

SARS, Greater China, and the Pathologies of Globalization and Transition

by Jacques deLisle

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The Severe Acute Respiratory Syndrome crisis underscores the paradoxes of the PRC today and its engagement with the outside world. SARS illustrates the interdependence of China's health, both economic and public, with that of its neighbors and the wider world. It highlights the Chinese regime's increased but limited transparency and amenability to international pressure, as well as the challenges the Chinese leadership faces stemming from the country's uneven development and partial reform. The regime's conflicting approaches to SARS indicate growing responsiveness and responsibility but also the persistence of pre-reform-style attitudes.

These lessons are important at a time when Beijing has embarked on a protracted leadership transition, is addressing potentially fundamental political reform issues, and is ready to deepen its already extensive integration with the global economy and play a greater role in world affairs. The SARS crisis reminds us of the still transitional and ambivalent character of the Chinese revolution launched a quarter-century ago under the banner of "reform and opening to the outside world."

The New Asian Contagion

From SARS' appearance in November 2002 through July 5, 2003, when the World Health Organization (WHO) pronounced it contained, the disease claimed 812 lives. More than 8,400 people had been identified as infected.¹ Defining an appropriate level of concern over a new threat to public health is problematic, but the alarm SARS prompted seemed out of proportion to the

¹"WHO Drops Final Country From SARS List," AP, and "WHO Says SARS Contained but Threat Remains," Reuters, both July 5, 2003.

relative threat it posed.² This is partially attributable to the inevitable fear that a new illness might become the next plague. But it was also partly because SARS seemed to parallel the Asian financial crisis of the 1990s. Like that “Asian contagion,” SARS spread rapidly along the pathways created by globalization. Just as international capital mobility had made possible speculators’ attacks on vulnerable currencies that precipitated the Asian financial crisis, the jet-speed international mobility of people—many of them globalized business-people—made possible the quick and unpredictable spread of SARS.

Based on the cost of the 2003 outbreak, a serious SARS epidemic could cause losses as high as those of the Asian financial crisis, which have been estimated at \$3 trillion in GDP and \$2 trillion in equity on financial markets.³ Initially, SARS led forecasters to reduce projections for the PRC’s growth rate by 0.5–1 percent for 2003, pushed Hong Kong’s shakily recovering economy back to anticipated recession, and reversed Taiwan’s recovery from its recent poor economic performance.⁴ Schools closed for weeks in Singapore, Hong Kong, and Beijing. Employees stayed home from work in droves. Shopping areas, public transit, and airports emptied, and those who ventured out often wore surgical masks. All this deepened fear and panic. The economic damage already done and the prospect of SARS’ seasonal return continue to cause jitters, despite the troughing of infection rates, the lifting of travel advisories, and life’s returning almost to normal.

Many foresaw that, like the financial system–centered meltdown that spread from Thailand throughout Asia in the 1990s, the atypical pneumonia that began in southeastern China in 2002 would have a domino effect throughout the advanced industrial economies. SARS fears further devastated the airline and travel industries, which were still reeling from the 9/11 attacks. International buyers stopped showing up, and multinational corporations feared disruptions to their intricate global supply networks. The dire scenarios did not occur: commercial relations muddled through until the disease began to ebb. International investors merely paused and perhaps postponed new ventures. The links in the production chains remained unbroken. But everyone shuddered at what could have been and what might be if SARS recurs.

In Toronto, the most severely affected area outside East Asia, SARS caused more than thirty deaths among some 200 infections. SARS cost Canada

²In the PRC alone, for example, over 100,000 die annually from tuberculosis, and UN data project 10 million with HIV/AIDS by 2010.

³Jeffrey A. Winters, “Asia December 1998: Asia and the ‘Magic’ of the Marketplace,” *Current History*, Winter 1998; Jeffrey E. Garten, “Lessons for the Next Financial Crisis,” *Foreign Affairs*, Mar./Apr. 1999; Robert Wade, “National Power, Coercive Liberalism and ‘Global’ Finance,” in Robert J. Art and Robert Jervis, eds. *International Politics* (New York: Addison Wesley, 2000).

⁴Keith Bradisher, “SARS Ebbs in East Asia, but Financial Recovery is Slow,” *New York Times*, May 31, 2003; Nils Pratley, Andrew Clark, and John Chinery, “SARS Effects Underline Fragility of Far East Economies,” *The Guardian*, Apr. 25, 2003; Geoffrey A. Fowler, “The High Cost of Sick Days,” *Far Eastern Economic Review*, Apr. 10, 2003; “GDP Growth Could Drop Below 2 Percent if SARS Continues: Official,” *Taiwan Economic News*, Apr. 25, 2003.

tens of millions of dollars per day in lost economic activity. National and municipal officials throughout the world monitored the trickle of SARS diagnoses in their jurisdictions and worried that they might be the next Toronto.⁵

Assignments of blame for the SARS crisis quickly focused on legal and governmental failings in the contagion's place of origin. Critics faulted the PRC for its characteristic secrecy and denial; its weak legal and bureaucratic mechanisms for reporting, screening, quarantining, or otherwise stemming the disease's spread; and its creaky public health infrastructure.⁶

Diagnoses of institutional ailments came with prescriptions for cure. The Asian financial crisis had brought IMF conditionality that demanded fiscal reforms, as well as calls for improved banking and bankruptcy law, greater transparency in government, and improved corporate governance. Now, SARS has brought calls for China to cooperate fully with international health authorities, remove political barriers to Taiwan's engagement with the WHO, and make the PRC's public health institutions more transparent and effective.⁷

WHO's to Blame?

