

## **Preamble**

COVID-19 has been raging throughout the world since it began in early 2020. Countries around the world have taken various kinds of prevention and control measures in response to the challenges to public health, the economy, society, and international relations brought about by this rare pandemic. In order to obtain a clear view of different countries' principles and mechanisms in combating the epidemic as well as the impact of such measures on the present state of the world, the Institute of Area Studies, Peking University (PKUIAS) and PKU's Office of International Relations, in coordination with PKU's School of Public Health, held an online seminar as part of its Broadyard Workshop (博雅工作坊) series, titled "The Global Epidemic: Observations and Analysis by Diplomats."

Germany is one of the European countries that have been heavily stricken by the epidemic. So far, over 110,000 cases of infection and more than 2,000 deaths have been recorded in the country, and experts estimate that, by the end of the pandemic, 60% of the German population will have been infected by COVID-19. A number of local governments in the country have issued stay-at-home orders, companies have been shut down and schools closed, all of which will result in a 7-11% contraction in Germany's economy. The epidemic also disturbed the normal social order due to the pressure it has put on the medical system

and restrictions it has imposed on public life. Moreover, countries all over Europe have closed their borders for the sake of epidemic control and have been scrambling to hoard medical appliances and supplies, which increases the uncertainty of the EU's future. Therefore, German Chancellor Angela Merkel has called COVID-19 the biggest challenge to the country since WWII.

The prevention and control measures taken by Germany to deal with the COVID-19 pandemic differ from those taken by China in various aspects. What has led the German government to these policy decisions? What are the gains and losses in Germany's epidemic control and prevention? How will Germany adjust its policies in response to a more challenging situation in relation to the pandemic? Furthermore, at the international level, in what ways will the pandemic affect the relations between China and Germany, China and Europe, and China and the US? This workshop invited four scholars and experts — the former Chinese ambassador to Germany, Shi Mingde; the Director of the German Studies Centre of PKU, Huang Liaoyu; the Director of the Department of Global Health in PKU's School of Public Health, Zheng Zhijie; and Professor Emeritus of PKU's Guanghua School of Management, Dong Xiaoying — to discuss the aforementioned issues from multiple aspects, including politics, economy, society, history, culture and public health.

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**The Global Epidemic: Observations and Analysis by**  
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The workshop was moderated by Prof. Qian Chengdan, director of PKUIAS. The former Chinese ambassador to Germany, Shi Mingde, started the seminar by giving a keynote speech. He summarized the COVID-19 epidemic's impact on the global level and drew the conclusion that the epidemic might lead the world into an all-encompassing political, economic, financial, and social crisis unprecedented since the end of World War II. He maintained that COVID-19's impact is drastic, profound, overall and systemic, and will not only accelerate the transformation from quantitative changes to qualitative changes in a century of great changes but also speed up the reconfiguration of the international balance of power. With this epidemic as a watershed moment, the shape of the world, international relations and international orders may undergo fundamental adjustments. Admittedly, the periods before and after the epidemic are not completely unrelated, as numerous trends of changes were already being manifested before the outbreak of the epidemic which only served to further catalyze these changes.

The key question right now is the direction of the world after the epidemic. Where will the world be heading? What

about China? Is globalization or de-globalization going to prevail? Multilateralism or unilateralism? Populism and nationalism, or internationalism and mutually beneficial cooperation? Although globalization is an irreversible trend in the long term, all development processes are full of twists and turns, advancing in a wave-like fashion and evolving like an upward spiral. Therefore, the foreseeable future may very well be a period when globalization suffers setbacks and faces obstacles and in which nationalism rises. Currently, numerous countries have started to reflect on and adjust their respective domestic and foreign strategies while still focusing on coping with the epidemic, a situation that demands China's full comprehension.

Shi Mingde highlighted the following aspects that require our close attention and comprehensive study.

First of all, the driving strategic intent of the US to contain China in all aspects has not subsided in light of the epidemic but rather has accelerated because of it. The consensus of a full-scale containment of China has been reached across the US political spectrum and US society. The main theme of Sino-US relations has changed, and competition is sure to prevail over cooperation between the two countries in the future. The "Game of the Century" between China and the US has already begun and is certainly going to intensify. China must be mentally prepared for it. People used to say that Sino-US relations "will be neither too good nor too bad," and while the bilateral relations surely cannot get any better now, it is hard to say how much worse it could get.

Since the epidemic in the US is still spreading, the country

may find itself facing both domestic and international crisis. It will then definitely try to use the epidemic to shift the focus of the crisis and divert international attention to China. If the difficulties increase and the crisis intensifies, the US may create more troubles for China and even risk danger provoking China on issues regarding the South China Sea, Taiwan, and Hong Kong. The US may well use a variety of approaches, including political, economic, technological, financial and military means, to suppress China and defend its own global status regardless of international public opinion and moral ethics.

