

COVID-19 Response and the Economy:
Comparing the United States, China, and Taiwan

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PART TWO

Taiwan:
A Model for Democracy Amid a Pandemic

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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.

Taiwan: A Model for Democracy Amid a Pandemic

“You know this isn’t the first time we’ve dealt with this kind of disease before,” my co-teacher said to me, as we discussed the looming threat of the coronavirus in Taiwan. He was in his forties and was born and raised in Taiwan. “I still remember the chaos of 2003, when the SARS virus came from China. Over a hundred people died, and everyone was worried they might be its next victim. I think we were just caught off guard. It was a real shock. We just didn’t expect such a deadly, rapidly spreading disease to have an epicenter so close to us. This time, the coronavirus will surely be worse, but I can’t help but feel that Taiwan is ready for it,” he said hopefully.

As an American, I admitted this was something I had never come close to experiencing firsthand. Pandemic diseases seemed to me to be something in a science fiction movie. That’s why, when I found myself on an island eight thousand miles from home in the midst of a pandemic, I was overcome with fear. However, after a few short days of living in Taiwan and seeing their government’s preparedness, all my fears dissipated. As the coronavirus cases in Taiwan continued to stay astonishingly low, the rest of the world seemed to collapse. I felt that this couldn’t be a coincidence but must be a direct result of deliberate steps taken by the Taiwanese government and people. As I witnessed cases in China rise and then level off, while cases in the US surged, I thought deeply about what these nations must have done right and wrong.

“This is all a conspiracy, you know. Do you even know anyone with this virus? It’s just a sham to make the administration look bad during an election year,” I overheard as I waited in line to buy groceries at a local store. I was back in America now, and it was mid-May. The United States had overtaken all other nations in coronavirus cases and deaths, yet I still heard comments like this one every day. Many people who had not seen the virus seemed to think that it was “fake news,” “not as bad as the media says,” or “just another flu.” Even while deaths mounted, disbelief and misinformation were rampant. After nearly two months of economic and social lockdown, many Americans were growing restless and wanted to return to work. By this time, it seems that the virus had become a political opinion, rather than a national concern. Based on political affiliation, one could guess how another felt about the virus. One could watch one news station and feel that the US was winning its fight against the virus, while one could watch another and think the country was collapsing.

Amidst the chaos and disorder, I wondered how the world’s foremost democracy could have failed so badly and how freedom of information seemed to be used to mislead the public. It seemed that few people trusted or felt confident in the American government. I remembered how before I left Taiwan, even as a foreigner, I felt a sense of unity with the Taiwanese people and their government in fighting the virus. Their government was honest, straightforward, and informed the people from the beginning of the pandemic. There was no economic shutdown, social distancing was not mandated, and people’s lives were not drastically altered, yet cases there stayed among the lowest in the world. I couldn’t help but think that this must have been, again, due to the proactive initial response by the government and people of Taiwan.

COVID-19 Responses Compared

The drastically different experiences of these three nations bring up many important questions. What were the different steps taken by these three nations to prevent the spread of the coronavirus? How have these steps helped or failed to prevent its spread? And, most importantly, in this time of changing global order, what political system and economic structure is more effective in preventing the spread of pandemic diseases and their resulting economic impact? China, the origin of the outbreak, has done admirably well in controlling their domestic cases, following what was a tough first month. After taking strict measures, considered by some to violate the personal freedoms of their citizens, China seemed to have nearly eradicated its cases. Was it China's authoritarian measures and strict informational control that led to its success in preventing what seemed to be a certain large-scale domestic outbreak? Or was it China's authoritarian measures and lack of informational transparency that caused the virus to initially spread domestically and, eventually, globally?

Meanwhile, the US, considered to be a model country for personal freedom and responsive governance, has struggled greatly to prevent the spread of the pandemic. As of December 31st, 2020, the United States has had by far the most cases in the world, even despite most states implementing months-long shutdowns. It's very clear from the data that the US had many shortcomings in their containment response, which has already caused great human and economic loss and promises even greater losses going forward. What was it about the containment response that failed in the US? Was it due to its democratic system of government that seemed to not allow for such measures as the ones taken by China? The experience of another democratic nation, Taiwan, is critical in understanding the answers to these questions. In the following pages, I will outline the timelines of the pandemic's spread in and the measures taken by China, the United States, and Taiwan in order to determine each government's ability to contain pandemic diseases and to answer the question: Which government system is better equipped to prevent the spread of pandemic diseases?