The international community's reactions to the Asian financial crisis and to SARS differed in one important respect. With SARS, external efforts to elicit cooperation in targeted countries had to operate without a powerful international institution. The WHO is no IMF. It does not have the Fund's demanding agenda for reform, high level of support from key states, or leverage as gatekeeper of resources. The WHO lacked the authority to require member countries to take steps to contain SARS. Member states' disease-reporting obligations extended only to a few listed illnesses. WHO provisions on international travel were inadequate, weakly balancing limits on states' latitude to impede commerce and mobility with their need for authority to take the drastic exclusionary measures that SARS seemed to require.⁸

Initially unable to move Beijing to grant its teams access to affected areas, the WHO had to go public with what information it had, after losing

⁵ WHO statistics at <http://who.org>; Clifford Krauss, "Toronto Mayor Calls for Understanding from Business and Consumers," *New York Times*, Apr. 25, 2003. Susan Catto, "Travel Advisory: Toronto Contends with SARS Outbreak," *New York Times*, Apr. 27, 2003; "Toronto Mayor Rails Against WHO Warning," *CBC News*, Apr. 24, 2003.

⁶ Joseph Kahn, "The World Communist Accommodation: When Crises Strike, China's Leaders Adapt to Survive," *New York Times*, May 4, 2003; Erik Eckholm, "As Cases Mount, Chinese Officials Try to Calm a Panicky Public," *New York Times*, Apr. 30, 2003; Christopher Horton, "SARS and AIDS: What the People Don't Know," *Asia Times Online*, Apr. 24, 2003.

⁷ Lawrence K. Altman and Keith Bradisher, "China Bars WHO Experts from Origin Site of Illness," *New York Times*, Mar. 26, 2003; "SARS—An Opportunity: China Reshuffles Public Health, Disease Prevention System," *People's Daily* (English), May 3, 2003; Donald G. McNeil, Jr., "SARS Furor Heightens Taiwan-China Rift," *New York Times*, May 19, 2003.

⁸ See WHO, *World Health Regulations* (Geneva, 3rd edition, 1983, 1992, 1995); Andy Ho, "Why Epidemics Still Surprise Us," *New York Times*, Apr. 1, 2003.

precious weeks in its mission to understand SARS' origin and spread. PRC opposition confined the WHO to dealing with Taipei indirectly, through the U.S. Centers for Disease Control, until Beijing finally acquiesced to the WHO's sending a mission to Taiwan. Amid what some saw as implausible reported patterns of infection in China, worries arose that the WHO was being fatally restricted by PRC authorities.⁹

The WHO has, however, escaped the resentment, charges of disregarding national sovereignty, condemnation for pursuing an inappropriate agenda with little regard for its consequences, and accusations of serving as the agent of Western domination that dogged the post-Asian financial crisis IMF. WHO assistance has been welcome or at least tolerated in several SARS-affected places, and its advice continues to have widespread credibility. But the lack of ire at the WHO also reflects the organization's inability to impose its will on states.

SARS focused attention on international public health threats that can be as dangerous as the illiberal trade policies and irresponsible monetary policies that the WTO and IMF police. It prompted modest steps to create a more institutionally robust international public health structure and accelerated a long-term project to strengthen the WHO. WHO has acquired new powers to report promptly on disease outbreaks based on unofficial information and is also gaining clearer authority to issue global health alerts (as it did for SARS) and send teams to assess member states' measures to contain international health threats.¹⁰

Such changes do not, however, portend an international public health regime resembling the international trade and monetary regimes. As the IMF's and WTO's histories make clear, states do not easily achieve the levels of cooperation, willingly provide the resources, or lightly undertake the cessions of sovereignty necessary to create such strong institutions. Any international response to a recrudescence of SARS or new public health threats will have to rely, for the foreseeable future, on a weak WHO and ad hoc multilateral cooperation.

Special Administrative Region Syndrome

The SARS threat from greater China was especially pronounced along the PRC's periphery. With the disease's early emergence in Hong Kong and its subsequent spread in Taiwan, SARS' vectors for global propagation were especially dense in these two places. By July 5, Hong Kong had reported 1,755 cases and 298 deaths and Taiwan 671 cases and 84 deaths.¹¹

⁹Altman and Bradisher, "China Bars WHO Experts"; Melody Chen, "Mystery Illness Highlights Taiwan's Health Isolation," *Taipei Times*, Mar. 18, 2003.

¹⁰Lawrence K. Altman, "WHO Expected to Gain Broader Powers," *New York Times*, May 28, 2003; "Global Solidarity Needed to Fight Diseases, WHO Chief Tells Annual Meeting," <http://www.un.org>.

¹¹WHO statistics at www.who.int/csr/sars/en.

More than geographic proximity to China was at work. Indeed, one could say that the two areas suffered from “Special Administrative Region syndrome,” after the structure Beijing devised for Hong Kong and proposes for Taiwan. The channels for SARS’ spread were created by the economic integration that underpins Beijing’s agenda of transforming “lost” Chinese territories into PRC Special Administrative Regions (S.A.R.s). The PRC’s pursuit of foreign investment beginning in the late 1970s had some of its greatest effects in the Pearl River region. Investment flowed across the border from Hong Kong, transforming the British colony into a front office for manufacturing operations inside China and a portal between China and the outside world. The PRC and Hong Kong have long been among each other’s top trade and investment partners.¹² In the pre-reversion years, these economic ties and the PRC’s resultant interest in preserving a thriving Hong Kong helped make conceivable to many in Hong Kong and their British guardians the territory’s return to Chinese rule.

A broadly similar economic integration has been unfolding between the PRC and Taiwan since the late 1980s. As restrictions on cross-strait investment and trade were relaxed, Taiwanese capital poured into eastern and southeastern China. Taiwan became a major source of the PRC’s foreign direct investment, and the two entities are among each other’s top trading partners.¹³ The recent accession of Taiwan and the PRC to the WTO augurs further growth in bilateral economic ties. Beijing expects these burgeoning asymmetrical economic ties to encourage Taiwanese acquiescence to a Hong Kong-style arrangement.

The human connections that result from economic integration provide pathways for diseases to spread rapidly. The PRC-Hong Kong border is among the world’s busiest controlled frontiers, with PRC residents crossing into Hong Kong as tourists, business people, or laborers and Hong Kongers heading to Guangdong for recreation, to visit relatives, to oversee investments, or to work in office jobs. Affluent Hong Kongers often have second homes on the PRC side of the border. Some Hong Kongers commute from primary residences in Guangdong.¹⁴

Hundreds of thousands of Taiwanese now live relatively permanently in the PRC, primarily company owners, employees, and their dependents. Many return regularly to Taiwan for business or social purposes. Huge

¹² See e.g., Trade and Industry Department, Government of the Hong Kong SAR, *The Mainland of China and Hong Kong Special Administrative Region: Some Important Facts* (July 2002), Joseph Y. S. Cheng and Zheng Peiyu “Hi-Tech Industries in Hong Kong and the Pearl River Delta,” July-Aug. 2001, pp. 584–610.

