THE WORLD BEFORE AND AFTER COVID-19

INTELLECTUAL REFLECTIONS ON POLITICS, DIPLOMACY AND INTERNATIONAL RELATIONS

Gian Luca Gardini
(Editor)
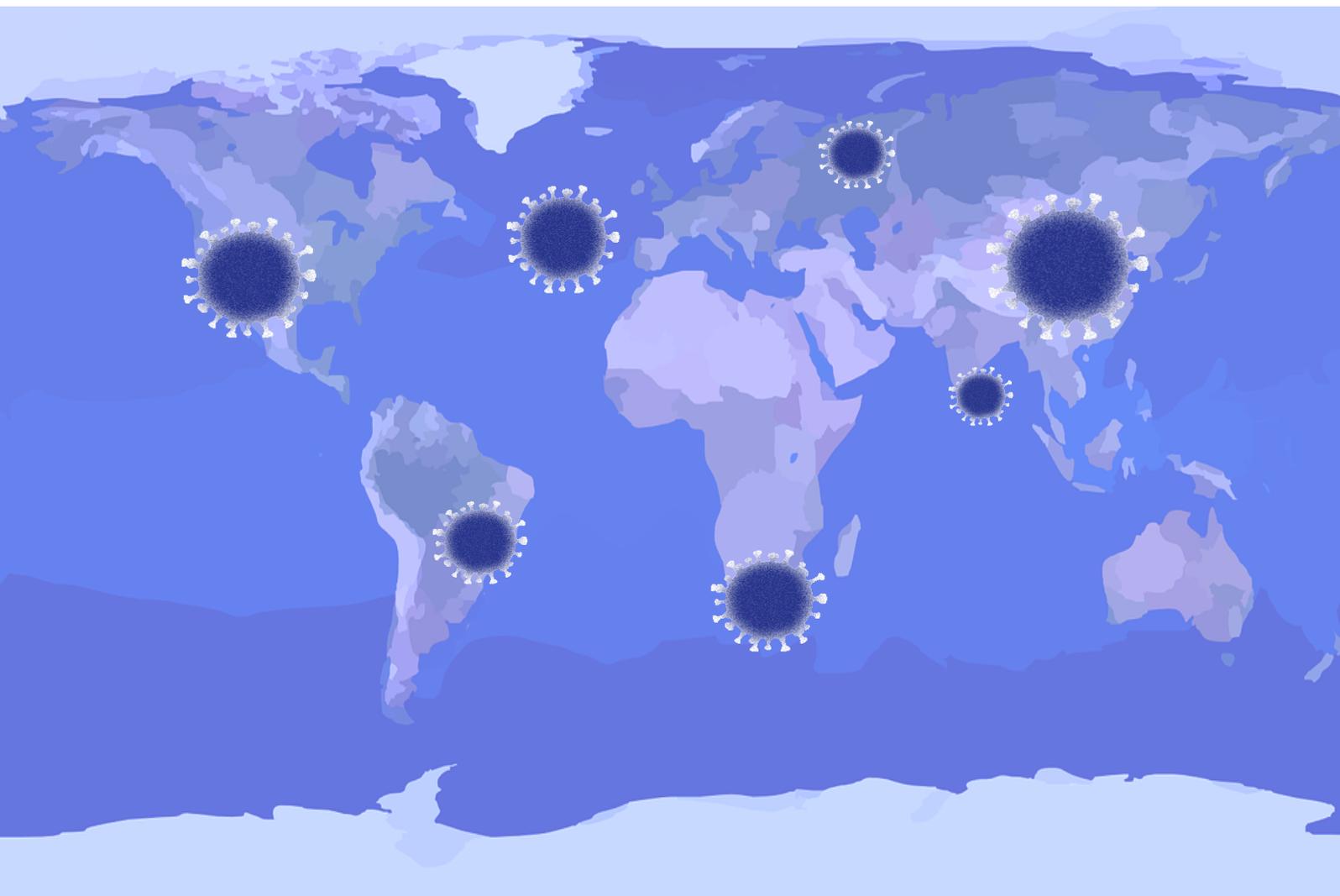
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The world before and after Covid-19

Intellectual reflections on politics, diplomacy and international relations

Edited by

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*To those who have
no fear, to those who have
overcome their fears, and to
those who are still battling.*

You are calling on us to seize this time of trial as a time of choosing. It is not the time of your judgement, but of our judgement: a time to choose what matters and what passes away, a time to separate what is necessary from what is not.

(Extraordinary moment of prayer presided over by Pope Francis. Sagrato of St Peter's Basilica. Friday, 27 March 2020)

'A genuine, profound, and lasting change for the better—as I shall attempt to show—can no longer result from the victory (were such a victory possible) of any particular traditional political conception, which can ultimately be only external, that is, a structural or systemic conception. More than ever before, such a change will have to derive from human existence, from the fundamental reconstitution of the position of people in the world, their relationships to themselves and to each other, and to the universe. If a better economic and political model is to be created, then perhaps more than ever before it must derive from profound existential and moral changes in society. This is not something that can be designed and introduced like a new car. If it is to be more than just a new variation of the old degeneration, it must above all be an expression of life in the process of transforming itself. A better system will not automatically ensure a better life. In fact, the opposite is true: only by creating a better life can a better system be developed'.

(Vaclav Havel, The Power of the Powerless, October 1978, pp.32-33)

A framework for both analysis and reflection

Gian Luca Gardini

The Covid-19 disease will certainly mark the history of the 21st century. Possibly, it will significantly affect the direction and development of human civilisation like the most important pandemics did in the past[1]. The coronavirus is now a worldwide, truly global phenomenon, with a reach comparable to – or even wider than – world wars. It is of concern in all the corners of the world, even the least affected from a medical point of view. It is of concern to all categories of citizens and, in one way or another, to a larger or lesser extent, to all economic and social sectors. We all talk about it, we all have ideas about it, and we all reflect about it and its consequences. We do it from different perspectives, which are the result of our background: national, group, family and personal history and views, geographical location and experience, income, level of education. The virus is one and many at the same time. The world is one and many at the same time too.

The virus does not hit in the same way everywhere. While it can potentially strike everywhere, the consequences may be quite different from place to place. Countries with strong institutions and a more efficient health system may be able to cope better. Those regions with more scientific knowledge and research may find quicker and more effective solutions. Those countries and regions with accumulated wealth may support their citizens and economic activities through difficult times. What about the others, the rising but not consolidated, the poor, the worse-off, the marginalised? Countries that do not have a health system can hardly shelter their population. In some parts of the world, access to health services is a luxury, not a right. Even more so are hospitals and intensive care units. Citizens who do not have a roof over their heads cannot 'stay at home'. Even within rich countries cleavages in economic and social status, as well as education, can make a difference. Where do universalism and communitarianism meet? Again, we must recognise that the world is one and many at the same time. We must consider and empathise with both aspects, unity and diversity, if we want fair, sustainable and far-reaching solutions.

Like any crisis, the coronavirus pandemic is both a challenge and an opportunity. As a challenge, it causes disruption, suffering, short and long-term adjustment, eventually economic loss and tragically human casualties. As an opportunity, it offers us, all of us, a chance to reflect on how to find new solutions, new forms of behaviour and organisation. Ultimately, it offers people, states, world leaders and common citizens a chance to reflect on how to do things better for the future and avoid the mistakes and shortcomings of the past. This is equally true for leaders and common people, especially the latter. We all can do something to improve this world, regardless of the coronavirus, but especially in times of crisis, such as the coronavirus.

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[1] Frank M. Snowden (2019), *Epidemics and Society: From the Black Death to the Present*. Yale University Press. Mario Rapoport (2020), 'La peste negra, la gran depresión del siglo XIV y el coronavirus', *Pagina 12*, 29.03.2020. Online: https://www.pagina12.com.ar/255464-la-peste-negra-la-gran-depresion-del-siglo-xiv-y-el-coronavi (last accessed 03.04.2020).

That is, to meet our obligations, to perform well our little and humble or major and important tasks, in our respective professional and personal contexts, with rigour and commitment.

This tension between challenges and opportunities may be a perfect reflection of the attitude people have facing difficulties: One may focus on the hurdles, the magnitude of the task, or the loss, and therefore feel overwhelmed, powerless, demotivated or apathetic. Alternatively, one can concentrate instead on recovery, improvement, help oneself and others, service, and resourcefulness. The latter leads to meaningful reaction. Reaction starts with reflection and continues with action. The sequence is first reflection, then action. Without proper understanding and reflection, action can unintentionally result in a worse outcome than the problem it intends to address. Change begins with understanding, questioning and reflecting.

This is the moment to start reflection, during the pandemic. Reflection on the coronavirus, its impact and devastating consequences but most of all on the recovery, reconstruction, prevention or coping strategies for the future, improvement, and avoiding mistakes. World War II offers a good lesson in this respect. Reflection on and plans for reconstruction started during the war and not after. The idea was to capitalise on war solidarity, the tangible presence of the enemy, unity of intent and a shared aspiration to a better world, whatever that meant for the different stakeholders involved. The Allies started planning the post-war organisation of the world, including the creation of the United Nations, the World Bank, the International Monetary Fund, and the then aborted organisation of international trade during the conflict. In the aftermath of the war – they felt – solidarity and sense of purpose would be diluted by egotism, national interests, ideological confrontation and blame.

For the same reasons, the moment to start reflecting and planning a better, more resilient, and fairer post-Covid-19 world order for the 21st century is now! During the pandemic, the enemy is clear and common to everybody, solidarity is at its highest and scapegoating is still at mild levels. After, when all restrictions and the deaths are in the past, it may be too late. By then the desire to return to our life of the times before may be too strong. The necessity of action and implementation for reconstruction may prevail over reflection, and deeds may outpace thoughts. The desire for normality (but what normality?) may shadow the drive for change. The sense of necessity is here and now.

These are the reasons behind this concise but, I believe, timely volume. We — I, personally and as the scientific editor, and the European Institute of International Studies as well as all the contributors — are convinced that we must start reflection about a post-coronavirus world order now. We must do it each in our field of expertise, knowledge and cumulated experience. This book brings together a number of experts in specific disciplines and fields. We expect the result to be self-confined in terms of scope and ambitiousness but wide and deep in terms of impact and thought provocation. We bring together specific and well-focused contributions in order to form a holistic view and prompt a comprehensive discussion. Take this book as a sort of puzzle. Each contribution is a piece of the puzzle, it has its specific shape and content and, at the same time, it is indispensable to compose and visualise the whole picture.

We are interested in promoting a serious intellectual reflection and discussion on the past and the future of the world, to understand better the behaviour and organisation of society before and after Covid-19. We are not interested in pontificating on biomedical or

epidemiological aspects of the virus, and most of us are not qualified enough in any case. Nor are we interested in moaning and ranting on the losses caused by the virus or the shortcomings of the system. On the contrary, we intend to be as positive and constructive as possible. The contributions to the volume are neither academic articles nor policy papers. They are free and at the same time competent reflections by experts in specific fields. These considerations are rigorous and accessible, in order to reach out to and stimulate dialogue among a variety of audiences, including academics, students, policy-makers, journalists, business and different segments of civil society and the general public alike. We do not pretend to provide supposedly infallible recipes but rather to prompt those with the competence and authority to do so to design and implement effective measures and meaningful reforms for a better world. Humbly but purposefully and conscientiously, we intend to provide a truly intellectual reflection on concepts, ideas and categories pertaining to selected spheres of:

- who we are and will be, and who we want to be;
- how we think of ourselves and others;
- how we act/interact and how we will do it;
- how the coronavirus may be a catalyser of this change and this reflection.

The intellectual exercise of each author and the book as a whole encompasses the descriptive, analytical, predictive and normative dimensions. It describes the impact of the coronavirus in specific fields; it analyses the causes and implications of such impact; it reflects – objectively – on the likely consequences, changes and continuities; and it provides normative – subjective – judgements and considerations for future improvement and change for the better. This somehow closes the circle between challenges and opportunities, emphasising the latter as a product of the former.

The book focuses on key aspects of politics, diplomacy, economics and international relations. International Relations (IR) as a field of studies and international relations (ir) as an area of human activity define the scope of the book. 'IR + ir' is ideally the *whole*, but more pragmatically the *broad*, picture of our puzzle. This reflects the competences and scope of the European Institute of International Studies as well as the expertise of most contributors. The book makes the mission of the European Institute of International Studies its own: to reach out to leaders and citizens with a positive action to make the difference in the building of a better world, with values and principles that will serve in their professional life, as well as to assume their social responsibilities.

The book has a thematic, geographic and more science-medicine oriented coverage. In the first two parts, the individual pieces address mainly thematic issues of general interest. The first section focuses on politics, international relations and diplomacy, covering topics such as values, culture, political ideas and structures, leadership, strategy and geopolitics, security, international cooperation and international organisations, globalisation, balance of power, state system and world order, digital diplomacy, and international law. The second section concentrates on economics, including a general economic outlook, international trade and global value chains, coping strategies for companies, the emerging markets, and banking. In the third part, the volume addresses the perspectives and prospects of some of the areas hit hardest so far by Covid-19, such as the United States, China, Spain, Italy, Germany, South Korea, and Brazil. The regional cases of Europe and Latin America are also discussed. The European Union shows how, even in a highly institutionalised organisation, differences in identity, culture, and

interests among members tend to cause intellectual clashes between values such as solidarity and responsibility, resulting in policy and consensus-building difficulties. Latin America shows how a scarcely coordinated continent and states with weak institutions may face enormous challenges in the face of a crisis, of which the current pandemic is a clear illustration. The final three chapters deal more specifically with medical, biological, and psychological issues and their repercussion on society and politics.

This variety of perspectives reflects the conviction that we must return to a holistic understanding of the world and the place that human beings occupy in it. International Relations is/are part of a whole, in which other fields of human activity, knowledge and experience play equally important roles, and which in turn constantly interact with and influence one another. All contributions offer an agile interpretation of the impact of Covid-19 in their respective fields and provide the intellectual toolkit to reflect on better and fairer scenarios for the future. The book has no conclusion but an epilogue, in the guise of a shorter piece at the end of a larger effort trying to distil some tentative lessons from the coronavirus pandemic so far. Covid-19-related developments affecting society, politics, international relations, the economy, and medicine keep taking place at a very fast pace, thus making the picture a constantly evolving one. This volume proposes a thorough first reflection, but without the pretension of reaching final answers.

A multifaceted approach is required to understand the current phase of the Covid-19-dominated world, politics, and international relations. The world is a complex place that hardly lends itself to simple or simplistic readings. Covid-19 may make it even more complex, with additional cleavages and nuances. Black and white approaches as well as Manichaean views are probably less fit than nuanced and pluralistic ones to make sense of the current situation and to design future scenarios. This book privileges an analysis based on tensions among different and sometimes even divergent forces rather than a one-fits-all approach. Tensions can be identified between:

Unity vs. Diversity. The world is one and many. *It/They* is/are interconnected and vulnerable to shocks coming from afar influencing everybody. Yet parts of the world are differently affected and coping strategies differ too. Resources are different, mentalities and values too, so is consequently political response. The tension between cosmopolitanism and communitarianism is palpable.

Change vs. Continuity. To what extent will the coronavirus bring change to the world? To what extent will it bring continuity in behaviours and structures? What have we done right? What concepts and mental categories that we currently employ are actually successful or useful and worth maintaining? What have we done wrong? Where can we improve and how? What are the constraints to change? Ultimately, will something really deep and substantial change in the long term, or will the essence remain unaltered by a set of superficial, although possibly flashy, lifting in specific contexts?

Challenge vs. Opportunity. What are the challenges that the coronavirus poses to established structures, procedures, and understandings in specific fields? What are the opportunities to alter established mechanisms and structures? Are new mental schemes and forms of implementation/organisation possible and feasible? With what consensus and what opposition?

Haves vs. Have-nots. Is the world invariably bound to social and economic divisions as well as mental and political classifications between those who have and those who have not in terms of resources, access, options? Are economic and social disparities of some sorts inevitable? Can Covid-19 create new classes and cleavages in certain fields? Like healthy and fit citizens vs. those who are not?

Perhaps one of the underestimated benefits that the pandemic has brought about is time, a time to pause, to breathe, to feel – and appreciate – life, to indulge in the kind of intellectual reflection that frenetic modernity rarely allows. Yet, to value this chance one needs the instrument to grasp it. This means education. This is an opportunity also to reflect about education, what it means and to whom and how it should be extended (or reserved). Technical and scientific education may produce good workers. A comprehensive, thorough education, that includes the humanities and therefore an education to think, may produce good citizens, able to behave and plan in such ways to avert future catastrophes or contain them better. Education is key to human all-round self and sustainable development. Ultimately, the most significant trait of possible unity, change, and opportunity brought about by the coronavirus ought to be a change of perspective on what is central and vital.

The unequivocal answer must be that the human being is at the centre. This means at the centre of the analysis of this book, of the organisation of our societies, of international relations, of intellectual reflection and political and economic praxis. If human beings are at the centre, politics as the art and science of governing human beings in their social interactions must be of primary concern. Politics must be given the right value and place. Politics rules over economics. The former is the end and the latter is the means. This does not mean to downplay the role of economics, quite the opposite. It means to place economics within the broader political context and priorities. Therefore, we cannot ignore who rules and decides in politics. The way in which, and most of all whom, we select as leaders does matter. We are too often under the impression that politics is in the hands of corrupted or inept people. This is not true, at least not all the time. Even if it were the case, the adequate response is a call for more participation, not apathy or disinterest. We should all take part and take responsibility. The individual can make the difference.

Individual responsibility and commitment are as crucial for the flourishing of a community as are societal organisation, shared priorities, and effective institutions. Popular wisdom provides two useful reminders to enhance individual responsibility, cope with the Covid-19 emergency, and work for a better and fairer world after the pandemic:

- Don't ask what your country can do for you, but what you can do for your country.
- Don't ask what world we will leave to our children, but what children we will leave to our world.

I hope that readers will find this book thought provoking and inspiring.

More than ever…Stay healthy.

Gian Luca Gardini
Nuremberg, Germany, May 2020.

Editor's note: This edition closed on May 27, 2020. The data, observations and arguments in this book refer to the phase until then.

Section A

Politics, Diplomacy and International Relations

Chapter 1

Old and new order

Antonio Nuñez Garcia Sauco

The Covid-19 pandemic strongly affects both national and international institutions. Therefore, the following reflections cover both aspects. There are elementary questions surrounding the coronavirus: why we did not anticipate its arrival; why we acted late; why our response was ineffective; why we remain disoriented; and when and how this pandemic will end. This chapter proposes a first approach to these questions.

Enormous uncertainty accompanies every pandemic, but there are at least two firm certainties from previous experiences. The first is that pandemics spread exponentially, requiring immediate and urgent action. The second is that global crises require global responses, i.e. international cooperation. That should be a double lesson learned; it seems that it was not. However, all crises are both a challenge and an opportunity, yet they also uncover and expose the weaknesses that explain them. That is why it is important to analyse what this crisis reveals.

Firstly, *a notable lack of foresight and anticipation*. Yet there were precedents: six major pandemics in the last two decades with an average frequency of less than four years and twice as many natural disasters of increasing intensity and death toll. So say the United Nations and the Centre for Research on the Epidemiology of Disasters. In addition, states include pandemics among the foreseeable threats in their military security and defence strategies. This pandemic was not foreseeable as such but the possibility of a pandemic was. Was there a lack of foresight or perspective? In any case, this '*strategic surprise*'[1] is a serious symptom of the unpreparedness of our societies.

On the one hand, politics has reduced its scope of vision to what is close, to immediate yield. Action programmes are limited to the political or electoral mandate. Thus, the lack of leadership and strategic vision has confined political time to a short-term present horizon, occupied in dealing with the urgencies of the moment. On the other hand, politics seems to have lost faith in the future. There is no utopia. The little remaining hope has been paradoxically placed in the past: '*retrotopia*'[2]. The one who has proclaimed it best is the US President Donald J. Trump: *Make America great again*. The future is the splendour of yesteryear. There is only progress backwards, with no space or horizon in front, only greatness lost. The future is the past. 'All time past was better', as enunciated by the immortal Spanish poet Jorge Manrique.

The crisis has revealed the lack of foresight and anticipation. It also shows us the shortcomings that explain it: Politics, absorbed in the emergencies of the present and with its back to the future, has lost all capacity for foresight and reaction. The result is an uncertain international society and a vulnerable world. The cause is that the future had been left out of our leaders' field of vision.

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[1] Bruno Tertrais, 'L'année du Rat. Conséquences stratégiques de la crise du coronavirus', Note de la Fondation pour la Recherche Strategique, No. 15/2020, 3 April 2020, Online: https://www.frstrategie.org/sites/default/files/documents/publications/notes/2020/202015.pdf.

[2] Zygmunt Bauman, *Retrotopia*, Polity Press, Cambridge, 2017.

Secondly, there is *the absence of an effective reaction to the crisis*. With the exception of a few countries, the pandemic has revealed the ineffectiveness of the response, in terms of time and action, of both national governments and the international community.

If policy has reduced its field of vision, it has reduced its space for action too. Politics has attempted to separate the political space at the discursive from the political space at the practical level, thus separating the political debate from the reality of policy and action. This has resulted in the illusion of a virtual world without risky or unpopular decisions, without responsibility. Thus, the Internet, social networks and Twitter make up the new political space, a space not of real action, but of idealised projection. No man's land, no one's land, politics can navigate without pitfalls. Political storytelling has replaced political action. The political narrative seems to accept equally the true and the false, the certain and the possible, what should be and what is. Truth and interest merge in any news, in any public statement. Today we live equally in a society of information and disinformation. Both overlap with the uncertainty generated by the pandemic.

This new space has somehow incorporated the old rhetoric, which resonates daily, calling for cooperation between states and governments, solidarity between nations and peoples, unity and mutual aid in the face of the common threat. Yet there are hardly any examples: Japan and China, historical enemies, have come closer; Germany has offered to hospitalise French and Italian patients or to send ventilators to Spain. However, the opposite has been the norm: more tension between superpowers; conspiracy theories against the rival; refusals and reticence to the urgent request for help within the same political union...

The dual and contradictory space of the new politics allows for the proclamation of values and not their fulfilment, because the essential thing is the declaratory dimension. Reality is left out of the story because the story is reality. Action cannot be demanded. It is not real to demand it. That is why, when the pandemic came, we were already legitimised for inaction.

An insufficient explanation, which is more of a justification than a cause. The pandemic appeared when reactionary nationalisms and populist leaders were in power. The values of cooperation and mutual aid were no longer relevant. No wonder the international community could not act. In fact, it has been in decline for decades. After World War II, bipolarity imposed a balance of challenge-containment based on mutual deterrence with limited margin for cooperation. After the fall of the USSR, the United States was unable to administer and cash in on a unique hegemony. Conflicts, although of a different nature, arose again, deepening international de-structuring and destabilisation. Terrorism, the collapse of the Arab World, revolutions of different colours, occupation of unredeemed territories, conflicts in the Middle East, economic-financial crisis, big migrations, globalisation problems, and the fight for world hegemony shape the international framework of the present pandemic.

What does the pandemic add to this framework? What is new is that even the rhetoric of values – which underpinned the international order, as the only and ultimate support – has been openly and directly challenged. Indeed, the main challenger is the leader of the very country that was leading that order and that had built it first-hand. Thus, when the pandemic arrived, new political and diplomatic postures were already widespread: walls and borders, tariffs and duties had been erected, and the world was engulfed in a dense network of threats, sanctions and counter-sanctions. The rough and tumble manners of what we believed to be defunct *hard power* has displaced *soft power*, which nurtured cooperation.

At the onset of the pandemic, the international community was already riding the wave of nationalist populism, economic protectionism and diplomatic unilateralism. From this perspective, it is not surprising that attempts have been made, for example, to negotiate vaccines in favour of some to the exclusion of others. Not that the international community could not intervene. It is that it was already sailing in the opposite direction.

Without leadership and without direction. The history of Israel tells us that, in periods of loss of faith, false prophets arose. In our time of decay of the social and political values of the old order, populist leaders have grown up infecting and expanding their style, like another pandemic. Karl Mannheim defined the leader by his ability to make visible the great latent aspirations in society and present them as a conscious goal for common achievement. Max Weber defined a leader by the personal charisma that made others see in those who possessed it the irresistible attraction of an exceptional and unique model. It would be difficult for the populist leader to fit these definitions. Populist leaders are only defined by their ability to generate a story that a part of society listens to with pleasure, and to promise what that part of society would like to achieve, without reference to a real commitment that this will actually happen.

The first objective of the populist leader is to build loyalty in that part of society around an identity pillar capable of embodying shared illusions for the exclusive use of that part of society. Right-wing populisms will opt for protective nationalism, using, if necessary, extreme criteria of supremacy and xenophobia. Left-wing populisms will opt for social promises or slogans. The second objective is to occupy the virtual space where the narrative and discourse that sustain the leader will be generated. An exercise in personal and social self-complacency, removed from any responsibility. Action implies risks. Discourse is easily amendable and creates just illusions.

Yet the pandemic has suddenly and dramatically broken the populist dream. Reality has imposed death, pain, sadness and anger. The populists first tried to maintain the fiction: There is no reason for alarm. It will not reach our sealed borders. It will not enter. We are prepared. Then, in the face of the inevitable, they sweetened numbers and figures. The international community has not even tried to harmonise calculations and computation methods. Let everyone have the numbers that suit them. Reality seemed to have abruptly switched off the unreal screen that national-populism had switched on, but has it really been like that?

By way of conclusion: When and how will this crisis end? Uncertainty will accompany the pandemic until it disappears. It is not yet clear how much damage it will cause or when it will end. This does not prevent us from trying to foresee some possible effects and consequences. Same as when it appeared, the coronavirus leaves now a few certainties wrapped up in great doubt. Here are some of them:

This pandemic is much more than a health disaster. A traumatic event of global impact does not go away without enormous human, personal, family and social consequences of all kinds. Uncertainty, pain and distress will survive the pandemic. The question is, for how long?

Regardless of the horrific human damage, there is unanimous consensus about the gigantic economic disaster that will follow the pandemic, with additional effects on the world's population, globalisation, poverty eradication and the generations to come.

The post-pandemic consequences and effects will not be overcome without the joint effort of all nations. Although the uniqueness of the crisis should prompt the desired greater

international collaboration, it is to be feared that the insecurity generated during the crisis and the efforts to overcome it will reinforce nationalism, protectionism, populism and unilateralism, displacing the values of multilateral cooperation.

There is also a unanimous view that new technologies will be on the rise in post-crisis societies. Their use has been, for some, essential in containing the pandemic. For others, technology has been a palliative or a replacement during the harsh measures of social seclusion. In any case, technology is an ever more indispensable and valuable element that has reinforced its importance for the immediate and distant future. The doubt is whether an increasingly virtual and deregulated world will extend freedom or reduce privacy, strengthen or limit political power, and whether the virtual will be configured as a complementary, parallel or substitute sphere of the true socio-political reality.

It is also certain that reality has dramatically imposed itself on the deceptive discourse of populists and the narcissistic lie of nationalisms. The responsibility for the inadequate management of the crisis is not separable from the scope of the damage. The current political leaders, in any case, will not be able to escape the evaluation of their actions in terms of the management of the crisis, the results and the consequences. The successes of some are an incriminating reference for others. It was possible to do things well and better. The doubt lies in whether the evidence of this immense tragedy will have the healthy and desirable impact against the populist leaderships or whether these will survive blaming the evils on others, even those who suffered them.

At a global level, if the present pandemic will have any significant influence, China – although it has suffered wear and tear in its hegemonic rise – and the Asian countries that have best managed the crisis will appear with less damaged societies and economies and therefore in a better competitive condition for the post-pandemic era. The struggle for political hegemony will be defined essentially in terms of economic superiority and technological supremacy as support for political-military domination. Thus, the new confrontation for world leadership will take place around those sectors closest and most akin to hard power. To configure international relations around this type of criteria, where any reference to ethical values has disappeared and everything is informed by the supremacist account of national interests, is to return once again to the past, to the *old order*, without having consolidated what was agreed upon to be called the *new order*.

Public diplomacy, soft power and the narratives of Covid-19 in the initial phase of the pandemic

Joan Álvarez

The pandemic has hit the four corners of the world with varying intensity. Yet the stories of the crisis around the world contain many common elements. We told ourselves that it was impossible at first and we later felt transported to an unprecedented predicament. Covid-19 has been an experience that has exceeded the limits of reality to enter fully into the territory of the imagination. Yet, the pandemic has real antecedents in history books – the Black Death, the 'Spanish Flu' – but those plots have gotten us into the dystopian fantasies of literature, cinema and television series more than anything else.

In the early phase of the pandemic, which hit particularly China, Iran, Italy, and Spain, the secrecy of the Chinese authorities turned the virus into a danger of universal scope and without remedy. Then the emotions surrounding health management and, above all, the different policies adopted to cope with the crisis dominated the discourse about the virus. The result was mainly fear and mistrust. Paradoxically, that fear was accompanied by the illusion that the pandemic could mitigate some of the negative trends in our world: selfish nationalism, ideological fanaticism, economic greed, cultural differences. There was a hope that the virus might help us to act as one community, the community of the human species.

