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## “The COVID Silver Linings Playbook” (Project Syndicate, Sept 15, 2020)



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*The old adage that every crisis represents an opportunity is certainly true in the case of COVID-19. Now that the pandemic has lasted longer and wrought more destruction than many initially anticipated, it is all the more important that policymakers seize on the positive trends it has incidentally set in motion.*

CHIPPING NORTON – The human tragedies and massive economic disruptions caused by COVID-19 have rightly commanded the attention of the public and policymakers for more than six months, and should continue to do so. But in managing the immediate crisis, we must not lose sight of the opportunities. The oft-quoted line about not letting a crisis go to waste has rarely been more relevant.

Although US President Donald Trump has little personal interest in human rights, democracy, or the rule of law, his administration has brought these values to the fore in its confrontation with China. In doing so, it has effectively declared a new cold war.

For companies, governments, households, and multilateral institutions navigating this unsettling period, the basic task is the same: to overcome pandemic-induced disruptions in ways that also emphasize the silver linings of the crisis. Now is the time to look to lock in trends and conditions that will reshape our society and economy for the better over the long term. With this overarching objective in mind, here are the top six silver linings that I see.

The first is that we are living through one of the most exciting and promising periods of medical invention and innovation in history. While the immediate focus is rightly on COVID-19 vaccines and therapies, we should expect the research currently underway to produce a host of other discoveries, many of which will yield significant, durable benefits. Moreover, the crisis is forcing us to confront a battery of complex issues concerning drug pricing and distribution, both domestically and globally, as well as the range of social and other inequalities that we have allowed to worsen.

Second, deeper cross-border private-sector collaboration, often outside the purview of governments, is fueling this process of scientific leapfrogging. In mobilizing against the coronavirus, scientists around the world are sharing information like never before, and pharmaceutical companies are collaborating in unprecedented ways. These collective efforts are being supported by dynamic public-private partnerships, showing that this instrument of development can indeed be “win-win” when it is properly focused and there is clear alignment.

Third, the economic disruptions resulting from the pandemic have fueled multiple private-sector efforts to collect and analyze a broader range of high-frequency data in domains extending far beyond medicine. In the economics discipline, for example, there is a massive surge of interest in innovative new methods of measuring economic activity through granular high-frequency indicators like mobility (smartphone geolocation), electricity consumption, and retail traffic, as well as credit card usage and restaurant reservations. These metrics are now supplementing the official statistics compiled by governments, providing considerable scope for compare-and-contrast exercises that can improve the quality and policy relevance of data-collection efforts.

Fourth, the COVID-19 shock has raised our collective awareness and sensitivity to low-probability, high-impact “tail risks.” Suddenly, many in the private and public sectors are thinking more in terms of the full distribution of potential outcomes, whereas in the past they focused only on the most likely events. Policymakers have become more open to scenario analyses and the broader range of “if-then” conversations that such analyses elicit.

In the case of climate change – a major risk that some wrongly perceived as a distant tail instead of a baseline – the sharp reduction in harmful emissions during the current crisis has provided clear evidence that a new way is possible. And it is now widely accepted that governments have an important role to play in underwriting a durable and inclusive recovery. The door is open for more public investment in climate mitigation and adaptation, and there is a growing chorus demanding that the new normal be “green.”

This speaks to a fifth silver lining. The pandemic has led country after country to run a series of “natural experiments,” which have shed light on a host of issues that go well beyond health and economics. Systems of governance and modes of leadership have come under scrutiny, revealing a wide divergence in their capacity to respond to the same large shock. These issues have not been limited to the public sector. Corporate responsibility has also been brought to the fore as company after company scrambles to respond to what was once unthinkable. And multilateral cooperation has been shown to be lacking, increasing the threats to all.

Finally, the crisis has required many companies to hold candid conversations about work-life balance, and to devise innovative solutions to accommodate employees’ needs. There have already been far-reaching changes in how we work, interact with colleagues, and consume goods and services, and only some of these are likely to be reversed after the pandemic has passed.

