# Kautz-Uible Economics Institute Student White Paper



# **COVID-19 Response and the Economy:**

Comparing the United States, China, and Taiwan

Garrett Ainsworth Business Economics, Class of 2019

# **PART ONE**

# **Two Different Worlds:**

Experiencing COVID-19 in Asia vs the United States

Kautz-Uible Economics Institute

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# **About the Author: Garrett Ainsworth**



Garrett Ainsworth graduated from the University of Cincinnati Lindner College of Business in May 2019, with majors in Business Economics and Marketing. He is interested in international relations and international economics and has a passion for traveling and exploring cultures. He has been studying Mandarin and Chinese culture for 2.5 years. During the 2019-2020 school year, Garrett taught English in Taiwan as a Fulbright Scholar. He is currently enrolled online at Cheng Kong University in Tainan, Taiwan, where he studies Mandarin.

One of Garrett's academic goals is to combine his studies with his personal interests by exploring international economic and political issues. In his essays on the economic impact of the coronavirus on the US, Taiwan, and China, he utilizes his understanding of economics and his cultural experiences to write a compelling cultural narrative and political argument.

## Two Different Worlds: Experiencing COVID-19 in Asia vs the United States

I was attending a conference on teaching English to Taiwanese students in Taipei, Taiwan. I looked at my watch mid-way through an hour-long talk about teaching English through games. It was Monday, January 20th at 3:00 PM, and I had a flight to catch at 6:00. Fifteen minutes later, or possibly an hour, the talk was over, and the conference was complete. I was now free, with a month-long break, for the Lunar New Year. In less than three hours, I would be on a flight to Bangkok to commence a two-week journey around South-East Asia. Some other teachers and I boarded a bus to the airport. As we sat down, someone from the group said, "Have you seen this news from China? Apparently, there's a new disease that is spreading rapidly and causing many people in Wuhan to die." Another person spoke up, "Yeah, I heard the same thing, but who knows what to believe. I'm sure it won't become much to worry about, and it certainly won't affect our travel plans." I agreed, but I couldn't help but feel uneasy, traveling so close to the source, especially during the busiest tourist season of the year for the region. I told myself not to worry. I felt sure that this would be over soon, and it wouldn't be something I'd have to fear. As I boarded my flight, I couldn't help but reflect on what I experienced over the last six months and how I came to where I was.

#### **How I Got Here**

I am from the small town of Independence, Kentucky, I am the son of a single father, and I had never left the United States before entering college. For me, traveling was never something I thought to be possible, but through the opportunities my college experience brought, I found my greatest passion. I studied abroad multiple times, and I made friends with numerous international students from around the world. From these experiences, my life was transformed, and I knew how I could make an impact on the world. I was entering my final year of college when I decided that I wanted to take the next step in my life. I wanted to travel and live in a place where every day would bring a new experience and life lesson. As an Economics and Marketing student for four years, I learned about business; now, I felt it was time to learn about culture and to give back. So, I applied for and was accepted to teach English in Taiwan for one year on a Fulbright Scholarship. I knew that this experience would be life changing and, if anything, would give me a year for growth and self-reflection. This turned out to be truer than I could have ever imagined.

I said goodbye to my father and brother, as we hugged, and I walked towards the checkin counter to get my boarding pass. I was about to start a year-long journey, unsure of what the year ahead would hold. The excitement was overwhelming as I sat in my window seat and watched the land below slowly retract. This would be the last time I would see this land for a year, or so I thought. After seventeen hours of flipping through unappealing movies and eating food from tin foil trays, I looked out my window and could see land. It was a beautiful island, with jagged mountains covered in dense greenery, jetting out over a thousand feet above the ocean. Looking at this island, I couldn't help but feel a sense of belonging, happiness, and safety. This was Taiwan.

"Hello class, my name is Teacher Garrett. I will be your English teacher this year," I said as I stood in front of my first class of students. Sitting in front of me were over thirty middle school students, eager to learn and excited to meet a foreign person. They were young, still showing the cuteness and innocence of childhood. But they were also at the age where one can see them change into adults before the eyes. For the next year, these kids would be my students, and I would be, for better or worse, their outlet to learn about the wider world. In just a short time, I learned how to teach my language and how to motivate the students to learn. I found their passion to be admirable, and they pushed me to work harder. Through teaching them and living in their society, I felt a sense of belonging and purpose. Every day was joyful and brought new adventures. And so, six months passed.

