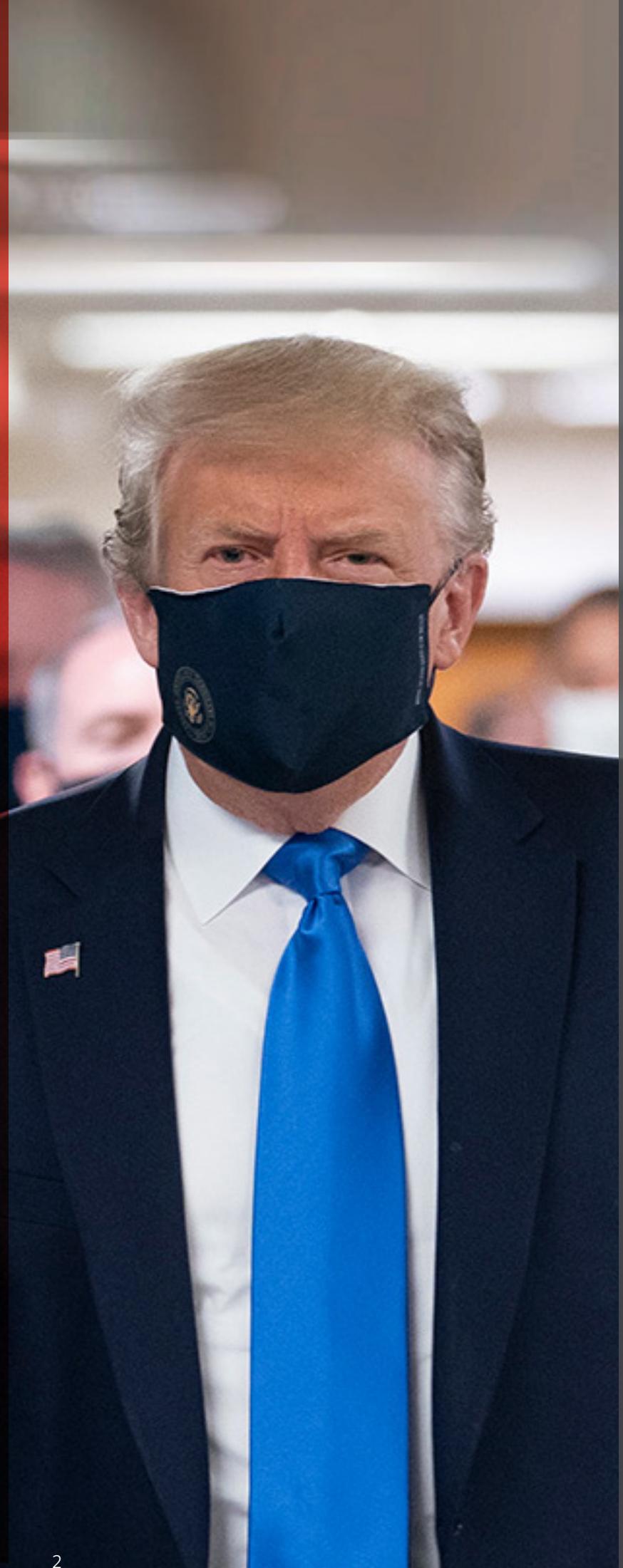




COVID-19 AND INTERNATIONAL ORDER TRANSITION

Kai He

The COVID-19 pandemic is viewed as the toughest global challenge since World War II. Although facing a common enemy of mankind, states have still failed to work together in curbing the rampant spread of virus. The perils of anarchy, the failure of global governance, and the tragedy of great power rivalries are the key reasons why the world is feckless in coping with the current crisis. The COVID-19 pandemic will not only change, but also accelerate, international order transition in the world. Strategic competition between the United States (US) and China has intensified during the pandemic, and it might push the two nations into the "Thucydides trap"—the potential military conflict between the hegemon and a rising power. International institutions, such as the World Health Organization (WHO) and the World Trade Organization (WTO)—as the backbone of the post-war order will face a great upheaval in the post-COVID world. Although it is still not clear whether a new Cold War between the US and China is coming, middle powers, such as Australia, will face a dilemma to pick sides between the two giants. How to navigate the turbulence of the order transition will be a tough strategic challenge for all nations in the coming decade.