China

China's first case of coronavirus was discovered in Wuhan in late December 2019 (WHO, 2020) at a time when the rest of the world was still unaware of the virus. The following month proved critical, as China rushed to identify the virus and its capabilities. On January 11th and 12th, the Chinese government announced the first death caused by the virus and released its genetic sequence (WHO, 2020), notifying the world of its identity. The two-week-long lag between the identification of the first case and the Chinese government's initial release of information on the virus led to many questions about a lack of transparency from the Chinese government. The very next day, the first case outside of China was discovered in Thailand (WHO, 2020), alerting the world of the looming danger. Yet, the first month of the pandemic still proved to be a time of little transparency. Two weeks after the first international case was found, the World Health Organization held their first meeting in China with the Chinese government (WHO, 2020), marking the first time that an international organization was given access to critical information from the Chinese central government. Even despite this meeting, the US and Taiwanese governments, among others, demanded access to Wuhan in order to

collect independent information on the virus. Previous distrust of the Chinese government proved to have a great impact on foreign governments' abilities to act on the information critical to forming their own responses.

By early February, China's cases had skyrocketed to over fifty thousand, with over three thousand deaths (Hernandez et al., 2020). At the time, this was far more cases than the rest of the world combined. The world watched on, seeing what many thought to be just the beginning of what would be a disastrous pandemic for China. Finally, on the 16th of February, the first group of foreign government officials were permitted to visit China and Wuhan to collect their own independent information (WHO, 2020), under the supervision of Chinese officials. Unfortunately, the critical time for containment of the virus had already passed by over a month for most nations, as the virus was already well established abroad. During this time, however, the Chinese government was able to act on the information they had to implement the largest quarantine in history. On January 23rd, the Chinese government announced that the entire city of Wuhan was to be placed under complete lockdown (CNN Editorial Research, 2020). All people were no longer permitted to leave their homes or travel outside of the city. Just days later, the entire 60-million-person province of Hubei was placed under the same lockdown. The Chinese government closed down all non-essential public places and transportation networks, utilizing police forces and tracking technology to ensure a total lockdown. Eventually, by late January, most cities in China were placed under partial lockdowns, and non-essential industries were closed. The Chinese government used its internet censorship network to monitor critical information about its citizens in order to track the virus and contain people violating the quarantine measures. This, in turn, also helped control the spread of misinformation as it ensured that Chinese citizens' only source of information on the virus was their single-party government.

By mid-February, these strict measures seemed to almost completely halt the domestic spread of the virus in China. The domestic cases of the virus were held down to less than 80,000, with less than 4,000 deaths (Hernandez et al., 2020). The world was astonished that China was able to halt the spread of such a contagious virus in a nation of over 1 billion people. Slowly, China began reopening its cities and economy. After over 1 and a half months of total shutdown, Wuhan and the rest of Hubei province were deemed safe for reopening, marking a monumental shift in the containment of the virus. By the end of 2020, China had recorded just 87,364 cases and 4,634 deaths (Hernandez et al., 2020). These numbers, before the pandemic began, would have seemed terrible, but after 2020, they were significantly lower than most nations. Meanwhile, the rest of the world, especially the US, struggled to respond.

The United States

The first case of the coronavirus was discovered in the US on January 21st (Kantis et al., 2020) in a 35-year-old man who had traveled directly from Wuhan to Seattle, Washington. Travel history and evidence, however, suggest that this was likely not the first time the coronavirus entered the US. For almost three weeks, the world had known of the coronavirus, but it was still unclear how deadly it was or how fast it could be transmitted. By late January, however, many international public officials began to acknowledge the severity of the virus as it spread globally. On January 31st, the US had reported just 11 cases (Hernandez et al., 2020); it

was very clear, however, that there were many more cases but simply not enough tests to discover them. On this day, in an address to media, President Trump announced that the US would be banning all foreign nationals traveling from China (CNN Editorial Research, 2020), while claiming that the US had the coronavirus under control and would soon have zero cases. That proved to be astonishingly false as, soon after, the disease spread out of control. On February 6th, the first confirmed American death from coronavirus occurred in California (CNN Editorial Research, 2020). Then the cases began to multiply exponentially. Europe, Iran, and South Korea began to face severe outbreaks. Cases in the US began to increase alarmingly, as inconsistent government messages showed the world just how unprepared and disunified the US government was.

Between the end of February and mid-March, nearly all US states implemented partial shutdowns of non-essential industries (CNN Editorial Research, 2020). These shutdowns, however, were significantly less strenuous than those of China, as enforcing the quarantine in the democratic US proved to be difficult, given the restrictions it placed on personal freedoms. The quarantine restrictions were followed by most non-essential businesses, while many citizens followed the social distancing guidelines. By early March, however, most US officials, including President Trump, acknowledged the severity of the virus. Unfortunately, the political parties of the US government had already chosen their stance, and the previously spread misinformation on the virus proved to be just as contagious as the virus itself, as many US citizens still denied the threat of the virus.

On March 11th, nearly 2.5 months after the first confirmed case of coronavirus, the US decided to ban all foreign nationals traveling from Europe (CNN Editorial Research, 2020). The sudden and unexpected ban caused a rush of US citizens to the airports of Europe, as they feared they would be unable to return home. Amid the chaotic and significantly delayed response, the cases in the US began to increase dramatically, surpassing 1,000 cases in early March (Hernandez et al., 2020). Many at the time believed that this was just the beginning of the outbreak. US government officials continued to disagree on a response and seemed to contradict each other on party lines. One party seemed to believe the disease was not a problem, while the other believed it was. Somehow, in this democratic country, the pandemic became a political argument instead of a national emergency. By the end of March, cases in the US soared to lead all nations with over 100,000 (Hernandez et al., 2020).