The coronavirus has fed stories of doom and gloom and also of optimistic fatalism. More than one observer has believed that communication and culture – the linchpins of public diplomacy – had before them an opportunity to put into circulation a shared narrative that would strengthen understanding, trust, and confidence. Several months after the first outbreak, the pre-Covid-19 dynamics that we owe largely to the rise of national-populism remain intact: misunderstandings between nations, clashes of cultures, and the use of differences to gain political advantage. Moreover, the digital migration of audiences has turned cultural production and communication upside down and left us uncertain as to what the arts and culture can do now in international relations. The battle to dominate the narrative has become a priority of public diplomacy at all latitudes.

Many different answers

Covid-19 has revealed harsh cultural clashes between allies. In the European Union, the Hanseatic north has conditioned the Union's aid to the southern Mediterranean by resuming and rewriting the story of the two Europes: one austere and morally correct, the other wasteful and voluptuous. The national hoarding of medical equipment was later rectified, but borders have reappeared in the Schengen area, weakening the cohesion of the union.

Within some countries, unresolved contradictions have been exacerbated. In Spain, one of the countries hardest hit by the pandemic and with a more divided policy, the president of

the regional Catalan government, an independentist, has used the crisis to proclaim in international forums that an independent Catalonia would have managed the pandemic much better. In some Indian states, the propaganda of Hindu nationalism has put into circulation the term *coronayihad* to accuse Islamists of spreading the virus and has given rise to the suspicion that Hindu and Muslim patients were being separated in hospitals.

Covid-19 being an unprecedented health, social and political crisis for living generations, the success of its management has become a test of the prestige of governments and nations. Certain countries have used this management, and the discourse of their leaders, to project their image internationally as an ingredient of public diplomacy.

South Korea has claimed the success of its response and has taken to heart the 'Korean formula' for holding democratic elections in times of pandemic (Spain, France, and Britain have postponed voting). Covid-19 has served to update the *Korean Wave*, Seoul's soft power strategy. The Prime Minister of New Zealand, Jacinta Ardern, or the Prime Minister of Portugal, Antonio Costa, have substantially improved their international image by their expertise in dealing with the political and social challenges posed by the virus. German Chancellor Angela Merkel has also strengthened her international standing thanks to the success of a sober and didactic discourse, just in tune with the German citizen, and a balanced and effective management that has controlled the scope and lethality of the pandemic in Germany. The Swedish model has combined minimal government intervention with the voluntary mobilisation of citizens to observe social distance and with the support of a strong public health system. The culture of democratic liberalism has received this approach as a model response, even if its efficacy has yet to be proven. French President Emmanuel Macron, whose image had been very much affected by the social protests of the 'yellow vests' and the movement against pension reform, has managed, through his many television appearances, to strengthen his figure as a statesman. French diplomacy, moreover, has looked to Africa by producing, with the European Foreign Service, one of the few cultural initiatives of the moment: the video clip of the 236th collective of African musicians recommending basic hygiene standards to the rhythm of rap music.

The USA-China showdown

The largest deployment of public diplomacy motivated by the Covid-19 crisis has taken place at the highest level of world leadership. In the United States, which has been hit hard by the pandemic, President Donald Trump wanted to take advantage of it by trying to discredit China, his great commercial and political rival, by accusing the Chinese authorities of being the main culprits of the pandemic. Trump's Twitter account has been a tireless hammering block repeating the 'nationality' of the virus. Trump's gamble has damaged Chinese prestige but has also had the paradoxical consequence of highlighting the United States' refusal to lead a global response to the global challenge, with the subsequent loss of its own prestige.

After an initial moment in which the world's attention was focused on Wuhan, damaging China's image because of its controversial responses, President Xi Jinping has focused the efforts of Beijing's diplomacy on turning the situation around by presenting China as a champion of solidarity and respect for others. The '*mask diplomacy*' has been, and continues to be, a very wide operation of help and cooperation that has brought to an important number

of countries sanitary material such as protective masks of exclusive Chinese production. At all times, the Chinese diplomatic service has tracked down information and, above all, opinions that could blur the image of its management anywhere in the world. When it has considered this information significantly negative, it has tried to deny it. The European Union's High Representative for Foreign Policy, Josep Borrell, has critically assessed '*mask diplomacy*' as the attempt by China to control the global account of the epidemic and its management.

On another front, the European Union, some of whose countries also experienced friction over access to health materials in the early days, has been a key factor in emphasising the discourse and the offer of solidarity and in pointing to the crisis as an opportunity to improve the state of affairs and the governance of international affairs.

Fully affected by the Sino-US struggle, the WHO's action has been the subject of discussion since very early on. Donald Trump has accused the WHO leadership of ineffectiveness and of allowing itself to be controlled by Chinese authorities who would have conditioned the first international reaction in dealing with the outbreak and establishing the scientific protocols for responding to it. With that argument, Trump cut off the US contribution to WHO funds. In a move typical of the complex US public diplomacy, the Melinda and Bill Gates Foundation reacted with a multi-million dollar donation to the WHO. Also on behalf of the WHO, the Global Citizen and Lady Gaga partnership organised a major cultural diplomacy event, the '*Live Aid Coronavirus: One World: Together at home*' digital concert, which raised more than $150 million.

The WHO and President Trump, at two opposite ends, have been at the epicentre of another of the great debates triggered by the crisis. This is the debate to elucidate what role science should play as a key factor of useful knowledge for culture and politics, the status of scientific research (and its dependence on economic and political interests), and the urgency of reviewing the dynamics and institutions of scientific cooperation at the global level.

The narratives of the day after

Having reached the heart of the crisis, having risen to the peak of the pandemic, governments, scientific committees – the WHO itself at the forefront – and, depending on the country, representatives of civil society have tried to establish a roadmap with strict protocols to gradually relax restrictive measures, thaw the productive system and return to normal life. The narratives proposed to guide citizens and make sense of these uncertain times are, and will be, as important as the actual success of the plans implemented. In the varied panoply of narratives of the day after, there are historians who remember the impact of other pandemics, from the possible influence of the *Black Death* at the beginning of the Renaissance to the '*Spanish flu*' of a hundred years ago in the creation of national health systems.

Some thinkers argue that the time has come to undertake a change in customs, values and lifestyles, a transformation of culture in its most radical sense. South Korean philosopher Byung Chul Han points to a clash of values between the Eastern matrix (Confucian, collectivist, authority-recognizing and authority-obedient) and the Western matrix (liberal, individualistic, advocating subject autonomy and scrutinizing the conduct of rulers). This leaves on the table a question: Is the East better prepared than the West to face crises like this one? Israeli historian Yuval Noah Harari, for his part, looks at how national responses paradoxically place us before

the need to rebuild the system of international relations. For Harari, we are in a crisis of confidence that is global and affects humanity, and yet the only partial responses come from small and uncoordinated groups.

Groups of leaders such as the one encouraged by former British Prime Minister Gordon Brown are calling for powerful international action to update the architecture of global governance. A large group of European politicians are demanding that the European Union lead economic reconstruction with a *New Green Deal*. Philosophers, journalists and opinion leaders propose a change in ways of living, of relating to nature and of relations between nations. These are elements of what can become an alternative narrative for action.

Fortunately, an attentive look allows us to discover that the time of crisis and the enormous difficulties faced by a good number of countries has not totally dissolved the optimism that was paradoxically born as the reverse side of alarm and fear. In spite of the narrative of fear and mistrust, a powerful desire for change is still alive, rooted in an important reservoir of solidarity, alarm and vindication to bring about a significant transformation in ways of living.

The reconstruction of economies will be one of the keys to the policies of the day after. Public and cultural diplomacy will be tempted to use its resources – communication and culture – as tools to give each nation more strength in the competition for foreign investment, attracting talents and international business opportunities. This trend will be reinforced by the idea that, to protect oneself from dangers like Covid-19, one has to take a step back from the race to globalisation and recover instead a greater national capacity of decision. In particular, this would refer to the decision about the production of certain goods and services, which in the past left the national territory to spread through the de-nationalized value chains of globalisation.

Since this orientation is legitimate and justified, it is ever more important that public diplomacy – not only governments but all the agents that carry it out – does not lose sight of the great opportunity that Covid-19 provides to rebuilding solidarity and global cooperation, to strengthen our capacity to respond to global challenges as a single community. A thorough review of the priorities of public diplomacy will help to fulfil a key task: the creation of a new and truly shared narrative for living together.

Myths and realities of politics, policy-making and the state in times of Covid-19

Gian Luca Gardini

The job of decision-makers is a difficult one. It is impossible to keep everybody happy. Compromises and bargaining require a lot of patience, strong nerves, and a variety of interpersonal and technical skills that are constantly tested. This puts immense strain on anyone in a high position of command, even during normal times. More so in moments of crisis.

Policy-makers, especially at the top political level, bear immense pressure and enormous responsibilities. Demands, advice, interference, and criticism come from all sides at once: own party and coalition, opposition, lobbies, civil society, alleged experts, and the media. The public too, through social media and easily accessible – and often not checked – communication tools exercises intense pressure on decision-makers. The voice of the public is now massively amplified in real-time without a possibility of effective response. More often than not, the average citizen's actual exercise of informed judgement do not correspond to how vocal they are.

The responsibility weighing down on high-level decision-makers is tremendous. Their decisions may determine the fate of thousands of people, from their jobs, education, retirement to their survival, literally, as in the Covid-19 case. Ordinary people, and often scientists, academics, and experts too, do not fully appreciate how the combination of pressure and responsibility that they face, daily or occasionally, is very different and most likely much less than that of political leaders. The complexity and implications of political *dossiers* and decisions at the top-level are not comparable to those faced in other still important fields. Specialist training for politicians should be mandatory.

There is a further distinction between *decision-making* and *decision-taking*. *Decision-making* indicates a process. This may require some time and may involve different subjects or stakeholders, who can technically orientate leaders. After consultation, it does not matter how accurate, the moment of *decision-taking* comes. This is a solitary and speedy exercise, reserved to one or very few collegially. *Decision-taking* amplifies all the issues mentioned above. Decision taking during crises is even more demanding than decision-making itself. These considerations are not a defence of any political class or elite. They are facts. Politicians are people not very different from the others but occupying very special positions.

Under Covid-19 circumstances, both decision-takers and decision-makers have faced an unprecedented predicament. A number of reflections on how decisions are taken in politics and the role of the state follow.

a) Time pressure and time constraint. It is not universally true that political leaderships have struggled to react to Covid-19 or have done so very slowly. In spite of blatant cases of underestimation of the virus, slow reaction and wrong policies, such as the US, UK and Brazil,

other states like China, Italy, Spain, Germany, and New Zealand reacted quite rapidly if one takes into account both the usual workings of politics and the unprecedented challenge. If one leaves aside emotional, partisan or biased critiques, the political system in many countries did not respond slowly. Whether it did so effectively too may be a different question altogether. In fairness, the timeframes of politics, usually slow and determined by long negotiations and at times cumbersome formal procedures or byzantine informal praxes – especially in democratic systems – accelerated significantly. For example, the state of emergency was declared in Italy at the end of January 2019[1] while the first autochthonous infection was acknowledge on February 21st. Ensuing restrictions were adopted when the number of deaths and infected people was still relatively low so that European partners reacted with scepticism at best or contempt at worst. Solidarity was not a first EU choice. China imposed the lockdown or other restrictive measures in the Hubei province when there were only 800 confirmed cases in a population of about 57 million regionally and nearly 1.4 billion nationally. The necessity of a prompt response, given public demands and the need to reassure public opinion, may clash with the information and responsibility that decision-makers have.

b) *Information*. Initially, not much was known about Covid-19. In fact, it still is not and will not be for a while at least. Policy-makers lacked complete or reliable information. It was extremely difficult to take decisions on drastic measures limiting individual freedom and economic activity under such circumstance. Here information meets responsibility. Leaders' decisions may result in job losses or even worse in losses of life. Before taking action, a leader must reflect and gather information, consult experts from different fields, reach a consensus and ultimately show the charisma and determination – as a human being as much as a professional – to make a sound judgement and eventually adopt prompt, bold, and even unpopular measures. Yet at the outbreak of the infection, few acknowledged experts in virology and infectious diseases were available. This is not a particularly popular branch of medicine. Furthermore, supposed experts could hardly reach a consensus on the nature, lethality or cure of the virus. The interpretation of incomplete scientific data became cloudier as it went up the policy chain, making *decision-taking* even more problematic.

c) *Responsibility*. There are technical times for good decision-making. There are moral dilemmas too. What if the coronavirus had turned out to be a bluff – as not just a few initially suggested? What if the lockdown had caused irreparable economic damage and scientific evidence had later showed that the virus was not lethal? Swiftness and effectiveness do not always go hand in hand, and the responsibility associated with key political decisions is in fairness immense. How many of us can honestly say that we could have acted more quickly or better had we been in a position of power? Politics was perhaps inefficient at some stage but not necessarily too slow considering the lack of scientific information available and the magnitude of the responsibility involved in deciding between possible human casualties and certain economic setback. This cannot be taken lightly.

d) *Unprecedentedness*. The challenge is unprecedented. Best practices or benchmarking were not readily available. World leaders such as Macron of France and Merkel of Germany have defined Covid-19 the biggest challenge since World War II. This gives an idea of the task. Protocols, in medicine and other fields, were not in place for the reason that not everything can be foreseen, even in hyper-technological societies. This was a first time in the last seventy years

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[1] Delibera del Consiglio dei Ministri, 31 January 2020, Delibera No. 1.

that a challenge of this proportion, in terms of danger and universal spread – across countries, continents, races, age and economic classes, or other cleavages – emerged. Ebola and SARS were much more localised (also because of more effective early responses), so are other infective diseases such as tuberculosis. It is true that there were mistakes too. It is also true that cuts to public health system in several countries were made without proper consideration. In other countries, there is hardly health care capacity. However, I would argue that, within a few months after the outbreak, the world's reaction made a start rather than a complete failure. Scientists were able to identify the virus within a few weeks. States adopted previously unthinkable measures. Citizens largely demonstrated resilience and responsibility.

e) *The role of the state*. Political Science and IR, as well as economics, have long dealt with the role of the state, in both domestic and international affairs. At the domestic level in particular, the state has been under long and consistent attack. Neoliberalism in International Relations (IR) and Political Economy, at least in its oversimplified version, has largely drawn upon the Chicago School of liberal economics of the 1970s, advocating a dramatically reduced role of the state in favour of markets and private actors. While neoliberalism actually calls for a set of liberalisations and deregulations, it also suggests a redirection of public spending away from direct management of and participation in the economy toward social spending and a more regulatory role[2]. This deliberate or accidental misreading of neoliberal principles has been the internationally dominant paradigm since the 1990, resulting among others, in the weakening of the public sector, including cuts to healthcare.

At the international level, the IR realist tradition maintains the primacy of the state as the main international actor. Liberal and critical theories have more critical positions, ranging from the superseding of the state by other actors such as multinational corporations or international organizations and transnational civil society, to the use of units of analysis other than the state to explain the international system, such as social and economic classes (Marxism) or gender (feminist approaches). It is true that some multinational corporations have a bigger turnover than many states' budgets. It is true that states have ceded part of their sovereignty to international organizations such as the EU, and that NGOs today perform tasks once reserved to states such as patrolling the seas and assisting migrants.

Yet, during crises, the same domestic and international subjects that question the role and legitimacy of the state, invoke it as the saviour of last instance. It was so during the financial crisis in 2008-09 when the state rescued large private banks and finance corporations in many countries. International response and coordination was secondary, in spite of the significant role played by the G20. Most economic and political resources mobilized to cope with the financial crisis emanated from the state, which is essentially from taxpayers. The same has happened today with the pandemic. Nobody asks Coca-Cola, Amazon or Google to save the world or country from the virus. Similarly, the role of regional and international organizations is not central. Everybody calls for state intervention to face the health sector collapse and to support businesses and workers in difficulty. Yet, many people evade, avoid or reluctantly pay taxes. We ask the state to perform more and better, but with fewer resources. We should definitely re-evaluate the place we give to the state institution in our lives and society.

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[2] John Williamson (Ed.), *Latin American Readjustment: How Much has Happened*, Institute for International Economics, Washington, 1989.

Ultimately, the recent economic or health crises, as well as successful development stories of late have taught us one incontrovertible lesson: The state, understood as the collective organization of a community and the representation of its interests and values, is still today indispensable to any project aiming to orderly govern a territory and the people who occupy it. The state can be supported or complemented by other agencies but, at present, neither international bodies nor private entities can replace it. This has also to do with self-awareness and self-perception. Most people still recognise themselves in national state identity and citizenship. It is understandable to hold tight on reassuring identity during crises. The world is still far from a global identity and identification, especially from one, which is eco-system-centred and holistic.

From a more functionalist perspective, the state fulfils, as it must, at least five key tasks: Firstly, guarantee basic health and education for its residents. Secondly, guarantee internal order and international defence with the monopoly of the legitimate use of force within its territory. Thirdly, decide, implement and enforce legislation, including administering justice fairly. Fourthly, conduct foreign policy. Fifthly, apportion and collect taxation and redistribute resources with a degree of decentralisation too.

Belonging to a group, a community, and a state involves rights and duties. Citizens shall be aware and, in appropriate ways, be educated about that, and accept it. This is an important provision of any social contract. Covid-19 has shown this beyond doubt. For the state to function effectively it has to be able to count on the good will, good faith and sense of responsibility of its citizens. They have to take care of the public good. Citizens shall concern themselves with politics and the selection of their leaders, as these make decisions on their behalf. It is everybody's right and duty to take part in the good management of the state. This exercise requires an individual effort from all of us, moving away from apathy and disenchantment to search a regenerative spirit and personal commitment to improvement. 'Our great ability as humans is not to change the world but to change ourselves' – once Mahatma Gandhi said. Ideally, Covid-19 may just prompt that.

Cooperation, the state, and international organizations

Helena Carreiras and Andrés Malamud

In November 2015, the prestigious journal *Nature Medicine* published a letter signed by fifteen scientists entitled 'A cluster of SARS-type bat coronavirus exhibits potential for emergence in humans'. Laboratory research had proven that Chinese 'horseshoe bats' were carriers of the SHC014-CoV virus. The final sentence of the abstract reiterated the warning in the title: 'Our work suggests the potential risk of re-emergence of SARS-CoV from viruses currently circulating in bat populations'[1].

'I see the risk of an acute and very rare virus spreading across the planet', says Nassim Taleb on page 317 of *The Black Swan*, republished in 2010[2]. Taleb's book is not a black swan, one of those highly unlikely but tremendously impactful events. It is one of dozens of analyses that predicted this pandemic.

The National Intelligence Council (NIC) is the US government's strategic think tank. Every five years it consults dozens of experts to imagine what the world will look like fifteen years later. Its documents are public and online. In December 2004, NIC published its third paper, 'Mapping the Global Future. Report of the National Intelligence Council's 2020'. It is 123 pages long, and on page 30, it reads 'The process of globalization, however powerful, can be substantially slowed down or stopped. Apart from a major global conflict, which we consider unlikely, another large-scale event that we believe could stop globalization would be a pandemic'[3].

We were warned. In addition, the document goes on:

'*Some experts believe it is only a matter of time before a new pandemic appears, such as the Spanish Flu of 1918-1919 that killed some 20 million people worldwide. From mega-cities in the developing world with poor health systems (such as those in sub-Saharan Africa, China, India, Bangladesh or Pakistan), such a pandemic would be devastating and could spread rapidly around the world. Globalization would be in jeopardy if the death toll were counted in the millions in major countries and the spread of the disease would put a halt to global trade and travel for an extended period of time, forcing governments to spend enormous resources on exhausted health systems. On the other hand, the response to SARS showed that international*

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[1] Vineet D. Menachery, Boyd L. Yount Jr, Kari Debbink, Sudhakar Agnihothram, Lisa E. Gralinski, Jessica A. Plante, Rachel L. Graham, Trevor Scobey, Xing-Yi Ge, Eric F. Donaldson, Scott H. Randell, Antonio Lanzavecchia, Wayne A. Marasco, Zhengli-Li Shi, and Ralph S. Baric (2015), 'A SARS-like cluster of circulating bat coronaviruses shows potential for human emergence', *Nature Medicine*, No. 21, pp. 1508–1513.
[2] Nassim Nicholas Taleb (2007), *The Black Swan: The Impact of the Highly Improbable*, Random House.
[3] National Intelligence Council (2004), *Mapping the Global Future*, National Intelligence Council & Government Printing Office, Pittsburgh PA. Online: https://www.dni.gov/files/documents/Global%20Trends_Mapping%20the%20Global%20Future%202020%20Project.pdf.

surveillance and control mechanisms are becoming more effective in containing disease, and new developments in biotechnology promise sustained improvements'[4].

In April 2015, Bill Gates offered a *Ted Talk*. Gates warned that 'Today, the greatest risk of global catastrophe doesn't look like [war]… If anything kills over 10 million people in the next few decades, it is most likely to be a highly infectious virus rather than a war. Not missiles, but microbes. Now, part of the reason for this is that we have invested a huge amount in nuclear deterrence, but we have actually invested very little in a system to stop an epidemic. We're not ready for the next epidemic'[5].

This information and documents are public. Moreover, the US, Russia, China and the European powers have their own laboratories and strategic planning centres. It is inevitable to conclude three things. First, the decision-makers knew that this could happen, or rather, that it was going to happen. Second, they knew that they had to create tools to prevent or contain it. Third, they did nothing, or rather, some did but others undid.

In December 2014, US President Barack Obama gave a short speech. In a visit to the Centre for Vaccine Research of the National Institutes of Health, he stressed the importance of investing in long-term research. 'If and when a new strain of flu, like the Spanish flu, crops up five years from now or a decade from now, we've made the investment and we're further along to be able to catch it… It is a smart investment for us to make. It's not just insurance; it is knowing that down the road we're going to continue to have problems like this – particularly in a globalized world where you move from one side of the world to the other in a day'[6]. Today we know that Donald Trump discontinued investment and research. The pandemic may have been caused by a virus, but it was enabled by human beings with political responsibilities.

Let us look at three political issues that we humans will have to face in the world to come: the new threats, the crisis of international organisations, and the role of states.

New strategies for new threats

International politics issues are often divided into *high* and *low politics*. High politics is about the survival and security of states; low politics is about everything else (such as trade and culture). Sporadically, some issues of low politics become strategically relevant and are considered high politics, in a process called '*securitisation*'. The pandemic has transformed public health into an area of high politics. However, in contrast to classic threats such as the military, protection against pandemics does not require exercising power over other states, but rather with other states. Public health is not a private, public or club good, but a network good.

Private goods are those that a state possesses exclusively and from the use of which it can exclude third parties. An example is a nuclear aircraft carrier.

Public goods are those that a group of states produce but from the use of which they cannot exclude third parties. Examples are maritime regulations and international financial

[4] Ibid.
[5] Bill Gates (2015), 'The next outbreak? We're not ready'. Ted Talk, March 2015. Online: https://www.ted.com/talks/bill_gates_the_next_outbreak_we_re_not_ready.
[6] Barack Obama, Speech at Bethesda, Maryland, 2 December 2014. Online: https://edition.cnn.com/videos/politics/2020/04/10/barack-obama-2014-pandemic-comments-sot-ctn-vpx.cnn.

stability. Public goods create incentives for defection (i.e., not paying for the good because it is enjoyed anyway). There are two responses to this: One is to monitor and sanction defection; the other is to accept it. Sanctioning it requires authority; accepting it requires leadership. Leadership consists of the decision by a country or group of countries to pay a disproportionate (but still convenient) cost for the production of the public good. The United States fulfilled this role until recently, but no longer does.

Club goods are those that a group of states owns exclusively and from the use of which they can exclude others. An example is regional organisations, which may finance redistributive policies or exclusively defend their members (such as the European Union or NATO). Membership has its privileges.

Network goods are those whose usefulness increases with their dissemination. The more users they have, the better for everyone. The most burning example is vaccines and immunisation in general. Countries are not indifferent to whether others are healthy. It is in their interest that the others too are healthy, whether for health or economic reasons.

If the goal is for everyone to have something, *the appropriate strategy is cooperation*, not competition. The new threats are 'network evils', whose capacity for harm increases with their spread. In the absence of clear international leadership, countering them requires *cooperation in networks* rather than in clubs.

The crisis of international organisations

The paradoxical effect of the pandemic is that, although overcoming it requires international cooperation, fighting it immediately encourages national isolation. The impact of these cross-incentives on international organisations was asymmetrical. Although almost none were up to the task, *political organisations* responded worse than *functional* ones. Thus, the United Nations (UN) played almost no role, while the World Health Organization (WHO) became a reference for many states. Something similar happened at the regional level. While the response of the political bodies of the European Union (EU), the Commission and the Council, was controversial and insufficient, that of the European Central Bank (ECB) was initially defective but later corrected. And it is on the ECB, ultimately, that the survival of the euro, whose implosion could be the most deadly sequel to the coronavirus, depends.

Two lessons can be drawn from this experience. The first is that *functional or technical cooperation* has proven more useful and more effective than political cooperation. This is relevant for Latin America, where political cooperation has systematically trumped functional cooperation. Functional institutions such as the Inter-American Development Bank (IADB) or the Development Bank of Latin America (CAF) will be much more relevant to post-pandemic reconstruction than political organisations such as the Community of Latin American and Caribbean States (CELAC) or the Organization of American States (OAS). The second lesson is that the *decoupling of politics and function* could lead to a decoupled globalisation in which the spheres of influence of the United States and China are not separated by ideological, strategic or economic alignments but by regulatory ones, with partially incompatible technical standards and technological developments. We may be on our way to a world divided not between liberalism and communism but between 'Mac and PC', in which being left out or playing in the middle is not an option. The choice of either pole has a cost, because the United

States will likely continue to control the global currency while China will define prices and decide investments[7].

The role of states

The pandemic does not affect everyone equally, because the local context bifurcates the global impacts. *Developed countries face a double crisis*: health and economic. *Developing countries face a threefold crisis*: health, economic and social. The informality of the labour markets and the precariousness of the welfare states multiply the hardships and make responses difficult. Although the response to the emergency requires more state, states cannot build up their capacities in a short time. The state does not necessarily take care of its citizens; it might also kill them – by action when it is totalitarian, by omission when it is weak.

The pandemic will encourage the strengthening of state power, but there are two types of state power: despotic and infrastructural. Despotic power is the ability of the state to act coercively without legal or constitutional constraints. Infrastructural power is its ability to penetrate society and organise social relations. Again, it is the distinction between power 'over' others and power 'with' others. The most effective states will be those that first immunise their population and allow them to return to work, not those that keep them locked up.

The return of the state does not necessarily mean the return of nationalism. The state is an instrument (of collective action); the nation is a sentiment (of collective belonging). The effectiveness of the state is independent of the exclusionary emotions of nationalism – although the non-exclusive emotions of patriotism are always welcome.

The pandemic has reinforced the power of states – or at least the demand for it – while increasing their interdependence. How can one be stronger and more dependent at the same time? Such is the paradox of interdependence: The capacity of a state is not increased by isolation but by the intelligent management of flows with the outside, especially of network goods ('power with others').

The threats of the future include geopolitical rivalry and technological competition. Without Sino-American cooperation, the prospects for the world to come are bleak. The future needs of the world require better state capabilities, less nationalism and more functional international cooperation: scientific, health and financial. And, perhaps, more democracy – but this is a normative judgment.

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[7] However, China recently decided to cancel the dollar peg in stock exchange transactions and to trade in Chinese Yuan instead of the dollar. This may further exacerbate the competition between the two powers and the consequences of a 'regulatory division' of the world.

Chapter 5

A world (order) turned upside down?

Jorge Heine

> *'Medicine is a social science, and politics is nothing but medicine on a large scale'.*
>
> *Rudolf Virchow, M.D. (1821-1902)*

The Covid-19 pandemic in 2020 is the biggest global health crisis in a century. The United Nations Secretary-General has called it the largest humanitarian crisis since World War Two[1]. According to the IMF, it portends the steepest economic downturn since the Great Depression[2]. International trade is projected to fall by 24% in 2020.

This chapter argues that this pandemic will be a turning point in the existing world order, comparable to the ones that occurred in 1918 after World War One and in 1945 after World War Two. It will mark the end of a Western-led order and the transition to a multipolar order, in which non-Western powers like China and India, but also others, will play a much more significant role.

The national interest and Western power

Pandemics put to the test the very essence of what governments are all about. A key concept in the International Relations literature is that of the national interest, closely associated with the realist school. It is commonly observed that at the very core of the duties of government and its leaders is the defence of the national interest. While there is much discussion about what this precisely entails, there is consensus that, at a very minimum, this means keeping the integrity of the nation-state's territory, but particularly of its population ('*the nation*'), safe and securing its survival as entity over time. As Donald E. Neuchterlin put it: 'Unless a nation state has the capability of defending its territory and citizens (…) none of the other (…) basic interests is likely to matter much'[3]. A government that does not defend its population abdicates its quintessential duty. In the new century, this means being able not just to dissuade and/or confront the attack of foreign armies, and of terrorist groups, but also that of other types of global threats, like climate change and pandemics. In an interdependent world, this entails international cooperation.

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[1] Edith Lederer, 'UN Chief says COVID-19 is worst crisis since World War II', *AP*, 31 March 2020. https://apnews.com/dd1b9502802f03f88d56c34f7d95270c.

[2] IMF, *World Economic Outlook: The Great Lockdown*, 20 April 2020. According to the IMF, the world economy will have a negative growth of -3% in 2020.