¹³ See “Taiwan Businesses Have US \$140 Billion Invested in China,” *Taipei Times*, May 31, 2002; “Statistics on National Trade with the Mainland Area” at http://www.trade.gov.tw/prc&hk/mo_9203.htm; Cal Clark, “Growing Cross-Strait Economic Integration,” *Orbis*, Fall 2002, pp. 753–66.

¹⁴ “The Home Front,” *South China Morning Post*, Dec. 28, 2002.

numbers of Taiwanese travel to the mainland as tourists, businesspeople or visitors to their families' old home villages. Because bans on direct air links between Taiwan and the mainland persist, almost all of the cross-Strait human traffic flows through Hong Kong.¹⁵

With this volume of travel, it is hardly surprising that SARS spread from southeastern China to Hong Kong and Taiwan. It quickly reached Hong Kong (apparently by means of a PRC-based "superspreader" who infected fellow guests at Kowloon's Metropole Hotel) via one of countless available routes. The greater puzzle is why SARS took so long, relatively speaking, to strike Taiwan.

Special Administrative Region syndrome also has a political dimension which caused differing but similar symptoms in each of Taiwan and Hong Kong. To some in Hong Kong, SARS was potentially the most serious episode of inept governance by the Beijing-imposed S.A.R. leadership, following on the botched crisis-management efforts of the 1997 bird flu and the Asian financial crisis. The Tung Chee-hwa administration was derided for its belated and ineffective response to SARS. Embarrassingly, the territory's most serious outbreak swept through two buildings in the Amoy Gardens, a block of middle-class housing, just after the government stated that SARS was being contained. The incident intensified calls for the government to make more aggressive use of Hong Kong's quarantine law and police powers.¹⁶

As public confidence in Tung's administration sank, calls for his resignation rose and an opposition members' motion calling on Tung to step down came to a vote in the legislature. Some saw SARS as evidence of the deadly consequences of the Hong Kong leadership's subservient posture toward Beijing.¹⁷ To its harshest critics, the Tung government showed its true colors in failing to elicit prompt cooperation from PRC authorities. Once the SARS crisis accelerated in Hong Kong, sanguine comments from officials sounded disturbingly similar to those of former PRC trade minister Long Yongtu, who notoriously opined in late March that 300 cases were not particularly noteworthy in a place with 6 million people.¹⁸ It was too little too late when the Hong Kong government declared in mid-April that Chinese president Hu Jintao's talks with Tung during Hu's tour to Shenzhen had

¹⁵Erik Eckholm, "Chinese are Tempting Taiwan by Dangling Economic Fruit," *New York Times*, Jan. 28, 2003; "Taiwan Authorities Reject Direct Charter Flights," *People's Daily*, Nov. 14, 2002; "Direct Flights Narrow Straits," *Zhongguo Wang* at <http://www.china.org.cn/english/taiwan/52962.htm>.

¹⁶Chris Yeung, "Infected with a Crisis of Confidence in HK," *South China Morning Post*, Apr. 5, 2003; Keith Bradisher, "To Broad Support, Hong Kong Police Take on an Expanded Role in Fighting SARS," *New York Times*, Apr. 25, 2003; Bryan Walsh, "Hong Kong: System Failure," *Time Asia*, May 5, 2003.

¹⁷Yeung, "Infected with a Crisis"; Martin C. M. Lee, "China's Censors Extend Their Reach," *New York Times*, June 3, 2003.

¹⁸"From Bottom to Top, Procuring Information on the SARS Epidemic," *Kaifang Zazhi*, June 2003.

included his pledge to provide Hong Kong with “the full support of the central government.”¹⁹

In Taiwan, conflict over the PRC’s S.A.R. agenda drove the politics of SARS. As SARS invaded Taiwan, Beijing continued to oppose Taiwan’s quest for participation in the WHO, even as an “observer” (rather than member) and a “health entity” (rather than a state).²⁰ This reflected the PRC’s long-standing opposition to Taiwan’s participation in any states-member-only organization, which could enhance international recognition of Taiwan’s state-like status and thus Taiwan’s ability to resist the PRC’s calls to reunify on S.A.R. terms.

As the SARS toll mounted in Taiwan, the PRC’s intransigence began to play especially badly. Calls for WHO access for Taiwan became more compelling as a global public health problem loomed. The PRC finally consented—for “humanitarian reasons”—to the WHO’s sending a team to Taiwan in May, but asserted that Taiwan could reap the benefits the WHO had to offer without a change in its status there.²¹ Still, Taiwanese officials argued that exclusion from fuller engagement with the WHO was costing lives on Taiwan and that indirect cooperation was an inadequate substitute.²² They portrayed any impediment to the SARS fight in Taiwan as a risk to the world, as residents and visitors continued to travel to and from the island (albeit in reduced numbers).

Beijing’s position looked both irresponsible and insensitive, especially since the disease had originated in the PRC. PRC sources defended China’s position by accusing Taiwanese authorities of exploiting SARS to push for independence. Such positions surely helped secure support for the resolution—passed over Beijing’s objection—ordering the WHO’s director-general to “respond appropriately to all requests for WHO assistance for SARS surveillance, prevention and control.”²³

The politics of the cross-strait relationship and SARS may prove to be linked in more subtle ways, as well. Some of the initial infections of Taiwanese might have occurred as travelers passed through Hong Kong between the mainland and Taiwan along a circuitous route mandated by a policy rooted in Taiwan’s worries that more direct links would deepen integration and strengthen Beijing’s ability to press for reunification. In this

¹⁹ Keith Bradisher, “Youth and Fitness Offer Little Defense Against Disease,” *New York Times*, Apr. 14, 2003.