The competition between China and the US is in essence a struggle between two different paths and between two different systems. As Americans see it, China is not only the largest competitor to the US in terms of comprehensive strength, but also its primary ideological adversary. Therefore, the US's plan to contain China is to impair China's political system, culture, and superstructure while sticking to unilateralism and "America First," and exaggerating the international community's dependence on China in the hope of adjusting the global industry chain and hastening the decoupling from China in fields such as the economy, technology, trade and so on. Although different views coexist regarding this issue in China, we have to look at the issue with bottom-line thinking and have contingency plans ready as soon as possible. The development of Sino-US relations and the competition between the two countries is bound to influence international relations and the international order, the future of which will be profoundly influenced by whether China and the US can cooperate or not, and whether it is cooperation or competition and conflict that will be the main

theme of the bilateral relations.

Secondly, the epidemic will severely impact the global economy. There's a general consensus that a global economic recession this year is a foregone conclusion. However, views are split on whether the world will be challenged by another depression. International institutions have been continuously lowering their economic growth forecasts since the beginning of the year, but a final prediction of the future economic situation has yet to be made and is highly dependent on the trajectory of the epidemic and its control. The international economic and financial circumstances are bound to deteriorate this year, but it is still unclear if it will rebound next year. Since the Chinese economy is closely linked to the world's economy, it is imperative that we pay close attention to the latter.

Thirdly, China must be vigilant and be prepared for the readjustment of the global industry chain and supply chain. The further spread of the epidemic could push the world into serious economic crisis. All economies are now busy tending to themselves, as manifested in their rushing toward putting forward policies to restrict and limit foreign businesses and importation and adopting monetary easing policy. Although globalization is an irreversible trend in the long term, the industry chain may very possibly fall apart in the near future. The COVID-19 outbreak in China earlier this year already caused a temporary disconnection in the global supply chain. As the epicenter of the pandemic moved to major economies in Europe and North America, countries have started to implement stricter measures in disease prevention and control, which may bring even greater repercussion to the global industry chain. The

impact of such developments on Germany is obvious. 50-60% of the parts used by the German automobile industry are provided by China, and because of the more than two months' disruption to the automobile parts supply to Germany from China resulting from the epidemic in China, the German industry could not sustain its production. Even after China resumed its production, automobile manufacturing in Germany is currently still grounded in a complete standstill. Aside from that, other industries in China, such as the high-speed railway, also rely on imported equipment and technologies from Germany. The impact of Germany's temporary exit from the industry chain on China has therefore been immense.

The US is now using the Defense Production Act and utilizing the difficulties faced by the global industry chain in light of the pandemic to accelerate the implementation of its strategy to decouple with China, and to encourage or compel US enterprises to leave China and return to the US. Meanwhile, it is also pressing European countries to reduce their dependence on China and search for alternative providers. This is evident in the field of technology, as the US still hasn't loosened up on issues related to the 5G technology provided by Huawei. The US has greatly increased the limitations imposed on Chinese technology investments in the US, while US technology investments in China have completely stopped since 2017. Decoupling in technology is inevitable.

The impact of the pandemic is two-sided: on the one hand, it has highlighted China's crucial position in the global supply chain; on the other hand, it has made many countries aware of their increased dependence on China, and has therefore caused

these countries to consider adjusting their supply chains based on “national security” considerations. This situation has been under formation even before the pandemic. A survey by the American Chamber of Commerce in March last year has shown that, of all US companies in China, two thirds had been influenced by the Sino-US trade war, one fourth were considering postponing investments to China, and one fifth were preparing to move their production line out of China. Recently, Japan announced its economic relief plan, which allocates 15 billion yuan to support Japanese companies in relocating their production bases from China to elsewhere. On April 8 of this year, the German cabinet decided to amend the country’s Foreign Trade and Payments Ordinance to prevent foreign companies and governments from taking advantage of the pandemic to speed up purchasing German and European assets. This ordinance has been amended three times in the past two years, and, although no countries are specified as targets, these amendments are actually aimed at China. Thus, China must have a detailed prognosis of issues related to trade chain and supply chain.

Shi Mingde then introduced the action plans of European countries to tackle the COVID-19 outbreak. He argued that issues undermining the EU before the virus hit — Brexit, the fragmentation of political parties, an unprecedentedly divided society, a floundering economy, and the growing centrifugal tendency of Eastern European countries — have become more prominent since the pandemic started, and now that those issues have been joined by new problems brought upon by the pandemic, the EU is being compelled to deal with both internal

and external risks.

First of all, the pandemic has exposed the EU's internal structural conflicts once again. Some countries in Europe not only acted indifferently toward the critical situation that Italy and Spain were striving to overcome but went so far as to seal up all medical equipment and appliances and block them from leaving their own soil. Countries closed their borders one after another, and there was little coordination in policy making. The problem of each acting for its own and beggar-thy-neighbor practices were prominent among EU member countries, and, instead of staying united, they each acted to benefit themselves at the expense of the others. Such behaviors seriously damaged the EU's international image. Internally, it increased the public's distrust of the Union and enlarged the schism between northern and southern Europe as well as that between western and eastern Europe.

