

MIN YE

China in 2020

A Year of Converging Crises

ABSTRACT

The COVID-19 pandemic wreaked havoc on China, causing tremendous losses. It also accelerated the trend of power concentration, both within the state and inside the Communist Party. With tensions between the US and China mounting in more areas, bilateral relations dropped to the lowest point since the end of the Cold War. On its periphery, China also saw crises of varying intensity over Hong Kong, Taiwan, the Uyghurs, and the disputed border with India.

KEYWORDS: China, US-China relations, COVID-19, Xi Jinping, Chinese diplomacy

IN THE CHINESE CALENDAR, 60 years constitute one cycle; 2020 is the 37th year of a cycle, or Geng Zi (庚子). For students familiar with China's modern history, Geng Zi is by no means a year of good fortune. From the first Opium War (1839–1842), which ushered in China's "hundred years of humiliations," to the Boxer Rebellion in 1900, which ended with the occupation of Beijing by the Eight-Nation Alliance and the huge Boxer Indemnity,¹ to the disastrous Great Famine around 1960, which claimed the lives of tens of millions of Chinese people, all Geng Zi years in the last two centuries have been associated with turmoil, disaster, and war. Of course, such historical analogies do not have any solid theoretical foundations. However, the popularity of the Geng Zi concept as a talking point among the Chinese public, as well as observers, does reveal the underlying anxiety

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1. Known in China as the Geng Zi Indemnity.

in a world of mounting uncertainty. To some extent, it also echoes President Xi Jinping's often-quoted view that the world is facing "profound changes unseen in a century." While it is up to future writers whether 2020 will join previous Geng Zi years as another extraordinary year in China's history, for those who expected dramatic changes, 2020, a year of converging crises, did not let them down.

THE CHINESE DREAM IN THE SHADOW OF THE PANDEMIC

With more than 80 million people in 191 countries and regions being infected and more than 1.8 million being killed by COVID-19, 2020 will be remembered first and foremost as a year of pandemic. In December 2019, cases of pneumonia of unknown origin were reported in Wuhan, a city in central China. Although China says that it immediately notified the World Health Organization and the US (Information Office 2020), the public was not timely or accurately informed. Local officials intentionally set strict criteria to lower the number of confirmed infections. Doctors who raised the alarm on social media were reprimanded. Between January 6 and 17, 2020, for instance, zero new infections were reported for 12 consecutive days. The public was repeatedly assured of the noncontagiousness of the disease despite evidence of human-to-human transmission seen as early as mid-December 2019. Residents in Wuhan, unwarned and unprotected, continued their celebrations for the upcoming Chinese lunar new year, including a mass community banquet that involved 40,000 families. By the time the government locked down Wuhan, more than five million residents had left town to visit their families across the country. It is estimated that had serious measures been taken one to three weeks earlier, China could have prevented between 66% and 95% of its cases (Myers 2020).

Aggressive measures were abruptly adopted after a January 20 order from Xi. On January 23, Wuhan and its surrounding Hubei Province were shut down. Public gatherings were banned, exit roads were closed, the public transportation system was suspended, and residents were told to stay home. Within two days, all the other provinces announced a public health emergency, and the whole country was on lockdown. Tens of thousands of medical staff were dispatched to Wuhan, the epicenter of the pandemic. Sixteen makeshift hospitals were set up to quarantine those infected, and two field hospitals were built to treat critically ill patients. After initial panic

and chaos, these efforts, plus mass testing, aggressive contact tracing, and vigorous household quarantine effectively contained the spread of the virus. According to the official data, after peaking at 58,000 on February 26, China's total infections quickly dropped. In early March, outside Hubei, China's daily new infections had fallen to single digits. Stringent restrictions were gradually loosened across the country, and on April 8, after more than 50,000 infections and almost 4,000 deaths, Wuhan became the last city to lift its lockdown measures. In the following months, China's focus shifted to preventing imported infections from other countries. So far, China has successfully avoided a second wave of infections.