²⁰ “Speech by Chinese Delegation Leader, State Council Vice Premier and Acting Health Minister Wu Yi at the 56th Session of the World Health Association Deliberations on the Resolution Regarding Taiwan” (May 15, 2003) at <http://www.fmprc.gov.cn/chn/49097.html>

²¹ “Another Failure for Taiwanese Separatists,” *People’s Daily*, May 21, 2003.

²² See Government Information Office, Republic of China (Taiwan), *The Global Health Imperatives for Granting Taiwan WHO Membership* (revised Mar. 2003); Melody Chen, “Mystery Illness Highlights Taiwan’s Medical Isolation,” *Taipei Times*, Mar. 18, 2003.

²³ “Another Failure for Taiwanese Separatists”; Monique Chu, “WHO Builds SARS Bridge with Taiwan,” *Taipei Times*, May 30, 2003; Donald G. McNeil, Jr. “SARS Furor Heightens Taiwan-China Rift,” *New York Times*, May 19, 2003.

respect too, the PRC's Taiwan agenda might be seen as contributing to Taiwan's SARS problem.

There is room for disagreement about whether the Tung administration was inept or too passive, whether fuller access to the WHO would have made a difference for Taiwan, or whether Taiwan and Hong Kong received less cooperation from Beijing than did other at-risk countries. But the politics of the SARS crisis have added credibility to claims that the PRC's S.A.R. structure is dangerous for Hong Kong, Taiwan, and the world alike.

“Glocalization” and Its Discontents

The SARS story in Hong Kong and Taiwan provides a dramatic example of one side of contemporary China's two-sided reality: China has become “glocalized.” SARS spread from Guangdong to Hong Kong and on to Taipei, Hanoi, Singapore, Toronto, and other urban centers in more than two dozen countries, while few cases seemed to arise in rural China outside the disease's original epicenter. This pattern illustrates that globalization for the PRC has meant that its coastal cities and their environs are in some respects more closely linked to metropolises in East Asia and the advanced industrial economies than they are to the Chinese hinterland. On one account, SARS reached Beijing from southeastern China via a passenger on a flight from Hong Kong. The cases in North America, Europe, and Southeast Asia appear traceable to business travelers arriving from China.²⁴

Yet, as the pattern of SARS in China also shows, rapidly developing areas of China's east and southeast are by no means insulated—in politics, economics or public health—from the PRC's troubled rural and inland areas. SARS appears to have traveled to PRC cities and the wider world from origins in areas of the Chinese countryside where the factories that have built the PRC's economic boom stand amid densely populated agrarian areas with bad sanitation, near-tropical climates, myriad farm animals, and hunting and ranching sectors that supply exotic beasts to poorly-regulated urban markets.²⁵ This slice of rural China provides a fertile environment for the transmission of diseases from animals to humans. This occurred even in the absence of the dense connections that a quarter-century of outward-oriented economic development has forged between such areas and urban centers in

²⁴ See Indira A.R. Lakshmanan, “Air China Flight 112: Tracking the Genesis of a Plague,” *Boston Globe*, May 18, 2003; Keith Bradisher, “Carrier of New Virus Made 7 Flights Before Treatment,” *New York Times*, Apr. 11, 2003.

²⁵ Ezekiel Emmanuel, “Preventing the Next SARS,” *New York Times*, May 12, 2003; John Pomfret, “In Chinese Village, Few Clues to Illness,” *Washington Post*, Apr. 9, 2003; “SARS Epidemic Increases Personal Hygiene Awareness,” *People's Daily*, Apr. 28, 2003; Keith Bradisher and Lawrence K. Altman, “Strain of SARS Found in 3 Animal Species in Asia,” *New York Times*, May 24, 2003; Elisabeth Rosenthal, “From China's Provinces, a Crafty Germ Breaks Out,” *New York Times*, Apr. 27, 2003.

China and beyond. The point was not lost on Beijing officials, who moved in May to monitor more carefully and quarantine new arrivals and returnees from the countryside and to ban eating of wild animals.²⁶

The dense links between urban and rural China and the poor hygiene and crowded conditions of China's cities also raised the prospect of a reverse spread of SARS to lesser cities and villages. More than 100 million PRC citizens, almost all recent migrants from the countryside, live without official permission in Chinese cities. Sometimes by choice and sometimes upon forcible "repatriation" by city authorities, a fraction of this "floating population" returns to its home areas. Because economic opportunity and high-status employment are concentrated in the PRC's metropolises, many legal residents of China's largest cities come from elsewhere and often travel to their old abodes throughout the country, often on cramped trains.

Unfortunate timing exacerbated the threat. SARS was spiking in Guangdong around the lunar new year in February, a peak season for travel within China. Until the authorities canceled it, the annual May Day holiday (which in recent years had been extended to a full week in order to stimulate the economy) loomed as a larger threat. As fear of SARS spread in Beijing and until authorities imposed effective checkpoints in early May, hundreds of thousands of residents left the city to escape the disease, to avoid quarantines or the rumored impending imposition of martial law in the capital, or simply because their schools or companies had closed.

The prospect that SARS would spread outside the major cities rightly caused alarm. Hospitals, trained medical personnel, medicines, sewage and sanitation, and means for monitoring public health are in much scarcer supply in China's less developed regions.²⁷ Medical services have deteriorated in poorer areas during two decades of uneven economic development and falling state allocations. The resources of local governments to maintain public welfare have similarly declined sharply. If SARS were to reach such areas, it would severely test the regime's capacity.

Schizophrenic Authoritarian Regime Syndrome

The PRC's responses to domestic dangers and international pressure pulled in two strikingly different directions, reflecting a regime caught in an uncertain transition. On the one hand, responses were cooperative, transparent, and proactive. After a pivotal April 17 meeting, the Politburo pledged to provide accurate information and ordered "accurate, timely and

²⁶ "Beijing Has 'No Necessity' to Undercover Beijing SARS Cases," *People's Daily*, May 20, 2003.