Secondly, Europe's sense of solidarity and independence has strengthened during the crisis. On the one hand, some European countries attacked China and Russia for the pandemic out of geopolitical considerations. On the other hand, they tried to remedy the current situation and emphasized mutual support and assistance in combating the difficulties, with countries like France and Germany providing aid to countries that were badly stricken by the pandemic. However, numerous EU parliament members commented at the EU Parliament discussion on March 26 that European solidarity had been thus far empty talk and was not felt at all in reality. Such a mental trauma is hard to assuage, and its impact will be manifested throughout the pandemic and will extend after it ends.

Thirdly, European economics has registered huge losses. German, French, and Italian Ministers of Finance have all stated that their respective countries have gone through the worst recession since WWII. The latest estimate shows that the EU's GDP will have shrunk 7.8% this year, losing more than €1 trillion. In light of this, the EU has put forward a €280 billion recovery plan and activated the general escape clause within the Stability and Growth Pact. However, countries in the euro area have not reached any agreement on whether to issue special coronavirus bonds. Despite the fact that EU countries show solidarity in some issues, divergence of views always exist when the issue touches on fundamental economic interests.

Lastly, the rift between the EU and the US has been growing because of the pandemic. Before the coronavirus outbreak, the two sides had already grown distant on issues including immigration, trade, politics and the Iranian nuclear issue. Since the pandemic started, Europe's mistrust of and disappointment in the US has only grown greater. The US suspended all travel to and from Europe without negotiating in advance, while scrambling for medical appliances that were in short supply against Europe, and even attempted to buy a German testing company with a large sum of money, which has aroused strong opposition from Germany. Meanwhile, we should also realize that no matter how severe these conflicts between the two sides have been, they should still be considered as "domestic" discord, and it has not yet reached the point where the EU and the US really part ways. The Europeans still hope to mend their relations with the US when a new president comes into power. Europe's growing mistrust of the US is a change, but

we should not overestimate the extent of it.

Discussions on how to re-evaluate China have been going on since long before the pandemic hit the world, and reflect three major trends of view:

The “naïve” view of China: Europe used to hold the idea that the reform and opening-up of China would inevitably bring China onto a convergent course toward the Western system. However, reality has proven that China has embarked on a course fundamentally different from the West, both economically and politically, and this “naïve” view should be abandoned.

The view that China is a “challenge”: China has presented Europe with enormous challenges to its economy, technology, and political system. Europe feels most threatened by the Chinese political system, which is now gaining increasing influence around the globe. Comparatively, the influence of European values is receding. Therefore, European governments find it difficult to tackle the combined dynamics and effects of China’s economy, comprehensive national power and political system. A EU document on China policy revealed lately has re-evaluated China as a cooperative partner in multilateral fields, a negotiation partner in balance of interests, a competitor in technology and economy, and a systematic rival in mode of governance.

The view that Europe is stuck “in-between” the US and China: Many European think tanks anticipate that it will be a bipolar world between the US and China, with Europe stuck in between the two, not wanting to take sides while facing tremendous difficulties. Such has been the case during the

China–US trade conflict. However, the measures taken by China and the US are utterly different regarding the pandemic. How should Europe deal with the current situation and how should it elaborate its policy? Take lockdown as an example: Although, practically speaking, what Europe is doing is the same as what China has done, it must differ from the latter in terms of how it explains those actions. As China-US competition intensifies, the circumstances Europe faces will only become tougher.

Germany stayed at a distance observing the crisis unfold in China as the epidemic broke out, feeling sympathy and schadenfreude at the same time. Under the implicit influence of the US, public opinion as well as political figures attacked China's political system and the control and prevention measures it had taken to deal with the pandemic. However, after the virus broke out in Europe, and with the US's increasing unilateralism in international affairs, Europe's perception of both China and the US has been changing constantly as the pandemic developed:

First of all, Europe has already realized that globalization has reached and sunk roots in all fields. All countries are stakeholders and their interests are tied together, and no country can detach itself from this community of a shared future.

Secondly, Europe has truly realized the importance of China in the global industry chain and supply chain, and that Europe is closely linked to China. Europe has become completely reliant on China for medical resources such as medicine and protective appliances, which is something they never expected. To change this situation, Europe has initiated a strategic adjustment to consolidate its sovereignty, improve its

safety, and reduce its dependence on China as much as possible. Merkel and Macron have both advocated rebuilding an independent economy and sovereign industry in the post-pandemic era. The EU has called for its member states to tighten up their foreign investment review to protect strategic assets and technologies. Large-scale reconstruction and aid projects have been proposed to tackle the current crisis brought by the pandemic and to prepare for the revival plans post pandemic. Europe has also begun to provide aid to Africa in regard to the pandemic.

