unknown when these talks will start.

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