²⁷ Erik Eckholm, "Cases of Lethal New Illnesses Rise Sharply in Interior Region," *New York Times*, Apr. 15, 2003; "China's Countryside on Alert for SARS" *People's Daily*, Apr. 25, 2003; Joshua Muldavin, "China's Poor Left Behind," *International Herald Tribune*, May 8, 2003.

honest reporting” of SARS cases. WHO teams were belatedly granted access to Beijing SARS-epicenter Guangdong and elsewhere. The WHO welcomed China’s increased cooperation, and many of the remaining complaints assert incompetence rather than recalcitrance.²⁸

After months of denial, PRC government officials and newspapers finally declared SARS to be a serious problem and conceded their lack of effectiveness in dealing with it. The newly installed acting mayor of Beijing, Wang Qishan, told a television audience, “SARS is an epidemic that has hit us head-on.”²⁹ Premier Wen Jiabao was quoted in the official media describing SARS as a grave threat. The director of China’s CDC said abjectly (in comments that were not much reported domestically) that “we . . . apologize to everyone.”³⁰

Even today, these are not small matters in the PRC. Despite China’s rapidly expanding engagement with the outside world, the legacy of humiliation by foreign powers in the nineteenth and twentieth centuries and the growing dependence of the reform-era regime on nationalism as a basis for legitimacy have hardened a strong, even paranoid, commitment to sovereignty and opacity. Bowing to international pressure and confessing error chafe against these norms.

Having admitted a SARS problem in Beijing and Guangdong, a SARS threat nationally, and a mishandling of the initial phases of the crisis, on April 20 the leadership sacked the Minister of Health and the mayor of Beijing. While this much would have been standard procedure in an earlier era, what followed arguably was not. China’s rulers placed the ousted officials’ authority and additional powers to address SARS in the hands of those whose distinctive qualifications were demonstrated competence in coping with crises and strong international reputations. Vice Premier Wu Yi, the Tiananmen incident-era Beijing vice mayor, former foreign trade minister, and WTO accession negotiator, was appointed to serve as minister of health and head of a special SARS task force. Veteran provincial trouble-shooter Wang Qishan was brought in as Beijing’s acting mayor. Both were highly regarded as members of the group of skilled, tough, and smart officials associated with recently retired Premier Zhu Rongji—a group that had fared badly in the recent round of appointments to top leadership posts.³¹

²⁸ Matthew Forney, “Silent for Too Long,” *Time Asia*, Apr. 28, 2003; Leu Siew Ying, Michael Jen-Siu and Mark O’Neill, “Mandate to Co-operate on SARS After Signaling a Shift in Policy,” *South China Morning Post*, Apr. 3, 2002.

²⁹ Eckholm, “As Cases Mount.”

³⁰ Susan V. Lawrence, “For the Top, Sorry is the Hardest Word to Say on SARS,” *Far Eastern Economic Review*, Apr. 17, 2003; Joseph Kahn, “China Discovers Secrecy is Expensive,” *New York Times*, Apr. 13, 2003.

³¹ “China Creates SARS Task Force, Special Fund,” *People’s Daily*, Apr. 24, 2003; John Pomfret, “In a Crisis, China Turns to a Familiar Face” May 6, 2003; “As Cases Mount, Chinese Officials Try to Calm a Panicky Public.”

These moves were presented as part of a broader shift to openness and accountability. The principal Party organ, *People's Daily*, conceded that China's disease prevention system had been inadequate and ill-prepared. Other prominent media and commentators criticized as "habitual" behavior the government's hiding and impeding reports of the SARS problem and noted how the outbreak highlighted the dangerous imbalances created by years of emphasizing economic development over social development.³² Before SARS, official media exposés of failures *in* the system, along with repudiations of the policies of those who have fallen from power, were commonplace. The SARS coverage went further in suggesting shortcomings of the system.

A significant trigger for these regime responses was a whistleblower who has gone unpunished. When Beijing officially maintained that there were only a dozen SARS cases and three fatalities in Beijing, Jiang Yanyong, a retired Chinese People's Liberation Army (PLA) physician, told foreign news media that there were sixty infections and seventeen deaths at one Beijing military hospital. Six weeks later, PRC media acknowledged the doctor's role in prompting a change in the government's line. Calls within the Party to sanction him encountered sharp resistance.³³

Recently installed President Hu Jintao and Premier Wen Jiabao took visible and politically risky public roles in supporting the new openness, raising hopes that the approach might endure beyond SARS. Wen dined with students at SARS-affected universities, visited hospitals, and toured construction sites, shopping malls, and residential neighborhoods. Hu inspected the SARS-affected cities of Tianjin, Guangzhou, and Shenzhen.³⁴ Both staked their reputations on their success in beating SARS.

On the other hand, this "new approach" came grudgingly and incompletely, and did not eclipse a mode of response reminiscent of old-style PRC practices. The leadership's initial impulse was to rebuff foreign pressure, treat information as presumptively secret, and deny the existence of a problem they had known about for months. A week and a half into February, authorities in Guangzhou were still trying to restrict information about the outbreak and to declare SARS under control. Well into March, Beijing officials

³² "SARS—An Opportunity"; Joseph Kahn, "Some Chinese Say Government Response to Epidemic Has Been Too Heavy-Handed," *New York Times*, May 23, 2003; "Three Big Faults Lead to SARS Creating a Crisis," *Zhongguo Jingji Bao*, May 26, 2003; "Ten Political Scientists and Economists Discuss: China Will Change from This" *Xinwen Zhoukan*, May 9, 2003.

³³ Elisabeth Rosenthal, "A Beijing Doctor Questions Data on Illness," *New York Times*, Apr. 10, 2003; Allen T. Cheng, "Doctor Who Exposed Cover-Up Wins Official Recognition," *South China Morning Post*, May 17, 2003; Jason Leow, "Encouragement for China's SARS Whistle-Blower," *Straits Times* (Singapore), June 9, 2003.

³⁴ "Chinese New Government Acts Responsibly in Combat Against SARS," *Xinhuanet*, Apr. 29, 2003.

were pursuing the same strategy.³⁵ The traditional ban on bad news during key Party or state meetings quashed the possibility of addressing the matter publicly until after the conclusion of the March meeting of the National People's Congress in Beijing.