Shi Mingde mainly analyzed Germany's anti-epidemic measures and the pandemic's potential impact on Sino-German relations. The first confirmed case of infection in Germany appeared on January 27. The epidemic then broke out at a carnival in February. By April 13, the cases of infection increased to 125,000, with a death toll of 2,969. The death rate of COVID-19 in Germany has been the lowest and the survival rate the highest in Europe. The death rate in Germany has been less than one percent, with more than half of the infected experiencing full recovery. Germany's anti-epidemic measures have been different from those in the US or China, but they are outstanding in Europe. The following points are worth noting:

Germany has a complete medical system featuring world-advanced medical equipment, technology and supplies, and the per capita share of medical resources is very high. It has more than 28,000 intensive care beds, which is 4 times that of France, 5 times that of Italy, and 7 times that of the UK. The per capita share of breathing machines is more than 10 times that of many countries. With strong virus detection ability, the country

can test 100,000 people every day. The more than 20 laboratories are evenly distributed in the country, making it possible for residents to be tested nearby, so that the data is more reliable and timelier.

As for measures to treat the virus-infected patients, Germany has chosen to split the flow of patients and prioritize those in critical condition. Currently, only 58 percent of Germany's intensive care units are occupied, with more than 8,000 intensive care beds available. Therefore, it is also capable of accepting patients from France, Italy and other countries who need intensive care. Germany attaches great importance to the protection of high-risk groups. Considering the high percentage of the aged in its population, Germany has from the outset taken the elderly as its main protection target. Death rates will be low if high-risk groups are well protected. Based on the above analysis, it can be said that Germany is now at a relatively high level of stability. It is still hard to say how the epidemic will develop. The epidemic is a big test for the long-term development of the German medical system.

Not long ago, German Foreign Minister Heiko Maas said that China's and the US's performances in responding to COVID-19 are two special cases with stark contrast, and neither of them could be taken by Germany as a model to emulate. He also said that the virus crisis also showed that one cannot simply believe one social system to be superior or inferior to another. As for Germany, although it recognizes that China made great achievements in fighting against the epidemic, it could not say so publicly, but had to say that Germany's situation was different from China's. This politicization and ideologicalization

are vividly manifested in Germany. Of course, China and Germany have been cooperative at the political level in responding to the pandemic. Since the outbreak of the epidemic, leaders of both countries had telephone calls with each other, stressing the importance of strengthening cooperation. Both countries also provided material assistance to each other in a timely manner. Meanwhile, Germany has started to adjust its industries, proposing to manufacture medical supplies such as face masks and breathing machines in their own country so as to cast off their dependence on China in medical supplies.

Sino-Germany cooperation has been heavily impacted by the pandemic. At the beginning, Germany-based enterprises complained that Chinese products were not arriving in Germany, thus affecting their manufacturing. But now, they've started to complain that their China-based enterprises are encountering big difficulties in that their employees and materials cannot reach China. Germany's current strategy toward China is at the stage of being re-discussed and re-understood, and is subject to repositioning. Merkel has been promoting a positive strategy toward China. In terms of 5G technology, she insists on not excluding Huawei from German telecom market, for which she was blamed domestically. In this sense, Shi Mingde pointed out, those in the German political circle who advocate developing relations with China are now under unprecedented pressure, and anyone who speaks good words of China in public will be under siege. Those who previously held a neutral stance have now begun to change. In addition to Germany's own ideological factors, the US is also a factor that plays a role in the process. It is foreseeable that, in the future, the US will have increasingly

greater influence on China-Germany relations, China-EU relations, and European policy toward China. We must be fully prepared for this.

Shi Mingde stressed that we should carefully study the current situation and analyze the opportunities and challenges. We are facing great opportunities, but they will not last for long. Meanwhile, we are also encountering huge challenges, the biggest of which is the problem of “coupling” and “decoupling.” To solve the problem depends on both the external environment and China itself, and involves thinking how to demonstrate the significance of cooperation and having a win-win goal as well as the building of a community of a shared future for mankind. We should focus on Europe and emphasize multilateralism when the US is withdrawing from multilateral mechanisms. We should also enhance our sense of crisis and awareness of danger, try to delay and stop the tendency of decoupling, intensify our integration of interests with European countries, and emphasize cooperation in responding to the pandemic.

It is not advisable to promote China as a savior in our propaganda. China should not be set up as a model for responding to the epidemic nor should it be suggested that other countries “copy” us. In terms of responding to the epidemic, different countries may have different approaches due to their different political, economic, institutional, cultural, and traditional ideas. It cannot be said that only China has the correct approach, otherwise it may be counterproductive. It is most important that we take care of our own affairs well. If China can maintain economic development, social stability, and the improvement of people’s livelihood, we will be able to

handle any situation at ease. At the moment of crisis, we must emphasize cooperation and a win-win situation.