COVID-19 and international anarchy

Anarchy refers to the distinct feature of international politics that no overarching authority is above states in the world. Self-help becomes the rational behaviour for all states under the condition of anarchy. The COVID-19 pandemic is the apotheosis of international anarchy. After the outbreak of the virus in Wuhan, China in December 2019, the predominant reaction of the world was to stay away from China by imposing travel restrictions or shutting down borders with China. It is a rational decision, because the anarchic nature of international politics prompts states to protect themselves from the virus.

Unfortunately, the coronavirus does not need a visa to travel. Closing borders with China might slow down the spread of the virus, but it did not stop the eventual outbreak of the pandemic in the globalised world. The anarchy-rooted distrust has hindered effective cooperation among states in fighting COVID-19. China started to blame the countries that restricted travel with China, while some politicians in other states publicly gloated at China's suffering because COVID-19 would encourage manufacturing industries and related businesses to withdraw from China and eventually benefit their own economies.¹ The zero-sum mentality and self-help-driven behavior rooted in international anarchy derailed the call for world-wide cooperation and coordination to fight the 'enemy against humanity'.²

The existing international organisations have also failed to rise to the occasion in responding and fighting the pandemic. The WHO has functioned as a "clearing house" to offer the most authoritative information regarding COVID-19. However, it has no power to extract information nor to enforce regulations in any country. What it can do is to issue "travel and health advice" to the world based on the information voluntarily given by its member states. Individual countries, not the WHO, have a final say on what to do and what not to do. Consequently, the WHO's warnings and advice are largely ignored by many countries, especially over the importance of testing.

The key problem of the WHO and other international organisations is their lack of authority over member states in the anarchic international system. Although the WHO has a secretariat and international civil servants to work on global health agendas, these agendas are set by member states. In addition, the infighting between member states inside the WHO might further impede the effectiveness of decision-making by the WHO itself.³ One institution that might have a collective power above nation-states is the United Nations Security Council (UNSC). However, the UNSC stayed silent regarding the response on COVID-19 until 1 July, when it finally adopted a resolution to support the Secretary-General's appeal for united efforts to fight the virus in the most vulnerable countries.⁴ The belated response from the

UNSC might reflect the deep divide inside the institution itself.

The G20 seemed to carry more hope than the United Nations in coping with COVID-19 after its unprecedented virtual meeting on March 26, 2020. The problem is that the G20 statement appeared only declaratory in nature. It is still doubtful how quickly the G-20 pledge could materialise into any meaningful cooperation among states. The reason is simple. No country is stepping up to exercise the much-needed leadership in the G20 in its fight against COVID-19 so far. The European Union became a new epicentre of COVID-19 in April 2020. The US was suffering tremendously from the rapid spread of the virus, together with the "Black Lives Matter" racial justice movement that dominated global headlines in July. China might be recovering from the worst moment, but its credibility and capability in saving the world are limited and questionable. In early June, the emergence of the second wave of COVID-19 in China seemed to overshadow a rapid and full economic recovery for the rest of the year.

To make things worse, the deepening rivalry between the US and China has curbed concerted efforts in global governance to fight the virus. At the beginning of the outbreak in January and February, President Trump publicly praised China's action and the WHO's response. However, after COVID-19 hit the US hard in March, Trump's narrative changed to blaming China for covering up COVID-19 in Wuhan at the early stage, which significantly affected the responses of other countries. China, citing the New York Times, stated that the West, especially the United States, squandered the valuable time that China bought for the rest of the world by locking down its 11 million population in Wuhan.⁵ US Secretary of State, Mike Pompeo, publicly referred to COVID-19 as the "Wuhan virus" on many occasions, despite the fact that the WHO has clearly opposed the stigmatisation of people or areas affected by the virus.

