

China and State Capacity in the Era of Covid-19

For decades, the Asian continent has seen the import of concepts devised in Europe or in the United States, and it has been on the receiving end of efforts aimed at enhancing the capacity of national states. The People's Republic of China has been no exception to this trend. The notion of *guojia nengli* (state capacity) has slowly entered the ecosystem of concepts and ideas used in public administration and across a wide spectrum of academic disciplines. The People's Republic of China's ability to formulate and achieve its goals in domestic and foreign policy has been steadily increasing.¹ Until very recently, the country has been analyzed first and foremost in its role as a *recipient state*, and thus analyses have tended to focus on the domestic aspects of state capacity.² In a very short time-span, however, together with the United States and the European Union, China has become one of the main actors in global development, and thus an exporter of state capacity initiatives.³

The notion of state capacity is, however, a notoriously slippery one, and not just because it spans the realms of different academic disciplines. As a concept created to assess a state's ability to rule itself and its population, it possesses an obvious political-philosophical dimension, one that is in a direct relation to the legitimacy of the elites in power. As a core concept in political science, the meaning of state capacity is open to debate and contestation. As a bundle of interlocking governance processes, state capacity is measurable, and yet notoriously difficult to assess empirically, regardless of the conceptualization or the indicators that are chosen. Not least, the capacity of a state isn't built in a day. It depends on historical, economic, political and social factors, none of which can be fine-tuned or adjusted at will to meet unforeseen crises and risk.

All of this considered, does it still make any sense to ask whether the Covid-19 pandemic has the potential to induce changes in the state capacity of the People's Republic of China? The answer is yes, because the state capacity of the People's Republic of China – and of any other nation state – stands in direct relation to the pandemic.

¹ Hiroko Naito and Vida Macikenaite, *State Capacity Building in Contemporary China*. Singapore: Springer 2020.

² See, for instance, Wang Shaoguang, "Central-local fiscal politics in China", in *Changing central-local relations in China*, Peter Tsan-Yin Chun ed. London: Routledge 2019, pp. 91-112. Maria Edin, "State capacity and local agent control in China: CCP cadre management from a township perspective", *China Quarterly*, vol. 173, 2003, pp. 35-52. Anna L. Ahlers, Gunter Schubert, "Effective policy implementation in China's local State", *Modern China*, vol. 41, issue 4, 2015, pp. 372-405.

³ Katherine Bersch and Riitta-Ilona Koivumäki, "Making inroads: infrastructure, state capacity and Chinese dominance in Latin American Development", *Studies in Comparative International Development*, n. 54, 2019, pp. 323-345.

China has become one of the most vocal proponents of an alternative form of multilateralism.⁴ Spearheaded by the notion of ‘building a community of common destiny’⁵ multilateralism has become incarnated in the Belt and Road Initiative, and in the dense global web of trade and investment flows China has weaved since 2014, connecting Beijing to Asia, Africa, Europe, Latin America and Oceania. The attempt to build a globalization alternative to the Washington Consensus has highlighted the transnational dimensions of the capacity of the state. That notion has become inevitably and directly linked to the smooth progress of the Belt and Road Initiative. While the Belt and Road Initiative is led by China, its progress and success can ebb and flow with the capacity of each one of the 138 states that have joined the initiative. The People’s Republic has conducted capacity-building initiatives in Africa and Latin America. The multilateral financial institutions that sustain the Belt and Road Initiative, particularly the Asian Infrastructure Investment Bank, for the most part support initiatives in the Asian-Pacific region. Efforts to cushion the economic, social and health impact of Covid-19 caused to China’s main trading partners have relied on mechanisms external to the Belt and Road Initiative, such as the 750 billion euro stimulus package agreed upon by the European Union,⁶ and a first 484 billion dollars relief package approved by the U.S. Congress in April.⁷ These initiatives have, furthermore, taken place in a context that is seeing, at minimum, a slowing pace of globalization. In June, a joint press release of the European Commission and the European Council was released. It sets out the direction for EU-China relations and has highlighted the differences in the EU and China’s approach to multilateralism.⁸ In late June, U.S. Secretary of State Mike Pompeo signaled a will to assess whether President Richard Nixon’s overtures to the People’s Republic met their expected goals.⁹ Coming on the heels of the trade war between the United States and China, these dynamics will produce effects on the transnational aspect of the capacity of the People’s Republic of China.

The facets and aspects of state capacity, however, are many. The Covid-19 crisis has not just posed challenges to China’s state capacity, but has also been a source of opportunities. These have involved state-owned pharmaceutical multinational corporations that have started a race to develop a vaccine against the coronavirus.¹⁰ China has announced loans to Latin American and the

⁴ Wu Guoguang, *China turns to multilateralism: foreign policy and regional security*. London: Routledge, 2007.