Prof. Huang Liaoyu, director of PKU's German Studies Center, pointed out in his presentation that Germany's sense of being "in between" can be considered from the perspective of German culture. To this day, the German intellectual community still has an understanding that Germany is a "middle" country, usually "sandwiched" between two forces. In the past, it saw itself as being positioned between the Soviet Union and the US, later between Russia and the West, and then between the US and China. Regarding the problem that German public opinion and political circles politicize anti-epidemic efforts, Prof. Huang Liaoyu opined that Germany needs to do some self-reflection.

Prof. Huang expressed his belief that although Germany's anti-pandemic effort has been successful, at the very beginning it also took a detour. Due to its underestimation of the pandemic on multiple dimensions, the country witnessed a violent outbreak of the epidemic. Seeing the spread of the epidemic, Germans realized the danger. For a short period of time, the entire country, from the government down to the civilians, was in a complete uproar. The people made panic purchases, and government departments intercepted face masks bound for Switzerland and hardly provided any help for Italy. Although Germany began to play its role as a major power after "getting a firm foothold" and sent military planes to take patients in France and Italy to Germany for treatment, these actions were insufficient for resolving the contradictions within the EU.

The anti-pandemic measures taken by Germany have been on point. First, the leaders frequently gave speeches. German

Chancellor Angela Merkel's speeches during this period exceeded in number her national speeches over the past five years, and the content of the speeches were touching and reasoned. The German President also made high-quality speeches. In terms of style, German leaders did not use heroic language, which reflects their basic values. In addition, Germany's anti-epidemic measures coupled hardness with softness. On the one hand, as a democratic society, Germany depends on its citizens' sense of responsibility, self-consciousness, rationality, and even personal empathy. On the other hand, Germany has very strict requirements related to the epidemic. For example, in the two worst-hit areas of North Rhine-Westphalia and Bavaria, the fine for violating the "stay-at-home order" is very high, a manifestation of its national character, which features a rigorous attitude in doing things.

Prof. Zheng Zhijie, from PKU's School of Public Health, analyzed Germany's epidemic prevention and control and the development of the global epidemic from the perspective of the importance of global public health and interdisciplinary cooperation.

Prof. Zheng opined that China and even the whole world have to face a completely new field in determining how to achieve the governance of major public health issues that transcend national borders from the perspective of national policy and foreign policy. Developing global health diplomacy is an important approach to solving the problem. In regard to prevention and control of the epidemic in various countries, he pointed out that each country has a specific social environment and cultural background. What measures to take are to be

determined by each country, but countries should learn from each other and discuss lessons learned from their prevention and control experience.

As for the current situation of the global epidemic, Prof. Zheng opined that a big challenge for global health governance arose from the US government's defaming and stigmatizing the WHO, China and other countries, as well as its shirking of its responsibility. China now is not well prepared for taking the role as the global leader. But when other countries were in difficulties, China still provided assistance for them without hesitation. Although the media of some countries continue to slander China's efforts, the positive attitude held by most countries toward China reflects China's achievement in its fight against the crisis.

Prof. Zheng pointed out that, in the past, China was relatively absent from the global public health governance field. In fields such as global public health, China usually didn't have a firm grasp of its needs and usually didn't even express any opinion at the World Health Organization meetings and was not very involved in many issues. It is hoped that government departments will improve in these areas. On the one hand, we should strengthen bilateral relations, including Sino-German relations, and expand health cooperation; on the other hand, we should give full play to the role of the government as an international health governance actor in the multilateral field. Through these efforts, we should aim to strengthen our discourse in the formulation of relevant international norms and play a more important role in global governance.

Prof. Zheng said that much of the German experience is

worthy of emulation by China. For instance, its complete medical system and rich medical resources played an important role in its fight against the pandemic. Germany was also one of the earliest countries to successfully develop a COVID-19 detection method. The test's high detection ability facilitated Germany's control and prevention efforts in a large number of areas. Perhaps due to the language barrier, China's academia has paid more attention to English-speaking countries; thus, it has introduced very little of the German experience into China. Global public health governance needs global talent. It is expected that China in the future will come to possess such talent who can engage in diplomatic work in public health and global health fields and promote China's capacity in global health governance. It is also hoped that PKUIAS could play its role well as an interdisciplinary platform to advance the cultivation of diplomatic talent in the field of global health.

Prof. Dong Xiaoying from PKU's Guanghua School of Management analyzed COVID-19's impact on China and the whole world from the angle of technology's impact on economics and management.

Prof. Dong said that she has been engaged in research on the "weak signal" problem at the beginning stage of the epidemic. As for crisis management, the identification, prediction, management and response to early weak signals determine the eventual trend and outcome of the event. There are currently two types of global crises, the so-called "gray rhino" and "black swan" events. It can be said that the outbreak of the epidemic was a "gray rhino" for many countries. Therefore, from the management perspective, how to identify weak signals

and take measures to prevent a crisis in time is worthy of research.