## **An Anxious Trip**

"This should be an exciting trip," my friend said to me, shifting my mind out of its reflection. "Yes, it will be; I'm sure of it," I replied. After six months of work, I was happy and excited for a new, refreshing adventure. As our flight to Bangkok began its descent, we reviewed our plans once more. "So, we will spend four days in Bangkok, four days in Chiang Mai, and then on to Vietnam," I said excitedly. "Yes, that's right," my friend said. "Now it's time to grab our bags. Let's go!"

Within hours of arriving in Bangkok, I started to realize that everything was not normal. News continued to develop on the coronavirus. Every morning, we would wake up to headlines of increased cases and deaths. I began to receive messages from concerned friends and family asking if I were okay. Many even pleaded with me to return home; they claimed, "It's much safer in the United States." But I was in the middle of a vacation, and I was determined to finish out the trip, albeit with caution.

"This situation is really developing fast, isn't it?" my friend asked, as we walked through the narrow, crowded streets of Bangkok. "Yes, it is. I read this morning that the first cases have been confirmed in the Philippines, Singapore, and Hong Kong. But they were all in people from Wuhan, so I'm sure it's controllable, right?" I replied hopefully. It was Chinese New Year, and many celebrations were happening. We walked through a large parade of hundreds of people. On all sides, vendors were selling street food and clothing. The crowds were immense, and the heat was unbearable, even in January. As we walked on, I couldn't help but notice the cheerfulness of the crowds. People walked with smiles on their faces, children ran around chasing each other, and firecrackers were blasting all over. But this joy was soon to fade.

Next, we traveled to Chiang Mai. When we arrived, we checked into our hostel and began our day as tourists. We started the day walking along the city's old side streets, eating street food and viewing the sites along the way. We spent the day touring ancient Hindu temples and marveling at the beauty of this jungle city. As we continued our touring in Chiang Mai, every day the crowds seemed to get smaller. We started to see masks on more faces, and a cough seemed to draw more attention than usual. Still, many people were happy and seemed to show little concern as they went about their days as tourists.

After yet another flight, we arrived in Ho Chi Minh City, Vietnam. At once, the heat became even harder to bear, as the air was dense with the pollutants of a crowded city. The only thing that became harder to handle than the city heat was the news of the coronavirus. After one short week, cases began to multiply exponentially. Every hour, we read new updates of cases spreading globally. Over 30 cases were reported in Hong Kong and Singapore, Japan found multiple cases on a cruise ship, and dozens of countries had reported their first cases. Even as we left Thailand and entered Vietnam, both countries' cases began to rise alarmingly. I was shocked as we traveled, as there seemed not to be any new travel regulations. At the time, traveling through an airport seemed to be just like any other time. I began to wonder about Taiwan and the safety of my friends there, being so close to the source and so connected to China. I was worried that I would return from my trip and be stuck on an island during a deadly pandemic. As I thought about this, I decided to google the coronavirus in Taiwan. I was amazed to find that zero cases had been reported so far.

On our first day in Vietnam, we decided to spend a day sightseeing and a night eating street food. The heat of the day took its toll and by evening we were both exhausted. I decided to return to the hostel and take a nap. About an hour later, I woke up feeling sweaty and hot. I asked my friend if he also felt hot, but he explained that he was actually very cold, as the room's AC was set to 68 degrees. I decided to see if I could sleep it off. I woke up at 3:00 am sweating and feeling soreness in my throat. After that, I began to worry. "What if I caught this mysterious virus?" I thought to myself. I began to frantically search for the symptoms of the virus. I was alarmed to find that I matched many of the symptoms of a sore throat, cough, and fever. I took a fever reducer and decided to rest for a day. The next day, I woke up and felt normal again. I was elated but couldn't help but feel a desire to conclude the trip and return to somewhere safe.