[3] Donald E. Neuchterlin, 'National Interest and Foreign Policy: A Conceptual Framework for Analysis and Foreign Policy', *British Journal of International Studies*, vol. 2, No 3 (October 1976), p. 248.

For the past two centuries, the international system has had a strong Western imprint. In the 19th century, it was *Britannia* that ruled the waves, creating an empire that spanned much of the world. In the 20th century, but particularly after World War Two, it was the United States that took over the mantle as the leading superpower, albeit (for forty years) in competition with the Soviet Union. And although the US economy declined from 50% of world GDP in 1945 to 25% in 2019, and the United Kingdom is today a mere shadow of what it once was, the power of inertia is strong. In Purchasing Power Parity (PPP) terms, China since 2014 has had a larger economy than that of the United States[4]. Yet, this is often disregarded by those who argue (wrongly, according to the World Bank) that a better metric to compare the size of economies is GDP at market prices, according to which the US is still, by far, the biggest economy.

Thus, it should not be surprising that as recently as early 2016, the dominant view among leading scholars and opinion-makers was that, while the BRICS countries might well have provided the acronym that defined 'the decade without a name' (the 2000s), by the middle of the following decade it was 'game over' for the rising powers. They were simply 'not ready for prime time'[5].

Part of the argument was that, whatever the size of the emerging economies' GDP, their growth rates and their success in eradicating poverty, they simply did not have the depth of diplomatic experience, the statecraft skills and the governmental capacity to deal with matters as complex as global economic governance – they were nothing but '*diplomatic lightweights*'. The rise of the BRICS had been a mirage. Once again, it was the 'serious', experienced powers, like the United States and the United Kingdom, that were back in charge, restoring North Atlantic primacy in world affairs. It was the G7, made up of like-minded Western powers plus Japan, that once again held sway, not that unwieldy concoction called the G20, far too big and heterogeneous to be effective.

That was then. This is now: In June of 2016, the United Kingdom voted to leave the European Union. The following November, the United States elected Donald J. Trump as president. Since then, the UK has spent much of these four years figuring out how to exit from the EU to enact *Brexit*. The United States, in turn, proceeded to *seriatim* ditch the Transpacific Partnership (TPP), the Paris Agreement on climate change, and, to all intents and purposes, the World Trade Organization (WTO), making it inoperative. Other international treaties and organisations endured a similar fate. So much for North Atlantic leadership of world affairs. This retreat from the world stage is not simply a *by-product* of the ascendancy of populist and chauvinist forces within Western nations. This retreat is at the very heart of the platform that brought populists to power in the first place. *They were elected to do this.*

The pandemic paradox

An argument can be made that these developments in the United States and in Western and Central Europe (the *Brexit* movement in the UK is far from alone in this category, being joined by similar populist forces in France, Germany, Italy and Hungary, among others) are

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[4] Euromonitor International, 'China Overtakes the US as the World's Largest Economy: Impact on Industries and Consumers Worldwide', 2014. https://www.iimk.ac.in/libportal/reports/China-Overtakes-US-Worlds-Largest-Economy-White-Paper-Euromonitor-Report.pdf.
[5] Jorge Castañeda, 'Not Ready for Prime Time: Why Including Emerging Powers at the Helm Would Hurt Global Governance', *Foreign Affairs*, September-October 2010.

nothing but a nationalist backlash against globalisation. This would be how the swing of the pendulum works in multi-party democracies. In ditching their international commitments, these governments would just be responding to their electoral mandate. Yet, once in office, the question became: what about the actual ability of these leaders and movements to effectively *protect* the life and limb of that electorate and of the nation at large, and not just talk about doing so?

This leads to what I call the 'pandemic paradox'. Pandemics have been around for a long time. Famously, the '*Black Plague'* in the 14th century killed 60 per cent of the population of Europe, and more recently, the 1918 '*Spanish Flu*' killed 50 million worldwide. In addition to forecasts by many epidemiologists, the occurrence of another devastating global epidemic was predicted in 2015 by none other than President Barack Obama as well as by Bill Gates, the founder of Microsoft. Strictly speaking, then, there should have been nothing surprising about the outbreak of Covid-19.

The preparedness of countries for any such pandemic has been ranked relying on the so-called Health Security Index. This index includes indicators like Prevention, Detection and Response, Rapid Response, Health System, Compliance with Global Norms, and Risk Environment. Not surprisingly, the United States and the United Kingdom occupied the first and second place[6]. Yet, in early May 2020, the United States found itself in the unenviable position of accounting for one third of all worldwide cases of the coronavirus and one fourth of all deaths. More US citizens have died from the virus in three months than did in the Vietnam War in ten years. The United Kingdom had the fastest rate of infections and the highest number of deaths in Europe. The US and the UK were in early May 2020 the country No. 1 and 2 for number of deaths in the world[7].

It is still early, these figures will vary over time, and it is possible that at a later point the infection and the fatality rate elsewhere will turn out to be higher than that of the US and the UK. Still, the fact that in the early months of this crisis the countries most affected by it are two of the richest and, in theory, best equipped ones to confront a pandemic (that arose in Asia), tells us there is something deeply wrong in the governance of the Anglo-Saxon powers. The best science and medical resources are, in the end, only as good as national decision-makers make them to be. The lack of early action on the part of the United States may well be 'the biggest intelligence failure in US history'[8]. The strategy followed by the UK government to deal with the virus was similarly misguided, leading to the noted outcome. Where is the depth of diplomatic and public policy savvy and governmental know-how alleged to be missing among the rising powers, but supposedly present among traditional Western powers?

The denial of science and of expert advice is, of course, a signature feature of populism, and may partly explain this extraordinary situation[9]. It does not portend well for 'the fire next

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[6] Nicholas Le Pan, 'Global Preparedness Index', *Visual Capitalist,* 1 March 2020. https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020.

[7] The Covid-19 updated figures can be found at www.ncov2019.live. Accessed on 8 May 2020.

[8] Micah Zenko, 'Coronavirus is the biggest intelligence failure in US history', *Foreign Policy,* 25 March 2020. https://foreignpolicy.com/2020/03/25/coronavirus-worst-intelligence-failure-us-history-covid-19/.

[9] As a leading Brexiteer Cabinet Minister, Michael Gove, put in a TV program shortly before the Brexit referendum, when asked to name a single British economist who supported Brexit, 'people in this country have had enough of experts'. *Financial Times*, 'Britain has had enough of experts, says Gove', 3 June 2016. Online: https://www.ft.com/content/3be49734-29cb-11e6-83e4-abc22d5d108c.

time', that is, the upcoming climate change crisis. The very existence of the latter is denied by many Western populist leaders, as was the seriousness of Covid-19 for much of February and March of 2020. Are these the countries to which the rest of the world will be looking when the pandemic is over and we confront another global crisis? Do countries whose governments are unable to protect their own populations from expected global threats inspire confidence that they will act effectively in joint actions to protect others?

The Rise of the Rest and the new order

It is true that the Covid-19 virus arose in China, and none other than in Hubei province, the same place where the 14th century '*Black Plague*' hailed from. There is also little doubt that China badly botched the initial handling of the outbreak, clamping down on doctors who warned about it, and only closing Wuhan and the Hubei province three weeks later. By that time, many people had left the city and the virus started to spread worldwide.

That said, once China reacted, it did so with remarkable effectiveness. The lockdowns in Wuhan and in Hubei province were total. They were strictly enforced, and the standard procedures of testing, tracing and treating were followed to the letter. By early May, China was reporting 82,877 infected and 4,633 deaths. This not an insignificant figure, but lower than Brazil's, where the pandemic arrived two months later, and much lower than the figures reported by several European countries. China immediately went into high gear in deploying its so-called 'mask-diplomacy', providing medical equipment and testing devices to countries around the world[10]. After reported cases of the US confiscating medical equipment destined for France and Germany, countries like Chile started to send private planes to China to pick up this equipment, with pilots instructed to follow confidential routes to avoid such risks.

Other Asian countries also performed effectively. India, a neighbour of China, and with a 1.3 billion population, imposed a strict lockdown in March and so far has managed to avoid the worst of the pandemic, with some 42,505 infected and 1,391 deaths in early May. The way South Korea, Singapore and Taiwan have handled the outbreak has been justly praised – as have the cases of Australia and New Zealand – indicating that it does not take '*Asian culture*' or authoritarian regimes to enforce strict public health regulations.

Crises accelerate history and existing trends. In the past two decades the world's geo-economic axis has been moving away from the North-Atlantic towards the Asia-Pacific, and from the North towards the Global South. This includes what the World Bank has called the 'Wealth Shift' towards the emerging economies. The rise of China and India, the emergence of the BRICS, the appearance of collective financial statecraft, as embodied in newly created international financial institutions like the Asian Investment and Infrastructure Bank (AIIB) and the New Development Bank, all point in the direction of a major international shift.

Much as the 2008-2009 financial crisis dealt a blow to the credibility of Western financial management, the Covid-19 pandemic has dealt one to the standing of overall public policy management of the traditional Anglo-Saxon powers. It has also underscored the capacity of China and India to handle global challenges and to position themselves both as architects

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[10] Brian Wong, 'China's Mask Diplomacy', *The Diplomat,* 25 March 2020. https://thediplomat.com/2020/03/chinas-mask-diplomacy/.

and protagonists of what is emerging as the Asian century, one marked by multi-polarity and a much more significant role of the Global South than we have seen until now.

<div align="center">**Chapter 6**</div>

The politics of the BRICS amidst the pandemic

Amrita Narlikar

In keeping with the old adage of 'a friend in need is a friend indeed', crises can be quite revealing on who one's friends really are. This chapter addresses the question: What does the current coronavirus pandemic tell us about the relevance and resilience of the BRICS (Brazil, Russia, India, China, and South Africa) as a political grouping?[1] The extent to which the BRICS platform serves as a forum for collective action in these difficult times matters, first and foremost, for the members themselves. As all five economies face some serious development challenges of their own, having reliable allies to turn to can be a valuable resource (e.g. for access to medicines, equipment, personnel, technology, learning from each other's experiences). Equally important, though, is the impact that the BRICS can have on the outside – international institutions, as well as other large and small players – depending on whether they coordinate some of their negotiating positions and present a collective front, or not. Cracks within the BRICS potentially offer new allies and coalition partners for outsiders.

This chapter proceeds in three parts. The first section highlights some steps that the BRICS have taken as a group to signal their commitment to collective action and mutual help. The second section points to the limitations of these moves, and also growing polarisation within the group. The third section offers some conclusions and policy recommendations.

A solid BRICS wall against the pandemic?

The life of Brazil, Russia, India and China as an acronym began in a Goldman Sachs study by Jim O'Neill in 2001[2]. The reactions of the original four at the time were mixed: 'There was delight in Russia, bafflement in China, cynicism in Brazil and indifference in India'[3]. Within a few years, though, this motley group had decided to band together. The four BRIC leaders met as guests at the G8 Summit at Hokkaido in Japan in 2008. In 2009, the first official leaders' level summit of the BRICs was held in Yekaterinburg. Since then, the group has continued to meet regularly, not only at the leaders' but also ministerial levels (covering a wide range of ministries). It has developed an official track (such as tax and revenue, anti-corruption, security), plus further tracks involving other members of their societies (academia, business, and so forth). In 2011, the 'BRIC' grouping grew into 'BRICS' with the entry of South Africa. A variety of initiatives, including the establishment of the New Development Bank, led several analysts to view the BRICS as a potentially serious driver for a 'parallel order'[4].

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[1] As such, the focus of this chapter is fundamentally different from the plethora of writings on how the pandemic will affect the growth prospects of the emerging markets.

[2] Jim O'Neill, Building Better Global Economic BRICs, Goldman Sachs Global Economics, Paper No. 66, 30 November 2001, https://www.goldmansachs.com/insights/archive/archive-pdfs/build-better-brics.pdf.

[3] Gillian Tett, 'The Story of the BRICs', *Financial Times,* 15 January 2010.

[4] Oliver Stuenkel, 'Post-Western World and the Rise of a Parallel Order', *The Diplomat,* 26 September 2016, https://thediplomat.com/2016/09/the-post-western-world-and-the-rise-of-a-parallel-order/.

When the coronavirus epidemic emerged, the BRICS responded. At a meeting of the BRICS Sherpas/Sous-Sherpas on 11 February, a 'Russian BRICS Chairmanship Statement' expressed sympathy, support, and solidarity for China. It promised, 'The BRICS countries are ready to cooperate closely with China'. The BRICS countries also underlined 'the importance of avoiding discrimination, stigma and overreaction while responding to the outbreak'. Additionally, the statement called for the strengthening of scientific cooperation on infectious diseases and public health[5].

The BRICS' New Development Bank approved an Emergency Loan of 7 billion Renminbi to help China combat Covid-19 on 19 March 2020, with an eye especially on helping China's three hardest-hit provinces of Hubei, Guangdong, and Henan. This loan – from China's request to the approval of the board – was approved in a record time of one month.

As the pandemic spread, causing extreme human and economic destruction in its wake, the BRICS foreign ministers met via videoconference on 28 April. Besides reiterating the importance of multilateral cooperation and their commitment to it, the five foreign ministers are also reported to have agreed on the creation of a loan instrument of $15 billion for financing economic recovery[6].

All the above moves could be read as signals of the BRICS to stand together against the coronavirus. Yet a closer look behind this professed unity is in order.

Behind the BRICS front, divisions rising?

For most coalitions – and especially so when they involve developing countries – there are usually doomsayers predicting the premature death of such groups. The BRICS has been subject to such scepticism for many years now, driven partly by the many disparities among the members. The grouping, after all, did bring together a mix of democratic and authoritarian regimes, with very different societal structures, resource bases, developmental trajectories, and historical traditions. The current pandemic has exacerbated pre-existing differences amongst the BRICS. Still, while the differences are multiple across the various dyads, the most pertinent at this point are those between the most powerful member of the BRICS – China – and the others. I highlight these in the next paragraphs.

Amidst the cooperation within the BRICS dyads, the smoothest seems to be between China and Russia. For example, at a press conference following the Foreign Ministers' meeting, Russian Foreign Minister Sergei Lavrov stated, 'When we talk about cooperation with China, we cite facts. There are many of them. We are not hiding them from anyone. They include specific forms of assistance: the delivery of humanitarian supplies, medicine and testing kits, medical specialists were dispatched, there were mutual consultations and many more things'[7].

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[5] Ministry of Foreign Affairs of the Russian Federation, 'Russian BRICS Chairmanship Statement on the Novel Coronavirus Pneumonia Epidemic Outbreak in China', issued on February 11, 2020 at the 1st Meeting of BRICS Sherpas/Sous-Sherpas in St. Petersburg, https://www.mid.ru/en/foreign_policy/news/-/asset_publisher/cKNonkJE02Bw/content/id/4035151.

[6] Maha Siddiqui, CNN News-18, 'BRICS Nations Propose $15 Billion Loan Instrument to Rebuild Coronavirus-hit Global Economy', 28 April 2020,
 https://www.news18.com/news/india/brics-nations-propose-15-billion-loan-instrument-to-rebuild-virus-hit-global-economy-2596809.html.

[7] Ministry of Foreign Affairs of the Russian Federation, 'Foreign Minister Sergey Lavrov's statement and answers to media questions at a news conference following an extraordinary meeting of the BRICS Ministers of

Even in this close relationship, there has been some friction during the pandemic; Russia, for instance, was among the first countries to close its borders to China.

The other dyads with China within the BRICs have run into greater difficulties. In the case of Brazil-China, as the virus has spread, it has resulted in public finger-pointing and name-calling from both sides[8]. From South Africa, along with other African countries, China has attracted criticism for the ill-treatment that has been meted out to African residents there. Perhaps the most serious set of differences can be found between the once much-touted 'ChIndia' dyad. In fact, the distrust between the two countries has deep roots; the military standoff between the two in 2017 at Doklam was indicative of this (BRICS or no BRICS). Two recent sets of reactions by India now indicate how the pandemic has impacted on this already difficult relationship. First, to combat 'opportunistic takeovers/acquisitions of Indian companies due to the current Covid-19 pandemic', India recently put up new restrictions on incoming FDI from neighbouring countries[9]. The new restriction is seen as targeting China, given that both Bangladesh and Pakistan are already subject to such measures. This move drew strong criticism from China. Second, India cancelled the import of Chinese test-kits for Corona on the grounds that they were faulty and had an accuracy rate of only 5%. The Chinese spokesperson described India's behaviour as 'unfair and irresponsible'[10].

Taken together, these examples are more than just a series of diplomatic 'spats'. They come in a context of increasing suspicion about Chinese regional and global ambition, which expresses itself via China's Belt and Road Initiative, the 'string of pearls' acquisitions, and indeed activities in the neighbouring seas. On top of this, one of the big takeaways from the pandemic for many countries has been a recognition that global value chains – and even crucial health supply chains – can be weaponised by countries for their national gain[11]. As a result, despite China's many efforts at coronavirus diplomacy, this heightened level of concern – and deeper rifts within the BRICS – are likely to be the new normal.

Conclusion

The pandemic has had a perverse effect on the BRICS as a political grouping: It has revealed old fault-lines and exacerbated them further. Within the grouping, other alignments are also emerging. For example, Russia, among the four, seems to be moving closer to China, even as it confronts other major players outside. Brazil and India, in contrast, seem to have come closer together – witness the export of hydroxychloroquine and paracetamol by India to Brazil, and Brazil's expression of gratitude through a reference to Indian traditions. What do these rifts and realignments mean for the BRICS itself, and for the world at large?

Foreign Affairs/International Relations', Moscow, April 28, 2020, https://www.mid.ru/en/foreign_policy/news/-/asset_publisher/cKNonkJE02Bw/content/id/4107702.

[8] Bryan Harris and Andres Schipani, 'Brazil-China ties strained by social media war over coronavirus', *Financial Times*, 21 April 2020.

[9] Ministry of Commerce & Industry, India, Review of Foreign Direct Investment (FDI) policy for curbing opportunistic takeovers/acquisitions of Indian companies due to the current COVID-19 pandemic: Press Note No. 3 (2020 Series), Department for Promotion of Industry and Internal Trade FDI Policy Section, 17 April 2020, https://dipp.gov.in/sites/default/files/pn3_2020.pdf.

[10] BBC, 'India cancels supply of "faulty" China rapid test kits', 28 April 2020, https://www.bbc.com/news/world-asia-india-52451455.

[11] Henry Farrell and Abraham Newman, 'Weaponized Interdependence: How Global Economic Networks shape State Coercion', *International Security,* Vol. 44, No. 1 (Summer 2019), pp. 42-79.

First, it is difficult to see the BRICS serving as a negotiating platform for its members, given the clear divergence of interests that the pandemic has reinforced. No amount of lip-service to multilateralism can overcome the risks, which this pandemic has brought to the fore, of over-reliance on supply chains that can be weaponised. This risk is even higher when dealing with competitors and rivals, and the China-India dyad is indeed one that had involved competition and rivalry for decades. Add to this the discontent expressed by Brazil and South Africa against China in recent weeks, and it is clear that the BRICS grouping is not the united front (e.g. towards the creation of a parallel world order, or even reform of the existing world order) that it was envisioned to be. This does not mean that the BRICS will disappear; it does mean, though, that its limited impact will weaken even further.

Second, thus far, debates on decoupling have focused primarily on the US and China. Yet the divisions that the pandemic has exposed within the BRICS create new opportunities for actors that do not wish to become collateral damage in a new cold war. For instance, working together with India and South Africa, the EU could chart a third way for like-minded players. Some of the BRICS countries could be valuable allies for the reform of multilateralism, a renegotiation of the bargain on globalization, and the refurbishment of a liberal world order.

How shall we then live? On global politics and living in a coronavirus age

Scott M. Thomas

      C.S. Lewis (1898-1963) was a British writer, lay theologian, and professor at Oxford and Cambridge universities. He wrote a forgotten essay, '*Living in the Atomic Age*', in the early, frightful days of rigid bipolarity (1948)[1]. He asked, 'How are we to live in an atomic age?' This essay quickly became irrelevant after the Cold War, but once the Covid-19 pandemic started, references to it suddenly began to appear on social media. The reason was the way Lewis replied to his own question, with an allusion to Defoe's *A Journal of the Plague Year* (1722), one of the books on the plague to achieve new notoriety in these difficult times: 'As you would have lived in the sixteenth century when the plague visited London almost every year or as you would have lived in the Viking Age when raiders from Scandinavia might land and cut your throat any night; or indeed, as you are already living in an age of cancer, an age of syphilis, an age of paralysis, an age of air raids, an age of railway accidents, an age of motor accidents'.

      'In other words', Lewis says, 'do not let us begin by exaggerating the novelty of our situation'. He similarly warned in some of his other writings against what he called the 'tyranny of the contemporary.' This is the first point to begin a reflection on world politics and the coronavirus era. The nuclear threat, he says, only 'added one more chance of premature death to a world already bristling with such chances in which death itself was not a chance at all, but a certainty'. This was the case when Lewis was writing, and today it remains true – for the poor and marginalised in developed countries (i.e. those with austerity budgets, and declining social welfare spending), and in developing countries (given levels of poverty, inequality, and inadequate social welfare infrastructure). Even before the global quarantine, 3.1 million children died from malnutrition each year, but this tragedy is not an event that makes the news, and if it does, it is easily ignored or forgotten.

      The spread of Covid-19 has meant fear, uncertainty, disorientation, and the possibility of a painful and premature death – *still* experienced as a part of everyday life by large swaths of humanity. The fear of premature death has now returned for the rich, and the middle class too, something which they expected modern medical science to have freed them of. In the West, there is profound shock – expressed almost with a sense of entitlement, 'things should not be this way' – but they are still this way in the global South. There, the near fatal mix of hunger, poverty, other diseases, and malnutrition – sometimes also mixed with gang violence or civil war – are likely to kill before the coronavirus.

      The Covid-19 pandemic has revealed the global consequences of the worst levels of poverty, inequality, malnutrition, and disease since Mark Twain and Charles Dudley Warner came to label a new era with the title of their novel, *The Gilded Age: A Tale of To-Day* (1873). The spread of the coronavirus is part of what now can be called the 'global Gilded Age', as one

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[1] C.S. Lewis, 'Living in the Atomic Age' (1948), in Walter Hooper, *Present Concerns: Essays by C.S. Lewis* (1986), pp. 73-80.

of the key contours of the twenty-first century[2], which intersects with other key global contours: the rise of the global South, global urbanisation, and the global middle class. This global middle class can increasingly travel globally and is one of the main sources of the quick spread of the coronavirus globally.

Covid-19 helps us to think again about the moral dilemmas and analytical predicaments of international relations. Martin Wight, a leading scholar of the English School of International Relations, also argued in the early years of the Cold War that we needed to get beyond 'the mean, narrow, provincial spirit', which is 'constantly assuring us that we are at the peak of human achievement', on 'the edge of unprecedented prosperity, or unparalleled danger or catastrophe'. Wight recognised that 'every generation is confronted by problems of the utmost subjective urgency, but any objective grading is probably impossible', but one gains perspective learning that 'the same moral predicaments and the same ideas have been explored before'.

Wight believed that the present has a past, and this can give the perspective needed to better understand the nature of moral dilemmas and analytical predicaments in international affairs. This is why he offers, even today, to scholars, students, commentators, and political activists, not theories or paradigms (so they can slot the latest current events into them), but traditions of international theory. Within each tradition of international theory, Wight identified basic assumptions on human nature, the nature of history and progress, the nature of law, war, and diplomacy, and the impact of culture and religion. The great advantage of the '*traditions* approach' is that it analyses how a variety of political actors, in the past and at present, have applied those ideas and principles to the specific analytical issues and moral dilemmas in the *lived* reality of their specific historic state-system.

Wight knew that the lived reality in the world is often painful, violent, bloody, messy, unclear, and complicated. He cautioned that 'the danger in ransacking the past for a clearer understanding of contemporary conflicts is to forget that the past, in its richness and indeterminacy, contains in equal measure clues to the conflicts that have not arisen and the rapprochements that will yet succeed'[3]. Wight felt that ransacking the past in a partial way could contribute to conflict rather than cooperation. Wight points us towards recognising the agency, reflexivity, and contingency in any international order: The Middle Ages, the Cold War, the Balkan Wars; and the coronavirus era is no different. It is still a world of *our* making.

This is why for Wight, understanding international relations was 'not a process of scientific analysis', but 'more akin to literary criticism'. The exercise involves assessing the actions and validity of the ethical principles of statesmen in each historic state-system (including contemporary international relations), developing a sensitive awareness of the intractability of all political situations, and the moral quandary of all statecraft. This is best obtained, Wight says, by reading history, the memoirs and biographies of politicians and statesmen, and reading political novels and great literature. What this historical and moral approach to studying international relations makes clear is why every age in history, and every historic state-system, including our contemporary international system, is insecure in its own way, with new sources, or reasons for fear, anxiety, and uncertainty, creating new moral dilemmas and analytical predicaments.

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[2] David Grusky and Tamar Kricheli-Katz (eds.), *The New Gilded Age: The Critical Inequality Debates of Our Time* (Stanford, 2012).

[3] Emphasis added. Martin Wight, review of Adda B. Bozeman, *Politics and Culture in International History* (Oxford, 1961), *International Affairs*, 38, 2 (1962): 228-229.

On a more positive note, this approach also offers new sources of change, new opportunities to create collectively a better reality, within the limits and possibilities of history, and to do this by creatively imagining a new future, a better reality, as the active dimension of hope[4]. This is what the Commission on a Just and Durable Peace (1943) did as it creatively imagined the post-war world, what became our liberal international order. The world does not stand still. The concrete history that we construct in our daily lives, in our societies, communities, and states, and collectively, as the international order, is never finished, never exhausts its possibilities. It is and ought to be open to new possibilities, to what had been the unthinkable.

Covid-19 can lead to greater awareness of the fragility of our increasingly globalising and interdependent international order. This may point towards a larger reality, i.e. the fragility of *any* type of international order. Michael Kremer, the Nobel Prize-winning economist, has famously argued that for many production processes it is the weakest link that matters. Pope Francis would like that idea. It almost sounds like a 'Franciscan' approach to economics. The lockdowns, quarantine rules, air travel limits, and border closures to slow the Covid-19 pandemic threaten to hit food security and food production. The way we live now, in industrial and post-industrial societies, has moved us away from communities that feed themselves to ones that are fed by a variety of increasingly external supply chains, which extend from developing countries to developed ones.

This is now creating different, but mutually constitutive fears and vulnerabilities regarding adequate protective equipment for workers in developing countries, local food security problems, and food security concerns in developed regions. Moreover, the lives and survival of street venders in cities and megacities across the developing world, and even in developed countries, depend on social life, often in states with limited social welfare infrastructure. Furthermore, the homeless have no home to go to in order to comply with quarantine regulations. These stories, and many others like them, are now global stories. Some news reports[5] point to how a real threat to daily living in the West is now posed by the spread of the coronavirus as well as by the precarious nature of everyday life of the poor in poor countries and even emerging market countries, and not just by refugees and migrants from failed states or civil wars.

All kinds of things happen in the world, but not all of them are '*events*.' What are called 'events' are *always* socially, politically, and religiously, or even economically, constructed (and history shows these were not always separate categories) for some specific purpose and interest to elucidate the significance for their time. It was true in the past, in every historic state-system, and it is true in our time, regarding events in contemporary international relations. This is why street venders, the homeless, and many other humans and living creatures who were almost 'invisible' are now visible when they are put into holistic and integrative narratives of global security, global health, and global development.

There is something almost *apocalyptic* in the Covid-19 pandemic if we use the concept in its original meaning as an 'unveiling', 'uncovering', or 'disclosure' of the true reality of a

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[4] Jorge Mario Bergoglio/Pope Francis, 'Being Creative for an Active Hope', in *Education for Choosing Life: Proposals for Difficult Times* (Spanish 2005; English, Ignatius Press, 2014).
[5] Not all tinged with racism, or ethnocentrism, reminiscent of Robert Kaplan's article 'The Coming Anarchy' in the 1990s.

given event or set of events[6]. Perhaps what is being disclosed through the tremendous pain, death, and suffering of the Covid-19 pandemic is in the first instance a radical social ontology of international relations. This involves the way all humans, natural creatures, and all creation, are related and interconnected, and in some way shape international relations in a globalizing and interdependent world. In the second instance, what is also being disclosed is a renewed sense of our mutually constituted security, fragility, and vulnerability. These two realisations may make many scholars uncomfortable.

Each of us, every day, live out a theory of international relations by the way we live our lives – our food, clothing, consumer lifestyle, transportation. This is not new, even if the globalising reality of this is now greater than when Martin Luther King preached on this topic's relation to world peace in his 1967 Christmas Eve sermon, half a century ago. He declared that we in the West are dependent through international trade on most of the world by the time we have finished in the bathroom and had breakfast, and there would never be peace on earth until we all recognised this interrelated and interdependent reality of the world. Today we seem to be more aware of the impact of our lifestyles on climate change, even and foremost as we battle the coronavirus[7]. This was true about the nature of international relations before the coronavirus. Like with past plagues, diseases, and pandemics, it will remain true in the international relations of the 21st century.

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[6] If that sounds strange, one has to remember that these concepts emerged in the biblical literature as a way of understanding the crises of states, empires, politics, security, and international relations.
[7] Jonathan Safran Foer, *We Are the Weather: Saving the Planet Begins at Breakfast* (2019).