The world will experience a severe economic downturn in the short period of time after the epidemic. China needs to be mentally prepared in that the downturn may take three to five years or even longer to recover. Based on past experience, countries with a strong real economy and resilience recover faster. Resilience is manifested in several aspects: one is economic tolerance, the second is restructuring ability, and the third is ability to recover. In general, those countries with better foundations, sufficient funds, and robust management systems will recover quickly. After the epidemic, technological competition will remain a commanding height of global economic competition. Through 30 years of accumulation and development, Chinese enterprises must accelerate their transformation and upgrade from being labor intensive to capital intensive and even technology intensive.

China is now promoting two important strategies. The first one is new infrastructure. Over the past 30 years, the Chinese economy benefited from expansion of its railways, highways and airports, which are mainly ground-based infrastructure. The core of the new infrastructure is 5G technology and a new generation of digital technology, which will build an information highway in the air. This will have a huge impact on China's future economic development. About 17 years ago, SARS hastened the development of China's first batch of Internet companies. Since the outbreak of COVID-19, enterprises with strong online capabilities have recovered faster. Seen from a different perspective, the epidemic has brought a very important

chance for the digitalization of Chinese society.

The second strategy is to promote the development of marketization of technological elements. The elements of economic development in the traditional concept include labor, land and natural resources and capital. In recent years, the country has proposed the development of technological elements, indicating that it will attain the commanding heights of future global competition. For example, although China's ride-hailing giant Didi Chuxing involves traditional industries, its technical element is algorithm driven, which is also its core competitiveness. The technical element will become the key to China's economic development, from high-speed development to high-quality development.

Germany provides a benchmark for many Chinese companies in terms of science and technology, but Germany itself also has big problems. First, it has a serious aging problem, which requires it to replace human labor with more automation techs and robots. Second, although Germany was the first country in the world to propose Industry 4.0, even earlier than the US, Germany's population is only 80 million, and its market is too small, so it must be export oriented.

The commanding heights of Germany are science and technology, and Chancellor Merkel's repeated visits to China have been aimed to effectively combine Germany's digital technology with China and even export it to China. Although China's manufacturing industry is large in size, its strength is not outstanding. Therefore, in the future, China and Germany actually have many complementary opportunities in industrial economy. However, in recent years, Chinese companies have

carried out a lot of mergers and acquisitions of German companies, which also makes Germany worry about their core technology being hollowed out.

Prof. Dong opined that competition in the future will involve a country's or their companies' abilities in CPS (Cyber-Physical System), emphasizing tight integration and in-depth cooperation between computing resources and physical resources. In terms of future tendencies, first, the status of empowerment through technology as the commanding height of economic competition will be static; second, the supply chain will still be the important foundation for winning the competition. Developed countries stand atop the supply chain formed over the past 40 years, with developing countries at the bottom. Many developed countries have realized the shortcomings of the structure mirrored by the pandemic, which were not only uncontrollable but also costly. Therefore, the pandemic will speed up the decoupling of the supply chain, which will result in an employment problem in China. What China should do now is to increase the cost of decoupling, make decoupling happen slowly or make it not easy to realize. China has a comprehensive industrial chain covering more than 500 industrial categories all over the world. Through the construction of digital platforms and industrial internet, China's supply chain has relatively high efficiency, which increases the cost for decoupling. The Chinese market, which is huge, is an advantage in China's efforts to counter decoupling. The Chinese government should provide more preferential policies to help maintain the actors participating in the supply chain in China.

Prof. Dong pointed out that besides empowering traditional

industries through technology and optimizing Chinese supply chain system, China should also do its own business well, such as better constructing the environment, improving the system and grasping the post-pandemic development opportunities when dealing with the crisis.

The scholars and audience members had a chance to engage in discussion during the Q&A session.

Question: For quite some time, there has been a commonly expressed opinion among people in society that Sino-US relations are getting increasingly tense and even confrontational because China has disengaged from its previous strategy of “hiding its capacities and biding its time”. Therefore, shouldn’t China return to keeping a low profile internationally and behaving well in order to win the sympathy of other countries?

Shi Mingde: First, we should look at China’s strategy toward the US and the US’s strategy toward China. Over the past decades, China has held a very clear strategy toward the US, which is to be cooperative, not confrontational, and China has made huge efforts in lots of aspects. China now is not thinking of replacing the US to lead the world. China has a full evaluation of its strength and is clear about the large gap between it and the US in the economy, technology and military. However, China’s evaluation of itself is not the same thing as the US’s evaluation of China. Even before the September 11 attacks, the US realized that, realistically speaking, China might become its most competitive rival. After 9/11, the US shifted its strategic focus and became involved in a series of wars in Iraq and Afghanistan. Now, more than a decade later, it has discovered that while all its energy was being spent on wars and

global intervention, China's strength was getting stronger and stronger. The US therefore has now reached a consensus in dealing with a rising China: it will not allow China to develop further. The common view is that if the US cannot stop China's development within five or six years, the US will have no means to stop China. In this sense, the change in the US consensus is not due to our challenge to the US, but rather is a result of the US's changing perception of China. The only difference is that, after Trump took office, the US's hostility to China has become more flagrant.