The pandemic wreaked havoc on the nation. It is one of the worst public health crises since the establishment of the People's Republic, causing, according to the official account, more than 92,000 infections and 4,700 deaths. Across the country, major social and economic activities were halted for almost two months. Wuhan, a city of more than 11 million and a major economic center of central China, was in total lockdown for 76 days. For the first time since 1979, the annual meeting of the National People's Congress was postponed from March to May. In the first quarter, China's GDP dropped 6.8%, the first negative growth since it started reporting quarterly GDP growth in 1992. In the Politburo meeting on the post-pandemic economic recovery, the focus was shifted to “ensuring” (六保) employment, basic livelihoods, and four other essential issues, a sharp change from the previous emphasis on “stabilization” (六稳) in these areas. In the annual government work report, no annual growth target was set for 2020, another rare decision.

To prop up the stricken economy, China unleashed a stimulus package worth US\$ 500 billion, approximately 4% of its annual GDP. Although industrial outputs rebounded after new investments in infrastructure projects and tax and fee cuts, domestic consumption remained weak, and tens of millions of people were still out of work. From January to November, according to the most recent macroeconomic data, industrial output expanded by 7%, but domestic consumption was still 4.8% lower than the same period in 2019. But as most of the world is still struggling in the midst of the pandemic, the chance of a rapid economic recovery is slim. The IMF projected that China's GDP would grow by about 1.9% for the year. This is much better than all the other major economies, but it is unquestionably the worst in decades.

The pandemic also posed political threats from within and without. Compared with most other countries, China should have been better

prepared for such a pandemic. In 2002–2003, an outbreak of SARS, a similar coronavirus, spread through the country, causing more than 5,000 infections and 349 deaths. In the aftermath of SARS, a series of measures were taken to cope with similar public health emergencies, including construction of a national infectious disease reporting system. As recently as March 2019, the director of the Chinese Center for Disease Control and Prevention said that “the SARS pandemic will not happen again” (Gao Fu 2020). Nevertheless, China’s responses, especially the initial cover-ups and underreporting, showed that few lessons were learned. On February 7, Li Wenliang, one of the reprimanded whistleblower doctors, died after being infected by a patient. His death triggered a wave of anger and grief on China’s social media. The government was forced to investigate this issue and admitted that his treatment was inappropriate.

But this concession was an exception rather than the norm. Criticisms of the government have been muffled, and defiers have been harshly penalized. After publicly lambasting Xi for his mishandling of the pandemic, Ren Zhiqiang, a former real estate tycoon and an outspoken critic of the Party, was arrested and quickly sentenced to 18 years’ imprisonment on corruption charges. Xu Zhangrun, a well-known law professor, was detained for soliciting prostitution and then dismissed by his university after decrying the government’s missteps in an essay. The whereabouts of several citizen journalists who tried to report the pandemic on social media are still unknown.

The government might find it easy to snuff out domestic criticism, but it is much more difficult to mute denunciations from abroad. In a recent survey conducted by the Pew Research Center in 14 countries, most respondents said China has handled the COVID-19 outbreak poorly. In his remarks to the 75th session of the United Nations, President Trump vowed to hold the Chinese government accountable for unleashing the virus. Trump has been joined by a growing list of governments and politicians across the world. These accusers themselves may be guilty, as China has vehemently claimed, of using China to divert attention from public discontent in their own countries. Yet, the heightened attention on China’s bungled initial responses is very likely to render the country’s accountability a major international issue in the post-pandemic world.

On September 8, 2020, a high-profile conference was convened in Beijing to honor role models in the battle against the pandemic. Celebrating a “major strategic achievement” while most of the world was embracing

a second round of COVID-19 may look premature and even inconsiderate. But it reveals the government's political assessment. The pandemic exposed both the strength and the weakness of the regime. The government's immunity to public disaffection is as strong as its ability to successfully avoid a second wave of infection, in contrast to the failure of other countries. The government keeps emphasizing that during the pandemic Xi "has taken personal command, planned the response, overseen the general situation, and acted decisively," and hailing these achievements strengthens his rule inside the Party. Nevertheless, as sound as this strategy may look, it surely leaves little room for reflection and soul-searching to prevent similar mistakes in the future.