These six silver linings constitute only a preliminary list of the opportunities offered by the pandemic. The point is not to discount the severity of the shock and uncertainty that have confronted the majority of the world’s population. The pandemic has lasted much longer than many expected, and continues to leave tragedy and destruction in its path.

But that is all the more reason to make the most out of our collective response. The challenge now is to expand and refine this list, so that we can seize the opportunities on offer and lock in more positive trends for the long term. By acting together, we can transform a period of deep adversity into one of shared wellbeing for us and for future generations.

## “THE HEART OF THE NEW COLD WAR” (Project Syndicate, Sept 25, 2020)



**Andrew J. Nathan**, Professor of Political Science at Columbia University.

*For decades after US President Richard Nixon's historic trip to China, the West's engagement with the country was defined by core security and economic interests, and only then by human rights. But in just the past few years, these priorities have been inverted.*

NEW YORK – Despite US President Donald Trump's indifference toward the issue, human rights have assumed a central place in the mounting confrontation between the United States and China. Between imprisoning much of its mainly Muslim Uighur population, imposing a new security law on Hong Kong, and expanding its Big Brother-like surveillance state, China's flagrant human-rights violations have helped to inflame US-China relations more than at any time since President Richard Nixon's visit to Beijing in 1972. The long Sino-American honeymoon that followed that diplomatic breakthrough is now definitively over.

Although US President Donald Trump has little personal interest in human rights, democracy, or the rule of law, his administration has brought these values to the fore in its confrontation with China. In doing so, it has effectively declared a new cold war.

For over four decades, US policymakers viewed human rights in China not as a question of core interests, but rather as a matter of values to be promoted when doing so did not interfere with higher-priority security or economic concerns. As recently as 2016, when Trump campaigned against China, his objection was to “unfair” trade relations, not human rights. Upon taking office, he refrained from public – and private, as far as we know – criticism of China's human-rights record in the apparent hope of reaching a trade deal.

But within the last year or so, Trump administration officials who view China as an existential threat to the United States have pushed the Sino-American clash of values to the center of the two countries' strategic rivalry. As Secretary of State Mike Pompeo put it in October 2019:

“We all too often shied away from talking directly about the human rights issues there and American values when they came into conflict, and we downplayed ideological differences, even after the Tiananmen Square massacre and other significant human rights abuses.... Today, we're finally realizing the degree to which the Chinese Communist Party is truly hostile to the United States and our values....”

Then, in a statement this past June, National Security Adviser Robert O'Brien echoed Pompeo, asking, “How did we fail to understand the nature of the Chinese Communist Party? The answer is simple: because we did not pay heed to the CCP's ideology.”

## THE VALUES BATTLEFIELD

This shift from a realist to an ideological view of the US-China competition reflects factors on both sides. When Xi Jinping came to power in China in 2012, his administration did not initially seek an ideological confrontation with the US. But it was fast to take advantage of the strategic opportunities presented by what it saw as the weakening of America's global influence after the 2008 financial crisis. And this perception has been reinforced by America's unwillingness to use military power under both President Barack Obama and Trump, as well as by the rapid loss of its international prestige over the past four years.

Having concluded that the US was retreating from its global responsibilities, Xi sought to push back against the decades-old American military-political presence in the Asia-Pacific region. Among other things, China built a string of militarized man-made islands in the South China Sea, and stepped up its maritime operations around the Japanese-controlled Senkaku Islands, which it claims as its own (calling them the Diaoyu Islands). Under Xi, China has also increasingly bullied other Southeast Asian neighbors – Indonesia, the Philippines, and Vietnam, in particular – over their own claims to territorial waters in the South China Sea.

China has also expanded its access to global resources and markets through Xi's Belt and Road Initiative (BRI), and by using both funding and personnel placement to expand its influence within global institutions such as the United Nations Human Rights Council, Interpol, the World Health Organization (WHO), and others. In achieving these goals, China has sometimes resorted to clumsy propaganda and "united-front" strategies to win supporters and punish critics around the world. And without seeking to raise the stakes, it has responded on a tit-for-tat basis to US criticism and sanctions.

