

The SARS Epidemic & China's Communications Gap: What You Should Know

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April 30, 2003

As health-care workers across the globe scramble to harness, and, hopefully halt, the severe acute respiratory syndrome (SARS) virus, China is working to rebuild credibility damaged by the mishandling of information about initial occurrences and severity of the disease.

The first case of an atypical pneumonia was discovered in China's Guangdong province in November; however, it is unclear whether provincial officials forwarded information about the spreading virus to the Ministry of Health in Beijing or to international health agencies that could have conducted an early investigation. First reports from the Chinese Ministry of Health to the World Health Organization occurred three-and-a-half months after the initial case was discovered.

"Anyone in public health believes that if there is an outbreak of an illness, the sooner we know the better," said Kathy Harben, a spokesperson for the Centers for Disease Control (CDC), the Atlanta, Ga.-based federal agency. The CDC reported the appearance of SARS in the United States roughly three days after the virus was identified in this country. While unable to speculate about the role the delay of information in China played in the spread of the disease, Harben said the SARS situation has illustrated the importance of the quick and accurate exchange of information domestically and internationally.

In February, Guangdong officials disclosed statistics about cases of the virus; however, they later admitted that the details they provided were inaccurate. A Feb. 12 report noted 305 cases and five deaths in the province since November. A little more than a month later, the Chinese government revised the number of cases through February to 792. As of Tuesday, the World Health Organization reported 5,462 probable cases of SARS and 353 deaths in 27 countries.

The Chinese government has a history of withholding information from the public. Last fall, the government-controlled Chinese media waited days to release information about deaths resulting from a poisoning incident in Nanjing. In 1989, the government provided few interviews regarding the protests at Tiananmen Square. Officials have also been reluctant to provide information about China's AIDS epidemic.

China is not alone in the mismanagement of critical information. China's behavior in the current SARS crisis has been compared with the Soviet Union's response to the explosion of a nuclear reactor at Chernobyl in 1986.

"The Chinese government handled SARS pretty much as it handles everything else," said Usha Haley, an associate professor of management at the University of Tennessee-Knoxville and author of the forthcoming book, "Asia's Tao of Business: The Logic of Chinese Business Strategy," to be published this fall. Haley said the Chinese government suppressed information as "an effort to save face and to stop a bad image of China from being propagated."

"It's pretty typical behavior," said Pierre Landry, assistant professor in the Department of Political Science at Yale University, of China's reluctance to provide information. He said Chinese officials often are "quite concerned about causing panic."

"There's a very high premium placed on social stability," said Landry. "They are quite reluctant to release news unless they know what's going on and they can state that they are in control."

John Tkacik, a research fellow in Asian Studies at Washington, D.C.-based Heritage Foundation, believes politics prompted China's decision to withhold information.

"What seems to be happening is the president may be using the incident to undermine the public's confidence in the Shanghai faction," said Tkacik.

Landry also said China's delay in providing details about the outbreak may have been driven by officials' reluctance to divulge any information that may harm the country economically.

"The very big fear among local officials is that it will affect ties with provinces and other countries," said Landry.

If economics were indeed the motive, the strategy backfired. The country now is facing the very problem it was trying to avoid. Haley said because China is so tightly integrated into the global business community, SARS has had a tremendous impact on multinational corporations.

"It's already having an effect on international business, on direct foreign investment, because no company wants to send workers into China," said Tkacik. "Literally everything is on hold."

The airline and tourism industries are among those impacted by the virus as travel to China has dropped dramatically. Foreign companies are decreasing business activity in the country. Automotive News reported that Shanghai pulled the plug on its biennial auto show and Ford China has closed its Beijing office until at least May 6. SARS also may have an impact on companies such as Wal-Mart that are considering the expansion of business in China.

"This is a typical example of mishandling a crisis," said Daniel Diermeier, a professor at Northwestern's Kellogg School of Management in Evanston, Ill. He added that China's mismanagement of information has resulted in a loss of credibility that is not limited to the government's handling of the health care predicament.

"If you cover something up and it comes up anyway, you have to deal with it," said Diermeier, an expert in crisis management. "People will question other aspects of your reputation as well."

Ed Rutland, executive vice president of [Matlock Advertising & Public Relations](#) in New York, said the Chinese government's main error was "not stepping up to the plate to begin with." He described the strategy for remedying China's tarnished image as "crisis management 101."

Given the global nature SARS, Rutland and Diermeier agreed the best way for China to rebuild its credibility is to align with outside groups such as the World Health Organization and its parent organization, the United Nations. "They need to put good people up front," said Rutland, who specializes in crisis management. "You need to grab some allies and friends in this."

Offering full disclosure or aligning with outside organizations to provide transparency, or access to records, is necessary for China to rebuild its reputation, Diermeier said. But he doubts this is a full possibility for China because of the short term consequences. The Chinese government would have to open its records to foreign agencies to improve the credibility of its data.

China has made some steps to right its wrongs. On April 21, the Chinese government formally announced that the number of SARS cases was significantly higher than previously reported and that Beijing's mayor and minister of health had been removed from their posts. And on Tuesday, China's premier Wen Jiabo briefed leaders from the 10-member Association of Southeast Asian Nations about efforts to combat SARS. The countries' leaders agreed to set up a regional information network to help stop the spread of the virus.

China has received credit from some for being more forthcoming, but it is unclear whether government officials will sustain the effort.

"That's the \$65,000 question," said Landry. "There were indications [before the SARS outbreak] that the new president and the new team were interested in increasing the level of openness in the press primarily as a check against corruption. It's quite possible that this will stir them into reforming the system."

Tkacik said major changes will need to take place to ensure against a similar occurrence in the future. "The change is going to depend on one major factor and that is the role of the media in China," said Tkacik. "If the media is kept under the strict control of the party then the same thing will happen again."

Crisis situations are tremendous learning opportunities, said Diermeier, but he doubts there will be long-term change.

"If you look at businesses in general, many miss the opportunity to look back and evaluate their performance in a crisis situation," Diermeier said. Given the low occurrence of retrospection in the business community, he doubts China will view the fallout from the SARS crisis as a learning experience.

"China has been flummoxed by the reaction," said Haley. "The Chinese don't change their methods easilyThis is the way the Chinese do business. Data is transmitted selectively. They do not see data as sacrosanct."

Haley said it is more likely that companies doing business with China will have to be the ones to change.

"You meet Chinese business on Chinese terms," she said. "These terms are not always favorable. You have got to be able to understand that your road map might not help you that much."

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