What should we do in face of such a situation? I think we must accept the reality that the US is stronger than we are. Given this fact, China should try to avoid conflicts as much as possible, although it doesn't mean China giving up its principles. Issues related to China's core interests, such as the Taiwan question and Tibet question, are where we should never concede. But in some fields, we can concede or compromise. During the long process of trade talks between China and the US, China has made bigger concessions than the US did, which was beneficial to both sides. Intensified conflicts do not necessarily mean China and the US breaking off ties or having a direct military confrontation — that is, if both sides are sensible. But partial conflicts are inevitable. We should be mentally prepared for the US's potential overall suppression of and blockade against China.

However, we should also realize that Sino-US relations are completely different from US-USSR relations during the Cold War. The latter took place in an environment of confrontation between two completely opposite and unrelated systems. The

Sino-US confrontation in the era of globalization is characterized by its highly intertwined relationship, and, therefore, cooperation is the most sensible way out. Of course, the US has the final say. It would be easy to handle if everyone had the same level of understanding, but, unfortunately, the US government is currently dominated by hawks and they have reached their consensus; therefore, the core of the US strategy of containing China will not change.

If China blindly makes concessions, the US will just keep pressing on, step by step. China does not want to confront the US everywhere, but [in certain cases] confrontation is necessary, and we must insist on our principles; however, we must also fight courteously and within limits. There can be conflict but not rupture. The purpose of our struggle with the US is to seek greater development and to ensure that China has a stable space for development. Sino-US relations are very complicated and sometimes the conflicts are furious. At the same time, we also hope for a greater development in Sino-European relations. The unilateralism and hegemonistic posture currently adopted by the US have caused dissatisfaction in many countries. We still will insist on multilateralism, because in the process of globalization, most countries have a consensus on this point.

Question: Public health issues should be handled through the cooperative efforts of all countries. However, some countries' reactions have been dominated by nationalism and "beggar-thy-neighbor" policies, and they have not been inclined toward cooperation. What do you think about this matter? Is the response of each country to the pandemic an inevitable result of nationalist de-globalization in recent years?

Zheng Zhijie: Since the pandemic, we've seen some countries putting in place policies without regard to their effect on others and even competing for medical resources with others. As early as during the SARS, H1N1 and Ebola outbreaks, the international community has been calling for the strengthening of global coordination and for thorough cooperation at the international level. Unfortunately, however, the previous epidemics were not large enough to expose such serious problems. This time, the pandemic exposed major deficiencies in public health security and global cooperation.

In our opinion, WHO should have played an important coordinative role in this aspect. However, during the past 10 years, the US has weakened the authority and leadership of WHO in many dimensions. The US originally played an important leadership role in the global health field, but the current administration has been reducing the role of the US as a major global coordinator or leader. In my opinion, a serious pandemic needs greater international cooperation. Pandemic prevention and control work cannot be done well without the joint and coordinated efforts of the whole world. The pandemic has seriously affected every country. I believe that, in the future, there may be more self-reflection and further efforts at the global level toward strengthening the role of the global public health and security system. It is also my belief that China will play an important role in this process. It will enhance its cooperation with Europe and other relevant countries and play a crucial part in the global health system and global health governance. In that way, if a similar major emergency occurs in the future, we would be able to respond more calmly.

Shi Mingde: I think it very necessary to enhance global health cooperation. The epicenter of this pandemic has been developed economies and China, whose ability to respond is relatively strong. However, if a large-scale outbreak were to occur in Africa, Latin America or India in the future, it would be difficult for a single country or the entire region to respond; the epidemic could only be responded to through global cooperation. Unfortunately, however, WHO, which should have played a coordinating role, has been politicized. Due to the shortage of funds and its impaired image, its role has been greatly weakened.

China has been stinting no efforts to help other countries, but its capacity is still limited. Bigger challenges have yet to come, so I think only international cooperation can solve this problem. In the field of public health, our cooperative partner is Europe, not the US. The US has not only retreated from the group and weakened the role of the WHO, it is now looking for an alternative organization that will act in accordance with its will. In my opinion, within a certain period of time after the pandemic, nationalism will rise even more, whether it is in the political, economic or industrial field.

