

**Congressional-Executive Commission on China,
"Dangerous Secret: SARS and China's Health Care System"
May 12, 2003**



**China will pay dearly for the SARS debacle
Contagious confusion**

By Bates Gill

International Herald Tribune, April 22, 2003

WASHINGTON: The repercussions for China of the outbreak of severe acute respiratory syndrome will resonate well beyond the tragic - and growing - loss of life. Beijing's evasive and tardy response to the challenge of the SARS virus reflects very poorly on China's international standing, undermines its economic prospects and bodes ill for combating other infectious diseases.

The government's embarrassment was evident Sunday when it admitted that cases of SARS were many times higher than previously reported. At the same time, China's health minister and the mayor of Beijing were sacked. This was not the hoped-for auspicious beginning for the newly installed fourth generation of Chinese leadership and its widely touted goal of "building a well-off society."

By taking so long to reveal the real dimensions of the SARS problem, Communist Party authorities underscored their reputation as secretive and out of step with international practice. They have reminded foreign investors and the world at large of the uncertainties and contradictions in dealing with China.

News of falsified communications, deliberate misinformation, obstruction of UN assessment teams and reluctance to reveal the full extent of the epidemic to the World Health Organization must give pause to even the headiest optimist about real change in China. Beijing's aspirations to regional leadership have been stalled and will take time to put back on track.

The official Chinese response to SARS does not bode well for how the government might respond to other new, perhaps even more serious infectious disease threats. Beijing's reaction to SARS parallels its response to AIDS: denial, followed by reluctant acknowledgment and hesitant mobilization of resources to combat the epidemic.

And the steady spread of SARS, AIDS and other infectious diseases shows that even when authorities openly recognize a public health problem, they lack the infrastructure to fight back effectively.

Paradoxically, despite the sclerotic and old-style official response to SARS, China's society has become open. SARS spread as rapidly as it did precisely because of China's expansive interaction domestically and with its neighbors. The international community supports this trend and wants to see China succeed in its social, political and economic transformation and its integration into the global mainstream.

Official Chinese tactics of suppression and concealment seem to work well in preventing what Beijing calls the "poisonous weeds" and "spiritual pollution" of serious political and social reform. But Beijing's way of doing things

now faces a serious challenge: to prevent infectious diseases from becoming major social, political and economic problems will demand greater openness, transparency and candor, both at home and with partners abroad.

The political system in China appears to be becoming more responsive. Yet the SARS debacle reveals a dangerous fragility beneath the surface of the country's rapidly transforming society. Partly because it did not take steps promptly to address the public health crisis, the Chinese government will have to cope with a downturn in the economic health of greater China - consisting of the mainland, Hong Kong and Taiwan - as well as the wider East Asian region.

Singapore and Hong Kong have already trimmed official forecasts for economic growth as a result of the SARS outbreak, and private researchers see a similar SARS-related downturn in Taiwan. Beijing is unlikely to issue figures on the economic impact of SARS. But the decline in tourism, airline travel, trade and international confidence - in addition to the poor prospects of key economic partners in the region - will certainly be felt in China, particularly in hard-hit Guangdong Province, one of China's main engines of direct foreign investment and export-led growth.

Moreover, in an already skittish international economy teetering on the edge of recession, loss of confidence in greater China, the one area where there was some optimism, will have adverse implications for the global growth. Morgan Stanley, for example, has lowered its estimate of East Asian economic growth, excluding Japan, from 5.1 percent to 4.5 percent for 2003. And the SARS contagion may get worse before it gets better.

The writer holds the Freeman Chair in China Studies at the Center for Strategic and International Studies.

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Why China's health matters to the world

By Bates Gill and Andrew Thompson

South China Morning Post, April 16, 2003

The unstoppable march of severe acute respiratory syndrome (Sars) from Guangdong to Hong Kong and beyond demonstrates the mainland's increasing economic and social interdependence with the region and the entire planet. Since the mainland has globalised and become East Asia's engine of growth, maintaining the health of its economy and society is in the world's best interests and will present a significant challenge to China's partners in the region and around the world.

The notion of the mainland as a closed society needs to be seriously reconsidered. Domestically, more Chinese enjoy freedom of movement than ever before. Internationally, millions of travellers from all over the world visit the mainland while millions of Chinese travel abroad in increasing numbers every year. As the most important transit point for commerce throughout East Asia, Hong Kong has reaped great benefits from its strategic position. Now Hong Kong, and to a lesser degree the rest of East Asia and the world in general, are paying a price for the mainland's underdeveloped and opaque public health system.

The mainland's formerly admirable public health system has not fared well in the years of *gaige kaifang* (reform and opening up), with government spending unable to keep pace with a changing society and integration with the rest of the world. The public health system has proven itself ill-prepared to cope with rapidly emerging diseases such as Sars, hepatitis and HIV/Aids.

The mainland's initial denial and slow response to the Sars outbreak characterises a political environment where individual initiative is discouraged and social stability is protected above other interests. Additionally, the initial slow reaction by medical authorities can be explained by outdated laws that prevent effective communication about emerging epidemics. The State Secrets Law prevents local authorities from discussing an emerging outbreak until the Ministry of Health in Beijing has announced the existence of an epidemic. In the case of Sars, the silence of the bureaucracy, coupled with an increasingly mobile population, virtually guaranteed that an infectious disease would quickly spread well beyond Guangdong to the rest of the world.