Covid-19, geopolitics and the new balance of power

Jesús R. Argumosa Pila

> *Whoever prepares wisely to face the enemy that does not yet exist will be victorious. To use his rusticity as a pretext and not to foresee is the greatest of all crimes; to be ready outside of all contingencies is the best of virtues.*
>
> *This is one of the five conditions for victory.*
>
> *Sun Tzu. 6th Century B.C.*

The current global geopolitical situation is going through a marked lack of leadership. Two great powers, the United States and China, together with other second tier powers, are competing in the geostrategic field to achieve the maximum level of power and influence either regionally or internationally. Besides that, there has been a strategic pause since the fall of the Soviet Union, at the beginning of the last decade of the last century. It is within the framework of this world disorder that Covid-19 has appeared with tremendous mortality, calling into question the international inter-state architecture. Today, the international community feels defenceless, while perceiving a sense of threat and imminent danger before which it lacks the appropriate instruments or antidotes to overcome them.

We are experiencing a situation very similar to that at the end of the Second World War. After the appalling destruction in terms of human and material losses, all European countries began to design plans and programmes for the reconstruction of the old continent, largely through the resources of the Marshall Plan, in order to ensure that European society would have the well-being, dignity and prosperity that it deserved. In today's circumstances, this effort should be global in scope.

On the European side, it is true that the European Union has suffered a crisis of inaction, allowing individual, often uncoordinated reactions from each Member State, which is proof of the lack of union and internal cohesion. However, instead of withdrawing, the European Parliament is calling for the multilateral institutions to play a leading role. The European Parliament has urged the United Nations system, the World Health Organisation (WHO) and the World Trade Organisation (WTO) to undertake reforms in order to establish a catalogue of essential health emergency products, to ease their trading and curb the speculation generated by high demand.

On the other hand, the United States has increasingly remained on the sidelines with the slogan 'America first' and the EU has sinned of passivity. In the meanwhile, China is trying to embody the values that the West has historically proclaimed and championed, such as peace,

solidarity and cooperation. This position is not simply altruism but, above all, it represents Beijing's will to achieve world hegemony by occupying the great vacuum left by the United States.

Despite numerous warnings, Covid-19 has taken almost all countries and their international organisations by surprise. In several national security strategy documents of many countries, in the last five years, epidemics, pandemics and natural outbreaks of viruses have appeared as threats to security and stability, pointing out several measures of defence from these threats. This is the case of Spain, with its 2017 National Security Strategy, or the United States, which has even designed National Biosecurity Strategy. However, no country has taken the fight against the aforementioned pandemics seriously, and so has not adopted the necessary preventive measures to face their terrifying lethality, failing to establish the appropriate procedures and efficient instruments. The entire system of international institutions and organisations, from the UN to the International Monetary Fund, the World Bank, the European Union, the African Union, the Organization of American States, or the different G formations such as the G5, G7, G8 or G20, has distinguished itself for its absence or irrelevance in the fight against Covid-19.

Confidence at all levels is another major absence in these first years of the 21st century, including in the Covid-19 pandemic. Society needs to have confidence in scientists, authorities and regional and international cooperation, which is not the case in this era. It is therefore necessary to have a world leadership capable of inspiring confidence and boosting solidarity while knowing how to drive, organise and coordinate an integrated global response. Yet now is not the moment for investigating the mistakes or failures of governments, then and now, but for combating the invisible, hidden and silent enemy that knows no borders. There will be time to make the appropriate criticisms once the coronavirus is defeated. Still, we can begin to reflect on the changes to come and possible remedies and improvements to the international architecture.

The international role of the United States seems to be in decline. Since the end of World War II and until the war in Georgia in 2008, most solutions to the crises, epidemics, conflicts and wars has been carried out under the leadership of the United States and the participation of various European countries with the main contingents and aid. Other countries in the rest of the world would follow later with additional personnel and resources. The direction of the provision of aid and support usually went from the United States and Europe to Africa and Asia. In other words, support and assistance went from West to East. At present, the direction of international support and aid is changing. Very probably, it is going from East to West. The flow of personnel and material from China and Vietnam to the EU and, particularly, to countries such as Italy and Spain epitomises this trend well.

The configuration of world geopolitics after Covid-19 could be very different from what we have had previously. Very likely, multipolarity will be the new geopolitical setting, resulting in a new balance of power. In this new context, several powers will coexist and compete, and national sovereignty will be a centrepiece of the new framework, along with basic common rules adopted by the international community and universally accepted. In this model, a new world order will emerge where the state once again will play a leading role, accompanied by multilateral institutions. A new international security and defence architecture has to be established, including a comprehensive global strategy where all the resources and instruments

available to the world community are used to successfully respond to the transformations and multifaceted changes that are taking place at present and in the near future.

There is no doubt that the design of this new order, if it is to have real credibility, must invariably have a threefold structure: political, economic and security. This would allow such a new order to effectively face the challenges and threats that may call into question the universal principles and values upon which the international community must be based. Its main features should be solidarity, trust and international cooperation.

At the geopolitical level, we are in a period of transition, which began in the second decade of the twenty-first century. The world is moving from unipolarity to bipolarity or to multipolarity, which is likely going to crystallise during this first third of the century. The new geopolitical model of dual bipolarity will have two great poles competing with each other. Each pole represents a different typology of power and ideals. The democratic Trans-Atlantic pole, made up of the United States and the European Union, which is based on the currently weakened transatlantic link; and the authoritarian Eurasian pole, made up of China and Russia, supported by the Eurasian partnership, whose influence is growing ever stronger. It is the contemporary re-edition of the balance of power, which will accompany us throughout the first third of the 21st century.

Some of the most important changes that will take place in the world post-Covid-19 can be outlined as follows. Firstly, acceleration of the world reordering within the framework of dual bipolarity. Secondly, increase in synergy and harmony between the state, which is in full recovery, and the multinational institutions and organisations. Thirdly, possible geostrategic movement of the Eurasian pole against the interests of the Trans-Atlantic pole. Fourthly, worsening of the current process of loss of Western leadership.

New measures ought to be taken to make the renewed world order work. Firstly, since human life is the priority, scientists and experts must develop new techniques and technologies suitable for resisting infections, providing vaccines for both urban and rural populations. In this field, information and isolation are vital. The establishment of efficient health systems throughout the world, especially in Africa, must accompany them.

Secondly, it is necessary to harmonise the interests of the two geopolitical poles, the Trans-Atlantic and the Eurasian, which underpin the two most powerful geostrategic forces on the planet. The objective should be the establishment of a single and shared leadership promoted by the two poles at the global level, under the umbrella of the United Nations, and accompanied by other powers. This should be a suitable solution to face both the current threat, Covid-19, and those of the near future, responding to common global interests, as was done with terrorism. In this line, it is necessary to constitute the necessary mechanisms for the coordination of the Armed and Security Forces and Corps, judicial officials and public health authorities of the different countries in order to provide an effective response to attacks caused by infectious agents.

Thirdly, the recovery of the economy and the corresponding financing is indispensable. To this end, it is essential to design an Economic and Financial Plan for Global Reconstruction. All major international financial institutions (the International Monetary Fund, the World Bank, the European Central Bank, the European Bank for Reconstruction and Development, the Asian Investment and Infrastructure Bank, the New Development Bank of the BRICS countries, as

well as the Inter-American Development Bank and the Latin American Development Bank, and the G7 and/or G20 Groups, among others) should participate in a joint and coordinated effort.

Fourthly, it is essential to proceed to a reform of the United Nations security system, in which the great powers and secondary powers are integrated into the Security Council, holding the geopolitical weight that corresponds to them.

In order to make this world order as cohesive as possible, key shared objectives must be established. Many of these are already indicated in the United Nations Charter. They range from achieving peace and stability in all regions of the world to establishing a minimum common denominator of ethics and a morality that is fully accepted by the international community, guaranteeing justice and human rights and promoting social and economic development to achieve the greatest prosperity for global society. The great challenge will be not only to achieve consensus on this catalogue but also to achieve consensus on the meaning and implementation of each of these elements.

In short, it is likely that in the present and foreseeable post-Covid-19 global chessboard, the new geopolitical order would initially be favourable to the Eurasian pole. However, the same scenario may offer an opportunity for the Trans-Atlantic pole to re-launch itself, joining forces, becoming more cohesive and avoiding further discrepancies. Spengler's pessimistic view of the West from a century ago must be overcome. To this end, the Trans-Atlantic link must be strengthened as soon as possible. This is a major challenge and the 2020 presidential elections in the United States are a defining crossroads.

Chapter 9

Covid-19 and the digitalisation of diplomacy
Lecture delivered on the 15th anniversary of the 2020 Covid-19 outbreak

Shaun Riordan

Welcome to the ninth in our series of lectures marking the 15th anniversary of the 2020 Covid-19 outbreak. Today we will focus on the impact that Covid-19 had on the practice of diplomacy. I see that 80% of the students are already logged on. We will not be using Virtual Reality projections today, so you do not need to wear headsets. But do remember that you need to be actively engaged with the lecture for 90% of its duration to secure credits. The algorithms will notice if you doze, or slope, off.

This lecture will focus on the impact that Covid-19 had on the practice of diplomacy. I will not explicitly tackle the impact the virus had on geopolitics, but the geopolitical context did, of course, impact on the diplomacy that sought to manage it. So I will mention it.

I will try to make three arguments. Firstly, in areas other than diplomacy, the main effect of Covid-19 was as a catalyst. It accelerated, in some cases dramatically, tendencies that were already in existence. Secondly, Covid-19 forced diplomacy to confront the conflict between international agendas, which it had largely ignored. Thirdly, it led to a profound digitalisation of diplomacy, rather than the odd tweeting ambassador before the crisis.

Covid-19 accelerated existing trends in geopolitics, although not necessarily along straight paths. The US was already stepping back from global leadership before the crisis. Pushback against China's aggressive foreign policies was already growing in Europe, with suspicion about the political influence Chinese economic investment brought. It spread to Africa and Central Asia. China, itself weakened by the virus, found its path to becoming a superpower more complicated, even as it was called on to play a greater role in global governance. I am even more reluctant to venture into the field of economics, but there are good arguments that the virus forced us to accept that the global economic and financial system was broken, and had been broken for many years.

In diplomacy too, Covid-19 forced us to focus on existing trends and problems. For many years, scholars of diplomacy had discussed the potential conflict between different international agendas. Yet no one had drawn the necessary conclusions for practice. The *New International Security Agenda* emerged at the end of the 20th century, but most strongly after the terrorist attacks on the US in 2001 when it was felt necessary to bring international terrorism within the remit of international security. Rather than focusing on the security and stability of the state within the international system, the new agenda centred on the security and economic welfare of the individual within the state. It undoubtedly allowed terrorism to be included within international security, but it also allowed a whole series of other issues to be reframed as international security issues, including climate change, environmental degradation, and…pandemic disease.

Lest anyone still doubts that pandemics are an international security issue, and in a very hard sense of security, let them reflect on the historical impact of pandemic diseases on military operations. The plague in Athens critically undermined the city-state's capacities in the Peloponnesian War against Sparta. Mongol warriors hurled the bodies of those who had died of the Black Death into besieged cities as an early form of biological warfare. The 1918 so-called Spanish Flu killed upward of 50 million people worldwide and undermined the fighting abilities of all armies (indeed, General Ludendorff[1] even blamed it for the failure of his Spring Offensive, although he always looked for something to blame apart from himself).

Over the first 10 years of the new millennium, the *New International Security Agenda* appeared to take priority over other foreign policy agendas. Foreign Ministries, particularly within the European Union, were reconfigured to deal with these global issues, which it was recognised could be dealt with only through international collaboration. The international focus was on climate change and, following the SARS, MERS, Ebola and Bird Flu outbreaks, on pandemic disease. Yet later on more traditional geopolitical agendas based on balance of power and zones of influence made a comeback. Russia invaded Georgia and seized Crimea. China sought to expand its sovereignty in the South China Sea. Iran and Saudi Arabia fought a proxy war for regional hegemony in the Middle East. Geopolitical agendas seemed to represent a more urgent threat to international peace and stability. They distracted attention away from the global issues and undermined the international collaboration on which their management depended[2].

This conflict between the *New International Security Agenda* and more traditional geopolitical agendas reached its height with Covid-19. The pandemic was played out against a background of growing US-China tensions. The pandemic was accompanied by an '*infodemic*', in which both sides used social media to attack the other. The pandemic, and China's responsibility for it, was seized on in western countries to undermine China's influence and curb its rise as a global power. China similarly made use of '*mask diplomacy*', shipping medical supplies around the world to restore that influence. In the mutual blame game that followed the virus, and in the use of the virus as a weapon to change the geopolitical balance, any chance of identifying the true origins of Covid-19 was all but lost. The genesis of the virus became a geopolitical, rather than scientific, issue.

Oddly, it was the other major impact of the virus on the practice of diplomacy which helped find a way out of the impasse: The accelerated digitalisation of diplomacy. Diplomats made use of digital technologies before the crisis, but in a rather amateur and half-hearted way. For most diplomats it did not get beyond the odd Tweet or posting on Facebook. Covid-19 changed all that. Suddenly the risk of contagion meant that diplomats and statesmen could not meet face to face. Summits and conferences had to be held by videoconferencing. Commercial programmes like Zoom were found to be insecure. But more secure government systems were often clunky and made fluid discussion difficult. Diplomats bemoaned that messaging services like WhatsApp were no substitute for discreet huddles in the corridors on which so much diplomacy was built. Many were convinced of the limits to the digitalisation of diplomacy, and waited confidently for the return of normality.

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[1] Erich Friedrich Wilhelm Ludendorff was a German general and military theorist. He first achieved fame during World War I for his central role in the German Army's initial victories. His great strategic failure was Germany's great Spring Offensive in 1918.

[2] Interestingly there was a similar conflict of agendas in cyberspace, where cybersecurity issues like cyberespionage and disinformation campaigns distracted attention away from internet governance issues.

That confidence was misplaced. It soon became clear that Covid-19 was not a one off event, and that the risk of viral epidemics, including influenzas as well as coronaviruses, would be a constant feature of 21st century life. Just as supply chains would have to be shortened and production repatriated, so much diplomacy would have to remain at a distance. This forced a new focus on the digitalisation of diplomacy, in two senses: firstly the adaptation of diplomacy so that it could operate more effectively through digital means, and secondly the adaptation of digital technologies to the specific needs of diplomats. Many of the problems diplomats had encountered before the virus resulted from adopting off-the-shelf technologies designed for other purposes.

Let us take the example of social media platforms. It should be of no surprise that technologies designed to monetise their users' data should prove more effective in spreading disinformation than supporting public diplomacy. As more effective platforms were developed for hosting online summits and conferences, diplomats became more accustomed to using messaging applications for the '*in the corridors*' conversations. They became more adept at online networking, using social media platforms not so much as ways of spreading information but as a way of engaging with a broad range of relevant state and non-state actors. Network centrality, the relative importance of a diplomat as a hub in digital political and social networks, became the criterion of success for the new ambassador.

This greater digitalisation of diplomacy led to greater innovation still. As the technology behind online conferences improved, discussion began about other online activities that could support diplomacy. Online scenario building exercises were introduced into conflict zones, allowing state and non-state actors from a broad range of political and social backgrounds to discuss not the conflict itself, but what the conflict zone might look like in the future. As a generation who had grown up playing computer games rose up the political ladder, foreign ministries increasingly used computer simulations to '*game out*' strategic and foreign policy decisions. Big data analytics were built into these '*foreign policy games*' allowing ministers and officials to play out different policies before taking key decisions. It is arguable that this gaming approach to policy analysis, by stressing the greater threats to national security from global issues such as climate change, migration and pandemic disease, helped re-balance the focus away from geopolitical obsessions. Although, as we know to our cost, this took some time.

At this point pandemic disease re-engaged with diplomacy in a way that drove forward the digitalisation of both. The key to managing infectious diseases was early identification and then effective tracing of the infected. Even before the outbreak of Covid-19, effective digital approaches to early warning and contact tracing had been developed. These centred increasingly on big data analytics, scraping data from mobile phones, search engines and social media to identify patterns that corresponded to the beginning and spread of infectious diseases. Prior to 2020, these raised serious questions of privacy and protection of data in western societies. After the Covid-19 experience, publics were, understandably, more relaxed about the use of their data if it increased their protection against disease. Yet the problem remained about how to internationalise these techniques. They were of little value at a national or even regional level. The data needed to be collected, analysed and integrated into policy decisions at a global level.

This became the challenge for diplomacy. It was not easy. Countries were not only unwilling to allow intrusive data collection of their citizens by others, but were also reluctant to entrust the data they collected themselves to foreign governments. Technology conflicts, and in particular conflicts over whose companies would set international industrial standards for new technologies, complicated the task. Existing international organisations were broken or mistrusted. Nevertheless, slowly diplomats, working together with non-state actors and civil society, began building platforms that allowed the interchange of data in neutral and trusted contexts. It was painstaking work, in which diplomacy was always key, but governmental diplomats were not always the protagonists. Blockchain technologies helped in establishing credibility and transparency in the process. It was a bottom-up rather than top-down process. Eventually the global pandemic platforms for identifying and tracking infectious diseases were created.

It is not just that diplomacy and diplomats played a leading role, if not always the leading role, in building these platforms. The process fundamentally changed diplomatic practice, and led to changes in the way that diplomacy approached issues like climate change, the construction of norms of behaviour in cyberspace or the regulation of Lethal Autonomous Weapon Systems (LAWS) – the so-called killer robots. In a sense, Covid-19 changed both diplomacy and the digital tools that diplomats use. The digitalisation of diplomacy was accelerated, and yet the core of diplomacy remained, even if now it had to be expressed through digital channels.

Well, that brings this lecture to an end. I see from my screen that 76% of you remain actively engaged, which I suppose I can claim a success! We will now begin the Q&A. Do not forget that the platform will only allow you to speak when your microphone turns to green…

Chapter 10

The subjects of Public International Law and Covid-19

Adriano Spedaletti

Introduction

At a time when the world was already experiencing an embryonic 'dynamic of disintegration', fuelled by the emergence – and poor management – of complex global problems, the alarming health emergency brought about by Covid-19 made its entry onto the world stage. The virus quickly came to posit the reconfiguration of structures and rules all over the planet. Emergencies such as the one we are experiencing force the international community to ask itself several questions. Are states reconfiguring themselves, or are they simply confirming old formulas? What role are they playing, and what tools do international and integration organisations have? How can the world adapt its legal framework to manage global crises better?

The new health scourge has exposed governments, international organisations and integration blocs. Extraordinary events are an opportunity to rethink systems and their results. The history of humanity has shown us that after chaos, in general, the pieces fit together. Therefore, it is possible that a new world order is going to emerge. For now, we are experiencing a 'world disorder'. The truth is that it is imprudent to predict what will come, but it is interesting to begin to analyse the phenomena that are taking place and on that basis undertake an exercise in perspectives, an appropriate term, since in its Latin etymology perspective is 'to look through something'.

The new, old states

International Law is a discipline that is intimately related to history and the circumstances that the world is going through. International society is dynamic, and as such is constantly changing. An extraordinary event such as a pandemic is capable of mobilising rules, at the same level that the Second World War was able to mobilise them and change the international legal order. It was after World War II that the state monopoly as an international subject was broken. The state was still, and still is, the most important subject of International Law, but from that moment on it was no longer the only one: International organisations with legal personality appeared on the map. These organisations obtained their competences and capacity to act through treaties, always in accordance with the principle of speciality. This change broke the international mould, placing other subjects with a capacity for action, albeit more limited, beside the states.

It is appropriate to analyse how these subjects of International Law are acting today before health emergencies. The states are giving us signals. There are governments that close borders, there are those that dictate mandatory quarantines, there are those that for their quarantines appeal to citizen responsibility, there are those that stop the economy completely,

others prefer to keep it active, and there are others that resort to 'big data'. This last point is very interesting. The Asian states are at the forefront of deepening the use of data as a tool for the prevention and control of the virus. Nothing new under the sun. The key is how data protection is understood, the so-called privacy sphere.

Asian states have a top-down mentality, which comes from their cultural tradition (Confucianism). Critical awareness of digital surveillance is virtually non-existent in Asia, as Byung-Chul Han points out. There is hardly any talk of data protection anymore. Even in liberal states like Japan and South Korea, there is an unrestricted exchange of data between internet and mobile phone providers and the authorities. Surveillance through technology does not surprise those who are used to being watched. Despite the deep cultural roots, the hard arm of the gendarme is also sanctioning those who seek to deviate from the path marked out by the state. In the West, the debate between freedom and security is increasing; security in the present case is embodied in salubrity. The states, facing the situation of panic, show themselves as a refuge for the citizens. However, this 'refuge' could bring with it a very high price in terms of liberties.

With regard to the European states, we see unilateral measures such as border closures, restrictions on movement and, in some cases, an alarming concentration of power by the executive powers, protected by the EU's scant coordinated strategy. These elements feed those who yearn for the models of the old, authoritarian nation-states. Faced with this situation, two options are presented: one, that rationality prevails, through the law and the division of powers, respecting internal and European order; or two, that the muscles of the Leviathan regain strength and some states accept the taste of control without controls, get used to governing as if everything were a state of exception. The state of exception would then be understood as a daily practice of the exercise of power. What we see in Europe is not new: Either the formula of 'more Europe' gains ground again or the power of the nation-states will be deepened, with the risks that this entails.

The picture in Latin America is not very different. There is no coordination by regional organisations, but unilateral strategies by each state, which indicates that in Latin America the states are the subjects of international law that make the decisions, something that has never ceased to be the case. In general, the situation on the continent is characterised by closed borders, obligatory quarantines, and paralysed economies. Faced with this situation, most Latin American states will probably opt for a 'cooperation strategy out of survival instinct', out of necessity, because they simply will not have many alternatives from an economic point of view. However, this does not mean that discussions will take place within the framework of regional processes, for the sole reason that the region's leaders do not see it as a priority in this area.

On the other hand, the prevailing intergovernmental systems do not provide tools for action to the various Latin American integration blocs either, so that no fruits can be expected from invertebrate organisations. If the legal parameters are not changed in the face of the pandemic, Latin American regional organisations may simply function as discussion forums, giving the last word, as they have done so far, to the states, since nothing discussed at the regional level is binding. The risk will be another old acquaintance in the region, that some leaders intoxicated by the concentration of power will confuse authority with authoritarianism, neglecting the republic and the law.

The European Union put to the test

The European Union is a dynamic process. Each new (global) problem, such as the current health emergency, poses new challenges and debates. The EU struggles to manage most of the current challenges, Covid-19, migration, because of what the European Union is not, not because of what it is. That means because of its lack of competences, which its member states did not attribute to it. Covid-19 will force the 27 members to put their cards on the table. Perhaps this is not the time to discuss new treaties, institutions, or other bureaucratic aspects. It is instead the time to re-discuss and reassert values. If *supranationality* and *sovereignty* are discussed at this time, domestic policy will likely find a way to evade responsibility, as it has done to this day.

It then becomes necessary to act jointly using the existing legislation. By way of example, the *solidarity clause* states that if a Member State is the victim of a natural or man-made disaster, at the request of its political authorities, the other Member States will assist it. This is the moment when solidarity, freedom, democracy, cooperation and other core values will be put to the test. The great global challenges are causing increasing wear and tear on the bowels of the EU institutions. It is time to bring back to life the great teachings of the founding fathers. As Jean Monnet preached, Europe will be forged in crisis and will be the sum of the solutions adopted for those crises. One should not lose sight of the fact that these common values put a stop to long years of atrocities, where cruelty and lack of common sense characterised the continent. The dark past and uncertain future should be reason enough to convince us that it is noble to continue to fight for these values.

An Antarctic model to confront Covid-19

Signed in December 1959, the Antarctic Treaty not only suspended the controversies on sovereignty claims on the continent, but it has worked harmoniously until today in terms of international cooperation. Scientific cooperation has been taking place through exchange of information, observations, and results, which are freely available, as established in Article 3 of the treaty. Still, the most important thing is that this treaty legally recognizes the concept of '*humanity*', a concept that refers in its content to '*solidarity*'. Humanity is understood as recognition of rights common to all human beings. The virus does not distinguish between races, classes, religions, nor does the concept of humanity.

Considering this rich background, coupled with the help of technological advances, in the context of the health threat facing humanity as a whole, what better historical opportunity to launch an Antarctic-style treaty of universal scope to combat the global emergency. Today, there is an interesting but not completely uniform practice of scientific data exchange between states in the wake of the virus. This exchange of experience implies a tacit recognition by states, which admit through customary practices that they have a legal and ethical obligation. The new treaty would then set out in an orderly manner the circuits and modalities of cooperation. It would also give a degree of certainty to the exchange, since there is a high level of mistrust between states today. The challenge will be to reach an agreement worthy of a globalised international society, which will overcome the dogma of the fictitious legal equality preached by the United Nations, where an unequal distribution of rights and duties dominates, as easily exemplified by the right of veto of five members. The states will then have the opportunity,

even if circumscribed in specific areas, to generate a great revolution, hoping that cooperation will triumph over confrontation.

Final reflections

The values and principles of humanity are being put to the test. The uncertainty and fear brought about by the virus generate greater solidarity, but also more discrimination and tension, both within and among states. States have regained ground on the international chessboard. However, a new paradox has emerged. On the one hand, populisms have been exposed, being the ones who have managed the health crisis the worst. On the other hand, those same populisms can also be revitalised with the fuel of the population's panic, since there is nothing better than the epic tale of the battle against the microscopic enemy to justify the concentration of power and decision making without any kind of control.

The saying goes that extraordinary circumstances require extraordinary men. Today, few leaders fit such a premise. Therefore, the international community, the scientific community and various social actors will have a prominent place. It will be important to channel the actions of these various actors into a universal legal framework, which will establish certain guidelines for action, in order to ensure cooperation between states based on a common frame of reference. Disaster can be coped with by greater interaction among states within a peaceful framework. Science and technology should be at the service of life; this must never be forgotten. It is now the time to rethink blocs of integration and organisations of all kinds. From this reflection, the possible reconfiguration of the concept of sovereignty emerges strongly. Globalisation will suffer attacks. In spite of this, it will fight to remain in force, and the citizens themselves will understand that it will be globalisation itself which, through interconnection, cooperation, and, why not, a universal legal framework of common reference, will provide the world with the treatment or vaccine that will put an end to the great pandemic.

Chapter 11

The need for a new governance in health: The role of the World Health Organization

Diego Bernardini

The crisis of the coronavirus has the typical pace of global phenomena, fast and widespread. Covid-19 has confronted the world with a situation that began as a health crisis, and then became a social one, and which threatens to have a large economic impact, especially in less developed countries. No country has considered or planned a catastrophe scenario in spite of the fact that it had long been predicted, at least since the outbreak of SARS in 2003. This situation brought under public scrutiny the value of leadership in the political sphere, from country presidents and prime ministers to global governance agencies and institutions, especially the World Health Organization (WHO) for obvious reasons. The objective of this reflection is to analyse what happened in the global health governance arena during the development of the Covid-19 pandemic until the beginning of May 2020, and to make some considerations for the medium-term future.

The World Health Organization under scrutiny

It is nothing new that the WHO, the specialized agency of the United Nations in health, is under scrutiny due to both lack of vision and increasing loss of prestige. Both are due at least in part, to conflicts of interest that are not only perceived but also real. In the midst of this credibility crisis, the Covid-19 pandemic hit the world. Precisely at this time, and even more important because of its very timing, with an unprecedented action and outburst, President Donald Trump suspended US payments and contributions to the agency, thus putting the WHO back in the spotlight. However, to understand why such tension was reached, it is necessary to understand the architecture of global health today. The WHO is no longer the hegemonic agency it once was upon its inception in 1948, and its meagre funding now threatens its operations and programs, leading to its loss of technical capacity.

In today's international arena, many actors are active in the field of health. There are national institutions such as the US Centre for Disease Control and Prevention or the Chinese Centre for Disease Control and Prevention. There are specialized public agencies such as the Global Fund to Fight Tuberculosis, Malaria and AIDS of the UN, or the public-private Vaccine Alliance GAVI. There are other privately funded agencies such as the Bill and Melinda Gates Foundation, sub-regional governmental institutions such as the Caribbean Public Health Agency (CARPHA), or the traditional regional and multilateral organizations such as the Andean Development Bank (CAF) or the World Bank. All of them have their own health specialists. Most of them have faster administrative procedures and decision-making timeframes and, most importantly, almost all of them have better financing than the WHO.

The WHO's funding problems are chronic, decades-long and stem from its mandates, but also from its lack of vision and strategic positioning. The Organization has, broadly speaking, mixed funding. On the one hand, each of the 194 Member States pays an agreed annual contribution. On the other hand, the rest of the budget comes from so-called voluntary contributions. This was the case with the large donation from the Gates Foundation a few years ago that made world news. What was not discussed at the time was that this contribution, like most voluntary contributions, is conditional on being used where the donor indicates, in this case Africa. The problem is that the proportion of this type of funding has been increasing since 1988 in relation to country quotas. During the period 2017 - 2018 it was 80% of the WHO's total budget, which in that year was US$ 2.2 billion. This budget is equivalent to 30% of the annual budget of the US Centre for Disease Control and Prevention, 4% of the annual profits of a pharmaceutical company like Pfizer, or 10% of what the pharmaceutical industry spends on advertising. The imbalance in how the WHO is funded[1] is so significant that the Gates Foundation contributes about 10% of its budget and the United States 15%. Contrary to what one might think, the WHO received more money from the Trump administration than from President Obama's according to Forbes[2].