US–CHINA DECOUPLING HAS ONLY JUST BEGUN

After a bumpy 2019, China–US relations were off to a good start in the Geng Zi year. On January 15, the Phase One trade deal was signed in Washington. China promised to purchase an additional US\$ 200 billion of US goods and services in 2020 and 2021. In exchange, the US agreed to suspend the tariffs imposed in December 2019 and roll back some of the previous tariffs. But after this, the rapprochement quickly evaporated and the bilateral relationship entered free fall, dropping to a level not seen since the Tiananmen Square incident in 1989.

On learning about the outbreak in early January, officials from the US Centers for Disease Control and Prevention repeatedly offered to send US infectious experts to China. China rejected these requests and criticized the US's responses—including travel restrictions on non-US citizens from China and the evacuation of its citizens from Wuhan—as "overreactions" and "setting a bad example" for other countries. As the virus rapidly swept the US, the Trump administration raised its voice in blaming China. On March 20, Trump started calling COVID-19 the "Chinese virus." In May, he announced the US's withdrawal from the World Health Organization, accusing it of helping the Chinese government downplay the danger at the beginning of the pandemic. During the presidential election, "it's China's fault" became an integral part of the Trump campaign's strategy to defend its handling of the pandemic. In response, Chinese official media kept highlighting the failure of the US to contain the virus. A spokesperson for China's Minister of Foreign Affairs even promoted a rumor that was popular

on Twitter, a platform banned in China, that the virus was originally developed by a US military research institute and then brought to Wuhan in October 2019 by members of the US military who came to participate in the Military World Games. In May, Xi coupled his support for the World Health Organization with a pledge of US\$ 2 billion in aid to fight the virus.

But COVID-19 is only one of the factors that strained bilateral relations in 2020. While the Phase One agreement temporarily staved off a new round of tariff battles, it did not prevent the economic strife from taking other forms. First came Huawei, the world's second-largest smartphone provider, as well as the leader of 5G technology services. On June 30, the US officially labeled Huawei a national security threat. In August, restrictions were tightened further, completely shutting down Huawei's access to advanced chips and other electronic components from the US. The US also strongly urged its allies to ban Huawei's 5G services. Due to these sanctions, the supply of Huawei's high-end smartphone chips quickly dried up. The company saw its overseas smartphone sales drop 36%, 27%, and 23% in the first three quarters, respectively. The US, Australia, New Zealand, and Japan had banned Huawei's 5G services in 2019, and Huawei is also being shut out of other countries' 5G infrastructure markets.

On August 6, 2020, Trump targeted two leading Chinese apps, issuing an executive order to prohibit transactions relating to TikTok and WeChat over "grave national security concerns." TikTok is a video-sharing mobile app with more than 100 million active users in the US; WeChat is the most widely used social media app in Chinese communities across the world, with 1.2 billion active users. At present, TikTok is still negotiating with two American companies (Oracle and Walmart) on a deal for its operations in North America, and America's 3.3 million WeChat users can still download and update their apps thanks to a district court judge in San Francisco who blocked the nationwide ban. The fate of these two apps is still uncertain. But they are very unlikely to be the last victims as the tech war rages on. As the weaker side, China so far has refrained from any countermeasures, aside from some routine verbal protests. However, in September China released details on its own Unreliable Entity List, laying the legal ground for further actions against the US. Should China add any US enterprises to that list or follow through on its threat to boycott major US companies, such as Apple, the ongoing economic strife will escalate to a new level.