International observers discerned significant ongoing impediments to WHO operations in the PRC, including the PRC's continually recalcitrant or incompetent gathering or providing of information.³⁶ While the PLA's Dr. Jiang escaped serious retribution, Chinese authorities made it clear to him and foreign reporters that they would no longer be speaking to one another.³⁷ Media reports not only failed to laud other whistleblowers, but also eschewed covering violent opposition in some urban districts to plans to erect SARS hospitals, or the flight of hundreds of thousands from Beijing, or the resort to quasi-feudal measures by localities to prevent travelers from entering their jurisdictions.³⁸

PRC officials and official media included Maoist-style exhortation alongside pallid stabs at exposé. *People's Daily* affirmed that, under the "staunch leadership" of the Party Central Committee and "Comrade Hu Jintao, the whole nation, united as one man . . . has struck up a heroic song featuring the Chinese people's strong will."³⁹ The media informed the people that the "strong and correct" Party leadership was the key to success. President Hu called for a "people's war"—a classic Mao-era phrase—against SARS.⁴⁰

Draconian legal and policy measures suggested a throwback to an earlier era. In mid-May the Health Ministry issued a sweeping set of "Management Measures" imposing strict rules for reporting, quarantine, isolation, and other matters, and the Supreme People's Court and Procuracy announced severe penalties for violating SARS-related regulations. Anyone who knowingly spread the pathogen could face capital punishment. Those who broke quarantine or evaded a mandated medical exam or treatment and accidentally passed on the illness faced up to seven years in jail. Lesser

³⁵ John Pomfret, "Outbreak Gave China's Hu an Opening," *Washington Post*, May 13, 2003; "Pneumonia Outbreak Under Control in Guangzhou," *Xinhua News Service*, Feb. 11, 2003; "Atypical Pneumonia Contained in Beijing: Health Authority," *Xinhua News Service*, Mar. 26, 2003; David Lague, Susan V. Lawrence and David Murphy, "The China Virus," *Far Eastern Economic Review*, Apr. 10, 2003, pp. 12–15.

³⁶ See, e.g., Joseph Kahn, "Chinese Officials Say Disease is Controlled in City of Origin," *New York Times*, Apr. 9, 2003; Lawrence K. Altman, "Disease Called Mostly Under Control," *New York Times*, Apr. 12, 2003.

³⁷ Mure Dickie and Frances Williams, "Chinese Doctor Who Blew Whistle on Cover-Up Wins Media Praise—and Gag," *Financial Times*, May 23, 2003; "Beijing Doctor Pressured Not to Discuss SARS with Foreign Media," *Voice of America* at <http://www.voia.gov>.

³⁸ "Rude Awakening"; Ben Dolven and David Murphy, "Building New Chinese Walls," *Far Eastern Economic Review*, May 22, 2003, pp. 24–26.

³⁹ "Promoting and Fostering National Spirit in Fight Against SARS," *People's Daily*, Apr. 30, 2003.

⁴⁰ "President Hu Calls for 'People's War' Against SARS," *People's Daily*, May 2, 2003.

infractions too could lead to prolonged incarceration.⁴¹ Criminal charges were soon made against a Beijing-based doctor for knowingly infecting residents of his home village, and over one hundred people were detained for spreading SARS rumors.

New directives warned local and departmental officials that they would be “held strictly responsible” for timely and accurate reporting on SARS and could face up to three-year sentences if they exhibited insufficient vigilance in combating SARS. More than one hundred reportedly were fired or disciplined for their lassitude in late April.⁴² In the weeks that followed, additional directives warned that any deception or concealment of relevant statistics would be dealt with severely.

Thousands of Beijing residents were confined at home under orders enforced by police contingents. Authorities sought to track down others who had slipped through quarantines in some of Beijing’s most heavily affected areas, and officials contemplated a blanket quarantine for the huge returning migrant population. Efforts focused on expanding the regime’s capacity to track and monitor potential SARS spreaders through methods ranging from web postings and computer databases to neighborhood residents’ committees staffed by veteran Party activists, to beefed-up systems of inspection and registration for immigrants from the countryside and more affluent travelers arriving and departing by air.⁴³ Local authorities elsewhere adopted similar methods. Nanjing, for example, offered cash rewards for turning in people suspected of having returned from SARS-affected areas.⁴⁴

While some of these moves parallel those adopted in heavily SARS-hit areas beyond mainland China, the PRC’s measures caused unique alarm because they were coupled with more obviously harsh measures and unfolded against the background of the PRC’s history of severe and arbitrary uses of governmental power. Critics warned that the PRC’s legal and policy initiatives created potentially perverse incentives that could undermine the fight against SARS.⁴⁵ Fearing bad outcomes either way, citizens and officials might well take the double-or-nothing bet and shirk their legal obligations to seek treatment or report cases. More broadly, observers were left to ponder the effects—and

⁴¹ PRC Ministry of Health, “Atypical Pneumonia Control Management Measures” (May 12, 2003); “China Threatens SARS Death Penalty,” *BBC News*, May 15, 2003; Bill Savadore, “State May Impose Death Penalty for Spreading Disease,” *South China Morning Post*, May 16, 2003.

⁴² Susan V. Lawrence, “The Plague Reaches Much Deeper,” *Far Eastern Economic Review*, May 1, 2003, pp. 26–28; “Slack Officials Face Crackdown in SARS Crisis,” *People’s Daily*, May 8, 2003.

⁴³ “Beijing Has ‘No Necessity’ to Under-Cover SARS Cases”; “China Steps Up Efforts to Curb SARS,” *People’s Daily*, Apr. 23, 2003; Joseph Kahn, “Quarantine Set in Beijing Areas to Fight SARS,” *New York Times*, Apr. 25, 2003; “Beijing Adopts Computer System to Track Virus Carriers,” *People’s Daily*, May 6, 2003; Kahn, “Some Chinese Say.”

⁴⁴ Dolven and Murphy, “Building New Chinese Walls.”