Another relevant aspect is the limited technical capacity of the WHO. Firstly, because it cannot afford to pay the best technical staff who find better horizons and higher salaries in other agencies, bodies or the private sector. Secondly, and perhaps more importantly, it is because the already limited operational capacity must be harmonized with the political mandate given by its Member States, where global health diplomacy takes away from the weight and decision making of more instrumental health activities. The above reasons have undoubtedly contributed to undermine the WHO's reputation, but some mistakes dependent on the organization's leadership and its choices were perhaps more decisive in reaching the current situation.

The last election of the Director-General, which gave Dr. Tedros his current position, was a struggle between the international establishment that promoted the Englishman David Nabarro supported by the Western countries, and Dr. Tedros who emerged as the first Director-General from Africa and who was supported by many of the small countries of the world. In the United Nations the principle of 'one country, one vote' favoured broad consensus and crowned Dr. Tedros of Ethiopia as the current Director-General, which reminded the most powerful countries that the balance often tips to the unsuspected side if the weakest get organized.

So at first glance, one could assume that Dr. Tedros's management would be under the magnifying glass and scrutinised in detail. In fact, shortly after his election, some complaints about his past management in Ethiopia as Minister began to circulate, although they were gradually silenced. Yet this did not prevent Dr. Tedros's political capital from beginning to evaporate. It was during a regional meeting in Montevideo, Uruguay, that the former Zimbabwean dictator, Robert Mugabe, was appointed WHO Global Ambassador for Africa.

[1] Reddy, S., Mazhar, S. & Lencucha, R. (2018), 'The financial sustainability of the World Health Organization and the political economy of global health governance: a review of funding proposals', *Global Health*, 14, 119. Online: https://doi.org/10.1186/s12992-018-0436-8.

[2] Andrzejewski A. (2020), '$3.5 Billion Has Flowed From U.S. Taxpayers to the World Health Organization since 2010', *Forbes Magazine*, 20 April 2020. Last accessed: 26 April 2020. Online: https://www.forbes.com/sites/adamandrzejewski/2020/04/14/35-billion-has-flowed-from-us-taxpayers-to-the-world-health-organization-since-2010/#3bf86d0e7241.

Does the WHO have an intelligence unit that should have prevented this act that forced an international apology and a reversal of the decision?

Intelligence is a property that does not only concern people; it is also or should be an attribute of institutions, especially those of global relevance. Institutional intelligence allows, among other things, to anticipate scenarios. These basic principles, but not for that reason universal, should be reason for reflection on the WHO. In public health, for many people these are disconcerting times, particularly because a large part of public health does not precisely go through the health field. The weight is falling more and more on global health diplomacy, which conditions the design and implementation of multilateral and national health programs worldwide.

There have also been '*unforced errors*' in the management of the WHO. During 2019, relations between the WHO and the McKinsey consultancy company were made public[3]. In addition to McKinsey, the WHO confirmed that it had worked with five other consulting firms during its restructuring: BCG, Deloitte, Preva Group, Seek Development and, most recently, Delivery Associates, which has a multi-year contract worth $3.85 million. The Gates Foundation paid for most of this. It was also striking that the meeting of Dr. Tedros with the Chinese leader Xi Jinping on January 28, 2020, was too condescending in the eyes of the world. This did not remain unnoticed in Washington DC, when accusations against the WHO of an excessive proclivity towards China were already circulating, including by Nobel Laureate Ai Weiwei who had launched a petition asking for Dr. Tedros's resignation.

At that time, different media were already circulating news about the WHO refusal to listen to the alarm sent by the Taiwanese Premier, Tsai Ing-Wen as early as December 2019, who warned about human-to-human transmission of the new coronavirus[4]. Moreover, the delay in the WHO's Declaration of Global Emergency on January 23rd 2020 made it easier for the number of people infected to increase more than tenfold in the following five days. President Trump is not lacking in reasons, especially in an electoral year where his advisors, the governors, or public opinion itself opens every day more internal fronts. The way President Donald Trump acts and communicates can be brutal, but let us agree that, in this case at least, he did not lack reasons.

In the face of this situation, a worldwide mobilization began, which not only sought to give support to the current Director General of the Organization, but also to guarantee its operations. Thus, the Gates Foundation and countries such as China and Ireland committed to make extra donations or increase their contribution quota, at the same time as the voices of global rejection, but mainly from the G-7 leaders, condemned the decision of the United States while expressing their full support for the WHO. However, the damage was already done and questions about the true role that the WHO should play began to be debated.

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[3] Belluz J. Buissonniere M. (2019), 'How McKinsey infiltrated the world of global public health', *Vox*, 13 December 2019. Last accessed: 26 April 2020. Online: https://www.vox.com/science-and-health/2019/12/13/21004456/bill-gates-mckinsey-global-public-health-bcg.
[4] Franck Chen, 'WHO "refused to act" on Taiwan's virus alert', *Asia Times*, 27 March 2020. Last accessed 14 May 2020. Online: https://asiatimes.com/2020/03/who-refused-to-act-on-taiwans-virus-alert/.

Towards a new order in global health

The first thing that needs to be rethought is that since the Covid-19 pandemic there is no longer a clear difference between animal health and human health. Health is only one in view of the facts. Health in this more holistic sense, therefore, requires a reconfiguration in its governance, which has to take into account aspects of the global architecture to which different actors and stakeholders contribute. Above all, any meaningful reconfiguration must address the issue of global health diplomacy, a field where health concerns already leave much room for aspects and interests of international politics. It is clear that, if these aspects had been effectively articulated, decision time and procedures would have been shortened. This in turn would have saved many lives and reduced the incalculable economic costs of the pandemic.

Another aspect that should not be overlooked is the strong linkage between global health and security, which surely underpins much of the current US position. The conflict hypotheses considered in many national agendas now include not only future pandemics but also bioterrorism and the spread of chemical and bacteriological weapons. That conditions both the financing decisions and political positioning of countries in the international health architecture. This strategic thinking will certainly have an impact on the future of the World Health Organisation.

Faced with this scenario, it becomes necessary that the world asks itself what kind of WHO it wants for the future. Not only a reformulation of its objectives and mandates is mandatory, but also a reconceptualization of its financing mechanisms, its transparency and accountability, and its operational work. To this end, it is essential to optimize and raise the level of cooperation and information exchange among the public, private and civil actors that make up the architecture of global health. Today, the value added to all global efforts, in health but not only, is cooperation. This is something that the coronavirus has unfortunately reminded us of in a dramatic way. We are in a time of crisis, but this can also be seen as an opportunity to improve, and re-establish the WHO as a valuable instrument to respond to the new challenges of the 21st century. They know this well in China where they write the character used for crisis very similarly to that used for opportunity. Let us hope that Dr. Tedros knows this too.

<center>**Chapter 12**</center>

Covid-19 and the enduring relevance of political and IR theory

Gian Luca Gardini

The usefulness and 'real world' relevance of International Politics, International Relations and the social sciences in general had been under scrutiny well before the Covid-19 pandemic[1]. This criticism has been especially harsh from those who narrowly understand the 'real world' as following mere utilitarian criteria, such as immediate employability, salary level, and the acquisition of specific/technical skills. However, the critique goes beyond that, and questions the concepts and theories employed by these disciplines, the debates they engage with, and their ability to interpret reality and provide solutions to problems. In times of coronavirus, politics is allegedly struggling to respond to the crisis, international cooperation and coordination falter, and experts fail to predict risk. More broadly, political theories often appear sterile, and the academic mental categories and debates are often perceived as aloof from the common people and irrelevant to daily life.

This chapter makes a case for the social and political sciences, and in particular for International Relations (IR) debates, theories and concepts. The aim is to show how IR theoretical debates are in fact relevant to citizens' daily lives and how they address in a deeper, rigorous way concerns and dilemmas common to most people, especially in times of Covid-19. Some of the underlying questions facing the world before the virus, other huge crises in general and dilemmas about how to cope with them are not new. These issues are very complex as they involve not only technical considerations but also cultural and identity appreciation and moral positions. Political Science and IR theories have long debated them. They may have not provided an immediate solution but they have identified both the limits and the possibilities to reach a lasting solution.

IR theory is the discipline that studies international interactions from a theoretical perspective. It provides a conceptual framework, indeed several competing frameworks, to analyse international relations, the motives and the deep driving forces of international behaviour. In its early years, from the 1930s to the 1950s, the discipline devoted most of its attention to conflict and peace in a genuine effort to avoid the tragedies of war. With time, the discipline has diversified significantly, some would argue fragmented[2], to comprise a wide research agenda in response to the evolution of the values and needs of the international community or society(ies). Its scope is now defined by the many facets of how we organize the international system and the instruments that we employ to do so. IR studies the forms and

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[1] Barry Buzan and Richard Little, 'Why International Relations has Failed as an Intellectual Project and What to do About it', *Millennium*, 30:1, 2001, pp. 19-39. Michael C. Desch, *Cult of the Irrelevant: The Waning Influence of Social Science on National Security*, Princeton University Press, 2019. Kalevi J. Holsti, 'The decline of international politics as an academic discipline: can it be saved?', *Global Affairs*, 5:4-5, 2019, pp. 469-475.
[2] Peter Markus Kristensen, 'Discipline admonished: On International Relations fragmentation and the disciplinary politics of stocktaking', *European Journal of International Relations*, 22:2, 2016, pp. 243-267.

instruments of international organization[3], meant to give order to global interactions at different levels, among a plethora of actors, and in a variety of fields.

International organization is what we make of it. The reason why international norms and regulations are the way they are, who benefits from them, and why certain behaviours are legitimate and accepted while others are not are all the results of our decisions. Yaneer Bar-Yam, a prominent US physicist and complex systems scientist, remarked that the coronavirus has spread through two network systems. First are local networks, made of family, relatives and closer circles of friends and colleagues. Second are extensive international networks, made of global connectivity and long-range links and transportation. We have organised the international system in this way. IR theory debates alternative explanations of how and why we have done so, obtaining an organization based on a specific type of complex interdependence and globalization so vulnerable to contagion. Those debates shed light on the action, or lack of it, by the international community when facing Covid-19. Four such debates are particularly relevant.

a) *Solidarity and responsibility*. The differences between the countries most hit by the virus in Southern Europe on the one hand, and the Nordic European countries on the other, well epitomize the tension. The former invoke EU solidarity as a founding principle of the Union and request a shared burden of the economic and social cost caused by the virus and the ensuing lockdown. The latter agree in principle but do insist on responsibility in two respects. Firstly, EU resources may be made available but under strict terms and conditions to ensure the *responsible* spending and efficient use of the money. Secondly, who is *responsible* for what, in the sense of the assumption of responsibility as burden or blame. In terms of burden, the Nordic countries legitimately wonder who will pay the debts cumulated through the proposed EU 'Coronabonds' or other common financial instruments. Given the already precarious financial situation of Southern European states, the Nordic countries are preoccupied. In terms of blame, the Dutch Prime Minister suggested correctly but in an untimely manner an investigation into why certain EU countries had such weak health systems, and accordingly broached the idea that they have to assume *responsibility* for both the mistakes of the past and the amendments for the future. Which moral stance is more valid? According to which and whose values? Without agreement on this point, what is the meaning of a common European home and of the common values the EU stand for? This has very practical consequences, as the answer will determine the type and the endowment of the EU recovery policy and instruments.

b) *Communitarianism and cosmopolitanism*. Many argue, and rightly so, that a real and effective strategy against the virus and its consequences can only be achieved through international cooperation[4]. The same would apply to other global challenges like nuclear conflict, environmental degradation or technological and artificial intelligence developments, where cooperation with others is not only instrumental but also indispensable to one's success. However, states have acted individually against Covid-19 in an uncoordinated and at times selfish way. States have been the protagonists, while the EU and other international organizations such as the World Health Organization have been relegated to secondary roles at

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[3] Not to be confused with international organizations, which are only one possible form of international organization besides diplomacy, regimes, coercion, among others.

[4] Yuval Noah Harari, 'La major defensa contra los patógenos es la información', *El Pais*, 22 March 2020. Luigi Ferrajoli, 'Los paises de la UE van cada uno por su lado defendiendo una soberania insensata', *El Pais*, 28 March 2020.

least in the initial emergency phase. The conferral of a key role to multilateral institutions may well result in the fact that these would not set one's state, nation or community as a priority for intervention and may even divert funds generated by that community towards others. Supporters of international cooperation must be ready to accept this. However, in times of existential threats, even the most solid convictions can be shaken. One has to choose their main allegiance and loyalty. What is one ready to sacrifice and do for their principles? In the IR debate, communitarianism emphasizes the normative and moral primacy of smaller human communities and the centrality and decisive function of the state as the embodiment of such communities[5]. Conversely, cosmopolitanism, intrinsically linked to the IR normative and international liberal tradition, suggests that humankind has moral obligations to all people independent of national borders, implying the assignment of key tasks to global agencies[6]. There may be no clear-cut winner between the two positions, but which one would eventually prevail has huge practical implications for policy, including the raising and allocation of finite resources. This debate intersects with the one between solidarity and responsibility, thus further complicating international responses to major crisis, especially when vital interests are at stake, like in the case of a pandemic.

c) *Nationalism and globalism*. Realist scholars of IR argue that among the driving forces in the international system, nationalism prevails over globalism and its underpinning liberal philosophy[7]. Nationalism and allegiance to one's state is overall so deeply rooted in our thinking that it is ultimately the driver of international behaviour. While this may be questioned in some progressive and 'globalised' parts of the West, it certainly remains true in a large majority of regions globally. This would explain why state responses still prevail over internationally concerted action. Perhaps a middle and pragmatic way[8] would view nationalism and globalism philosophically connected and compatible. If nationalism is the love for one's nation or state, and if the interests, prosperity and even survival of that nation or state is best assured at the global/multilateral level then globalism is the best instrument to serve genuine nationalism and national interests. Easier said than done. In times of crisis, retrenchment in the community that one feels closest as a reassuring refuge is natural and understandable, even if possibly not entirely rational. If the reader had only one coin to give for the survival of another person, would he or she honestly give it to their close and loved one or to some foreigner on the other side of the planet, although in principle the latter has the same needs and rights?

d) *Security and uncertainty*. 'Progress' and modern societies seem to require or impose the latter while humans in fact long for the former. We have been warned that in a post-Covid-19 world we will have fewer certainties, we will have to be flexible and ready for change. In fact, this same mantra has accompanied supposedly technological progress and modernisation of society. IR theories seem to go in this direction, with a fragmentation of the discipline that somehow reflects the lack of direction or the too many directions that our world has taken. Yet,

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[5] For an overview on the debate see Ruud Koopmans and Michael Zürn, 'Cosmopolitanism and Communitarianism – How Globalization Is Reshaping Politics in the Twenty-First Century', in Peter de Wilde et al. (Eds), *The struggle over borders. Cosmopolitanism and Communitarianism*, Cambridge University Press, 2019, pp. 1-34. On the communitarian tradition, see also authors such as M. Sandel (1998) or M. Walzer (1994).

[6] Ibid. On the cosmopolitan tradition, see authors such as C. Beitz (1994), D. Held (1995), and M. Nussbaum (2007).

[7] John J. Mearsheimer, *The Great Delusion: Liberal Dreams and International Realities*, Yale University Press, 2018.

[8] Yuval Noah Harari, 'How to survive the 21st century', Speech delivered at the World Economic Forum, Davos, 23 January 2020.

if we look at classical theories of IR as well as economics, they all tell us that what human beings and their social organizations want is exactly the opposite: security, predictability and certainties. IR realist theories insists that human beings and their social expression, states, seek security and protection. Economic theory strongly argues that markets and companies do not like uncertainty and adverse unpredictability. Yet, economists, sociologists and political scientists tell us that we are moving towards more uncertainty and unpredictability. In order to perform well, the market rejects uncertainty, but at the same time it almost imposes permanent precariousness on citizens and workers. It seems an inherent and dangerous contradiction. Uncertainty produces insecurity, fear, anxiety, possibly misreaction. Can we make use of Covid-19 to re-think how to ensure more coherence between our own theoretical preaching, resulting from our experiences, and the direction that we are giving to the world and humanity as a whole?

These issues, emanating from the humanities, the social and political sciences, and IR theory will not give us a vaccine against Covid-19. Nor will they directly generate the resources for reconstruction after the pandemic. Still, they give us the mental categories and conceptual tools to understand where and why we have underperformed and where and how we can do better. They give us the bases and the basics to re-think why and for what ultimate purpose we organise our societies and our international milieu the way we do. They help address the deep and fundamental questions of who we are, who we want to be, and imagine how to get from here to there. They are not limited to the contingent or urgent questions but they contribute to put them in context and perspective. Technical training may produce good professionals. A thorough education including a prominent place for the humanities produces good citizens, more aware and compassionate. Education is for responsible behaviour not only for economic return. Political and IR theory will not defeat the pandemic but may contribute to avoiding one or at least to coping better with it.

Section B

Economy, Business and International Trade

International economic outlook in times of Covid-19
- A SWOT analysis -

Alejandro Garofali

The immediate and profound disruption of supply and demand is a globalized shock of post-apocalyptic proportion. When coping with a pandemic that affects everyone on the planet, triggering a devastating economic crisis, countries and markets react like the human beings who compose and govern them. The aversion to the unknown and to restrictions leads to minimizing risks and postponing expansion of business, investments, contracts and purchases. In the face of shortages, we move on to contingent provisioning. The current crisis is of greater impact than the one of 2008. The IMF projects a sharp contraction in GDP of 3% this year, a severe recession. There are countries on the verge of collapse with 80-90% deceleration. Even the most favourable scenario foresees growth only in 2021, but only if the pandemic dissipates in 2020, containment measures are gradually withdrawn, relief policies work (the safety net and compensations), and trade and economic activity normalize. Regarding investments, the expected drop in global flows in the period 2020-2021 is estimated at between 30 and 40%.

To analyse the current and future economic prospects in times of Covid-19, including the impact, reactions and possible international economic policies as a globally coordinated response, we resort to a tool used in business administration, the identification of strengths, weaknesses, opportunities, and threats (SWOT), just as a mean to organize some ideas.

As *strengths*, that is, special capacities and resources available to the international system, we can point out that, depending on the region of the world considered, there are lessons learned and foresight measures that were adopted after previous crises that serve to understand better and cope with the current crisis. Asian countries with experiences in SARS in 2002 and N1H1 in 2007, implemented improvements in health systems, material stocks and logistical capacity. The articulation of rapid and coordinated responses of public services accompanied the discipline of their population after previous experiences. The West, mostly Europe and the United States, showed less capacity for health system or political response and public management than Asia. Yet the advanced countries acted with an advantage in stimulus programs and compensation for the socioeconomic imbalances generated by the paralysis of activity. In addition, in recent decades the population in the West has improved its access to food, the benefits of modernity and welfare systems, although with great disparity from country to country.

Financial markets are also seriously affected. Even so, in upper-middle income countries, there is resilience in stock markets and the banking sector, which can withstand the initial onslaught of the crisis, thanks to national and regional plans (the case of the EU) as well as funds and reserves of their own. In addition, companies can resist and avoid complete paralysis thanks to rescue plans, bridging loans, subsidies and other official benefits. Social security systems and public funds (albeit with increased debt) also play a role.

Countries that have articulated institutions and efficient political systems with long-term planning capacity and investments in critical areas have a comparative advantage, which strengthens the resilience of their public emergency systems. Many can care for their quarantine population by providing telemedicine, teleworking strategies and distance education. At the same time, their educational, employment and social resources and systems are fit for multimodality and adaptability. Private and public media and social networks also play an important role in disseminating critical public information in times of crisis. Yet, this information is not free from controversy, '*information saturation*', and even contradictory, confusing reports. In less developed countries, the grassroots situation does not allow such responses. These countries become more and more dependent on international support mechanisms and cooperation programmes, new lines of official development assistance, and even debt cancellation.

In terms of *weaknesses*, as factors causing an unfavourable position, we can point to the outdated logic of the world economic system. Despite almost cyclical economic and financial crises, the international economic organization has not broken out of the post-1945 Bretton Woods mould, which relies on productive systems strong at efficiency but deficient in solidarity.

In mega cities and regions with a high population concentration, the elderly and fourth age people overwhelm the health and care systems, which are insufficient for this unexpected demand. The prolonged closure of activities, the loss of jobs and their quality, the rigidity of the reconversion of the labour force, are factors of weakness that diminish the possibilities of vital support for the economy. Half of the global workforce could lose its livelihood and the informal sector will be the most affected. Millions of enterprises face a serious risk of business interruption (sectors such as wholesale, retail, manufacturing, accommodation services, food, tourism, conventions, real estate just to name a few). The impact is greater for countries with no social or health coverage network, no reliable insurance or public systems. These countries generally display a high dependence on vulnerable economic sectors; some of them are mono-producers. Countries that can afford it increase public investments in the Keynesian sense, to mitigate unemployment and get out of recession. Others, which depend on migrant and cross-border workers, as well as remittances from these same workers, are mostly affected.

The crisis exacerbates the burden of debt, increases the vulnerability of entire economies and compromises their international position, complicating access to credit and affecting their capacity to honour international payments and debt service. Conventional economic, monetary and fiscal policies cannot sustain so many predicaments and urgent corrections in the long term. So the way out of the crisis will necessarily have to be coordinated at the international level, avoiding asynchronous phases (abrupt opening of borders), which will lead to new contagions and perpetuate the pandemic. Another weakness is the gradual dismantling of care systems and social security networks in many countries, the dismantling of the welfare state and the implementation of subsidiary mechanisms of outsourcing and privatization of benefits.

There are no centralized decision-making mechanisms at the international level to deal with global emergencies (health, economic, trade). International organizations are highly dependent on the political systems of the great powers, emerging countries and circumstantial groups, with dispersed or diffuse decision-making centres, which crack down on multilateralism and reinforce chauvinistic and protectionist unilateralism.

We are victims of what we understood to be success. We are hostages of the negative, not to say disastrous, consequences of the model of economic exploitation that we embrace and its multiplier mechanism, the globalized market. A model of extreme use of resources and the search for infinite profit. A fallacy that this crisis exposes as a dramatic weakness, having forgotten that what matters is the development of society, environmental harmony and guaranteeing future generations. The causes of this situation are the practical relativism and modern anthropocentrism of a world subordinated to the logic of use and throw away, dispensing with ethical principles. '*Techno-science*' and economic power, without adequate direction, result in uncontrolled dominance over humanity. There is a lack of vision of the whole and thus the absolute logic of the economy takes precedence over public health, exacerbating crises, not only the coronavirus's.

As for *opportunities*, factors that are favourable in the context and environment, we bet on a post-crisis reaction leading to a change of mentality. This would mean a move to widespread practices of corporate social responsibility (CSR), to lay the foundations of a new paradigm of consumption and economy (perhaps the circular), to official and private appreciation of the integral ecology, incorporating the value of man's work (so far reduced to productivity). The inability to set limits to the transformation of the planet, the exploitation of resources and man's capacity to destroy his own world and himself will only exacerbate the problem. We should seriously reflect on everything related to promoting smart city strategies, clean technologies, low-impact transportation systems, integration of value chains with lower environmental impact, sustainable production practices, and rationalisation of consumption.

It is now urgent to adopt a new culture and morality. A new normality of economic interaction as the basis for a new world economic order shall be the setting where global and regional international organizations are better coordinated, and states can even cede some sovereignty in order to safeguard higher values such as life and general health, economic wellbeing and environmental protection. Human environmentalism should be the prevailing tone of the new post-crisis normality. In terms of global economic governance, it would be reasonable to think of a comprehensive review of the Bretton Woods institutions, the UN, the specialized agencies and multilateral development banks, with a touch of global new deal and consolidation of sustainable development objectives, on which to restructure entire sectors of the world economy. And where not only the five permanent members of the UN Security Council (P5) act, but also the emerging and emerged powers, without silent peripheries; because these crises touch everyone, they must be dealt with and solved with everyone's contribution.

The pandemic seriously exposes the perversity of the continuation and reproduction of war scenarios, of industries of death and collusion of multiple actors in armed conflicts and armament processes. The UN calls for immediate peace to protect vulnerable civilians in conflict zones.

Mobilisation of the private sector plays a key role too. Credit rating agencies, risk analysts, insurance companies, private banks and entire sectors of world business associations and trade unions shall contribute their part. They shall engage in a necessary global crusade to revalue corporate social responsibility and adopt climate protection measures, beyond structural adjustment impositions, often undertaken in the past for their own benefit and not for that of recipients.

Finally, as *threats* – or situations that threaten the stability of countries and the world economy – the Covid-19 crisis exposes the limits of human power and the need not to perpetuate an economic-technocratic system governed only by criteria of utility and security/defence. These criteria have undermined the capacity of nature and its resources to regenerate and absorb human manipulation. This technocratic paradigm has also dominated the economic and political spheres, affecting international relations and the conduct of public, national, intergovernmental and corporate actors. Blind faith in technology (which is supposedly neutral) and the power of markets to solve the pressing problems of humanity fade away when we see the human face and the multidimensional and global impact of this pandemic.

Globalization, the interdependence of markets and the now widespread capacity to turn a local phenomenon into a global process, have all the potential, through their multiplier effect, to spread a threat, a problem, a deficiency or a virus globally. The lack of strong global governance, based on a clear '*developmentalist*' architecture, allows the escalation of threats from local to global and increases the destructive potential of emerging problems. This has even greater impact on those portions of the population in extreme poverty and vulnerability, thus widening the gap between the rich and the poor. Existing intergovernmental mechanisms fall short in addressing these crises (cholera, HIV, Ebola, etc.), while pockets of economic and social stagnation and worsening health in populations on the global periphery are growing.

The weakness of public services and the retreat of public goods (often generated by national projects of dismantlement of social welfare state), threaten the capacity of response and deployment of resources. Spaces must be created to build and consolidate public confidence so that in times of crisis, the population's responses are more effective in the face of emergency, without the need for imposition or the use of coercive means. The lack of understanding of the need for international collaboration to resolve a crisis that affects everyone, when the time comes, is sure recipe for shipwreck.

This crisis urges a rethinking of the parameters used to estimate the degree of preparedness and therefore the expected effectiveness of response to pandemics. It will be a costly mistake not to take advantage of the crisis to better prepare national capacities and international efforts for early warning, testing, monitoring and response, as well as research and development. At the same time, we will be able to see which national and global political systems are beginning to give precedence to logics other than that of security and defence. Improving and prioritizing public health policies, building civil society and public trust, and solidarity in the face of various types of crises will be a way of mitigating and minimizing threats and shielding ourselves from future shocks.

Covid-19 and international trade

Lourdes Gabriela Daza Aramayo and Marek Vokoun

According to World Bank data, the volume of international trade in 2008 accounted for 59.4% of the world GDP, reaching one of the highest values in history before the global economic crisis of 2008. According to the latest estimates, 2019 was a similarly successful year, and international trade would account for around 60% of the world GDP, despite increasing trade tensions. After the 2008 economic crisis, the share of international trade to world GDP declined rapidly by 8.5 percentage points in one year (from 60.9% to 52.4%). This meant an absolute decline in trade of 13 per cent. The volume of exports and imports of goods and services declined, as did the volume of foreign direct investment. A similar and even more dramatic situation is expected in the post-Covid-19 period.

We are facing an exceptional and unexpected situation as the result of the Covid-19 pandemic. The economy has come to a standstill, which will have a strong overall impact, while some sectors will be more deeply affected than others. The economic crisis will trigger unemployment. According to the WTO, the pandemic could cause a loss of between 13% and 32% in international trade volumes. Everything will depend on the duration and control of the pandemic, as well as on the fiscal, monetary and trade measures adopted by governments.

Global value chains (supply-customer) will be particularly affected. They are an important structure in the transnational network that supports international flows of goods and services. These chains connect the primary and secondary sectors and use marketing strategies to target the final customer in the tertiary sector. The crisis brings great uncertainty about future developments and is likely to cause a decline in prices in the primary sector (agriculture, fisheries and mining). This exacerbates the decline in production in selected sectors of the secondary sector, in particular the motor vehicle industry, which suffers from the effects of the quarantine of workers, plant closures, and expectations of declining household consumption. Government efforts to maintain the *status quo* may have unclear effects on companies in global value chains. Subsidizing or compensating private companies for their losses with public resources and waiting for the economy to restart is a possible short-term solution, if the recovery occurs in a matter of months. However, the end of the pandemic is difficult to predict, including the future course of the economy and the size of its downturn.

The decline in GDP will be different for different economies and some regions will be more deeply affected. Some regions will recover quickly, while others may take longer than eight years to reach their pre-Covid-19 level of growth. The continuity of economic activities within global value chains will be affected and even robust government subsidies in some countries may not be enough to restore them. Some process of restructuring and consolidation of international trade networks and structures will be inevitable: as usual, there will be winners and losers. Government subsidies and targeted policies have the potential to slow down this market-driven process of structural consolidation. Such policies will benefit those companies and economic actors that will successfully extract and make use of public support. They will

be the winners; and they are likely to be located in the rich regions of Europe and North America, where huge fiscal packages are being planned. However, when this support ends, the consolidation process will begin anyway.