On October 9, the *New York Times* reported that China's state TV would air Game 5 of the NBA finals. What makes this otherwise trivial report matter is the rarity of any positive news between the two countries in 2020. Scholars fretted about a looming US–China Cold War in 2019, and it may have become the reality in 2020. On May 26, the Trump administration released the United States Strategic Approach to the People's Republic of China. The report said that the engagement policy toward China in the past two decades has failed. Instead, the US should adopt “a competitive approach” and tolerate “greater bilateral friction.” In the following weeks, a series of well-positioned speeches were given by National Security Adviser Robert O'Brien, FBI Director Chris Wray, Attorney General William Barr, and Secretary of State Michael Pompeo, detailing the threats of China from various angles.

In Pompeo's speech, the US chief diplomat notably distinguished the Communist Party from the Chinese people, urging Chinese citizens to transform the Party. As predicted, China's propaganda machine fought back with full power. Pompeo was labeled “the public enemy of human beings” and “an enemy to world peace.” Thus, the year 2020 is witnessing a simmering diplomatic war across the Pacific Ocean.

On February 18, the Department of State designated five Chinese state-run media companies as foreign missions, requiring them to report personnel as well as real property holdings in the US. The next day, in response, China expelled three US reporters. On March 2, the US asked five Chinese state media companies to reduce the number of their Chinese employees working in the US. China quickly retaliated by ousting almost all reporters for the *New York Times*, *Wall Street Journal*, and *Washington Post*. (In June and October, 10 more Chinese and US media were added to the blacklists on each side.) The diplomatic tit for tat reached a climax on July 21, when the Chinese consulate in Houston was ordered closed on allegations of espionage. A week later, China shut down the US consulate in Chengdu. If few took seriously Trump's threat in early May to “cut off the whole relationship with China” seriously, at present the prospect that the two countries will sever their diplomatic ties cannot be ruled out by any serious observer.

The impacts of US–China tensions are both immediate and substantial. Bilateral trade slumped more than 10.7% in 2019. In the first half of 2020, the total value of the foreign direct investment and venture capital deals

between the two countries fell to a nine-year low. Hostilities also expanded to other areas. Since 2017, 54 Confucius Institutes sponsored by China in the US have been closed. By September, more than 1,000 Chinese graduate students and researchers were reported to have lost their visas. In June 2019, more than 34,000 Chinese students were granted a US student visa for the upcoming fall semester; in June 2020, the number dropped to a shocking eight. Since Deng Xiaoping's historic visit in 1979, the two countries have never seemed so far apart.

TROUBLE ON THE PERIPHERY

By any measure, 2020 was not a quiet year on China's periphery. From Hong Kong to Xinjiang, from the Himalayas to the Taiwan Strait, Beijing has rarely seen itself surrounded by so many troubles at the same time. Although none of these controversies seems to pose a direct threat to the regime, they definitely reshaped the international context for China's further development. The way the Chinese government treated Hong Kong demonstrators, the Taiwanese public, and the Uighur ethnic minority could only deepen the suspicion of China's self-described "peaceful rise."

Let us begin with Hong Kong. Because a separate article in this issue of *Asian Survey* is devoted to Hong Kong, we focus here on the implications for China's domestic and foreign policy. In 2020 the streets of Hong Kong appeared less packed and turbulent than in 2019. After more than 200 days of massive demonstrations, with thousands of activists being arrested, it might be difficult for the movement to maintain its momentum. And the pandemic forced many people to stay home. But instead of using this moment to soothe the discontent, Beijing tried to strangle the protests once and for all. Strict bans on gatherings were announced (in the name of containing the virus); officials deemed less loyal to Beijing were replaced; protest organizers were arrested and tried; and the scheduled Legislative Council election was delayed.