⁴⁵ “China Threatens SARS Death Penalty”; “State May Impose Death Penalty for Spreading Disease.”

implications—of the coexistence of this harder, old-style PRC approach with the more open and cooperative strategy embraced at the April Politburo meeting.

Diagnosis and Prognosis

Several larger forces lay behind the PRC's complex responses to SARS. They pushed toward an aggressive response—generally an open and cooperative one—but they are not unidirectional and their future is uncertain in the persistently ambivalent politics of contemporary China.

First, increased economic dependence on the outside world (including Hong Kong and Taiwan) and the transparency that has accompanied it have made China more vulnerable to foreign pressure to cooperate with the international community. It was far less plausible than in an earlier era to imagine that SARS or information about it could be kept within China. It was equally unlikely that China would be able to ignore pressure to address the problem in ways that the international community demanded. In an era of extensive foreign trade and investment dependence, the economic and diplomatic costs to China of non-cooperation were too high to bear.

SARS, however, provided an unusual occasion on which foreign pressure was exceptionally likely to be effective. Other states had an indisputably legitimate stake in how China handled the crisis, for their own economies and public health appeared to be at risk. Clearly as a matter of causation and (given Beijing's early stonewalling) probably as a matter of culpability, China was responsible for the problem that the world was calling on it to help fix. Moreover, what outsiders demanded was less offensive to the regime's notion of sovereignty than were many other international calls on China for reform, such as those addressing China's lack of democracy, weak legal system, human rights abuses, or the vestigial non-market features in its economy.

Second, changes inside China during the era of Deng Xiaoping and Jiang Zemin have rendered untenable once-common strategies of information control, popular repression, and Maoist-style campaign. Competition for readers among state-controlled media, norms of freer expression in Chinese society, and the advent of the Internet, wireless communication and access to foreign news sources have decimated the Party-state's former near-monopoly over widely disseminated information. In this environment, word about the initial SARS outbreak in Guangdong reached interested Chinese despite attempted news blackouts, and criticisms of the regime's response found wide audiences.

The regime's capacity to resort to old-fashioned methods to deal with crises has been further undercut by contemporary China's peculiar combination of mass skepticism concerning the regime's intentions and capacity and mass acceptance of a social contract that trades citizens' acquiescence to

authoritarianism for their rulers' abandonment of Maoist excesses and the delivery of rising standards of living. As reported statements of ordinary citizens and the mass exodus from Beijing indicated, many Chinese were dismissive of official denials of a SARS problem, unlikely to heed the regime's calls to stay put, and confident that they could avoid sanctions for flouting their rulers' commands.

The more revanchist aspects of the Chinese regime's handling of the SARS issue, however, cannot be dismissed as fading legacies. Perceived threats to economic or public health can push any regime toward illiberal and defensive responses, whether in the form of cover-ups or heavy-handed measures. China today is particularly susceptible to such a response when confronted with a threat like the one SARS appeared to pose. A serious economic downturn due to the fear of SARS would threaten the pillar on which the CCP has staked its claim to power for a generation, calling into question the regime's ability to provide rising affluence. SARS-spawned local roadblocks threatened deeper economic losses and also evoked the chronic problem of "excessive" decentralization that has worried the Chinese leadership throughout the reform era and echoed pre-PRC era political fragmentation that the regime prided itself on overcoming. Riots in areas where rumors told of government plans to establish SARS wards gave a taste of what might come if the efforts failed to bring the illness under control, and SARS itself cast doubt on the authorities' ability to secure their subjects' safety.⁴⁶ In such a setting, aggressive, repressive, and quasi-military methods appeal to besieged ruling elites.

Third, leadership transitions of the sort that were underway in China when SARS struck can produce significant policy changes as insecure heirs-apparent and challengers struggle for stature and influence. China-watchers perceived a split between leaders closely associated with nominally retired President and Party leader Jiang Zemin, on the one side, and Hu Jintao, Wen Jiabao and others associated with the prior Premier Zhu Rongji, on the other. On this view, the mid-April Politburo meeting marked a victory for the latter, who pushed for a more open approach both because they thought it was good policy and because crafting a distinctive policy line was an established medium of elite conflict. SARS created opportunities for Hu and Wen to wield decisively the power they formally held and move beyond Jiang's shadow in a Politburo that was packed with Jiang's protégés. It helped that Jiang was rumored to be hiding out in the safety of Shanghai and that his Politburo acolytes remained silent while Hu and Wen manned the frontlines and saturated the airwaves. It mattered that Hu and Wen had so publicly associated themselves with their line on SARS because they then could not easily turn back, given the likely costs to new leaders of reversing a major policy that addressed a crucial issue and that may have come at the expense

⁴⁶ Erik Eckholm, "SARS is the Spark for a Riot in China," *New York Times*, Apr. 29, 2003; Ben Dolven and David Murphy, "Building New Chinese Walls."

of still-powerful rivals. It further mattered that Hu and Wen's approach to SARS built upon the broader images the two had already begun to cultivate as populist, responsive, and accessible leaders.

But the politics of leadership transition and factional struggle over SARS provides a shaky foundation for change. Tea leaf-readers saw vulnerability for Hu and Wen in the seemingly tit-for-tat purge of affiliates of each leadership clique in the personnel shifts that accompanied the April Politburo meeting. And few doubted that Hu and Wen dared not go too far without Jiang's acquiescence. Also, SARS was not the sort of issue over which decisive struggles for power are typically fought. Beneath conflicts over tactics, there was unanimity over the goals of containing the outbreak, minimizing economic consequences, and avoiding losses of confidence in the regime at home and abroad.

Fourth, the festering problems of the many millions whom China's long reform-era economic boom has so far left behind have created pressures for innovative and potentially risky policies. The PRC leadership must soon come to grips with the needs of this group, composed primarily of residents of inland provinces and agrarian regions and employees of rust-belt state-owned industries. China's top leaders have realized this and face partly self-imposed rising expectations. Jiang Zemin propounded a "go west" policy that sought to reduce the escalating concentration of investment in China's prosperous east coast. Hu and Wen, who have emphasized the problems of China's poor and have experience governing China's impoverished regions, face greater demands and hopes that they will take care of reform's losers in China's backwaters. Because SARS' gravest threat was that it would spread among this vulnerable and potentially volatile population, SARS magnified these imperatives to undertake reforms to address the adverse impact of past reforms.