At present, data (as well the capacity and methods to collect them) about the number of infected, dead or recovered people are still incomplete and inconsistent among countries and regions. This makes it even more difficult for governments to develop strategies and make decisions on how to deal with the pandemic and its aftermath. In the meantime, under pressure from the public, all governments have been forced to take action, despite the risk of data error. One thing remains clear: quarantines and states of emergency have paralysed the economy. This is the first time since World War II that the world has come to a standstill - except for a few countries. The stricter the measures, the higher not only the economic costs, but also the cost to social life and people's welfare. Many governments are going into debt to cope with the pandemic and protect their populations. Experts estimate that the suspension of economic activity (and the associated cost) will last about a quarter of a year, without considering the risk of a second wave and the still uncertain development of the virus. The damage might indeed be significantly greater than currently estimated.

Forecasts vary, but welfare losses due to the decrease in international trade will be widely felt. Despite sanitary restrictions in several countries, trade has continued but due to those restrictions a significant contraction is taking place. World trade is expected to decline by 25% in absolute terms and by 15 percentage points as a share of world GDP (from about 60% to 45%), given that some international trade takes place despite restrictions. Moreover, worse outcomes can be expected in many indebted countries, which will continue to need assistance to revive their economies. The situation will be even more complicated for fragile or developing economies. Yet the consequences of Covid-19 and also the opportunities that it generates can be region-specific. The threats and opportunities in international trade reflect the situation in national economies. That is, how imbalances in the market for goods and services, the labour market, money markets and financial instruments develop. Overall, the crisis has shown that many countries do not have access to the material needed to combat a pandemic (medical supplies and drugs) and their health systems are extremely fragile and inadequate. In these countries, the consequences could be devastating.

In this crisis, or rather in the great crisis to come, economies will be affected by fear, uncertainty and pessimism too. However, this pandemic is not the only one. Humanity has faced H5N1 (avian flu), H1N1 (swine flu), SARS (SARS-CoV) or Ebola (viral haemorrhagic fever - VHF) pandemics. This crisis brings new threats and opportunities to international trade to the extent to which its effects are harsher at the macro-economic level. If countries redesign or adapt their trade policies based on pessimism about potential risks and fears of new threats, it will take many years for international trade to return to 60% of world GDP. However, there is also hope that, if trade policies are designed based on optimism about new opportunities and strategic cooperation, societies could reap the full benefits of international trade, and growth could resume in a few years' time.

Protective measures (such as export and import restrictions, repatriation of production) for basic foodstuffs, hygiene items and medical supplies can have major consequences in the long term, depending on their scope, depth, and duration. However, this set of probable readjustments may produce both negative effects and opportunities for new actors and markets.

Protectionist measures envisaged in many countries due to shortages of goods and services may produce limited or major effects. If they target specific health-related productions, then will they represent only a fraction of international trade and may not have a significant welfare impact. If such protective measures also target basic food and hygiene products, then the impact is going to be more significant. Moreover, if efforts are concentrated on producing medicines and active ingredients (AI) at the national level at all costs, they may lead to inefficient investments in large government projects, where there is also a high risk of corruption. Each country must analyse carefully which strategic and basic sectors it will support during this pandemic, constantly monitoring the future functioning of the country's economy and the well-being of the population.

Pessimism due to the political commercialization of fear, extreme '*mediatisation*' of the pandemic and pressure to restrict the fundamental rights and freedoms of the population are another factor that will play a very important role. This situation may generate an even greater economic crisis, as well as political instability resulting from the protests against the lockdown, discontent, fear, panic and society despair. Support for small and medium enterprises will be vital in many countries. This will include targeted technical assistance for exports, affordable loans, and reduced taxation (taxes and fees) in order to generate employment and broader economic recovery.

On a more positive note, there may be new opportunities too. The difficulty in receiving materials and components will have repercussions on production and value chains. We are facing a decline in production. However, the shedding of components is a call to reduce dependence on China and a great opportunity for new supplier markets. New local and industrial production from other less explored regions could lead to the replacement of Asian suppliers and the emergence of new economic powers. With border closure, restriction and complete closure of travel, tourism and airlines will be most affected and will have a great impact on countries whose GDP depends significantly on tourism. Yet, new spaces may open up. Supporting local and regional tourism between neighbouring countries, along with targeted cooperation in disease monitoring at border crossings using smart applications, will be critical to minimize the global impasse caused by the pandemic and the limitations it brings. This can generate new businesses of all sorts, from IT and new start-ups to new tourist destinations and alternative forms of leisure.

There are considerable concerns about living standards, especially for the middle class. Particularly in medium and low-income countries, there is a risk of a decline of the middle class and a deepening of poverty and extreme poverty. Cases of insolvency and loss of employment, especially in countries with fragile economies, can also result in a decline in the purchasing power, the purchase of foreign goods, postponement of the purchase of cars and other fixed assets. This restraint may be the '*new*' behaviour of a '*new*' post-coronavirus society. Possibly a less consumerist society. After the initial and uncontrolled consumerism that the lifting of restrictions might generate, it is possible that society would stabilize and progress towards welfare and a change of values and priorities. The question will be for how long.

The crisis will bring about major changes in the current way of doing business, investing and working. The opportunity to buy cheap companies abroad or companies that do not function efficiently may stimulate a new type of engagement with global supply chains and a revival of the economy for which effective management of the pandemic, monetary stability and attractive

economic plans for foreign investors will be necessary. The need to improve digital literacy of disadvantaged populations and less developed countries will arise along with the development of platforms for social interaction at all levels from education and business to telemedicine. It seems that we are moving toward an even more digital era. Not everyone is digitally literate, just as many households and businesses are not equipped with information and communication technologies. The capacity of the people to adapt themselves to the new circumstances has been remarkable. However, it is clear that there are gaps in infrastructure, institutional platforms, devices and resources to access digital education and how to take advantage of its potential. New areas of cooperation will open up in health, tourism, interconnectivity, security and the environment.

Countries' public debts have begun to skyrocket as economic activity has come to a standstill. The global recession has caused stock market crashes and panic among investors, leading to capital flight and currency devaluation. Government indebtedness will have a significant impact on inflation and monetary stability, affecting the balance of payments of each economy and therefore international trade too.

This is a crisis where we must act globally. We are interconnected and the world will return to normal when everyone comes out of this crisis. It will be the only way to recover the freedom to travel and live a 'new normality'. Yet, life will be marked by Covid-19 and time for reflection will be necessary in order to change values and lifestyle. The prospects are much better than during the Spanish flu of 1918; the work on a vaccine and the containment of the virus is accelerating, and there are already a number of drugs to test.

Trade will not recover as long as there is uncertainty. Once the pandemic is under control, and only then, there will be a favourable path to face the new challenges, from a technological revolution, a change of societal direction and behaviour, the urgent creation of new jobs, a possible reindustrialisation and even a potential food crisis in certain countries. A vigorous and enduring recovery of international trade depends on how successfully we will deal with all these challenges.

Chapter 15

Companies' strategies in downturns

Juan A. Máñez, María E. Rochina Barrachina and Juan A. Sanchis Llopis

Economic slumps pose important challenges to companies. In downturns, it is important for many companies to find strategies to cope in order to continue growing or even to survive. This is especially relevant to Small and Medium Enterprises (SMEs), which are usually the most vulnerable to the negative effects of all types of crisis. A firm's strategic decision on how to face harsh times is a complex process, which entails considerations on future effects on their performance. Businesses face key choices: They might need to cut costs in order to survive but at the risk of reducing capacity[1]. Companies have to preserve their capability to adapt when the upturn comes and gather opportunities for long-term value creation, so they need to maintain bigger capacity, and thereby incur higher costs in the short run[2].

The present Covid-19 crisis presents business with an unprecedented challenge, both in nature and very likely in size and scope, at least since the 1930s. Yet, past crises have also shown that most businesses have an incredible resilience on the one hand, and that there are ways in which companies can successfully cope with harsh times on the other. This chapter first reviews the usual attitudes and strategies that companies adopt to cope with times of crisis. Then it discusses two possible strategies for companies to survive during the emergency phase of the Covid-19 pandemic, and to recover, and even find new and unexpected opportunities during the 'normalisation' phase. The conclusion makes a call for globalization and internationalisation to be part of the solution rather than part of the problem of the Covid-19 crisis.

There are different approaches to describe how firms adjust under downturn conditions. One view contends that firms suffer from organisational inertia, which prevents them from adjusting to new, harsh environmental conditions. Others argue that in slumps companies might be more willing to engage with innovation or international trade (either exporting, importing or both), as the opportunity costs of implementing such strategies are lower than during better times[3]. In general, firms' strategies might imply retrenchment or increasing investment, or a combination of both. Retrenchment strategies seem to be the most common approach adopted by businesses to deal with recession conditions, especially in the short term. In bad times, firms re-examine their portfolios and focus on the core, in order to increase efficiency – cutting both operating costs and investment in non-core assets. There are also firms that cope with recessions by increasing their investments. Evidence has revealed that companies can secure competitive advantage during recessions through innovation in products, services and business models and by entering new markets or accessing foreign providers. Yet studies often make little attempt

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[1] Chastain, C., (1982) 'Strategic planning and the recession', *Business Horizons*, 25(6), pp. 39-44. Deans, G.K., Kansal, C.I., and Mehltretter, S., (2009), 'Making a key decision in a downturn: Go on the offensive of be defensive?', *Ivey Business Journal*, 73(1), pp. 3-12.

[2] Kitching, J., Blackburn, R., Smallbone, D., and Dixon, S., (2009), 'Business strategies and performance during difficult economic conditions'. URN09/1031.

[3] Geroski, P. A., and Gregg, P., (1997), *Coping with recession: UK company performance in adversity*. Cambridge: Cambridge University Press.

to explain why particular firms adopt investment strategies or to elaborate the conditions that make such strategies possible or, indeed, the potential risks of attempting such strategies.

Among the possible strategies that firms might begin or intensify in downturns, *internationalisation* and *Research and Development* (R&D) seem the most relevant for shaping the future of a company.

In relation to *internationalisation*, there is evidence that firms substitute domestic sales with exports when domestic demand weakens[4]. This might be explained by the fact that companies have capacity constraints, which produce increasing marginal costs. Thus, in those cases when there is an important drop in domestic demand, firms' productive capacity is liberated and the cost of making products for the exporting markets shrinks. Therefore, more firms might experience that exporting is profitable and will risk doing so. But, according to this approach, if no sunk costs or learning-by-exporting effects exist, most of the firms that started to export pushed by the low domestic demand induced by the crisis would be exporters only temporarily and up to the recovery of the domestic demand. However, recent experience among European countries (see figure 1 below) demonstrates that a big proportion of firms that decided to start/intensify exports managed to maintain their exports across time. This may indicate that they found it profitable and exports allowed them to survive and even grow.

In relation to exports, it is essential to underline that in most developed economies (and in developing countries too), those industries with the highest growth in exports are industries with a high participation of imported inputs and intermediate goods. Many countries provide evidence of an important and growing import content of their exports. This reveals that the highly globalised production process has intensified the links between exporting and importing as many firms (either large or small) participate in global value chains. Therefore, firms' internationalisation has to be analysed as a multifaceted process that involves both exporting and importing[5].

As regards R&D, according to the opportunity cost theory[6], it might be optimal for firms to invest in R&D activities during recessive periods, since their opportunity cost in downturns will be at their lowest. A possible reconciliation of the apparent contradiction between the empirical evidence and the predictions from the opportunity cost theory relates the pro-cyclicality of R&D to the existence of financial constraints[7]. In the absence of credit constraints, R&D investment behaves counter cyclically, but becomes pro-cyclical as firms face sufficient credit constraints. In downturns, the ability to borrow in order to innovate is reduced. Therefore, a negative demand shock will affect more R&D investments planned by firms that are financially constrained. This is especially relevant for SMEs since they are more liquidity constrained than large firms are.

It is important to recognise that companies' R&D and internationalisation activities share some features that make it probable that businesses experience financial constraints in

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[4] Blum, B.S., Claro, S., and Horstmann, I.J., (2013), 'Occasional and Perennial Exporters', *Journal of International Economics*, Vol. 90(1), pp. 65-74.

[5] Amador, J., and Cabral, S. (2016), 'Global value chains: A survey of drivers and measures'. *Journal of Economic Surveys*, 30(2), pp. 278-301.

[6] Hall, R., (1991), 'Labor demand, labor supply, and employment volatility'. *NBER Macroeconomics Annual*, 6, pp. 17-62.

[7] Aghion, P., Askenazy, P., Berman, N., Cette, G., & Eymard, L. (2012), 'Credit constraints and the cyclicality of R&D investment: Evidence from France', *Journal of the European Economic Association*, 10(5), pp. 1001-1024.
Ouyang, M. (2011), 'On the Cyclicality of R&D', *Review of Economics and Statistics*, 93, pp. 542-553.

both fields. Both of these activities comprise important start-up costs that firms have to pay upfront, even before obtaining any returns from them. Furthermore, some permanent costs to continue or expand those activities also exist[8]. Firms starting or continuing international activities and/or performing R&D will have to cover these costs using their resources and/or financing them. Moreover, internationalisation and innovation activities are associated with higher risk as compared to other companies' activities. International markets are riskier than domestic markets as firms face exchange rate fluctuations and contracts with foreign customers or providers that cannot be easily enforced. Besides, R&D investments are risky per se, as the expected results, in the form of product or process innovations, or patents, are uncertain. Thus, these activities are characterised by a higher risk, which adds to firms' liquidity needs. Therefore, credit restrictions might become decisive for firms' ability to undertake R&D and international activities. As a result, those companies facing less financial constraints may have a comparative advantage. Finally, there is evidence that SMEs have more difficulties in accessing credit. This is aggravated in periods of crisis. The credit crunch experienced by European firms, especially SMEs located in southern countries, during the Great Recession that started in 2007 is a good example of these difficulties faced by firms[9].

Figure, 1 presents the evolution of GDP, exports, imports and businesses' research and development (R&D) expenditures for the Euro area in the period 2000-2019. During this timeframe, European companies experienced a deep crisis. Lessons from this slump seem quite relevant to guide government and enterprises today to overcome the Covid-19 crisis. We first observe the significant drop in GDP that occurred in the Great Recession. The crisis also showed an important drop in international trade, both exports and imports, for the Euro area. However, exports and imports recovered very soon and have grown since the crisis hit. As regards R&D, the slump implied a reduction in the growth rate, but R&D was much less affected, as compared to exports or imports. However, it is important to notice that the behaviour of SMEs and large businesses was not homogeneous. Whereas large firms managed to maintain or even increase their spending in R&D, SMEs suffered a significant reduction in R&D. Furthermore, the strong financial component of the crisis influenced the firms' ability to access financial resources in order to maintain or start R&D projects in all European countries, although with different intensity, and specially for SMEs[10]. This limitation to credit had also an impact on SMEs' capacity to internationalise although with a less significant impact.

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[8] Aw, B.Y., Roberts, M.J., and Winston, T. (2007), 'Export Market Participation, Investments in R&D and Worker Training, and the Evolution of Firm'. *World Economy*, 30(1), pp. 83-104.

[9] European Commission. (2013, November). 2013 SMEs' access to finance survey. Analytical Report. http://ec.europa.eu/enterprise/policies/finance/files/2013-safe-analytical-report_en.pdf.

[10] European Commission. (2013, November). 2013 SMEs' access to finance survey. Analytical Report. http://ec.europa.eu/enterprise/policies/finance/files/2013-safe-analytical-report_en.pdf.

European SMEs during the crisis, both in terms of quantity and conditions of available bank credit.

Figure 1. Evolution of GDP, exports, imports and R&D. Euro area, 2000-2019.
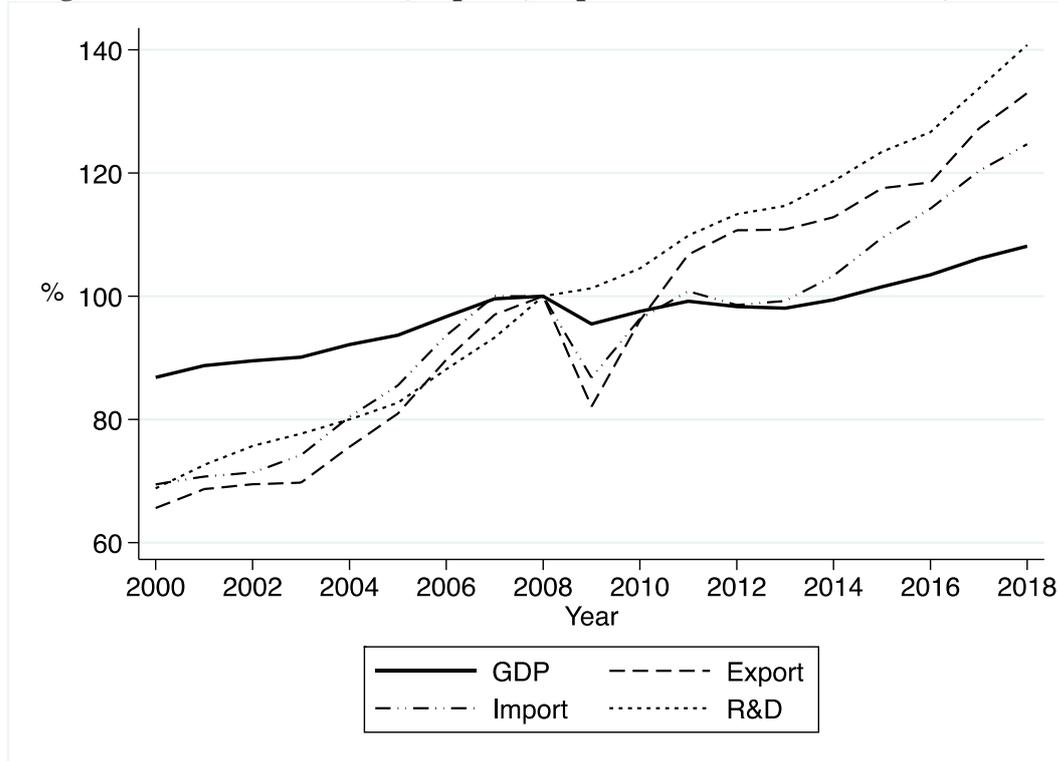
What did we learn from the previous recession? Firstly, from the empirical evidence analysing the exporting and importing strategies, some policy recommendations emerge, especially for SMEs. Public policy should enable firms' exporting and importing activity, as these activities helped firms (especially SMEs) to survive and cope in recessive periods. There is evidence supporting the hypothesis that exports counterbalanced the weak domestic demand in most Euro area countries, and a big proportion of the new exporters/importers who emerged from the shock continued doing so. Secondly, companies implementing R&D and innovating activities are better positioned to bring new products into the markets, which may contribute to increasing revenues, or to introduce new processes, which may lead to gains in efficiency and competitiveness.

Thus, policies encouraging R&D activities would also augment firms' international engagement as R&D enhance the returns from exporting, creating a virtuous circle from innovation to internationalisation. However, not all firms are able to obtain the resources to keep their international activities or to perform R&D activities in recessions. Many firms, and specially SMEs, had to face credit constraints in the recession, which hampered their ability to undertake R&D and to maintain their international activity. Thus, this points to the need for government policy focused on easing access to financial resources, providing the incentives to invest in and to commit to R&D activities over the long term, as well as helping firms to continue with their international integration in global value chains.

The intense globalisation of production processes in the last decades improved the efficiency and competitiveness of many European companies. The Covid-19 crisis has led many

politicians to reconsider this process, and even propose a 'de-globalisation'. While this is understandable given the current exceptional circumstances, one should also observe that international trade has allowed great advances in the integration of production processes on a global scale. The fight against Covid-19 has indeed facilitated the globalisation of ideas like never before. Therefore, globalisation and internationalisation are not really the problem, but in fact part of the solution to the many current problems we face.

<center>**Chapter 16**</center>

Emerging economies and the Covid-19 crisis
A golden opportunity for change in education and digitalisation?

Gaston Fornes and Javier Rovira

What Covid-19 is exposing

After a few months since its outbreak, one of the few certainties about Covid-19 is that it took the world by surprise. The surprise in itself is not the main problem, but rather the shortcomings that it has exposed in many areas of society, politics, and the economy. Since the 2008 financial crisis, inequality has been one of the most debated issues. The Covid-19 crisis has made tangible the level and depth of this growing gap between different parts of society in most countries.

The digital divide (i.e. the depth of the adoption as well as the unequal access to information and communication technologies, by gender, territory, and social class) is a good example of this gap. This is a shocking reality check since for many years technology has been praised as a key driver for structural change and therefore as a possible solution to critical challenges (and disparity of access to) in health, education, and environment. Genetic engineering, artificial intelligence, robotics, 3D printing, nanotechnology, and synthetic biotechnology, among other technologies, are rapidly reshaping most industries and introducing disruptions in business models but, based on the current evidence, these changes have benefited, at least so far, the more privileged parts of society.

This has proven critical for economic progress and rising living standards in emerging economies, where elites have been incorporating new technologies into their daily operations. Examples of this include the growing numbers of start-ups that have become unicorns. China is the second country worldwide with 204 (after the US with 265), India is fourth with 24, and Brazil is eighth with 8[1]. Another example is the widespread use of social networks, which has shaped the way in which societies, especially among young generations in the emerging countries, behave, perform, and interact. Moreover, there is an increase in the number and importance of universities and business schools from emerging countries in the leading group of higher education institutions in the world. These are clusters with strong prospects for development and growth.

Yet the unfortunate reality is that these bright prospects are not evenly distributed and, as usual, the poor and the marginalised are often left behind. In addition, at the company level, benefits are not evenly spread and new technologies help only to an extent. Companies in sectors of the economy other than the highly innovative ones, IT, communication, engineering, in particular small and medium-sized enterprises, struggle and are hindered by red tape, higher transaction costs, low-skilled labour, etc. Corruption and weak institutions, ever present in emerging markets, have failed to create a conducive environment for a level playing field.

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[1] Statista (2020), 'Number of global unicorns in 2020, by country'. Accessed 30/4/2020. https://www.statista.com/statistics/1096928/number-of-global-unicorns-by-country/.

Additionally, populist movements have been taking advantage of the penetration and use of social networks to disseminate misinformation, creating social unrest and divisions in societies. In other words, structural problems for which emerging economies are infamous remain entrenched regardless of technological progress.

Suddenly, we (re)acknowledged that we are vulnerable

Vulnerability is intrinsically linked to our essence as humans. Vulnerability, either in its anthropological or social expressions, is part of our ontological essence and the origin of ethics[2] because of its relationship with empathy and justice towards those who suffer, the vulnerable ones. This leads to the idea of social vulnerability, the exposure to bigger risks, unfavourable conditions, or to the impossibility to change the unfavourable circumstances of groups of people[3]. The key question then is how to reduce vulnerability.

Arguably, we need four elements. Firstly, we need *knowledge* to have judgement and freedom of thought for values to spread and strengthen. Secondly, we need *science* to find faster and better solutions to our individual/anthropological vulnerability. Thirdly, we need *belonging* to feel protected from our social vulnerability. Fourthly, we need *values* in order to be fair and supportive of others regardless of the immediate reward. This social consciousness of vulnerability, springing from the values that make life worth living, embraces community, solidarity, and unselfishness. These have been the foundations on which many societies have been rebuilt after major disasters; such was the case of Europe and Japan after World War II or South Korea after the Korean War (1950-1953).

In this context, one of the big unknowns about life after Covid-19 is whether the path of dependence and old legacy systems upon which emerging economies have been developing in recent years will remain the paradigm to face future challenges and reduce vulnerability in societies, or whether some paradigm shift will occur. Based on the experience of the last 50 years, the answer points to the former path, especially considering that the last fifty years are the period with the highest improvements in technology and living conditions in history. Yet, fair distribution of wealth, access to education and health services, humane labour conditions, and the protection of the environment are still not a priority in most emerging economies.

Hope paradoxically rests in what many observers keep repeating. Because Covid-19 has hit the advanced economies (mainly the US and the EU) particularly hard, there is a real chance for change as the most affected countries are also those with the power to drive change. The coronavirus has reminded the whole world, including the rich countries, of our vulnerability. People are suffering largely similar consequences in terms of health, social, and economic predicaments (although at different degrees), regardless of where they were born and live.

Now is the moment, the golden opportunity, for the elites in emerging countries to step up and take responsibility for the future of their societies and reduce vulnerability. Because of their privileged position, they have at their disposal several instruments to make a positive change. Firstly, they can help to break the cycle of dependence by supporting investments in local knowledge and skills. Secondly, they can contribute to strengthening the market

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[2] Barry Hoffmaster (2006), 'What does vulnerability mean?', Hastings Center Report, 36:2, pp: 38-45.
[3] Michael H. Kottow (2004), 'Vulnerability: What kind of principle is it?' *Medicine, Health Care and Philosophy*, No. 7, pp. 281-287.

institutions and rejecting crony capitalism. Thirdly, they can improve the governance of the country by informing the citizenship and empowering the different parts of the society to create a robust system of checks and balances.

To do this, emerging economies should go back to the basics and focus their resources on revamping their education systems. Education (along with health) has proven to be the best investment for the development of societies. A crisis expected to bring structural changes like the one from Covid-19, along with wide access to information technologies, brings a unique combination for societies in emerging economies to leapfrog, improve their living conditions, and as a consequence reduce the vulnerability of their individuals and societies.

Digital, educated, and socially aware citizens to reduce vulnerability

A new ecosystem supported by a wide-reaching alliance among different players and stakeholders (public and private sectors, institutions, governments, NGOs, etc., in both emerging and advanced economies), leveraging technology and digitalisation as the essential drivers, is needed for education to become the key to seize this golden opportunity. This new ecosystem should also drive and boost the construction of robust political and market institutions along with the required infrastructure for the majority of the population to have access to basic and advanced education and, as a consequence, new and better opportunities. Emerging economies should leap forward and achieve the competences and capacity needed to develop and train digital, educated, and social global citizens to be stronger against vulnerabilities, both anthropological and social. The first pillar of this plan is a reduction in the digital divide. Internet reach in China or India, for instance, is only about 60% and 42% of the population respectively[4]. The same applies to equipment: Only 47% of the population in emerging countries has a smartphone, and access to a tablet or laptop for educational purposes is even more limited. Perhaps more importantly, and even more frustrating, time spent on the internet by customers in emerging countries is mainly for the consumption of content related to social networks, media, movies, etc. In this context, emerging economies need to upgrade their infrastructure and develop platforms, databases, networks, content management, hardware, apps and other devices for educational purposes to be able to reach the great majority of the population. The sudden lockdowns prompted by Covid-19 in China and other countries have proven that online education is efficient to reach a substantial part of the population. Collaboration among different players (governments, firms, NGOs) is key to achieve this goal. The plan should include a significant investment to increase people's awareness of the importance of education as a tool to reduce their poverty and improve their health. It has been estimated that 800 million illiterate people cost $1.2 trillion to the global economy[5], therefore representing a major source of potential growth for the post-coronavirus world.

The second pillar, strictly connected to the first, is the development of an informed society supported by educated citizens, able to act in autonomy and to exercise critical judgement. This will help to strengthen human and societal values in emerging economies against the rise of populist movements. These are in fact supported, among other factors, by the

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[4] Statista (2020), 'Internet usage worldwide – Statistics & Facts'. Accessed 01/05/2020. https://www.statista.com/topics/1145/internet-usage-worldwide/.

[5] ILA (2020), 'The cost of illiteracy'. Accessed 1/05/2020. https://literacyworldwide.org/docs/default-source/resource-documents/ila-take-action-costs.pdf.

ever-growing presence of fake news and alternative facts. Educated citizens will improve governance (societal, political, and economic) at both local and global levels and therefore reduce vulnerability. Open, honest, and transparent collaboration among all the subjects discussed above is needed to share knowledge effectively, spread technology and digitalisation to enable access to key resources, and identify (and distinguish between) political, economic, and academic forces. Consequently, education should become a truly social obligation as well as a personal right to support the growth of individuals. Information and communication technologies – the first pillar – should be put at the service of education, the second pillar.

The third pillar is the development of a socially conscious citizen. The structural change expected in the aftermath of the Covid-19 crisis should give citizens in emerging economies the opportunity to shape their future society and its relationship with the environment. The challenge in this pillar will be to educate – and/or re-educate – citizens on the social values and responsiveness needed to reduce individual and social vulnerability. This applies in particular to those elites making key economic and political decisions. In this context, education needs to ensure that business and public affairs move progressively from the interwoven interests of pre-existing legacy systems to a set of universal values focused on anthropological altruism, one in which the human being is, feels, and acts for the good of others.

Conclusion

An education-focused ecosystem developed by and for different players and stakeholders, based on the three pillars, can be a golden opportunity for emerging countries to upgrade their societies and economies. In the first pillar, the reduction in the digital divide with a focus on education would result in a lower global anthropological and social vulnerability and at the same time bring growth opportunities. In the second pillar, by creating a better-informed society through education, emerging countries would improve the governance of their political systems, and their civil societies. In the third pillar, by basing their decisions on anthropological altruism, citizens in emerging countries would be empowered to shape their own societies and their relationship with the environment.

Banking in the time of plague

Paul Jackson

Covid-19 is such a novel virus that it has left the world struggling. To buy time, most countries, both developed and developing, locked down their economies and imposed restrictions on the movement of their people. The objective was to reduce infection rates whilst they built up their health provisions. Only time will tell what impact these coping policies will have on the economy and banking sector. In any case, there are significant differences between the current recession and previous ones.