As the cases mounted, the US government decided to shift the response policies to state governments to allow for states to take different measures based on their own needs. This proved to be another chaotic handoff of responsibility as the country lacked a unified response. Many states began to take further measures, as many state governments enforced social distancing policies, the wearing of masks, and the closures of different sectors of the economy. The responses proved to be dramatically different across states. Some states enforced tight measures that led to reduced cases but increased economic and social strain, while other states allowed for increased cases through insufficient responses. In general, it seemed that the response of the US government was insufficient, disorganized, and politicized. Eventually, the US surpassed all other nations in total cases and deaths. By the end of December, the US had recorded over 21

million cases and 360,000 deaths (Hernandez et al., 2020). The coronavirus response by the United States has proved to be an undeniable disaster. The nation with the largest economy in the world and most advanced technology has had the largest number of cases and deaths of any country in the world. Given the clear shortcomings of the US government response and the seemingly efficient response of China, one might conclude that the democratic system of government is the cause of the poor response to the coronavirus. Through its slow reaction time, lack of informational control, and political divisiveness, a democratic system must clearly fall short in responding to pandemics, right? Taiwan, however, says something very different.

Taiwan

Taiwan is an island less than 85 miles from China, yet it has done a better job of containing the virus than nearly any other nation in the world. Taiwan began screening passengers from Wuhan for the coronavirus on December 31st (Taiwan CDC, 2020), the same day that the first case was confirmed there. In mid-January, due to the growing number of cases in surrounding countries, Taiwan created the Central Epidemic Command Center (CECC) (Taiwan CDC, 2020), which is a government task force created specifically to control the spread of COVID-19. This task force was created even before Taiwan had confirmed a single case. On January 21st, Taiwan confirmed its first case of the virus in a Taiwanese citizen traveling directly from Wuhan (Taiwan CDC, 2020). Just five days later, on January 26th, Taiwan restricted all travel to and from China (Taiwan CDC, 2020). On February 5th, the Taiwanese government began a mask-rationing process where each citizen was supplied with two free face masks per day (Taiwan CDC, 2020). Most people in Taiwan began wearing masks in public every day, as they looked for guidance through the daily briefings by the CECC. There seemed to be an undeniable unity of people and government in fighting the virus in Taiwan that was clear from the beginning. At the same time, most large public events were canceled. In early February, all public schools were postponed for two weeks, while the government planned how to make the schools safe enough to continue classes (Taiwan CDC, 2020).

On February 16th, Taiwan confirmed its first COVID-19 death (Taiwan CDC, 2020), which many thought would be just the beginning. By mid-March, however, Taiwan's cases were held astonishingly low at under 100 (Taiwan CDC, 2020), as Taiwan restricted all foreign travelers from entering the island. Amid all of the uncertainty and the escalating situation abroad, Taiwan was able to keep nearly all industries open, with no major economic shutdowns. Public facilities, transportation, and restaurants remained open. Taiwan was able to avoid a shutdown and didn't need to implement any form of large-scale quarantine. By December, Taiwan's confirmed coronavirus cases were at 825, with just seven deaths (Taiwan CDC, 2020). It is very clear that the response made by the Taiwanese government has been highly successful. The Taiwanese government has been able to keep its citizens informed, not infringe on their rights, and keep them safe— all while keeping an open economy. How is this possible? What made Taiwan better equipped to respond than China and the US?

Pandemic Transparency

In an interview with Think Global Health, Taiwan’s Minister of Foreign Affairs, Jaushieh Joseph Wu, explained that a major factor in Taiwan’s response has been transparency. He claimed that, as a democracy, the Taiwanese government has a duty to report to and communicate with its citizens. “Through this very transparent way, we create a bond and a trust between the government and the people, and when the government is telling the people that this is probably something you need to do, people will follow,” Wu said, when asked about what other governments could learn from Taiwan’s response. In this, I believe that Taiwan has found success where both China and the US have failed. Unlike China, Taiwan did not need to hide the disease from its people or the world in an attempt to control it and prevent disaster. Unlike the US, Taiwan did not deny the severity of the virus or make it a political debate. The people simply united with their government through openness and trust. I believe this is why Taiwan has controlled the virus better than any other nation in the world. Due to their proactive and unified response, Taiwan has been able to protect its citizens and maintain their freedoms. I also believe that this will lead Taiwan to experience economic growth and increased influence abroad, as the US and China continue their trade war. In my next article, I will review the economic projections of these three nations as a direct result of their responses. This will help determine what type of economic system—free market or command—is better equipped to ensure economic stability during a pandemic.

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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.

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