Question: Mr Shi Mingde mentioned that German Foreign Minister Heiko Maas said that the prevention and control of the pandemic has nothing to do with political system and ideology. Is that the consensus of the German government? Will it affect the EU's attitude toward China's anti-epidemic work? Prof. Dong said that we are now adopting a "new infrastructure" strategy, but many opposing voices have been heard saying that the biggest post-pandemic challenge we face is the employment

problem, which will cost a lot of money to solve. However, “new infrastructure” faces two problems. First, it cannot guarantee employment; second, its capital utilization efficiency is low, and private enterprises should be encouraged to participate in the development of new technologies.

Shi Mingde: Populism and nationalism exist in every country. It is very important for a government to decide whether to promote or curb such tendencies. In terms of anti-epidemic efforts, I think we are consistent with mainstream European societies and politicians: We should unite and collaborate to fight against the pandemic because the virus cannot be blocked by boundaries nor is any social system immune from it. But each country has different ways of controlling the pandemic due to their different social systems. In this sense, we can learn from each other instead of politicizing these questions or viewing them ideologically.

We must distinguish clearly between online opinion and public opinion. Those who publicize their opinions online account for only a small part of social public opinion. We should not cater to such partial sentiments but make more efforts toward cooperation and achieving a win-win result. In this respect, I think Maas represents the rational tendencies and sensible insights of German politicians. But Germany has a variety of consensus and think tank opinions. Not many people can distinguish between social governance measures and ideological products. We need the weapon of “sense” to confront “nonsense.” Although irrational, nationalist and populist thoughts within the country will impact its foreign policy, we should not be manipulated by such things at the national level.

Dong Xiaoying: Many countries including China are facing two issues: survival and development. Survival is the goal in the medium and short term. “New infrastructure” has been under way over the past 10 years and it is only now being promoted as a new concept. In my opinion, it still focuses on the medium- and long-term development: Where is the future economy going? What should be the basic platform, overall operation mode and efficiency in the future? It may be influential for two or three decades. We should not put survival and development in opposition when looking at this question.

In the past, private enterprises were the most successful ones in developing massive Internet enterprises. They were more efficient and acted more decisively in pursuing reforms. Due to the imperative to survive, they had to ensure that their technology could bear products. Therefore, the main force of “new infrastructure” is private enterprises. Surely, basic backbone State-owned enterprises, such as China Telecom and China Mobile, will also play their roles. So, I think the core of the question is not “confrontation” but how to realize in-depth integration to optimally allocate market resources. The reward for technical input is slow to appear, which therefore requires strategic patience and the participation of relevant social interest groups and the most suitable actors. This is worth considering in the dimensions of both system design and governance mechanism.

Question: How is China’s digital level, compared with Germany?

Dong Xiaoying: There are two layers of digital applications, C to C and B to B. Since the SARS epidemic, China’s digital

survival (clothing, food, housing, transportation), especially mobile Internet and smartphone applications, has reached the highest level of any around the globe. The majority of our Internet enterprises focus on lifestyle, so our lives are becoming more convenient. However, the digital capabilities of the US, Japan, and Germany are mainly concentrated on enterprises. The Digital Economy Report for 2019 shows that China has a large gap in comparison with them in this regard. Why should China vigorously promote 5G technology? It is because this technology is an indispensable condition for the development of the industrial Internet and for telemedicine infrastructure, and China has to do more work at the B to B level.

Question: What is the relationship between the forces that have long supported the global profitability of capital in the US and other Western countries and those that are now trying to push forward decoupling?

Shi Mingde: This is related to the difference in economic systems. The profit-seeking of capital has always existed and cannot be changed. The role of the government is to limit and regulate. This is also the difference between the US free-market economy and the social market economy represented by Europe or Germany. Therefore, in the response to this epidemic, we have also seen that successive US governments have basically flowed with the flow of capital, and all policies are more about the interests of capital, whereas in Europe or Germany the government has to consider capital's social effect. As there are different economic systems in the West, so will there also be different social and political decisions.

Dong Xiaoying: The phenomenon that I've observed is

“political economics.” It might have been “economic politics” in the process of globalization in the past, with capital and entrepreneurs being the leading force as well as being supported by the government. However, over recent years, especially during the pandemic, we have seen that no matter whether it is the US or Japan or Germany, when a country believes that its national interest and the survival of its enterprises are threatened, politics will play a bigger role. Hard-core governments will strongly intervene to influence capital and push enterprises to make decisions through its resource allocation. Therefore, we can see in such changes that politics is playing a greater role in economic development and resource allocation, which is a common tendency in big economies. Therefore, I think it is a phenomenon worth studying.

Prof. Huang Liaoyu concluded the workshop, saying that participating scholars had talked about topics spanning international relations, Sino-Germany relations, Sino-European relations and various aspects of German national conditions. These topics also inspire us to think about our own problems. The scholars have contributed a lot of keywords which are worthy of our summary, such as free-market economy, social market economy, weak signals, online capabilities, and global anti-epidemic fight, among others. Each keyword represents a larger topic and requires us to think further about it. I am looking forward to more opportunities for interdisciplinary thinking on these topics in the future.