We left Ho Chi Minh the next day and flew north to the capital city, Hanoi. There, we felt the blanket of heat lifted off of us, as the temperature was a cool 50 degrees. Yet the relief we felt from the drop in temperature was offset by the dread we felt for the virus. We decided to wear masks while out and avoided the crowds as much as possible. By now, many nations had not only begun to report multiple cases, but even deaths. The virus was very clearly novel and out of control. I received even more messages from friends to leave Asia and return to where it was safe. I decided that I would return to Taiwan once my trip was concluded and make my decision then.

As we walked out of our hotel on our final day in Vietnam, we received an update that Taiwan had banned all travel from China. Additionally, Vietnam had banned all travel to China, including Taiwan, because of their diplomatic recognition of Taiwan as a part of China. Yet, Taiwan had almost no cases, and China, by now, had over a thousand. I felt outraged because I wouldn't be able to return to Taiwan because of diplomatic recognition—not because of the safety of travel. But we decided to enjoy our last day as much as possible and hope for an update on our flight. As we left our hotel, we put our masks on and walked down the side streets. I couldn't help but see an ominous sense of dread and fear in the people we passed. Everyone wore masks, and everywhere people avoided each other. There was a clear anxiety that gripped

everyone. The streets were no longer crowded, children no longer ran and played, and the smiles were gone from all the faces. For the first time ever, I was happy to be finishing a trip.

We woke up to find some positive news. After some pleading from the Taiwanese government, Vietnam had lifted their travel ban to the island. We could now return. As we left, I couldn't help but feel that most countries where we traveled still seemed to be operating like normal. It was clear that, early on, the responses from most governments were slow and hesitant. As we traveled through the airport and boarded our flight, I watched everything closely. I noticed that when we entered the airport, everything seemed normal. There were lines of people at the check-in counters; most were not wearing masks and were standing at normal distances apart. When we made it to the check-in counter, we exchanged our documents, received our boarding passes, and continued on to the security check. We went through a standard security check and were patted down by a security guard. We then boarded our flight and, within three hours, landed in Taiwan.

#### Return to Taiwan

When we returned to Taiwan, we were surprised to see the measures already in place to detect and contain the virus. Upon landing, our plane sat off the runway for thirty minutes. A health department officer dressed in a hazmat suit boarded the flight and began to spray the inside of the plane with a disinfectant steam. Then, upon exiting the flight, our temperatures were scanned, and we saw signs explaining the virus and the need to wear masks. I looked around and realized that every person in the airport was wearing a mask and maintaining distance. It was clear that, even at the beginning of February, the government of Taiwan and its people had taken a proactive response to contain the virus.

After returning to Taiwan, I began to prepare to live during the pandemic. I sat with some of the other Fulbright teachers, and we began to discuss our concerns. One teacher said, "We should prepare for possible restrictions to our travel ability and life in general." We all agreed but were unsure of what that might look like. Another teacher said, "Most public restaurants will probably start to close, travel around Taiwan might be limited, and we should probably prepare for school to be canceled for the year." It was just the first week of February, and we still had five months left of our program. This was not something we wanted to hear or something we could have ever expected. "We should start stocking up on food and prepare to be stuck in Taiwan for some time. Many people will probably get the virus here, and it probably won't be safe to stay. Maybe we should return to the US, where it is much safer, and we can rely on the government to keep us safe," one of us said. This was something all of us, as American citizens, seemed to regard as a certainty. We decided to stay and wait to see how the situation developed.

As we prepared to return to classes the next week, we received an update from the Taiwanese government explaining that schools would be closed for two weeks due to the coronavirus. It was explained that this was due to the uncertainty of the situation and to allow for a prepared response—not due to a lack of safety in Taiwan. We all accepted the update and stayed home for those two weeks. During this time, we were able to travel freely around Taiwan and go to any public place; however, all large events were canceled. During this time, I noticed

that almost all people were masks and seemed to heed the warnings of the government. The society seemed to understand what this disease could bring, and there was a sense of togetherness in the prevention of its spread. Everyone was supplied by the government with items to help them stay safe, including free masks, hand sanitizer, and cleaning supplies. There was an immediate change in the way people interacted every day, but there was not a total shutdown of the economy, and people were still able to go to public places and work. Up to this point, Taiwan had less than 20 cases, most from direct foreign travel.