⁵ Zhang Denghua, “The concept of ‘Community of Common Destiny’ in China’s diplomacy: meaning, motives and implications”, *Asia & The Pacific Policy Studies*, vol. 5, issue 2, 2018, pp. 196-207.

⁶ Martina Stevis-Gridneff, “E.U. adopts groundbreaking stimulus to fight coronavirus recession”, *The New York Times*, 20 July 2020, available at <https://www.nytimes.com/2020/07/20/world/europe/eu-stimulus-coronavirus.html>

⁷ “Coronavirus: Congress passes \$484bn economic relief bill”, *BBC*, 24 April 2020, available at <https://www.bbc.com/news/world-us-canada-52398980>

⁸ European Council, “EU-China summit via video conference, 22 June 2020”, available at <https://www.consilium.europa.eu/en/meetings/international-summit/2020/06/22/>

⁹ Michael R. Pompeo, “Communist China and the Free World’s Future”, *U.S. Department of State*, 23 July 2020, available at <https://www.state.gov/communist-china-and-the-free-worlds-future/?fbclid=IwAR0WNcrVmUmzNAdEhFRDlehAVkWM0YffG5Cj4nSnCAUwzS-P-aeNwnTh5Cs>

¹⁰ Deng Chao, “China says it will have Covid-19 vaccine ready this year”, *The Wall Street Journal*, 23 July 2020, available at <https://www.wsj.com/articles/china-says-it-will-have-covid-19-vaccine-ready-this-year-11595521469>

Caribbean, to allow universal access to the vaccine.¹¹ These and other initiatives, such as exporting and donating personal protective equipment, are integral to China's public diplomacy. It is precisely within this field that the People's Republic of China has found opportunities to further refine and augment its ability to define and fulfil its own policy objectives. It is also notably a shift from a low-key to a more assertive approach to diplomacy. Named the 'wolf-warrior diplomacy', from the title of Chinese action movies *Wolf Warrior* and *Wolf Warrior II*, this is an approach to diplomacy that adopts a sharply confrontational tone towards criticism of the country, and signals a renewed ability to defend the interests and the image of the People's Republic.¹²

Multilateralism and diplomacy do not exhaust the aspects of state capacity. While most aspects of state capacity are more closely related to globalization – and soft powers are easy to observe and to judge qualitatively – its measurable aspects are still hard to grasp. The Covid-19 pandemic has not ended yet. Even though the People's Republic of China has brought domestic contagions under control, the pandemic will have medium-term consequences on the country's economic and social system. For the time being, data that allow definite conclusions about the most quantifiable aspects of state capacity are not available yet. Only two points, perhaps, are already clear.

Covid-19 has led to a global wave of deaths, economic downturns and anxieties that are still to subside. At the time of writing, the World Bank projected a 5.6 per cent contraction of the global GDP in 2020.¹³ 618,017 deaths have been reported to the World Health Organization. No information about the number of unreported deaths is available for those countries with a state capacity not comparable to that of the European Union, the United States or the People's Republic of China. 14,971,036 cases of infection have been confirmed. The figures for cases that have not been confirmed or reported to the WHO is not available.¹⁴ Exact death figures for World War II are not known, yet all the countries directly or indirectly involved in the conflict suffered a significant number of casualties. COVID-19 has thus far claimed much fewer lives, but it may have comparably vast and far-ranging consequences, as far as global equilibria are concerned.

In addition to its human and economic costs, the global health crisis has stirred up a whirlwind of anxieties, debates and sometimes polemics. All of these have eventually converged around the notion of the abilities of national states to control the epidemic and cushion its economic, social and political impacts. The future end of the COVID-19 crisis may see us inhabit a radically different world. In this changed world, however, the question of state capacity will remain as pressing as ever.

¹¹ Karol Suarez, "China offers \$1 billion loan to Latin America and the Caribbean for access to its Covid-19 vaccine", *CNN*, 24 July 2020, available at <https://edition.cnn.com/2020/07/23/americas/china-billion-vaccine-latin-america-coronavirus-intl/index.html>

¹² Zhu Zhiqun, "Interpreting China's 'Wolf-Warrior Diplomacy'", *The Diplomat*, 15 May 2020, available at <https://thediplomat.com/2020/05/interpreting-chinas-wolf-warrior-diplomacy/>

¹³ "The Global Economic Outlook During the COVID-19 Pandemic: A Changed World", *World Bank*, available at <https://www.worldbank.org/en/news/feature/2020/06/08/the-global-economic-outlook-during-the-covid-19-pandemic-a-changed-world>

¹⁴ World Health Organization, "WHO Coronavirus Disease (COVID-19) Dashboard", available at https://covid19.who.int/?gclid=Cj0KCQjw6uT4BRD5ARIsADwJQ19rwXFN8Lt6GggXm6VYOvSOe8huJrzZGq8nyP1isU4EX6rY5KHs9vgaArMYEALw_wcB. Last accessed on 23 July 2020.

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