Top Chinese diplomats later engaged in the blame game on Twitter by questioning the origin of COVID-19, with implicit conspiracy theories related to a US army delegation that visited Wuhan last September.⁶ President Trump became furious and fought back by calling COVID-19 the "Chinese virus" for more than a week during his daily briefings in the White House since mid-March. The war of words over COVID-19 between the US and China seemed to reach a truce before the G20 virtual summit on 26 March. The diplomatic flare-ups restarted in mid-April when Trump declared that the US was investigating the source of COVID-19, implying that the virus might come from a laboratory in Wuhan, China.⁷ The distrust between the two nations has deepened, and it also has dampened the hope of global efforts to fight the COVID-19 pandemic.



International order transition in the post-COVID world

The second or even the third wave of the pandemic is still on the horizon. There are many things that we still do not know about the pandemic, such as when and how the pandemic will be over and how much damage, materially and non-materially COVID-19 will inflict on the whole world. However, it is clear that the post-COVID world will be different. The so-called “liberal international order” led by the US after World War II will be transformed fundamentally because the two pillars of the order have been shaken during the pandemic with an accelerated speed.

The first pillar of the US-led liberal order is the US’ preponderant economic and military power. After the Cold War the world entered the unprecedented “unipolar moment” for about three decades.⁸ While the US has enjoyed unrivalled economic and military power under this unipolar world, most other states have in various degrees benefited from the stability and prosperity brought by deepening economic interdependence and globalisation in the post-Cold War era.

However, history shows that no state can stay on the top of the hill forever, and the rise and fall of great powers in world politics is inevitable.

The 2008 Global Financial Crisis originating in the US signified the potential power transition in the international system. Although the world economy eventually recovered with ensuing global efforts in economic and financial cooperation, the ‘rise of the rest’ has challenged the hegemonic status of the US in the international order.⁹ The

economic and political impacts of the COVID-19 pandemic is much more devastating than the 2008 financial crisis. According to the OECD Economic Outlook, COVID-19 has brought the global economy to ‘the deepest recession since the Great Depression in the 1930s with GDP declines of more than 20% in many countries during shutdowns and a surge in unemployment’.¹⁰ In June 2020, the International Monetary Fund (IMF) predicted that global growth will be at -4.9 per cent in 2020.¹¹

To date, the US has the most COVID cases and suffers the highest death toll in the world. Putting aside the question of whether the pandemic will end US hegemony, the economic and political ramifications to the US will certainly be profound and devastating. China was hit by COVID-19 first in December 2019. Though China seemed to be recovering gradually as a result of quick draconian measures, the economic cost and reputation damage have been significant from the pandemic. The virus ended China’s rapid GDP growth with a first-quarter economic plunge of 6.8 per cent year on year. It is the first time that China has acknowledged an economic downfall in four decades.¹² Comparatively speaking, some countries in the Indo Pacific, such as Japan, South Korea, Singapore, and Australia, seemed to have weathered the storm better than other places in the world. However, it is still too early to be optimistic because many countries are currently experiencing the second wave of COVID-19.

US unipolarity might fade away after COVID. It remains unclear what kind of world will emerge in the future. One thing that is certain, however, is that the strategic competition between the US and China will continue and intensify given the presidential election in November 2020.