Finally, after two weeks, schools were back in session. The day before schools were to start, all of the teachers were called to school for a conference on the changes due to the coronavirus. At this conference, we were all given cleaning supplies and were told about the new policies. Everyone who comes to the school will have their temperatures taken every day, all students and teachers were recommended to wear masks, and the students would disinfect the classrooms before and after school.

After implementing these measures at all public and work places, life seemed to go back to normal. We were still able to work and eat out as normal. We were able to travel around Taiwan, and life seemed to be going well. Taiwan continued to maintain very low numbers amid escalating situations abroad. At this time, I remember going for a run with a friend and discussing the situation. "Did you hear that over 500 cases were reported in South Korea?" my friend asked. "Yes," I replied. "There's also over a thousand cases in Italy. It seems like nearly every country has reported multiple cases. Even the US has reported fifty cases, and Europe is getting hit hard." At this time, we also received the news that the US had banned travel from China.

A couple weeks went by in Taiwan, and things seemed to be going very well. The cases in Taiwan were still astonishingly low, and many of our worst fears about a shutdown proved to be wrong. But it would all change for us soon. We received an update that the United States had banned travel from Europe, and the Fulbright program had now made it voluntary for its scholars to return home to the US. Cases in the US began to increase alarmingly. I was now messaging my same worried friends, but this time I was the one asking if they were safe.

#### An Abrupt End to My Time in Taiwan

Only a couple of days passed when we received the news that the global Fulbright organization would be canceling its programs for the remainder of the year. We were all expected to end our arrangements in Taiwan and return to the US within two weeks. We were shocked by the news. The situation in the US had accelerated rapidly. There were now hundreds of cases all around the US, and the daily tolls were rising at an alarming rate. The US also banned all travel from Europe and was making plans to place further restrictions on travel to different nations abroad. Despite being one of the countries with the lowest number of cases in the world, Taiwan decided to take further measures by banning all travelers from foreign countries. We were all shocked by the sudden changes. To us, everything seemed to be normal, but it was clear that for most of the world, and especially the US, things were anything but normal.

I began to make arrangements to return to the US. I told my students and fellow teachers goodbye as I left my school and returned to my apartment to pack my things. At this time, I was very hesitant about returning to the US. The situation was clearly better in Taiwan at the time, and I feared traveling amid this pandemic. My Taiwanese friends were very concerned that I wanted to return to the US while the situation was not under control there. Finally, my concern for my family and fear of being stranded in Taiwan led me to decide to return.

Within a week, I was once again in the airport, but this time it was to return home. It was a time of great anxiety and uncertainty about the risk of traveling. As I made my way through the airport once again, I was amazed by the updated protocol since I last traveled a month before. It was now mandatory to wear a mask at all times in the airport, there were multiple temperature screenings throughout, and all of the customs processes were performed via machine to ensure minimal human contact. Every person in the airport wore a mask and all non-essential services were closed. In fact, the flight I took was the only flight leaving from the Taipei airport that evening. As I boarded the plane, I felt a strong sense of fear about the danger I may be putting myself in. I wore a face mask and goggles and carried hand sanitizer, making sure not to touch anything unless absolutely necessary. The plane was nearly empty, with one or two passengers per section. Looking at the faces I could see around me, it was clear that everyone wanted this flight to arrive safely home as soon as possible.

### Homecoming

After a long, anxiety-ridden flight, I was back in the US at the San Francisco airport. As we sat on the runway, I wondered how different this time would be in an American airport. I was sure it wouldn't be anything near a normal airport experience. After hearing the news about the severity of the situation in America and seeing the response to the much less severe situation in Taiwan, I felt certain that the measures taken by the American government would be as stringent or more to that of the Taiwanese government's measures. What I saw shocked me.