Conversely, the argument for a more closed, repressive and conventional approach to threats to order, including SARS, remains broadly compelling and is especially persuasive with respect to the hinterland and the underclass, where SARS posed the greatest threats to health and stability. The constituencies for liberal reform are thinnest there, and the lack of healthcare facilities and government capacities may leave few alternatives to a martial law-like approach, especially when unrest erupts. Modest rhetoric about attending to reform's left-behinds has yet to generate a significant shift of ideological emphasis, much less action. Despite the flirtation with "going west," Jiang ultimately remained closely associated with the "coastal strategy" of the Deng Xiaoping years and solidified that commitment with his doctrine of the "three represents," by which the Party opened its doors to China's urban and littoral entrepreneurs. Hu's nominal succession has brought no backpedaling on this element of Jiang theory.⁴⁷

⁴⁷ "CCP to Launch New Round of Study of 'Three Represents' Theory" *People's Daily*, Apr. 28, 2003.

Does the SARS episode, then, reveal anything important about China's internal order and its engagement with the outside world? SARS has been characterized as China's potential Chernobyl or 9/11.⁴⁸ It is likely neither. The response to SARS may have been belated, bungling, indicative of systemic shortcomings, and/or corrosive of the system's depleted legitimacy. But SARS so far has not exposed a regime so inept, indifferent, or dangerous to its people and the world that it must consider *glasnost*-like reforms that might spell the demise of the existing order. Neither Hu nor Wen is an aspiring Gorbachev (whom Chinese leaders loathe for botching the reform of communism, presiding over his country's decline, and serving as catalyst for China's 1989 Democracy Movement).

Like 9/11 for the United States, SARS awakened the Chinese leadership and domestic critics to globalization's downside, and it may have created an occasion for a new head of state to augment his power. SARS also laid bare the dangers of weak mechanisms for institutional coordination and information-sharing across a fragmented central government and a sprawling and highly autonomous set of local authorities. But the leadership in Beijing has not perceived SARS as so severe a challenge that much has been undertaken, or even contemplated, to upgrade massively the state's capacity to deal with such threats. Also, it is premature to conclude that SARS will have a 9/11-like effect of significantly shifting power at the political system's apex, or that it will become a defining symbol in the internecine struggles of Chinese politics.

Instead, unless the disease returns with a vengeance, the SARS episode is likely to reinforce both sides of the seeming paradox that has characterized the politics of reform-era China. It is likely to have a modest but enduring effect in promoting some types of liberalization. The precedent of cooperating with the WHO and the high reputational costs to China of trying to hide the problem will not easily be erased in the minds of China's leaders or their foreign counterparts. The ruling elite's acknowledgment amid the SARS crisis that the public may have some "right to know" may prove difficult to reverse and provide a foundation for pushing the "transparency" agenda the Hu-Wen leadership had sketched out even before SARS. The Party-state's failings in coping with SARS may yet lead to the regime's tolerating more systematic public criticism and the public's being even less willing to trust the Party and state to solve major problems.

It is also possible that SARS will boost already-percolating reform agendas within the political system. "Intra-Party democracy," gradual extension of competition in local elections, and enhanced private property rights benefiting the entrepreneurial and middle classes all sound like

⁴⁸ Mark Clifford, "China's Deadliest Plague: Authoritarianism," *BusinessWeek Online*, Apr. 18, 2003; Mikhail Gorbachev, "Diagnosing SARS in China," *New York Times*, May 19, 2003; Anthony Lawrence, "Jiang Gives Blessing to the Battle Against Virus," *South China Morning Post*, Apr. 27, 2003; Erik Eckholm, "Rude Awakening," *New York Times*, May 13, 2003; John Pomfret, "Outbreak Gave China's Hu an Opening," *Washington Post*, May 13, 2003.

relatively safe medicine for treating the SARS-revealed ailments of a bureaucracy that instinctively withheld information and felt assured of its unaccountability.

Finally, by exposing the wretched state of the public health system, SARS may have had a modestly liberalizing impact on policy agendas by providing compelling evidence of the costs of emphasizing growth at the expense of public goods upon which China's well-being depends.

Nonetheless, China's leaders may draw from the SARS experience a very different set of lessons: that existing institutions and practices need to be repaired and strengthened. In China, this means enhanced capacity for authoritarian and repressive rule. The conclusion that the system basically worked is sure to appeal to those with little taste for significant reform. China, after all, relied largely on established processes to cope with SARS and has escaped with relatively little human or economic damage. Skeptical observers can discern in the appointments of Wu Yi and Wang Qishan echoes of two venerable practices: deploying skilled "barbarian handlers" to sooth foreigners' outrage; and turning in a crisis to officials with proven ability to root out bureaucratic weakness and maintain social order.

Much of the talk of SARS-related institutional reform at the central level has focused on increasing the resources, efficiency, and powers of entities such as the Ministry of Health, the CDC, the Ministry of Statistics, and public security organs. SARS provided ample evidence that local governments needed to be made stronger and more accountable to the central leadership. From this point of view, more capable, disciplined, and centralized institutions are the remedy for grassroots institutions that were ill-equipped to cope with SARS.

Further, the regime's response to SARS and the leadership's self-perception of success suggest that many among China's rulers believe that old-style Maoist methods—including patriotic polemics, activist-led residents' committees, selective discipline of officials, harsh sanctions against some citizens, and mobilization of vast contingents of police and military—deserve the credit for containing SARS.

If SARS returns, or when the next crisis strikes China, the same paradoxical tendencies toward liberalization and authoritarian institution-strengthening, openness and opacity, cooperation and obstreperousness, can be expected to recur. SARS has underscored the importance of learning how to navigate the resulting turbulence in and around China, where seemingly irresistible forces of globalization and reform press against intractable obstacles rooted in China's hypertrophic notion of sovereignty, residually Leninist institutions, destabilizing social cleavages, and weakly institutionalized politics.