Social pressure, economic changes and the banking system

In the years before the Covid-19 outbreak, spending on leisure and experiences (pubs, restaurants, events, sport, adventure days, holidays) had been growing significantly. In a world of social distancing, these pursuits are likely to become less viable. Many *millennials* are, like many frontline workers, in lower paid jobs, the worst affected when economies are locked down. The consequences for 'experience' businesses may be devastating.

With many businesses experiencing a sudden loss of income, they have turned to their banks to bridge them until normality can be restored. For them, the future business environment might be very different from the past. For the time being, some businesses have made staff redundant; others have asked them to take pay cuts. With the increase of risk due to so many uncertainties, banks have to try to assess the viability of their customers in various future scenarios. That alone is likely to make them cautious about lending.

Although many countries have measures to cushion the blow, especially in the industrialised economies, governments have often failed to adjust to how modern working practices have changed, such as the gig economy, the use of zero hour contracts, and single person limited companies. The financial support has proven to be somewhat limited, and many have fallen through the net. That places increased pressure on banks, from the media and politicians as well as from customers.

Politically, for countries in lockdown, the challenge is to remove the restrictions before a permanent collapse of businesses occurs. Some effects are likely to be long lasting. Recognising this, a number of governments have already adopted a high level of public spending. Governments expect business leaders to cut their own pay and have pressured financial companies to stop paying dividends, partly to force them to preserve capital, but also because of the message that this sends. As time goes by, political decisions that could have far-reaching effects on banking and on the economy are likely to become more influenced by social pressures and needs.

The second wave

Fears about the second wave are that the virus will be contained, lockdowns eased, complacency returns, and then the contagion will flare up again vigorously. History suggests that this could happen. In the '*Spanish flu*' epidemic that gripped Europe and the US in 1918/19, for example, it was the second wave that caused the most damage.

The 2007/09 financial crash had similar characteristics. By September 2007, banks had stopped lending to each other and, in the UK, this led to the collapse of Northern Rock bank. Economies and stock markets fell. Globally, politicians wrestled with the systemic high debt (linked to the exotic instruments used to dissect and sell on securitised mortgages) that had built up over time. Throughout 2008, concerns about the state of banking were kept in check by reassurances.

Then came the second wave. Lehman Brothers failed in September. That pushed global economies to a tipping point. Had governments not agreed, in a rare spate of global cooperation, to take swift, decisive actions, the world might well have experienced an economic depression similar to that of the 1930s. The solution in 2008 was for governments to spend in amounts that previously had been unthinkable. This took the form of injecting billions of dollars into banks, but the real purpose was to protect each country's economy. Governments feared a global sovereign debt crisis.

The difference this time is that, going into the current recession, the financial coffers were already looking bare. Ten years of attempts to stimulate economic growth have had limited success. Central banks can no longer lower interest rates, since they are already low and, in some cases, negative. For many, national debts have continued to grow. The effectiveness of quantitative easing in boosting the economy has had dwindling effects, but remains a tool for financing government spending. To borrow, the government issues treasury stock, which is bought and held by its own central bank. Intuitively, this is a circular concept and the original intention was for central banks to sell it over time, but to date, little has been. By the end of April 2020, the balance sheet of the US Federal Reserve was reported to be over $6 trillion. That of the European Central Bank was over €5 trillion.

The role of banking in recessions

So, can countries borrow more? Yes, as long as confidence holds, for confidence determines the willingness to lend. Some estimates say that the emergency spending in March and April 2020 pushed up the ratio of debt to economic output in many countries by 10 to 15 percentage points. So far, there is still capacity for it to go higher.

What about the banks? Will there be bank failures? The short answer is, probably not, as long as governments can continue to borrow. The importance of banks is that they are collectively instrumental in pulling economies out of recession. Governments can come up with broad-brush schemes, but the banks are the conduits that channel financial help to businesses that bank managers judge to be the most viable.

Viability now depends on an increased number of external uncertainties. If social distancing becomes permanent, for example, how viable will restaurants or the tourist industry be? How will they adapt? Will the new normality present new opportunities? Lenders will

require realistic business plans flexible enough to be adapted according to different scenarios. Working practices are likely to change in the future; businesses will need funding to invest quickly in new technologies (particularly digital) and in their own infrastructure. Banks have a vested interest in lending: A customer helped through a time of crisis often becomes a loyal customer for life. Yet banks depend on having lending serviced and eventually paid back. At some point, banks may have to accept that risks have become too high, and in recessions, of the many businesses in financial intensive care, only some survive.

Lessons from the past

The recession after the financial crash of 2007/09 may offer some lessons. Governments and central banks faced the same dilemmas that retail banks have with their troubled customers: to throw good money after bad businesses, or to let the company fail. In 2007, the Bank of England was concerned about moral hazard: If it bailed out a bank, it feared, it would make other banks less prudent because they would assume (if the worst came to the worst) that they too would be bailed out. Northern Rock was eventually supported. This proved costly, and the government ended up effectively nationalising the bank. Savers were protected, but the lending was sold off at a discount. In 2008, similar concerns about moral hazard led to the collapse of Lehman Brothers. In this case, the US Federal Reserve took the view that Lehman had ignored warnings about its operations and decided not to save it.

In both cases, neither bank was seen as essential to the economy. However, their collapses had far-reaching, unanticipated consequences. Hours after the failure of Lehman Brothers, one of the largest insurance companies in the US, AIG, also secretly sought help to avoid collapse. It was saved because of the systemic damage its failure would have wrought on the US and global financial system. When all this was made public, it triggered a massive loss of public confidence in the banks, in the economy, and in the political system itself. Investors panicked and sold, regardless of the price. Stock markets crashed around the world.

Politicians are prone to under-estimating risks because forecasts and warnings often overstate problems, but not always. In 2007 and 2008, politicians realised too late that investment banking had become intertwined with retail banking. This systemic risk meant that the failure of one bank could set off a chain reaction in which others would also fail, threatening to collapse the global financial system. Separating this inter-dependency was one of the first priorities after 2008. The old politicians have moved on. Countries are now under new management. What matters now is whether they will heed, or even be aware of, the lessons of the past.

Changes since the last recession

Since 2008, other measures to strengthen banks across the EU have included increasing their capital reserves and more intrusive regulations on lending. As a result, the traditional banks have become significantly more bureaucratic and less profitable. Particularly in northern European countries, challenger banks and financial technology ('*fintech*') competition have attracted the younger customers – the demographic group now worst affected by the economic lockdown. Alternative forms of borrowing have also sprung up. Private equity vehicles now

have a significant presence, lending directly to small and medium sized businesses, many of whom had been spurned by over-prudent conventional banks.

These new contenders have not as yet been tested in a recession, and there is some evidence, based on recent emergency financial packages, that the impact they have on the economy has not as yet been fully appreciated. Peer-to-peer lending in particular presents a moral hazard, because it has been widely marketed, particularly to naïve investors, and its lending has often been to businesses turned down by more conventional lending institutions. Whether or not these lenders are prepared or have the resources to keep struggling clients afloat remains to be seen.

Nevertheless, the measures of the last ten years have had a knock-on effect: Banks accept that today they cannot act recklessly, as failure is a possibility. This, together with the increased restrictions, has forced them to take fewer risks, and to ensure that they assess lending propositions thoroughly. Regulators have encouraged them to err on the side of caution. It can hardly be a surprise then that now, in the current crisis, banks have been accused of taking too long to respond to customers, of failing to help as much as they could, and, of restricting new lending to their customers only. Banks have to ensure their own survival. They are hardly likely to take over the lending risk of other financial institutions.

Looking forward and more broadly

At the domestic level, measures to reduce the infection rate will result in high levels of debt, which are likely to lead to curtailed public spending and more austerity in the medium and long term. This will have a social impact. Rising populism might apply political pressure for higher taxes on organisations and personal wealth.

At the international level, much depends on how well the developed world copes. There will be pressure to reduce reliance on global supply chains, which could damage markets and economies in the developing world. For some time, nationalists in the developed world have lobbied to restrict spending on foreign aid. This is likely to intensify if, as seems likely, the developed world struggles to cope.

In response to Covid-19, many developing countries have attempted to lock down their populations and their economies. Yet, they have provided little financial support for those who have lost their livelihoods. Consequently, the poor in developing countries (especially reliant on the informal sector) face a stark choice: self-isolate with the certainty of losing their meagre income; or carry on as normal and risk becoming infected but with a chance of dodging the viral bullets or becoming only mildly infected. In either scenario, economies will suffer. Regarding the banking systems, as in the developed world, they will support only those businesses most likely to be viable in the future.

Reduced global cooperation has already manifested itself in funding cutbacks and tariffs. This could prove short sighted, for growing infections in developing countries will rebound on advanced economies through reduced demand for their exports and waves of migrants. Poor health conditions in the developing world could trigger a repeat of the whole cycle, which will strain systems, including banking systems, further. Preventing such disasters

from happening in the future will require better contingency planning, preparation and global cooperation. Will there be the political will to react in time?

Conclusion

We know that there is a correlation between the failure of banks and economic depressions. Banks and economies enjoy a symbiotic relationship, which makes it hard to separate cause from effect. The best game plan for politicians is to prevent banks from collapsing, since such failures can have unexpected negative consequences for both economies and social well-being. However, after restricting the freedom of movement of traditional banks, and encouraging more competition, governments now also need to consider the implications. Different measures might be appropriate if other lending institutions are now considered to exert a significant influence on the economy as a whole. Whether or not financial institutions fail these days is ultimately a political decision. However, in this, politicians are constrained by the health of their country's economy and its capacity to borrow. Their decisions are also likely to be influenced by a growing clamour of public opinion.

Section C

National and Regional Perspectives

<center>**Chapter 18**</center>

The Covid-19 crisis and the United States
<center>**Returning to the role of benign hegemon or perpetuating an aberration?**</center>

Andreas Falke

The Covid-19 crisis seemingly has hit the United States unexpectedly. At the beginning of 2020, President Trump expected to ride to an easy re-election victory, on the back of a strong economy and a divided field of Democratic challengers. With regard to the outside world, the Trump administration had constructed an image of imperviousness, not being subject to uncontrolled outside influences. Under the Trump administration, the US would move according to its own rules, and would not be accountable to anyone, but hold anybody else accountable to its standards. Unilateral measures were imposed on trade and migration flows.

Among the US' major challengers, China was forced into major concessions on trade. America's allies in Europe and Asia were also subjected to demands on trade and security contributions, but were essentially declared as irrelevant. The terms of alliances would be defined by the US or alliances would be declared obsolete if allies would not consent to the US's terms. The US alone would be the paradigm, even though this was largely an illusion. Yet this approach fed well into the narrative that the Trump administration was spinning and was accepted by Trump's electoral base and mainstream Republicans. Any claim to global leadership was discarded as costly or unnecessary for the US' own well-being.

The illusion that the US could go it alone was shattered with the onslaught of the Corona pandemic. Yet the reaction of the Trump administration was predictable: Denial. During the last week of February Trump said that the 'coronavirus is very much under control in the USA', evidently sensing that a major epidemic in the US would be a threat to the US economy and his re-election. His only action at that point was a ban on Chinese citizens travelling to the US, but not on returning US citizens. Trump's behaviour in dealing with the crisis remained erratic throughout. Self-congratulation and avoiding any responsibility for lack for swift and focused leadership as well as the suggestion of fake cures were the hallmarks of Trump's response.

The US was not spared from the crisis. Major outbreaks occurred from Washington State, Michigan, to New York and New York City. No state was spared and eventually a national lockdown became inevitable. At the end of May 2020, the death toll in the US topped 100,000, 28.3% of the world total, with 1,69 million reported infections out of a global total of 5.65 million[1]. National testing was woefully inadequate. The economy entered the worst recession since the 1930s. By mid-April, twenty million Americans had claimed unemployment benefits; the unemployment rate reached 17% from 3.5% in pre-crisis times. A downturn on the scale of the 1930s depression remains a real possibility. Emergency relief had to be legislated, but administrative structures were overwhelmed. A sense of deep crisis gripped the

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[1] Financial Times, 'Coronavirus: US Death Toll tops 100,000 – as it happened', May 27, 2020. Online: https://www.ft.com/content/ce7f3564-c997-339c-ad3d-c6d092fb7f1e?emailId=5ecee5072ddda8000445c4e7&segmentId=3d08be62-315f-7330-5bbd-af33dc531acb.

country. Not only Trump but also American exceptionalism took a hit. The low point came when Trump encouraged resistance protests against social distancing measures in states run by Democratic governors. Primitive partisan impulses overtook the imperative of a consistent national strategy.

In the end, the federal government mobilised its significant resources of scientific advice and expertise, but Trump was hesitant in following sound advice if it did not fit into his scheme of things. 'A national shut-down is not a sustainable long-term solution … I think we will have a lot of states open relatively soon'.

Nor did the Trump administration have adequate responses to international issues. No attempt at a joined, multilateral effort to combat the outbreak of the pandemic was undertaken. US intelligence services had identified as far back as 2008 the risk of a global pandemic. Trump's own Director of National Intelligence in his national intelligence assessment highlighted the emergence of a respiratory pathogen as one of the most disruptive events possible. Given his deep distrust of intelligence services and their analytical capabilities, Trump totally ignored these warnings over three years, and was willing to sacrifice lives on the altar of his ego[2].

Technically the US had all the resources to formulate a global response but failed due to the negligence of its leadership. Tendencies such as disregard for scientific and analytical expertise and contempt for multilateral or *plurilateral* cooperation were, of course, present in the Trump era long before the Covid-19 outbreak. The administration disbanded the National Security Council directorate overseeing pandemic threats, an entity introduced by the Obama administration in the wake of the Ebola virus in Africa, to which the Obama administration devoted considerable attention and resources, although the threat was more distant than most other diseases. Bridges for international cooperation were dismantled. The US gave away any potential for playing the role of a benign or enlightened hegemon.

Instead, the Trump administration blamed China for the outbreak, trying to redirect attention from its own failures and omissions, instead of seeking a constructive, if critical relationship that would contribute to exploring the origins of the outbreak as well as to finding joint solutions. Europe did not figure at all in the administration's calculations except for an unannounced travel ban, directed at the EU, which was now identified as the new major source of infections. No joint action plan was developed, nothing pointed to a joined transatlantic approach. Instead, the administration tried to buy a German start-up company that was on course to developing a promising vaccine so that it would be controlled by Americans. While an investigation of the response of the World Health Organization's actions in the early phase of the outbreak appears warranted, the suspension of US funding in the midst of a pandemic was a completely disproportionate response. On trade, American leadership in helping the smooth flow of medicines and protective equipment would have been helpful, but the administration remained stuck in its protectionist and unilateral attitudes. Any move was focused on narrow political calculus of erroneous self-sufficiency. The role of the benign

[2] Kent Harrington, 'The Spies Who Predicted COVID-19', *Project Syndicate*, 16 April 2020. Online: https://www.project-syndicate.org/commentary/us-intelligence-coronavirus-pandemic-by-kent-harrington-2020-04?utm_source=Project+Syndicate+Newsletter&utm_campaign=6ea3a6f0d6-sunday_newsletter_19_04_2020&utm_medium=email&utm_term=0_73bad5b7d8-6ea3a6f0d6-93816861&mc_cid=6ea3a6f0d6&mc_eid=11777b8bb6.

hegemon providing global public goods out of enlightened self-interest was not even considered.

In many ways, the Covid-19 crisis did not contain the worst instincts of the administration, but only brought them into sharper relief. Blaming domestic foes, and foreign adversaries, and exculpating oneself from any shortcomings. While a going-it-alone-attitude was not restricted to the US, if any notions of a global governance solution were to be forthcoming, the US would have been expected to be in the lead. On the contrary, it contributed and deepened the tendency of atrophy in the international system[3].

It is not yet known how the crisis will unfold for individual countries or for the international system as a whole. Yet it is safe to assume that the crisis will leave heavily traumatised societies and damaged economies behind. That begs the question: If the US does not play a leading role in coping with the crisis, is there any other country that could assume that role? The EU is probably too riven by its own divisions. This leaves China, which makes strong claims that it has dealt with the crisis successfully at home, touting its comprehensive surveillance network and control of the population as an example for all other countries to follow. China is offering assistance and advice to countries in need too, but not out of altruistic motives[4]. China has serious accountability and transparency problems[5]. The suspicion remains that it will take advantage of the crisis to establish itself as a less than benign hegemon. A warning of this are possible plans by Chinese state-owned enterprises to buy up struggling, indebted European companies and China's attempts to dominate international organisations such as the WHO. China is selling the same authoritarianism that was responsible for initially covering up the outbreak of the virus as a virtue. China may see itself as a winner of the crisis, but it is unlikely that it can claim the role of an enlightened actor in the international system.

As a result, we have a void in the international system with no major power either willing or able to claim a leadership role. Arguably, this trend existed before the Covid-19 crisis. This has exacerbated the hegemonic void, contributing to growing atrophy in the international system. What will a post-corona world look like, and what will be the role of the US in it? The US could try to reclaim the role of the benign hegemon, it could seek a limited accommodation with China, or just continue to follow the unilateralist approach pursued by the Trump administration. Options two and three would cement the trend of instability in the international system, although option two, a sort of entente, would be slightly less destabilising, but less likely.

The first option would imply for the US to support a global reconstruction effort, to coordinate with allies on post-Covid-19 policies, in particular to avoid *beggar-thy-neighbour* policies with regard to trade, subsidies and investment, and find solutions to the equitable distribution of potential drugs and vaccines. For this scenario to come about, domestic political change in the United States will be necessary. The necessary condition for this to happen would

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[3] Daniel W. Drezner, Ronald R. Krebs, Randall Schweller, 'The End of Grand Strategy. America Must Think Small'. *Foreign Affairs*, May/June 2020.

[4] Klaus Larres, 'China turns on the charm and angers Trump as it eyes a global opportunity in coronavirus crisis', *The Conversation*, 20 April 2020. Online: https://theconversation.com/china-turns-on-the-charm-and-angers-trump-as-it-eyes-a-global-opportunity-in-coronavirus-crisis-136132?mc_cid=16c662d5cb&mc_eid=2d8dd1f97d.

[5] Jamil Anderlini, 'Why China is losing the coronavirus narrative', *Financial Times*, 20 April 2020, p. 17.

be for Trump to be ousted in the November 2020 presidential election by the presumptive Democratic nominee.

It is more difficult than ever to forecast the outcome of the upcoming election. Trump has damaged himself by his slow and inconsistent response to the crisis, and his erratic and outlandish claims in his Corona press conferences. Trump has been unable to unify the nation in a unique national crisis, a situation that usually gives presidents the opportunity to establish themselves as caretakers of the common good (above petty partisan squabbles) and statesmen. Nevertheless, one should never underestimate the ability of Donald Trump to whip up his base and target his opponents with all sorts of ridiculous allegations that will resonate and multiply in the right-wing media bubble. There are also lots of procedural and fairness issues in an election during a pandemic that Trump and his Republican loyalists will exploit to their maximum advantage. The only thing that is clear is that the election will be fought on how to best deal with the Covid-19 crisis and the economic fallout.

A future Biden administration will make every effort to distance itself substantively from the policies of the Trump administration. This may be easier said than done and most difficult in trade policy as a Biden election campaign would try to regain the votes of white working-class Americans. The Democrats bring their own protectionist baggage, and the protectionist wing of the party led by Bernie Sanders will demand concessions in the platform. A smooth return to status-quo-ante will be difficult in trade, but also in other policy areas[6].

Could a Biden administration fill the void in the international system, reclaim the role of a benign hegemon, and be supportive of the multilateral elements of the international system? If the Biden administration takes the reins of power it will be confronted with an at least partially traumatised country and major social dislocation that have disproportionately hit minorities and the poor, i.e. with a situation that calls for what Obama called 'nation-building at home'. Given internal pressures, the focus will be primarily on domestic needs, for instance on building a health care system that is more resilient to public health crises. It will be difficult to argue proactively that international organisations such as the WHO and WTO can be helpful in promoting US interest. Calls for burden sharing will most likely continue, but with a much softer and less confrontational touch.

The question is whether a new administration has the energy and the resources to fill the hegemonic void. This implies that there will be more continuities in policy toward the international system and its institutions than other international actors may expect. The crassness of the rhetoric, the abrupt policy changes, and the erratic behaviour may be a thing of the past. That would clearly be a preferable outcome for the US and the world. Nevertheless, return to moral authority and hegemonic leadership may elude the new administration too. The aberration that the Trump administration represented would be over, but it will invariably leave deep traces that will dominate US domestic policy and US attitudes towards the global system for the near future.

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[6] Andreas Falke, 'Die US-Handelspolitik unter Präsident Trump: Abschied von den USA als Ordnungsmacht im Welthandelssystem', *ZFAS*, 12:1, 2020, pp. 37-50.

China after the pandemics

How to survive international scepticism and domestic distrust?

Cátia Miriam Costa

Even six months after its outbreak, nobody yet knows the real impact that Covid-19 will have on human behaviour, societies and politics. People struggle worldwide to make sense of a challenge of such magnitude that it affects the way they work, conduct their relationships with family and friends, and organise their life safely. Above all, people expect to get back to their 'normal' life with a sense of security. While rationality pushes for solutions and alternative models of behaviour at the individual, national and international level, instinct drives the search for culprits, to identify who is responsible for this pandemic. If emotional reactions prevailed over an analytical and rational assessment of the situation, then disinformation, fake news and propaganda could find a fertile ground and even turn into a threat for both domestic stability and international peace. The choice of a rational approach largely depends on how political leaderships and national institutions look at this new context.

The language and the narrative of Covid-19 contribute to shape the framework for debate. To suggest that '*we are at war*' against this new virus, as many politicians and the media have repeatedly said, may be misleading not only in terms of discourse but action too. This is not a war. It is a fight, perhaps even a battle against a virus but most of all it is a recognition of the fact that science and technology do not have immediate answers for everything and that humanity is still fragile in its relationship with nature. War might in fact arrive, for real, afterwards, with the potential for conflict and competition that a lack of resources, economic crisis, and social unrest may bring. War is a human phenomenon, based on a sequence of conflictive events leading human groups against other human groups. The struggle against Covid-19 is not a war. Yet, it can be the episode accelerating the change that the world was somehow already experiencing because of the tension provoked by technological change, and economic, trade and power shift.

The economic and technological competition at the international level between the United States of America and the People's Republic of China may just be the beginning of a broader trend: the revision of the model of globalisation and international governance. The pandemic has accelerated this process and given it a new framework. People are now aware of the limitations in the control of nature and even of their own lives. Complex interdependence indeed failed precisely when people most needed it to supply masks or other equipment to face the pandemic. That begs the question who is most prepared for leading change.

Chinese challenges: pacifying society at home

Unlike most people think, during the pandemic in China there was a widespread conviction that the leadership of the country should introduce some reforms in politics. People demanded more transparency from authorities and, simultaneously, that the government listen

to ordinary people. The recognition of and tribute to the doctor who identified the virus for the first time were just one of the ways ordinary people found to show their disappointment with local authorities and the central government. The gratitude they expressed to this doctor was somehow a challenge to the political power, demanding public policies that favoured the citizens and not the maintenance of power. President Xi Jinping responded to this quest by introducing massive measures to contain the pandemic. Furthermore, the central government introduced a different approach to its communication strategy on the virus, making citizens an integral part of the solution that the government had planned.

Even before the pandemic, Chinese civil society had long demanded a type of national and local governance closer to the citizens' interests. Issues like environment, climate change, sustainable development and healthcare entered the public discussion. Concurrently, the demand for more transparency in public policies also arrived in the public sphere. It is no longer about increasing family incomes. It is about having a sustainable and healthy life. The pandemic contributed to increasing domestic distrust because people lost confidence in authorities during the initial mismanagement of this crisis. In spite of regaining ground as time passed by, Chinese authorities will have to introduce domestic governance reforms to accommodate the new demands that will arise from civil society. The increase of social and political demands can be contained if the authorities find a way to get back to strong economic growth and ensure the redistribution of benefits. The mobilisation of the armed forces with excellent results in the control of the pandemic, the collective effort of the Chinese people to solve the crisis, and the international anti-China discourse can help regroup Chinese society, strengthen the incumbent administration and boost national unity. Nonetheless, if the authorities are not able to manage the aftermath of the pandemic effectively, restoring economic growth and promoting social improvement, unrest is possible.

The central government and President Xi Jinping are aware of the increasing demand for transparency and more open public policies. These demands do not come exclusively from inside the country but also from the Chinese diaspora overseas. Chinese migration is today a significant pillar of the Chinese presence in the world. The central authorities in Beijing connect with expatriates as a way of maintaining a worldwide network of influence. Nowadays, Chinese migrants are more and more educated, wealthy and skilled, able to participate actively in social life in their host countries. Their role as 'intermediaries' or 'brokers' between China and the countries in which they live has increased significantly.

The Chinese authorities will face distrust as one of the main domestic challenges. This is relevant to economic recovery too as confidence is a major factor for economic success. Moreover, from a cultural perspective, trust is the basis of Chinese human relationship and a pillar of the Chinese understanding of profitable relations for everyone. This principle, based on Confucianism, also defends the respect for hierarchy, which allows change if order is respected. The Chinese government is perfectly aware of this. Beijing understands that the Chinese Dream project can fall apart if people do not have confidence in its key pillar. Therefore, restoration and enhancement of domestic trust is the primary challenge China is going to face the next months or even years.

China in the international arena

International relations are now reshaping and adjusting to a new context. A post-Covid-19 scenario is in the making, while states are still struggling with the virus and the uncertainty it will bring. Some analysts foresee a new order, dismantling the liberal multilateral order, in the guise of a 'new Cold War' bringing the US and China into confrontation. Some others, more cautiously, suggest that the countries displaying more resilience to and better management of the crisis will become (or remain) the world power(s). Some aspects of an alleged new order deserve further attention.

Before the pandemic, globalisation was already called into question. Many states expressed doubts about the benefit they were getting from the existing model. The US was the first to problematize globalisation and the way it was designed (largely by the US itself) as soon as globalisation no longer clearly gave leadership to the US. At the same time, Washington started to mistrust and undermine the multilateral system. On the contrary, China emerged as a defender of multilateralism and globalisation. Beijing now tries to present itself as an advocate in favour of the current system of international organisation and regimes. After all, this system allowed the significant growth and internationalization of China's economy on the world stage.

Moreover, China has promoted both the globalisation model and a diplomatic practice of '*bilateralism through multilateralism*', based on the organizations that it created and participates in, such as the Forum on China-Africa Cooperation, the China-CELAC Forum or the Macau Forum. Furthermore, the Chinese flagship international project, the Belt & Road Initiative, follows a model anchored in multilateralism as it seeks to stimulate an international network based on bilateral agreements and regional initiatives. Accordingly, China now feels comfortable with the international mechanisms in which it takes part. Interestingly, these mechanisms are similar to those that the European Union uses for cooperation with Africa or Latin America. When China was unable to participate in existing international organisations, Beijing introduced equally multilateral initiatives, creating for example international financial institutions and development banks.

Globalisation and multilateralism suit China's interests. They favour Chinese presence on the global stage and, at the same time, they do not compromise the maintenance of strong bilateral relations. China did not revolutionise or substantially change any model of international relations. Instead, China adapted itself successfully to, and took full advantage of the existing international order. Even when China reached a position as decisive player for such order, Beijing refrained from defying it. China respected traditional mechanisms and complemented them with new ones following the same or a similar model. In reality, not much has changed in the post-World War II international order since China has taken its permanent seat in the United Nations Security Council in since 1971. At least, not because of China's will or actions.

China mainly played with the rules set by others and used a pragmatic '*join the club*' approach. Recently, China has become perhaps 'too equal' to other major powers, thus being perceived by other states as a potential threat to their status and interests. Yet, looking back, China has only applied the rules of the game and turned them to its advantage. Beijing's successful *Research, Development and Innovation policy* was financed through both domestic research initiatives and Chinese investments in foreign research projects. This resulted in China moving from the position of '*factory of the world*' to that of '*laboratory of the world*', based

on science and technology. China has also dislocated intensive labour industries to other developing countries, and, at the same time, it has enhanced its own high technology industries. This change has taken place in approximately in the last decade or so, and has occasioned tensions with competitor countries.

In this context of intense international competition for trade and technology, the Covid-19 crisis broke out. The fact that the virus originated in China, and from there it expanded to the whole world, spurred international scepticism and wariness towards China. To be clear: For some countries, Covid-19 became a topic to add to the competition about trade, 5G or other technological advance. Some counties now have suspicions about the real origin and diffusion of the virus as well as about China's actual responsibilities and role in the pandemic. The US was the first to air the idea that China should pay some compensation for the economic losses caused by the virus to other countries; other states, especially in the Anglo-Saxon world, followed suit. China reacted firmly and with disdain to such allegations. In fact, Beijing now presents itself as a champion of international solidarity and China has sent medical equipment and other aid to countries harshly hit by the virus. Some observers and even some political leaders, mainly in the West, consider these initiatives, the so-called '*mask diplomacy*', just a way to promote *soft power* and overcome the reputation damage that China suffered from the spread of the pandemic.

China is unlikely to overcome this scepticism easily. Countries such as the US or Australia are particularly critical. Still, China can use multilateralism to support states in difficulty and continue its international projects. It will not be easy, but interdependence may help the Chinese strategy and discourse of complementarity, mutual interests, and international solidarity. Ultimately, China does not need to change or reject the current international order to maintain its relevant role within it. An intensification of competition, both about the narrative of the crisis and the reshaping of the international system, is likely to occur.