Other states, including Australia, will face a tough choice to pick sides between these two giants. A new Cold War will be just on our doorstep if the US decouples from China and the ideological antagonism between the two nations starts to divide the world into two camps again.¹³ It is expected that US-China relations will deteriorate sharply in the lead up to the November election. Both Republican and Democrat campaigns have adopted “China bashing” as a strategy. The real danger, however, is that the downward spiral of US-China relations might be accelerated by the pandemic and eventually push the two countries into a corner—a new Cold War in the post-COVID world.¹⁴

The second pillar of the liberal international order is international institutions. The institutional order consists of intergovernmental organisations, such as the United Nations, the World Bank, the IMF, and the WTO, as well as the constitutive rules and norms embodied in international agreements and treaties among states. These institutions guide and govern the interactions and expectations among states in the anarchic international system. The institutional pillar of the order is also at risk. Since the start of the Trump presidency in 2017, the US has gradually wrecked the international institutions that the country has built and led for decades. For example, Trump withdrew the US from the Trans-Pacific Partnership (TPP) as soon as he assumed office in January 2017,¹⁵ and in June 2017, Trump announced that the US would withdraw from the Paris Climate Agreement.

In May 2018, Trump pulled the US out of the international nuclear deal with Iran—despite mounting criticism from its European allies. Moreover, it was reported that Trump threatened to withdraw from the WTO more than 100

times.¹⁶ During the COVID-19 pandemic, Trump suspended US funding to the WHO in April 2020, alleging that the organisation had ‘severely mismanage[ed] and cover[ed] up’ the coronavirus threat.¹⁷ The US started its formal one-year withdrawal process from the WHO in July because President Trump believed that the WHO had become a ‘puppet of China’.¹⁸ In the security realm, Trump publicly derided NATO as ‘obsolete’ and criticised the allies for free-riding on the US for security protection. In addition, the US withdrew from the Intermediate-Range Nuclear Force (INF) Treaty with Russia in August 2019, and announced a similar decision regarding the Open Skies Treaty in May 2020. Ironically, the post-war institutional order seems to be being destroyed by its founder, piece by piece.

COVID-19 might lead to a spur of fundamental transformation, if not to a state of total collapse or revolution of the current international institutions. The United Nations system, especially the WHO, will face serious scrutiny after the pandemic. The world’s leading economic and financial institutions, such as the WTO, the IMF, the World Bank, as well as the G-20, will shoulder the toughest challenges to reboot the world economy in the post-pandemic world. How they transform themselves to do the heavy lifting remains unclear. Moreover, surging nationalism and protectionism around the world during the pandemic will further hamper multilateral cooperation among states.

What kind of multilateralism and international institutions will survive and emerge from COVID-19 is still an open question for state leaders and politicians to answer in the near future.



Still hopes ahead ...

COVID-19 has pushed the world to the brink of two dangerous traps: the Thucydides trap and the Kindleberger trap. While the former refers to an inevitable conflict between a ruling power and a rising power during power transition, the latter indicates a situation in which no country takes the lead to sustain international institutions in the international system.¹⁹ The deterioration of US-China relations during the pandemic vindicates that Thucydides' warning is still valid in the 21st century. The lack of leadership and the bungling responses of international institutions to the pandemic also suggest that Kindleberger's famous blame of the US for the outbreak of World War II might echo itself again, albeit with different forms in the post-COVID world.

However, there are still hopes. COVID-19 has taught nations that no country can be immune from the pandemic in the globalised world. Isolationism and nationalism might be temporary measures to slow down the spread of the virus, but they will not be sufficient

to stop the virus, recover the economy, and most importantly, prevent the recurrence of another or similar global crisis in the future. Globalisation should not be blamed for the failure in dealing with COVID-19. The lack of cooperation in a globalised world is the real reason for the sluggish and ineffective responses to the pandemic. How to enhance cooperation and foster multilateralism among states is the only way out for re-building peace and prosperity in the post-COVID world.

First things first, the US and China should stop their childish blame game regarding the outbreak and spread of COVID-19. With great power comes great responsibility. The two countries need to work together to develop vaccines, bolster global health institutions, and work together to prevent future pandemics. The US and China will still compete for power and influence in the post-COVID world. However, how to compete responsibly and peacefully requires vision, wisdom, and adept diplomacy from political leaders in both countries.