On June 30, just before Hong Kong's annual July 1 march (a tradition to commemorate the 2003 protest rally against an extremely unpopular article of the Basic Law), the National People's Congress hastily passed the Hong Kong National Security Law. The broadly defined offenses in the new law basically criminalize street protest of any kind. Actions like displaying or chanting a popular slogan might bring charges of secession or subversion of

state power, punishable by up to life in prison. Under the law, Hong Kong suspects in criminal cases can be tried on the mainland, and Beijing will establish a new security office in Hong Kong with jurisdiction over certain cases, moves that many believe threaten Hong Kong's judicial independence. As the most serious political crisis the Chinese government has faced in recent years, the 2019–20 Hong Kong protest laid bare the core contention between the special administrative region and the central government. People in Hong Kong strove to protect their way of life, which was guaranteed in the Sino–British Joint Declaration and the Basic Law.

The Party is not particularly disturbed by Hong Kong's autonomy *per se*—what it cannot tolerate is the cover it provides for anti-Beijing demonstrations, which it sees as both an embarrassment and a threat to regime stability. The Hong Kong National Security Law evinces Xi's determination to eradicate these problems at all costs. Supporters of these harsh measures may cheer on their victory in clearing Hong Kong's streets. But it is hard to say they have won the war for the hearts and minds of millions of Hong Kongers; almost 60% of Hong Kong respondents oppose the security law (Reuters 2020).

If part of the original calculation for the Hong Kong Special Administration Region was to showcase the “one country, two systems” idea for the Taiwanese people, the crisis in Hong Kong has vividly demonstrated how this strategy could backfire. The protests in Hong Kong, as well as Beijing's scorched-earth policy, have brought support for unification among the Taiwanese public to a 16-year low (Voice of America 2020). During the presidential election on January 11, Dr. Tsai Ing-wen, the incumbent president from the pro-independence Democratic Progressive Party, won a record 8.17 million votes, two million more than her pro-unification KMT rivals. In her inauguration speech, Tsai bluntly rejected “one country, two systems,” a significant shift from her acknowledgment of the “1992 one-China consensus” as a historical reality in her 2016 inaugural address. Beijing responded with stringent economic and political punishments and mounting military threats. After stopping issuing individual travel permits to Taiwan in 2019, Beijing suspended mainland students from studying in Taiwan in April 2020. Taiwan was kept out of this year's World Health Assembly amid the pandemic. In an ostentatious show of force, Beijing sent its aircraft carrier fleet through the Taiwan Strait. Chinese military aircraft frequently crossed the Strait midline and intruded into Taiwan's Air Defense

Identification Zone (ADIZ). According to the Taiwanese defense minister, through October the planes had entered the zone 221 times and crossed the midline 48 times, the highest numbers since 1990.

In the midst of rising US–China tensions, Hong Kong and Taiwan were quickly pushed to the forefront of their conflict. The Hong Kong National Security Law triggered a series of strong reactions from the US, including ending Hong Kong’s preferential treatment and the US–Hong Kong extradition treaty. A new law was passed to penalize individuals, banks, and other entities that adhere to the national security law. On August 7, sanctions were slammed on Hong Kong’s chief executive, the director of the Hong Kong and Macau Affairs Office of China’s State Council, and nine other senior Chinese officials. Two days later, the same number of US personnel, including five senators, were sanctioned by China.

The confrontation over Taiwan was even more fierce. In March 2020, the Taiwan Allies International Protection and Enhancement Initiative (TAIPEI) Act of 2019 was signed into law, in which the US pledges to strengthen bilateral relations with Taiwan as well as Taiwan’s international position. The year also saw substantial advances in the official ties between Taipei and Washington. After the Taiwanese presidential election, Pompeo and other US officials and politicians quickly congratulated Tsai on her reelection. In February, Vice-president-elect Lai Ching-te visited the US, becoming the highest-ranking Taiwanese official to attend the annual National Prayer Breakfast. Another breakthrough was made in August, when Alex Azar, the US secretary of health and human services, visited Taiwan, making him the first US cabinet official to do so since 1979. Azar was followed by Keith Krach, undersecretary of state, who went to Taiwan in September to attend the memorial service for former President Lee Teng-hui.