At home, Xi's regime has responded decisively to what it regards as a severe erosion of political control not just in Tibet, Xinjiang, and Hong Kong, but also among the country's liberal lawyers and academics, and even within the Communist Party itself. In each case, it has cracked down harshly with measures ranging from the internment camps in Xinjiang to the security law in Hong Kong and a sweeping anti-corruption campaign within the ruling party. These and other policies have intensified Western alarm over the authoritarian trend in Chinese governance.

Meanwhile, on the US side, after Trump made China's supposed "theft" of American jobs a major issue in his 2016 presidential campaign, none of the other candidates dared to defend trade with China, let alone argue that economic engagement could lead to political reform there. Then, in 2020, the COVID-19 pandemic provided China hawks in the Trump administration with the perfect opportunity to reorient America's China policy decisively behind their own long-term goal of decoupling the two economies.<sup>1</sup>

In the event, the Trump administration's heated reactions to Chinese policies reinforced the Xi government's perception that China faces growing external threats. It is this central concern that has motivated policies like the Hong Kong security law and the escalation of political and military pressure on Taiwan. And these moves have in turn reinforced the perception among officials in the US, Europe, Australia, and elsewhere that China is becoming what the European Commission in 2019 called a "systemic rival" to the West.

## **HUMAN RIGHTS ON TOP**

The sense that the US-China relationship has become a conflict of fundamental values is unlikely to diminish on the American side even in an administration led by Joe Biden. Advocacy of human rights has long united the two major US political parties, albeit with the Republicans usually focusing more on religious freedom, and the Democrats on freedoms of speech and association and labor rights. In any case, the internment of an estimated one million Uighurs and other Chinese citizens in Xinjiang, combined with the draconian national security law forced on Hong Kong, has set off alarm bells in both parties and among the American public.

Moreover, there is growing concern over China's encroachment on Westerners' rights and freedoms through visa bans, the monitoring of Chinese students at Western universities, the activities of Confucius Institutes, browbeating of Chinese-language media (which has provoked resistance to Chinese influence in Western Europe, Australia, and New Zealand), and other practices. According to FBI Director Christopher Wray, China has become the bureau's primary counterintelligence concern. It is competing "to become the world's only superpower ... not through legitimate innovation, not through fair and lawful competition, and not by giving their citizens the freedom of thought and speech and creativity that we treasure here in the United States," says Wray, but "by any means necessary."

So, what used to be a specialized human-rights agenda within America's broader China policy has moved to the center of what most Americans and many Chinese now see as an all-encompassing ideological competition. Owing to this fundamental shift, the bilateral relationship will increasingly focus on human rights as an organizing framework for issues like trade, investment, educational exchange, global governance, foreign aid, and even military strategy.

Of course, there are still some strategists who argue that the competition with China should be viewed in realist terms: America must accept China as it is, according to this view, and seek a stable balance of power. But while this camp can claim diplomatic doyens like former US Secretary of State Henry Kissinger, the fact is that the population of adherents is thinning. As the New York Times reported in December 2019, "China hawks have become ascendant across Congress and in the administration, and many Americans increasingly see China as a threat."

Moreover, the new consensus ranges widely across the US political spectrum. On one end, there are those like former Republican Speaker of the House Newt Gingrich, who regards China as "the greatest threat to us since the British Empire in the 1770s, much greater than Nazi Germany or the Soviet Union." And on the other end are those like me and the other participants in a recent Asia Society/University of California, San Diego, study group, who advocate "building on American strengths to compete effectively with China while maintaining as much cooperation as possible in areas of common interest."

## **THE NEW COLD WAR**

By placing the competition over human rights, democracy, and rule of law at the center of the US-China strategic competition, the Trump administration has effectively declared a new cold war. This one, however, is different from the original Cold War in several crucial respects.

For starters, unlike the Soviet Union, China does not have an ideological program that it is seeking to export to the rest of the world. Although its policies are helpful to existing authoritarian regimes, it has no mission to push these countries toward a distinctly Chinese-style system, and it is willing to work with regimes of any type to promote its economic and diplomatic interests. But China wields far less soft power than the Kremlin did at the height of the Soviet Union. For all the damage that the US has done to its own brand during Trump's presidency, the values America espouses remain enormously more attractive than those on offer from China.