Even if the bureaucratic delay did not occur, it is unlikely that the mainland's health-care system would have been able to prevent the spread of Sars. The rapid spread of other emerging infectious diseases throughout the mainland demonstrates the inability of the public health system to deal adequately with the complex nature of infectious diseases in a modern, globalised China. In urban areas, public health is adequate for those who can afford it or are still employed in the state sector, where insurance and company clinics can provide primary care. However, in rural areas, where the majority of the population resides, social services are inadequate to non-existent. The ability to diagnose and treat emerging diseases competently does not exist throughout most of China.

While Sars has had an immense, immediate economic impact on the economy of the region, there will be a much greater impact in the long term, as other infectious diseases emerge and spread. Blood-borne and sexually transmitted infections have posed a particular challenge to health authorities in China.

HIV/Aids infects over one million Chinese, while similarly transmitted diseases including hepatitis B and C infect over a hundred million more. The capacity of China's health-care system is so stretched that hepatitis B, a disease for which there is a vaccine, still affects an estimated 170 million Chinese, accounting for two-thirds of the world's cases. The inability to prevent the spread of infectious diseases within China will have serious long-term economic impacts globally.

The mainland will have to bolster its medical capacity if it is to maintain steep economic growth rates and continue to play the role of "factory to the world". The central government must create a more effective, transparent and capable public health management system that is able to communicate quickly both nationally and internationally. Vice-Premier Wu Yi toured the Chinese Centres for Disease Control and Prevention this month and insisted they establish an emergency response mechanism that includes an early warning and reporting function. The outcry over Sars might motivate the central government to improve the country's health system, but that remains to be seen.

As the Sars outbreak demonstrates, the mainland's health matters to the world. Global co-operation to quickly identify, treat and prevent the spread of new, emerging diseases will help the mainland and the world maintain its economic and medical health.

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China: Richer, But Not Healthier

By Bates Gill

Far Eastern Economic Review, May 1, 2003

The news about Severe Acute Respiratory Syndrome out of China seems to get worse with each passing week. For, in spite of some recent positive steps by Beijing, the political and socioeconomic conditions are ripe in China for the further spread of infectious disease, including atypical pneumonia, hepatitis and HIV/Aids.

True, Chinese leaders recently have taken greater interest in dealing with Sars. But admitting to problems is only half the battle. There is still a long way to go, not just in dealing with Sars, but with other health-care-related challenges. To begin, even if political and bureaucratic impediments can be overcome, the Chinese health-care system is incapable of adequately addressing the complexities of emergent epidemiological and prevention challenges. Local health-care capacity varies wildly across the country as central government spending in this sector flattens and localities are expected to pick up the difference. As a result, the expertise and capacity to diagnose, prevent and treat the spread of disease--especially new viruses--is limited to nonexistent throughout much of China.

In addition, Beijing and the provinces seem reluctant to fully accept assistance from the international community to deal with their burgeoning public-health quandary. Only after a two-week wait were inspectors from the World Health Organization permitted to travel to the Sars outbreak's epicentre in Guangdong. This same reticence characterizes China's earlier response to its HIV/Aids crisis; political leaders in Beijing and throughout local jurisdictions remain overly cautious in their willingness to accept international intervention and assistance.

China's approach to Sars exposes troubling weaknesses that are reflected in Beijing's overall reaction to deadly disease outbreaks. These are: opaque communication channels--and even deliberate disinformation--from provincial to central authorities; denial and inaction short of international outcry and senior-leadership intervention; weakening public-health-care capacity to monitor, diagnose, prevent and treat emergent disease outbreaks; and early and persistent reticence to collaborate effectively with foreign partners. This must change.

A first priority must be to implement more transparent, accurate and coordinated public-health-care management and communication. As a start, the country should invest even more heavily in its epidemiological and surveillance capacity to accurately detect, monitor and quickly report on disease outbreaks and their progress. Beijing will also need to oversee improved cooperation both between the central and local authorities and across the bureaucracy in a more effective interagency mechanism. But for these kinds of steps to succeed, China's new leadership must commit to raising the political priority of public health on their agenda of socioeconomic challenges.

Second, resources for public health will need to be expanded considerably, both as a part of central and provincial government expenditures. At a basic level, more well-trained professionals will be needed to properly diagnose, treat and care for persons afflicted with emergent epidemics in China. Even more could be gained by promoting greater awareness and preventive messaging, not to alarm people, but to help them take the necessary precautions to protect against infectious diseases prevalent in China.

Finally, China and the international public-health community have a shared interest in scaling up cooperation and assistance programmes. There are numerous international health-related assistance programmes in China, but most operate at a relatively modest scale. Expanding successful programmes will require significant new funding. The World Bank may be one resource that could expand its support for health-related programmes in China, but major donor nations should also consider re-channelling development aid to focus more on public-health programmes. In the end, however, China--as one of the world's largest economies and an aspiring great power--will need to show a greater commitment to working with international partners and to taking its public-health challenges more seriously.

The silver lining to the tragic Sars outbreak may be the attention brought to China's health-care system, and how China's health is a concern to the world. Given China's intensifying interaction with partners around the world, more concerted action will be needed to stem the spread of debilitating and even fatal infections from China, and ameliorate their effects on the economic wellbeing of China, the region and the planet.

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