Defying pressure from Beijing, in 2020 the US approved four arms sales to Taiwan, together worth more than US\$ 4.9 billion. In July, two aircraft carriers, the USS *Nimitz* and USS *Ronald Reagan*, were dispatched to the South China Sea for military exercises. Beijing reacted with even more threats. In August and September alone, China conducted nine military exercises from the Yellow Sea to the South China Sea. They included the testing of two anti-ship ballistic missiles designed to attack large warships—including aircraft carriers. On October 25, at a major meeting to commemorate the 70th anniversary of the Korean War, Xi issued his sternest warning so far: “It is necessary to speak to

invaders in the language they know, that is, a war must be fought to deter invasion, and force must be met by force.”

In 2020, the controversy over China’s ill treatment of the Uyghur minority in Xinjiang continued to ferment. Although the government announced in December 2019 that all detainees have “graduated,” a recent study by an Australian think tank found that dozens of new “re-education centers” are still under construction. In June, Trump signed the Uyghur Human Rights Policy Act, which requires the US government to report human rights abuses in Xinjiang. In October, the US House passed the Uyghur Forced Labor Prevention Act, prohibiting the import of products made with forced labor in Xinjiang. Six Chinese officials, including the Party secretary of Xinjiang, and several Chinese companies were sanctioned. The Xinjiang human rights issue also made its way into this year’s EU–China summit, causing a bitter quarrel between Xi and his EU counterparts.

Not far from Xinjiang, a military standoff between China and India on their disputed border also intensified. In July, a brutal fistfight in the disputed Pangong Lake and Galwan River valley area claimed more than 20 Indian soldiers’ lives (China never revealed its own casualties). Despite meetings between diplomats and military representatives, there is no sign of de-escalation. During another confrontation in September, both sides fired warning shots, in violation of a previous agreement. As a result, bilateral relations have slumped to their lowest since the 1962 border war.

CONCLUSION: WILL HISTORY REPEAT ITSELF?

To observers of China, it is no exaggeration to call 2020 a year of crises. Indeed, each of the issues is complicated in its own way. But almost all of them follow a similar path of escalation. Put together, these events may sketch the silhouette of China’s combative strategy to deal with crises. Domestically, the belief that strengthening the Party’s control is the best solution for all challenges and problems means that every crisis is followed by two consequences. The first is deeper and more pervasive penetration of state power into private space. To control the pandemic, mobile apps were installed on citizens’ cellphones to track movements and trace contacts. To ward off the looming US financial sanctions, digital currencies were introduced to enhance the supervision of business activities. Second, as opponents are purged and critics silenced, the trend of power being concentrated

in Xi's hands is accelerated. Yet, as dominant as Xi Jinping is in China's political system, this unavoidably ties each crisis and his job security more closely together. Internationally, in instructing his diplomats to be "fight bravely and well" (敢于斗争, 善于斗争), Xi has guided China's foreign policy decidedly away from Deng Xiaoping's strategy of "keeping a low profile" (韬光养晦). In the recent international crises, China has rarely been seen backing down. Part of the change reflects China's rising power and global influence. But surging nationalism inside China has definitely left little room for such a maneuver. This so-called wolf warrior (战狼) diplomacy may win more applause domestically. But it will widen the gulf of distrust between China and other countries and risk escalating crises into more-severe conflicts; both of these effects were seen in 2020.

Will history repeat itself and make this Geng Zi another landmark year in China's history? Maybe only a time traveler from the future can answer that question. Compared to previous Geng Zi years, the current China is more prosperous and more confident, and more deeply enmeshed in the process of globalization. However, the highly centralized power structure without checks or balances, people's lack of participation in political and public affairs, and the distrust and antagonism toward the outside world are still vivid reminders of China in previous Geng Zi years. Certainly, no one wants to see any of those crises repeated in the second-largest economy in the world. Looking back, perhaps the only comfort we can take from the historical analogy is that, if the Geng Zi notion is true, perhaps the worst is now over.

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