Second, China has no bloc of security allies. Unlike the Soviet Union, which had an empire in Eastern Europe to provide the fig leaf of an alliance, China is surrounded by countries that are wary of its influence. Its friends are few and far between, and include none of the world's major powers or economies (with the exception of a wary Russia). In fact, under Xi, China has seemed intent on driving many potential partners – India and Indonesia, for example – more firmly into America's embrace.

Third, China has shown no sign of wanting to overthrow the existing international order. Instead, it is trying to replicate elements of the prevailing order by establishing institutions like the Beijing-based Asian Infrastructure Investment Bank, which mimics the work of the World Bank, but provides a level of Chinese influence that China's leaders consider more congruent with their country's global status.

Fourth, the Sino-American relationship features a far greater degree of interdependence than ever existed between the US and the Soviet Union. For all the problems in the US-China economic relationship, each country still has much to gain from trade, investment, and scientific, educational, and cultural exchange.

Fifth, as far as we can tell, the current Chinese regime is less vulnerable to internal collapse than the Soviet regime turned out to be. While China is likely to liberalize to some extent over the long run, there is little reason to think that it will split apart or become a democracy in the foreseeable future.

Sixth, and perhaps most important for American policymakers, China's cooperation is necessary to deal with pressing global problems like climate change, the health of the oceans, and future contagious outbreaks.

### **RECLAIMING AMERICA'S STRENGTH**

To compete effectively in the realm of global values, the US must make four fundamental changes to its foreign and domestic policy. First, it should rejoin the UN Human Rights Council and take a more active role in diplomacy concerning international norms, both in dealings with that institution's Treaty Bodies and Special Procedures and across other UN agencies.

Second, the US needs to be competing actively for influence within all intergovernmental institutions where global rules touching on human rights are decided, including the WHO, the International Telecommunication Union, the World Intellectual Property Organization, Interpol, and others. To that end, it should collaborate with other likeminded democratic countries to coordinate common positions on emerging norms that will affect people's rights across many dimensions.

Third, to promote universal values in the face of Chinese competition, the US must set an example by enhancing its own compliance with the international standards that it urges China to respect. The US should ratify the Convention on the Elimination of All Forms of Discrimination against Women, the Convention on the Rights of the Child, and the Convention on the Rights of Persons with Disabilities, as well as other international instruments, like the UN Convention on the Law of the Sea, that promote rule of law as a principle of international relations.

Above all, an effective policy to promote such values must be founded on the demonstrated success of the American model. The foundation of any country's influence lies in its good example. That is why China is having such a hard time "telling the China story well" despite the billions of dollars it invests in foreign aid and media.

When the human-rights agenda was a relatively specialized one, the American example was the key to its credibility. Persuasion by example is all the more necessary when the values competition is all-inclusive. Accordingly, Americans' top priority in approaching China – and US foreign policy more generally – must be to uphold democratic norms, defend the rule of law, confront their legacy of systemic racism, and comply with international obligations toward asylum seekers. By failing to respect human rights and the rule of law at home and abroad, the Trump administration has only weakened America's hand in the competition over global values that the US itself chose to launch.



## “THE EU STANDS WITH THE UN” (Project Syndicate, Sept 22 2020)



**Josep Borrell**, EU High Representative for Foreign Affairs and Security Policy and a vice president of the European Commission.

*Phrases like the “multilateral system” and “the rules-based international order” seem vague and lack the ring of “America First” or “Take Back Control.” But they stand for something very concrete and real – not least the choice between peace and war.*

BRUSSELS – In any normal year, I would be in New York City now for the annual opening of the United Nations General Assembly (UNGA). The event represents the greatest concentration of global policymakers in one place and is the high point on the diplomatic calendar. But this year is far from normal, and “UNGA week” is going virtual with events held online – a familiar format for us all in recent months.

This is unfortunate for several reasons. It is the UN’s 75th anniversary, and one would have wished for a better way to mark the occasion. Moreover, the state of the world is such that the multilateral system, with the UN at its core, is being challenged like never before – and just when we need it the most.