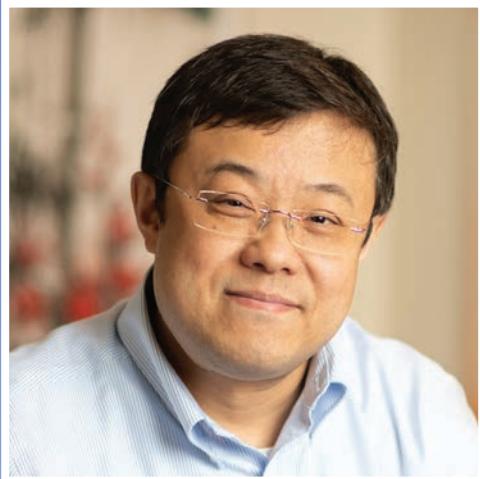
Second, multilateralism is the only cure for this global pandemic as well as for future global crises, including climate change. As French President Emmanuel Macron wisely points out, multilateralism should not be weakened by COVID-19.²⁰ The United Nations, G20, the World Bank, the IMF, and other global organisations should work collectively in reinforcing multilateral cooperation and global governance in the post-COVID world. Regional organisations, such as the Association of Southeast Asian Nations and the European Union, East Asia Summit, should also beef up their internal collaboration as well as external coordination so that these regional institutions can build up a second layer of protection against the pandemic and other global crises—should the international organisations fail to function and operate properly.

Middle powers, like Australia, should not stay idle during the forthcoming order transition, accepting whatever great powers impose or bearing whatever collateral damages great power politics inflict on them. The strategic uncertainties present middle powers with higher risks as

well as opportunities. They should resist the pressure as well as the temptation to pick sides between two great powers. Instead, they should work together to pursue an independent role in shaping their own fate in the post-COVID world.

International rules, norms, laws, and multilateralism are the best means for middle powers to exert their influence and protect their national interests.

The post-COVID world might not be dominated by one or two great powers. Rather, it can become more globalised, interdependent, and institutionalised if middle powers and non-governmental organisations can have their own say in setting rules and norms in the post-COVID world. However, there is a long way to go. The COVID-19 pandemic has created economic, political, social, and international turmoil in the whole world, which is likely to become worse before getting better. We all should take caution and prepare for these post-COVID challenges.



Kai He is Professor of International Relations at Griffith Asia Institute and Centre for Governance and Public Policy, Griffith University, Australia. He is a visiting Chair Professor of International Relations at the Zhou Enlai School of Government, Nankai University, China (2018–2020). He is currently an Australian Research Council (ARC) Future Fellow (2017–2020). He was a postdoctoral fellow in the Princeton-Harvard China and the World Program (2009–2010).

He is the author of *Institutional Balancing in the Asia Pacific: Economic Interdependence and China's Rise* (Routledge, 2009), *Prospect Theory and Foreign Policy Analysis in the Asia Pacific: Rational Leaders and Risky Behavior* (co-authored with Huiyun Feng, Routledge, 2013), and *China's Crisis Behavior: Political Survival and Foreign Policy* (Cambridge, 2016). He is a co-editor (with Huiyun Feng) of *US-China Competition and the South China Sea Disputes* (Routledge, 2018). His peer-refereed articles have appeared in *European Journal of International Relations*, *European Political Science Review*, *Political Science Quarterly*, *Review of International Studies*, *Security Studies*, *International Studies Review*, *International Politics*, *Cooperation and Conflict*, *Contemporary Politics*, *Asian Survey*, *The Pacific Review*, *Journal of Contemporary China*, *The Chinese Journal of International Politics*, *Asian Security*, *Asian Perspective*, *Australian Journal of Political Science*, *Australian Journal of International Relations*, *International Relations of the Asia Pacific*, *Issues and Studies*, *Strategic Studies Quarterly*, and *East Asia*.

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Griffith Asia Institute

Griffith Asia Institute

Griffith University Nathan campus

Nathan Queensland 4111, Australia

Phone: +61 7 3735 3730

Email: gai@griffith.edu.au

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