How to Make China Pay

By JOHN YOO & IVANA STRADNER  |  April 6, 2020 2:31 PM

ONE of the big questions facing the international community today is how to hold China legally and politically accountable for all its dishonesty and harm to people around the world. According to reports, U.S. intelligence agencies have confirmed to the White House that China has deliberately understated the number of its people who have contracted and died from the coronavirus epidemic. Such deceit follows Beijing’s recklessness in suppressing news of the origins, rapid spread, and lethality of COVID-19 in December and January. Chinese officials punished doctors who tried to warn of the outbreak in Wuhan, slowed identification and research on the virus, and allowed thousands to leave the region for the rest of the world.
If China were an individual, a company, or a law-abiding nation, it would be required to provide compensation for the harm it has inflicted globally. The United States alone may well suffer 200,000 or more deaths, billions in healthcare costs, trillions in lost economic activity, and trillions more in new government spending. China’s failures render it legally liable under international law, but the COVID-19 crisis has exposed the crisis of ineffectiveness and corruption of international institutions. Instead of focusing on international law, the U.S. should thus protect its national interests by opting for the self-help mechanism.

International institutions provide no meaningful way to force China to remedy the harm it has caused. The United Nations Security Council, allegedly the supreme lawmaker and executive body in international law, cannot hold China to account because China and Russia exercise their permanent right to veto any Security Council resolution. China has rendered the U.N. impotent, even though U.N. Secretary-General Antonio Guterres has declared the COVID-19 pandemic the world’s most challenging crisis since World War II, as it has become a threat to international peace and security by shutting down swaths of the global economy and killing thousands, if not millions.

The U.S. and its allies also could try to sue China before an international tribunal, such as the International Court of Justice, although countries have never been sued for their violation of infectious-disease treaties. But even if a court were to judge China responsible for the injury caused by its handling of COVID-19, China would just ignore any decision. When the Permanent Court of Arbitration found that China’s construction of artificial islands in the South China Sea violated international law, Beijing simply ignored the ruling. A Chinese official declared that the judgment was “nothing more than a piece of paper.” We should expect nothing different from China in the case of the COVID-19 pandemic.

The World Health Organization (WHO) has only a weak, non-binding dispute-resolution mechanism, but China’s failure to promptly report the coronavirus outbreak to the organization violated the International Health Regulations,
which require states to notify the WHO of potential public-health emergencies “of international concern.”

In fact, China has used its financial war chest to manipulate the WHO. China’s annual funding of the organization, which relies on voluntary donations, has increased to $86 million since 2014 (a rise of 52 percent). The WHO’s director general, Tedros Adhanom Ghebreyesus, has praised China’s leadership for its “openness to share information” with the international community and stated that China “has bought the world time” regarding the coronavirus. In January, the WHO parroted China’s line that there was no “clear evidence of human-to-human transmission of the novel coronavirus.” The WHO has also followed the Chinese line on Taiwan, excluding it from membership and barring it from COVID-19 response meetings. While some scholars have suggested that a larger budget would make the WHO more effective, the Trump administration has rightly halved America’s contribution. Not only has the WHO become a Chinese client, but it also spends $200 million a year on luxury travel. The U.S. should investigate the WHO and its director general and expose their ties with China.

Rather than rely on corrupt, conflicted international institutions such as the WHO, the United States and its allies should engage in self-help. To protect against the next virus outbreak, the U.S. should create a new monitoring mechanism that can detect global health threats early, spread information about them reliably, and coordinate national efforts to develop a response. The International Atomic Energy Agency’s inspection regime for illicit nuclear weapons could provide a model. The U.S. and other wealthy nations could establish a similar inspection regime and provide financial assistance to developing nations that agree to participate. “Trust but verify” could become the watchword not just for Ronald Reagan’s nuclear-reduction treaties with the Soviets, but for a truly effective global health system.

The U.S. should also punish China for its coronavirus failings as an incentive for Beijing to mend its ways. Washington could persuade leading nations to join it in excluding Chinese scholars and students from scientific research
centers and universities. China has used its Thousand Talents program to recruit scientists to help steal sensitive technology from American laboratories. Confucius Institutes have spread propaganda while masquerading as Chinese cultural centers. Senator Ted Cruz (R., Texas) and Representative Francis Rooney (R., Fla.) have introduced the Stop Higher Education Espionage and Theft Act to help colleges protect against threats by foreign actors.

According to China experts, President Xi Jinping depends on a humming economy and appeals to nationalism for his political legitimacy. The U.S. and its allies could strike at the heart of the Chinese Communist Party's (CCP) claim to a mandate from heaven by further ratcheting up the pressure on Beijing to adopt a more cooperative, transparent stance on public health by imposing economic sanctions and inflicting serious economic harm on China. The Trump administration could enhance its efforts to exclude China from buying and selling advanced technologies, such as microchips, artificial intelligence, or biotechnology. It took an important step in that direction this week by implementing new measures on chip exports to Huawei. In addition, the U.S. should use targeted sanctions on specific CCP leaders and their supporters by freezing their assets and prohibiting their travel. The administration needs to impose pain on CCP supporters so that they will want to change policy to alleviate their own economic losses.

In addition to halting any further trade cooperation with Beijing, the administration could also seize the assets of Chinese state-owned companies. Under its Belt and Road Initiative, Beijing reportedly has loaned billions to developing nations in Africa, Eastern Europe, and Latin America, and then taken over their strategic ports and facilities once the debts fall due. The U.S. could turn this strategy on its head by supporting the expropriation of these assets by legal process and the cancellation of these debts as compensation for coronavirus losses.

Seizing Chinese property would allow the United States to finally use international law to its advantage. Let China try to go to court and claim that the U.S., its allies, and the developing world have violated international rules.
Let Beijing try to show that these nations have no right to compensation for its coverup of the coronavirus outbreak. Let the Chinese Communist Party try to claim, outside its own borders, just as it does within them, that it can deny common sense and blame the very victims of its wrongdoing for the worst public-health catastrophe in a century.

John Yoo is the Emanuel S. Heller Professor of Law at the University of California at Berkeley, a visiting scholar at the American Enterprise Institute, and a visiting fellow at the Hoover Institution at Stanford University. Ivana Stradner is a Jeane Kirkpatrick Fellow at the American Enterprise Institute.