Indeed, never has the supply of multilateral solutions been so scarce, and demand for them so high. Every day we see how narrow nationalism and strategic rivalries, especially between the United States and China, are paralyzing the UN Security Council and the wider international system. From climate change and arms control to maritime security, human rights, and beyond, global cooperation has been weakened, international agreements abandoned, and international law undermined or selectively applied.

For Europeans, this is deeply unsettling. But the unfolding crisis of multilateralism is not a problem only for Europeans: everyone’s security and rights are in jeopardy. Phrases like the “multilateral system” and “the rules-based international order” seem vague and lack the ring of “America First” or “Take Back Control.” But they stand for something very concrete and real: the choice between peace and war, free societies and closed ones, and an economy built on sustainable development and one that fuels widening inequalities and runaway climate change.

A world governed by agreed rules is the very basis of our shared security, freedoms, and prosperity. A rule-based international order makes states secure, keeps people free and companies willing to invest, and ensures that the Earth’s environment is protected. The alternative – “might makes right” – has been tried for most of human history, and its horrific record is the best argument for the multilateral system. Unfortunately, it is increasingly being tried again, with the results visible to all.

This is not the approach of the EU. We will continue to believe in and support the UN. We do so not just rhetorically, but also politically and financially, as well as diplomatically, by trying to act as a bridge-builder in the Security Council.

When others were trying to pull apart the World Health Organization at the height of the COVID-19 pandemic, it was the EU that led the negotiations resulting in an agreement to set up an independent inquiry into the origins of the coronavirus. We are also the biggest donor to the COVID-19 Vaccine Global Access Facility (COVAX), established to ensure that the world gets a reliable vaccine as soon as possible and that it is treated as a global public good.

The EU pays one-quarter of the UN budget. It is often said that Europe punches below its weight geopolitically. But in terms of multilateral engagement, it finances well above its weight.

With our crisis management operations, we operate hand in hand with the UN on stabilization and reconstruction in many conflict zones, from the Sahel to the Horn of Africa, and from the Balkans to the Middle East. In the toughest war zones and humanitarian crises, you will find the EU and the UN working together.

Europeans have pushed hard for an international climate agreement and do our best to keep it alive. We are relentless in trying to protect biodiversity, access to clean water, and other natural resources.

For us, these contributions are investments in global security and prosperity – and thus in our own security and prosperity. We know that we can be safe, healthy, and secure only if our neighbors are, too. What is true of individuals is also true of countries.

Even if we face strong headwinds, the EU will stay the course in support of finding common solutions. This is often difficult and tiring, but we are always ready to discuss how to make the system more effective, more legitimate, and more fit for purpose; both with like-minded partners and those with whom we disagree. Multilateralism today must be different from that of the twentieth century: power has shifted and the challenges are no longer the same.

Much of what will shape our future – cyberspace data analytics, artificial intelligence, biogenetics, autonomous vehicles, and much else – is emerging in a regulatory vacuum. We must fill it with agreed rules, norms, and standards, and ensure they are applied – including in contexts where the major stakeholders are not governments.

The EU's bottom line is this: reform should take place by design, not by destruction. We must revitalize the system, not abandon it. So, this week and beyond, we will uphold the spirit of the UNGA and defend multilateralism, which all countries so badly need. A world without the UN would endanger us all.

## ABOUT THE COUNCIL FOR THE UNITED STATES AND ITALY



The Council for the United States and Italy is a private non-profit organization, founded in Venice in 1983 by Gianni Agnelli and David Rockefeller, who served as honorary presidents until 2003. Marco Tronchetti Provera followed them as Chairman, then Sergio Marchionne until 2018. Domenico Siniscalco is the current Chairman, Gianni Riotta Executive Vice Chairman. The Council for the United States and Italy promotes and creates economic relations between Italy and the United States,

linking them to Europe, Asia and Africa through knowledge and free trade. Its members are leaders in the economy, industry, finance, technology, services, consulting, law and culture - a team in which economic growth is viewed as promoting humanity and wealth as a cultural value to be shared.