Upon exiting the plane, I made my way to the customs gate. As I walked down a long hallway, I saw the signs for customs and followed them. As I walked, I looked around. I saw several people without masks. Many people ate at restaurants and sat in large groups together. When I made it to the customs line, there were no signs requesting people to wear masks or to maintain a significant distance between each other. As a result, the line had many people who were not prescribing to any social distancing protocol. As I made it to the front of the line, I was motioned by a TSA official to approach her desk. I handed her my passport. I was shocked to see that even the customs officials did not wear masks or maintain distance from the airport's travelers. As she examined my passport, she looked at me and said, "Sir, please remove your mask and those things on your eyes." In her voice, I could hear an annoyance in my choice of personal protection. She handed me my passport, and I continued through the airport. I caught my connecting flight and was home by the end of the day.

## What Are We Doing Wrong?

After this experience, I was shocked. I wondered why the US response seemed to be so limited compared to that of Taiwan. Taiwan is a country around the size of Maryland with a population just over 23 million, yet its people and government seemed to generate a stronger mitigation response than the US. Both places have democratic governments and free market economies, with citizens who have strong personal freedoms. Taiwan is significantly closer to the epicenter of the outbreak but has still maintained incredibly low rates of infection. In all of 2020, Taiwan has had 825 confirmed cases and just 7 deaths, with a per capita infection rate of 3 infections per 100,000 people (Hernandez et al., 2020). This is astonishing when compared to the nearly 22 million confirmed cases and 370,000 deaths, with a per capita infection rate of 6,685 infections per 100,000 people, in the US (Hernandez et al., 2020). Meanwhile, the nation at the origin of the disease, China, a nation with similar cultural origins to Taiwan but a completely different government system, has had 87,364 confirmed cases and over 4, 684 deaths, with a per capita infection rate of 6 infections per 100,000 people (Hernandez et al., 2020).

These three cases bring up an important set of questions: What do these experiences say about the ability of different types of governments to respond to pandemic diseases? Is the US system of limited centralized government or the Chinese system of top down government control better positioned to respond and prevent economic downturn? How does the experience of Taiwan affect the answer to this question, given that Taiwan has a similar culture to China but a similar economic and political system to the United States? What does this show about the role of culture in a nation's response to mass mobilization for the prevention of pandemics?

It is very clear to me, from my personal experiences, that there is a great disparity in the measures taken by these governments and the coinciding responses of their citizens. I believe it is important to understand how these countries react to pandemics because it has and will have a profound effect on their economies and the wellbeing of their citizens. The Taiwanese government was prepared and launched an organized mitigation response; because of that, lives were saved, and they avoided economic losses. China and the US, however, were not prepared and, through faults in their governments, have experienced economic and human losses much greater than that of Taiwan. I also believe that culture has played a significant role in the general populations' attitudes and responses towards their governments' pandemic mitigation initiatives. I believe that attitudes towards government involvement, personal freedoms, and misinformation have caused the US to fail as a democracy, where Taiwan did not. In order to fix this problem in America, significant changes must be made to the organization of the overall pandemic response.

In my next essay, I will analyze the measures taken by these three governments to mitigate the spread of the coronavirus. In a third essay, I will analyze the projected economic impact of the pandemic and conclude with my beliefs on the optimal system for pandemic response and changes that should be made so that the US is better equipped to prevent the next pandemic.

## References

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# **About the Kautz-Uible Economics Institute**

The Kautz-Uible Economics Institute creates opportunities for enhanced learning and growth for students, faculty, and alumni of the University of Cincinnati's nationally ranked Department of Economics in the Carl H. Lindner College of Business. Established in 1982 as the Hewett-Kautz Fund, the institute's mission has steadily expanded and continues its transformational impact.

The institute currently supports the economics department through:

- The Kautz-Uible Fellowship Program, which offers scholarships and the Caroline M. Kautz book prize to outstanding economics students;
- An annual lecture series, presented by prominent economists;
- Annual domestic and international travel by undergraduate and graduate student groups;
- The Kautz-Uible Women in Economics Initiative, which provides scholarships and mentoring to female economics students;
- The Kautz-Uible Research Initiative, which provides faculty-supervised research opportunities to undergraduate students;
- The Kautz-Uible International Scholar Program, which financially supports the economics department by hosting a reputed international scholar for up to a year;
- Faculty recruitment and retention through the establishment of chair professorships.