Conclusion

After the pandemic, China will have to confront its model of development and foreign policy strategy. The Covid-19 pandemic has only accelerated a process that was already ongoing in Chinese society. The growing demand for transparency already existed in China. At the international level, China has only raised more scepticism, especially from those countries that are now afraid that China can overcome the crisis faster and better than they do. China is at a crossroads. The next steps will determine if its political model remains viable. Still, if China were isolated internationally, the country may be tempted to increase its own domestic industrial and technological capacity on the one hand, and look for more non-traditional partners internationally. This may result in a clear loss for the West. Cooperation in areas like science and technology remains the best option to engage with China and to promote a peaceful international environment.

<center>**Chapter 20**</center>

Spain: similarities with and differences from the European environment

Walther L. Bernecker

Background

There are phenomena that define an era. This is the case of the coronavirus, which has left no corner of the world uninfected. Covid-19 has put in check governments that were considered quasi-invulnerable and powerful, it has caught the machine that makes globalisation work, it has placed the economy in the most critical moment since the financial crisis of 2008/2010 – some even say, since the Second World War. When, in early 2020, the coronavirus began its race to death and economic destruction, no one could have guessed how serious it would become just a few weeks later. The current generations – from all countries, also and above all from Spain – of working age became immersed in the coronavirus crisis.

The current Spanish generation of middle-aged people is the generation of three crises. Firstly, the great recession that followed the financial and banking collapse of 2008/09, which although it started in the United States, was largely reinforced in Spain by the real estate bubble, with massive unemployment, poor living standards, and lack of perspective. Second is the crisis of the coronavirus with its ravages in terms of health, occupation, economic level, social life, with a very high precariousness of volatility of jobs. Thirdly, the almost certain economic recession of the post-Covid-19 period that will probably last for years with a very high degree of existential uncertainty. These generations form, in the words of sociologist Ulrich Beck, the 'risk society'. They have to build their life on sandy foundations.

Material damage and socio-economic prospects

Already at the beginning of the pandemic, one could hear in Spain the question, why the country was more vulnerable than others – except Italy – in the European context. The question was not and is not easy to answer, and probably a whole set of arguments has to be considered. One factor that must be taken into account is that the Spanish health system (absolutely and comparatively excellent in quality) has been subjected since the great recession of 2008/2010 to stress with intense cuts in personnel, capacity and tools, which has brought its supply out of step with its exponential demand in a sudden crisis. Therefore, there would be a relationship between the austerity policies practiced since the first euro crisis and the outbreak of the coronavirus. Between 2009 and 2018, regional health spending fell by 3.864 million euros (6%) due to these cuts applied by the autonomous regions and aggravated by the central austerity policy.

It soon became clear that Spain would emerge from the crisis inflicted by the coronavirus lagging behind the rest of the European Union, as the productive structure, debt and public deficit had made the country more sensitive to the economic blow. The pandemic

could hit the country so severely because Spain has a more atomised and less solid productive fabric, with a high proportion of small and medium-sized enterprises (SMEs). Exports will suffer, as will spending by tourists and households on hotels and restaurants, which account for some twelve points of Spain's Gross Domestic Product.

At the beginning of May 2020, the figures were devastating. Spain had more than 25,600 deaths and around 220,000 people infected by the virus, but also more than 123,000 recovered since the beginning of the pandemic. Spring was a nightmare for the Spanish labour market. After a tremendous escalation in the first months, the number of unemployed rose to 3.9 million, and Social Security affiliation lost nearly a million contributors. In less than two months, applications to the Food Bank grew by 30%, in the social canteens the number quadrupled, in Caritas the requests for help tripled. Along with the health pandemic curve, cities had to fight on another front: the social one.

The Spanish productive structure is based more on services than on industry, and what was lost during the lockdown could not be recovered. To avoid total closure, many companies adjusted their workforce to the new scenario, and the loss of jobs will continue. Public and private investment will continue to be cut, as is often the case when – as in the Covid-19 crisis – a rapid adjustment has to be made in a context of uncertainty. The fiscal position is also more problematic in Spain than in other countries. High public debt and deficits are responsible for the fact that the government does not have the same capacity to take measures as the countries of Central and Northern Europe. One example: While the Spanish Treasury has put up 100 billion in guarantees, the German Treasury has announced that the amount would be unlimited.

Spain has opted for a very cautious and gradual response to the crisis, and analysts agree that in the current year the economy will fall by about 10%. The big recession between 2008 and 2013 saw a fall of 9.5%. The loss of public administration revenue will probably exceed 40 billion euros. With some 30 billion in deficits that had already accumulated before the crisis, the hole in the public accounts may be around, according to the International Monetary Fund, 100 billion euros.

One of the problems that Spain has to face financially is that Europe has fractured the aid mechanisms. Instead of setting up a 'bazooka' for whatever arises – as had been announced – the European Union agreed that it would only allow 2% of the GDP per state of the *European Stability Mechanism*. In other words, Spain will be able to take some 25 billion euros from it. And possibly the same from the new European fund *Support to mitigate Unemployment Risks in an Emergency (SURE)*. Yet more than 100 billion euros remain to be financed on the market.

According to IMF estimates, Spain's public deficit in 2021 will be 6.7% of GDP, while that of the European area as a whole will be 3.6%. In other words, by the time the countries of Northern Europe have begun to normalise their accounts, it will be clear that (along with Italy) the Spanish economy will be the most affected, with the least capacity for recovery and very high financing needs.

In view of these enormous problems, the Spanish government was clear that the possibilities of recovery of an economy as affected as the Spanish one depended on a great 'Marshall Plan' in the European Union for the next years. Prime Minister Pedro Sánchez proposed a large fund of up to 1.5 trillion euros financed by the Community's perpetual debt, which would be distributed as transfers – and not debts – among the countries most affected by

the crisis. This Recovery Fund should be financed through the margin that exists in the European Union Budget between the real expenditure (around 1%) of the GDP and the ceiling of the so-called own resources (the maximum of the potential income of the European club, now situated at 1.2%). The Spanish government proposed raising this ceiling, which would considerably increase the European Union's debt potential. The Recovery Fund would prevent the massive indebtedness of the countries of the South and help their economies to recover. It would not lend money to countries, as in the bailouts of the great recession of 2008, but would make direct, non-refundable transfers limited to the duration of the crisis: non-refundable transfers, guaranteed through the institutions of the European Union. Although the Spanish proposal did not use the terms *Eurobonds* or *Coronabonds*, it introduced the concept of *mutualisation* without mentioning it, as Madrid was well aware that several European states were strongly opposed to this type of funding. The Spanish proposal was well received, although many discussions will still be needed until a consensus is reached among the EU member states.

Similar problems, different attitudes

Every epidemic tests health systems, but also political systems. This is also true for Spain. Prominent Hispanic thinkers in their essays published during the first months of the crisis stress the importance of recovering social cohesion and putting reason before chaos in order to emerge stronger from the crisis. They recommended resuming Aristotle's concept of 'civic friendship', avoiding polarisation and constant confrontation. Yet, unlike in other European countries, the Spanish parties did not manage to conclude an (implicit) 'non-aggression pact' and support for the government. In many countries the pandemic was used as an opportunity to put aside the political fight, at least in form if not in substance. In Spain, this was not the case. Rather, a number of previously existing problems were used to further highlight partisan or regional differences.

The two major crises of the last quarter century suggest that something essential is not working well in Spanish democracy, as the big parties are unable to close ranks and throw themselves into the fight against their opponents instead, just when the country is weakest and cohesion is needed most. Although this observation is nothing new, it is even more painful in such a dramatic context. This is a real anomaly in the European context, especially when 87.8% of Spaniards, according to the survey conducted by the *Centro de Investigaciones Sociológicas* in April 2020, believe that opposition parties and leaders have to collaborate with the government and support it in every possible way, leaving their discrepancies for times that are more appropriate. It is true that in the first weeks of the pandemic there were some agreements between the government and the opposition, for example on the proclamation of a state of alert. Yet these too were wrapped up in a warmongering rhetoric of confrontation and gestures of animosity. Stubbornness and disagreements predominated when close cooperation was necessary. What is valid for the political parties at the national level is even more so for the Catalan government, which took advantage of certain differences in the application of restrictive measures to question fundamentally the Spanish State and government.

There are other aspects to highlight in the Spanish case. Despite all the ambivalent reactions of the EU to the Spanish requests, in April the Spanish continued to lead the desire for European cohesion. With 84%, and leading the table, Spain was the country that most

supported a unitary response from the European Union to the coronavirus. By the way: The pro-European feeling was more accentuated among those over 55, and less among young people under 24, perhaps an example of historical memory among older people who were more aware of the benefits that the country had gained from its accession to the European Community in 1986. Another consequence is striking: In the first weeks of the crisis, the national self-esteem of the Spanish people grew. The *Real Instituto Elcano* noted a strong increase in national identity, which received a score of 6.8 compared to 5.3 two years earlier. The Institute attributed this rise to the exceptional nature of the situation resulting from the pandemic, in which solidarity is more cherished, and it is appreciated that the rest of the citizens are complying with the rules, and the group feeling is reinforced.

Final Reflection

The government has already warned the population repeatedly that, after the emergency phase, a 'new normality' of coexistence with the dangers of the virus will come. This new normality in a world hit by Covid-19 will drive people away for quite some time (at least until there is a vaccine), will once again raise dikes of containment and will give a twist to a good part of the social customs. In his televised address on the occasion of the havoc the coronavirus was wreaking on the Spanish people, King Philip VI said: 'We will recover normality'. Nevertheless, sociologists predict that Spain will be 'a more fearful society' in the future. Even before the crisis, fear had been a growing feeling in the face of environmental challenges or artificial intelligence, and the coronavirus crisis exacerbated that fear.

On the other hand, 60% of Spaniards believe that the coronavirus will leave a more supportive society, a key factor in social coordination. Yet, although empathy is a mark of Spain, the solidarity that can be seen momentarily in the behaviour of neighbours is not guaranteed if the economic shock generates greater inequality.

It is possible that the sensation of uncertainty, encouraged by the crisis, lasts. The bubble of security, of technological development, will not return as it did before. The sense of fragility, of lack of security, has increased substantially. The same is true for the view of democracy. It is not clear whether there will be a disaffection with the democratic system and a rise in populism, or whether the Keynesian state will be strengthened. What remains is doubt and insecurity.

One of the current debates is about the prevalence of health over the economy. This contraposition is wrong. Just read the statutes of the World Health Organization (WHO), which defines health as a state of complete physical, mental and social well-being, not just the absence of disease. For it is precisely this social well-being that health implies that has been seriously impaired by the paralysis of the productive system. Therefore, it is not appropriate to choose and differentiate between health and the economy, since the latter is part of complete social well-being and, therefore, of health.

In few cases has it been so true to say that only in unity can serious crises be faced, as in the current one. All Spanish stakeholders with responsibilities for the country must internalise the need to carry out a national reconstruction project and put it into practice. Neither the government nor the opposition has made any serious effort to present real mutual offers so that the fight against the virus and the recovery effort are carried out in solidarity. What they have

done (and too much of it!) is to reproach and insult each other. Yet the fight against the pandemic will only end in victory if there is unity and a joint programme.

Italy: The pandemic has come from afar
The structural roots of the Italian crisis and its remedies

Sergio Noto

Long before the arrival of Covid-19, Italy had been experiencing a phase of crisis, not only economic, that had lasted several years and was considered by many to be 'structural'[1]. In fact, as early as the beginning of the 1990s there was a trend of Italian GDP growth in modest values, ranging from 0.5 to 1.9% per year, almost always below the European average; a trend that was not interrupted at all, but worsened in the years following the 2008 crisis. Public debt - permanently above the 100% of GDP ratio - after some tentative signs of decline had started to increase again, due to the lack of productive growth. Meanwhile, an increasingly evident crisis of representation and leadership had emerged throughout Italy's political, administrative and entrepreneurial class, as evidenced by political disputes, financial scandals and the growing role of criminal justice.

In this context, the explosion of the pandemic, with the thousands of deaths it has caused, with the serious consequences it had on economic activities, as well as the collapse of the income of Italian families, has in fact mainly given a dramatic visibility to a pre-existing situation, making a 'chronic crisis' unparalleled in other European countries more acute. Therefore, precisely because of the difficult economic, political and social situation of the past, the negative aspects of the pandemic have manifested themselves in Italy with even more serious consequences in the present and for the future. The virus maximises its most harmful consequences, unfortunately, in weak organisms, where natural defences are undermined. This is what has happened in Italy, where the pandemic has impacted the debilitated economic situation more intensely than elsewhere.

In the presence of a chronic and pre-existing crisis, Italy will finally be able to emerge from the consequences of the coronavirus not when companies have resumed activity, but only when the causes of the crisis, at least in large part, are eliminated. This will not be easy or simple. The recovery will depend on the current state of health of the companies, on their financial and equity situation, on their levels of indebtedness and liquidity that will need to be reinforced; but it will result mainly from a radical change in the realities, not only economic, that still today aggravate the productive structure of the country. In other words, it must be clear that, even if there is massive access to extraordinary aid, it will be difficult to overcome the old problems. Therefore, the victory over the crisis caused by the pandemic can only be achieved at the cost of being able to surgically address the old problems that afflict Italy.

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[1] Bank of Italy, 'Governor's Report', Year 2019.

Has everything changed? The economics of the coronavirus.

The most widespread mantra in Italy, after the acute phase of the virus, says 'that nothing will be the same as before'. Undoubtedly true, but not necessarily corroborated by concrete facts, by radical changes, at least for Italy and Italian customs, where – as we know – long before Tomasi di Lampedusa put it in writing, there was the principle that 'everything must change so that everything can stay the same'[2]. In reality, pessimism is neither inevitable or necessary, but some 'deep' changes will be needed. These changes to facilitate recovery should avoid wastefulness or, in any case, expenses far in excess of the advantages obtainable, which may make the recovery less effective. It will be necessary to distinguish between activities penalised by the effects of the pandemic and activities affected by the consequences of the pre-existing difficult situation aggravated by the coronavirus. It will be necessary, in the first place, to encourage those initiatives that allow an immediate increase in production and consumption. At the same time, measures should take into account, and even take advantage of the new context imposed by the pandemic.

In fact, a specific 'coronavirus economy' exists already and will continue to develop. Some production structures and organisations are able to work with maximum efficiency even in difficult times of risk of pandemic or even ongoing pandemic, without suffering the limitations of other production methods. For example, this has already happened with some companies linked to e-commerce, which have increased their turnover, as well as with many other activities carried out through the remote exchange of data, images and videos, which have not suffered significant falls in turnover. In fact, they have often generated significant increases. These are the activities and investments that Italy should prioritise as these have higher productivity and greater ability to get back on track. Some objectives and improvements that do not slow down at all, even in a crisis situation, can be summarised as follows:

a) Interventions for the creation of new structures that maximize production, even in a context of coronavirus, without having to resort to staff reductions, brainwashing and workflow and assistance regulations, which are often difficult to implement. New work and production environments specifically created to allow not only regular work performance, respecting the health and safety of workers, but also growth without internal limits. Environments that in any case can continue to be used when circumstances change.

b) Interventions aimed at work or work support activities, using technologies for the transfer of data at a distance (training courses, distance work).

c) Interventions in activities aimed at restoring or improving deteriorated environmental conditions, considered in part as co-responsible for the possible re-emergence of pandemic situations.

d) Interventions in support of activities with a high rate of technological innovation.

The activities referred to in point a) shall be promoted and financed first, in particular in the case of medium-sized to large enterprises. Funding provided in support of such interventions (which could cover up to 60% of the actual costs incurred) must be exclusively for these purposes and may only be provided to enterprises that are not in a negative financial situation. Furthermore, the creation of 'coronavirus-free' working environments – also given

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[2] Giuseppe Tomasi di Lampedusa, *The Leopard*, Pantheon, 2007. First published in 1958.

the typical Italian production structure – can be effectively used to address similar projects in SMEs and craft enterprises, which often already operate in understaffed environments.

Covid-19 could also be an excellent opportunity to finance initiatives aimed at reducing environmental externalities in certain production sectors. Direct support, in ways similar to those referred to in point a), can prioritise the reduction of emissions of gases and pollutants in general, the production of very high frequency electromagnetic waves, for which neutrality for public health purposes has not yet been fully established. Funding for environmental purposes in particular should also be directed to the primary sector, which needs not only financial support but also rapid conversion towards full environmental sustainability. Finally, such environmental and innovative funding can also be directed to public and private experimental research settings, where results can be documented. The plan of measures to be prioritised must address the future, not the past. It should aim to create something new, not to remedy the difficult situations of the past.

About emergencies. The problems of the present (i.e., of the past)

The consequences of the pandemic in a country like Italy will be fierce, impacting hardest on the most fragile, who are numerous and cannot be neglected (both companies and individuals). These subjects will suffer the most from the consequences of a difficult situation that has been going on for a long time. Support for businesses must be aimed primarily at supporting companies capable of restoring conditions of minimum profitability autonomously within a reasonably short time. For companies in previous difficulties, priority must be given to new injections of private capital, which will make it possible to return companies to efficient production levels, even if they have been in difficulty for a long time and are now penalised by the consequences of the pandemic. Public capital can be used exclusively to support temporary injections of private capital, possibly combined with other innovative investments, in order to maintain production levels and to not jeopardise employment. As far as possible, efforts should be made to save as many companies in difficulty as possible, without neglecting overall productivity and the need to facilitate a virtuous restructuring of the Italian production system.

The argument for individuals or families who, for whatever reason, find themselves in difficulty due to the temporary fall in income as a result of the pandemic is different. In these numerous cases, which increase with the continuous effects of negative contingencies, it would be preferable to proceed with non-reimbursable direct support, without disbursement of money, also because of the need not to stimulate inflationary mechanisms. In this context, direct interventions should be made in the payment of utility bills or the provision of food vouchers, which are timely, sufficiently verifiable and do not generate further disparities among citizens. This should support domestic demand for basic necessities and essential services, without losing sight of the possible negative counter-cyclical consequences of demand-distorting interventions and taking into account wage inflation.

Building the future (without forgetting the past)

No one knows their faults better than the Italians do. The diagnosis of Italian mistakes is a common heritage. What has obviously been lacking up to now, even from the point of view

of information, is not knowledge of the remedies, but the drive and determination to change and the willingness to sacrifice. If sacrifices are already imposed by circumstances, Italians will at last want to decide to implement those structural changes that they have long preferred to ignore. Yet these reforms could already restore well-being and peace of mind to the country in the medium term, far beyond what has been the case in the last thirty years. As we have said, it is not just a problem of public debt.

The central problem will be primarily to convince the Italians of this need. This will be followed by a change in mentality, a change in the country's outlook, a change from cicadas to ants, to put it in German terms, which will have to be effectively communicated to the rest of the world, particularly to European partners. It is not enough to change things; the others need to be convinced that the Italians are seriously embarking on this path. Of course, the Italians will have to regain their self-confidence, but above all, they will have to convince others to trust them. This process obviously goes through some not so easy steps. The development of a new generalised individual conscience is certainly necessary, but it will have to be translated into political stability in a short time. Such stability will have to be pursued through a new political class, one that is younger, more open to women, more competent and more seriously interested in the collective good, not just in short-term political consensus, as has unfortunately been the case over the last twenty-thirty years.

The tragic and still unfinished experience of the coronavirus will give very modest results if it only manages to find a way to allow companies to survive. Society and productive structures will not change if the result of Covid-19 is only to repaint part of the past, to limit the number of victims, but finally to leave everything as before as regards the real causes of the repeated economic and political crises, including biological ones, in Italy. As Schumpeter said, 'two old things renewed do not make a new thing'. Only through the new, is there real progress.

Pareto argued that the solution to an economic problem is never exclusively economic. This is the opportunity to put it into practice. Italy's economic problems have deeper and simpler roots than the economy alone. They are in the mentality, in politics, in the widespread culture. It is precisely and mainly to these areas that Italians will probably have to direct their scalpel, if they want to get out of a crisis that only partly depends on the coronavirus.

Policy responses to the coronavirus in Germany

Tim Büthe, Luca Messerschmidt and Cindy Cheng[*]

Introduction: The Covid-19 crisis in Germany

Faced with major crises, policymakers are at risk of various pathologies: They suffer from misperceptions, engage in 'groupthink' (bolstering internal cohesion and morale at the expense of critical thinking) and commit other cognitive errors that impede rationally assessing risks and choosing the optimal policy response[1]. These pathologies easily spill over into the realm of international affairs, where exaggerated *us-versus-them* thinking and a retreat to economic nationalism can further exacerbate the damage caused by the crisis itself[2].

Even in the absence of such pathologies, governments, when faced with a major crisis such as the Covid-19 pandemic, have strong incentives to try to go it alone at the national level: Both policy implementation and political accountability still mostly take place at the national – or sub-national – level. And the apparent success of a few countries, most notably New Zealand, in stopping the spread of the disease by (inter alia and temporarily) shutting themselves off from the rest of the world, suggests that self-imposed isolation can, at the right time, be quite effective to protect against the virus. At the same time, it hardly seems promising for each country to try to find a way to deal with Covid-19 by itself – a common global threat requiring coordination and cooperation.

Federal political systems such as Germany face similar challenges at the sub-national level. Scholars of federalism have long worried about federalism's centrifugal tendencies, which can impede the development of a maximally effective, cohesive policy response, especially when problem solving is urgent[3]. Divergent responses to the pandemic at the state level – and conflicts over those differences due to spillover effects – were indeed quite likely, given that the intensity with which Covid-19 hit Germany differed substantially across the *Bundesländer*. Infections were heavily concentrated in the south of Germany, thanks to geography, state-level differences in school vacation schedules, and early containment measures that restricted travel within Germany.

At the same time, Louis Brandeis' classic depiction of US states as 'laboratories of democracy' reminds us that federalism offers opportunities for trying different policy responses and learning from the differing results, especially when federalism has 'experimentalist'

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[*] Tim Büthe took the lead in conceptualising the chapter and in writing sections 1 and 4; Luca Messerschmidt took the lead in gathering the empirical information and conducting the data analysis, as well as in writing section 2; Cindy Cheng took the lead in writing section 3.

[1] Irving Janis, *Victims of Groupthink* (Houghton Mifflin 1972); Cass Sunstein and Reid Hastie, 'How Groups Fail' in *Wiser* (Harvard Business Review Press 2015), 19-99; Sweta Chakraborty, 'How Risk Perceptions, Not Evidence, Have Driven Harmful Policies on COVID-19'. *European Journal of Risk Regulation* (2020, forthcoming).

[2] Charles Kindelberger and Robert Aliber, *Manias, Panics, and Crashes* (Palgrave Macmillan 2011); Ole Holsti, 'Crisis Decision Making' in Tetlock et al, *Behavior, Society and Nuclear War* (Oxford UP 1989), 8-84.

[3] Fritz Scharpf, 'The Joint Decision Trap' 66(3) *Public Administration* (1988): 239-278, esp. 267.

characteristics to encourage feedback and learning[4]. Indeed, until at least early May 2020, Germany mostly avoided conflicts over its corona response and appears to have been relatively successful in its response to the pandemic.

We provide a brief overview of the public and political discourse in Germany, as well as the German federal and state-level policy responses, during the first months of the pandemic and an early, tentative assessment of commonalities, divergence, pathologies, and learning – as well as broader implications for conflict and cooperation in Europe and beyond.

Public and political discourse in Germany

We identify three phases of Germany's public and political discourse concerning the Covid-19/coronavirus pandemic:

1. the initial phase, from the beginning of the pandemic until early March, during which Covid-19 attracted modest interest as a serious but far-away calamity, and occasional suggestions that it could become a threat to public health in Germany were largely dismissed;
2. a fearful discourse, from mid-March until late April, focused on the pandemic's immediate threats to physical well-being and to the medical system; and
3. a third phase, beginning in late April, characterised by an increasing emphasis on the economic consequences of the policy measures adopted to stop the spread of the virus – and on the constraints on personal and political freedom as well as other consequences, including mental health effects of isolation, insecurity, etc. – feeding into quickly intensifying discussions about a relaxation of those policy measures.

From the start of the outbreak until the beginning of March, German public discourse was largely shaped by the Robert Koch Institute (RKI), the nationwide health monitoring agency of the German federal government, responsible for the study and prevention of infectious diseases. During the initial phase, the RKI limited itself mostly to generic precautionary advice typical of any flu season. Even for travellers who had recently returned from China's Wuhan province, it issued no more than a recommendation for self-monitoring. Although one of the first cases of Covid-19 outside of China was identified in Germany at the end of January 2020, both federal and state governments shied away from imposing any restrictions or diagnostic interventions. Covid-19 was perceived as a serious health risk – but only for a distant province of China and possibly isolated individuals who had recently travelled there. Public attention to (and fear of) the virus was generally low, and discussions among public health experts regarding possible necessary measures to prevent a pandemic in Germany received little public or media attention[5].

At the beginning of March, the injection of fear dramatically changed the public and political discourse, largely in reaction to the sudden rapid increase of Covid-19 cases and deaths in other European countries, especially Northern Italy, as well as the RKI's shift toward recommending strong measures to prevent the spread of the virus. In fact, during this second

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[4] Charles Sabel and Jonathan Zeitlin, 'Learning from Difference' 14(3) *European Law Journal* (2008) 271-327.
[5] ARD, ARD-DeutschlandTREND Februar 2020. Online: https://www.tagesschau.de/inland/deutschlandtrend-2097.pdf.

phase, the more than 450 medical and health policy experts of the RKI dominated public discourse, contributing to the development of a single preeminent *national* discourse despite the substantial regional differences in actually observed infection rates. Due to the RKI's perceived neutrality, highly pertinent expertise, and political independence, the public largely accepted its assessment of the risks for Germany as a whole and quickly evolving conclusions about 'necessary' measures.

Highly respected across the political spectrum and the country, the RKI also largely set the agenda for the elite political discourse. Rare discordant voices, warning of the economic and psychological consequences of prolonged school closures, store closures, and shelter-at-home orders, gained little traction among the general public. Across the different political parties in the federal and state parliaments, there was virtually no challenge to the RKI's public health-focused agenda and recommendations for highly restrictive policies to 'flatten the curve' of infections. In fact, supportive public discourse turned these recommendations into policy demands.

In the second half of April, as the rate at which the infection was spreading started to slow, public discourse again shifted. Medium-term consequences, especially the serious socio-economic harm done by prolonged restrictions on most economic activities, gained increasing attention. As public intellectuals began to question the exclusive focus on minimising health risks and some opposition parties launched criticisms of the federal government's anti-Covid-19 policies, public acceptance of restrictive policies started to erode. Despite Germany's quick implementation of massive economic support programs for households and companies, the public made increasingly vocal demands to relax the restrictive policies. By the end of the month, the fragmentation inherent in Germany's federal system also became apparent in political (elite) discourse and public policy, as state governments in less-affected parts of the country called for giving greater weight to limiting the pandemic's economic and social costs. By early May, some started to openly disregard and diverge from agreements among the state governments. A shift away from public-health-above-all-else is clearly underway.

While Germans, including political leaders, have overwhelmingly focused on the manifestation and consequences of the pandemic *in Germany*, the German public and political discourse has steered clear of blaming foreign countries, globalisation, or immigrants. In fact, a widespread desire to contribute to the common cause of protecting the most vulnerable and defeating the virus, expressed locally through numerous grass-roots volunteer initiatives, has included offers from medical facilities in Germany to treat Covid-19 patients from other European countries, where hospitals were struggling to cope – suggesting a cooperative spirit that extends beyond the country's borders. It remains to be seen, however, whether this collaborative momentum will continue as relaxation policies are introduced.

Policy responses to Covid-19 across Germany

What makes the German case politically interesting is Germany's federal structure. While the national government is mainly responsible for the closure of borders and the provision of health resources, German federalism reserves for the 16 states competences that are critical for addressing the crisis: school closures, quarantine rules, mass gathering

regulations and restrictions on non-essential businesses, creating the potential for a high degree of policy fragmentation.

To get a first impression of policy responses across Germany, we analyse data from the CoronaNet Project[6]. The federal government's responses to the pandemic have thus far been heavily concentrated on restricting movements across Germany's external borders (16 separate measures vis-a-vis other countries, including Germany's EU neighbours), providing additional resources for medical facilities and research (20 measures), and restricting non-essential business activities (5). State-level policy responses have covered a greater range of issues and exhibited sometimes substantial divergence (see Table 1). Every state, for instance, has adopted some restriction on public gatherings and a social distancing requirement, with some adopting as many as four different measures in each category.

Table 1
German Covid-19 Policy Responses at the State Level, Jan-Apr 2020

Type	Total Number of Policies	Min	Max
Public Awareness Campaigns	6	0	2
Restriction of Non-Essential Gov. Services	12	0	4
Quarantine/Lockdown Requirements	17	0	4
Social Distancing	19	1	4
Restrictions of Mass Gatherings	23	1	2
Closure of Schools	46	1	7
Restrictions on Non-Essential Businesses	46	2	8
Health Resources Measures	54	1	12

This divergence, however, was typically short-lived; most of the state governments adopted key policies within a few days of the first state adopting a given policy, resulting in a 'lumpy' pattern of policy adoptions, as illustrated in Figure 1.

Figure 1: Temporal Patterns of State-Level Policy Adoption

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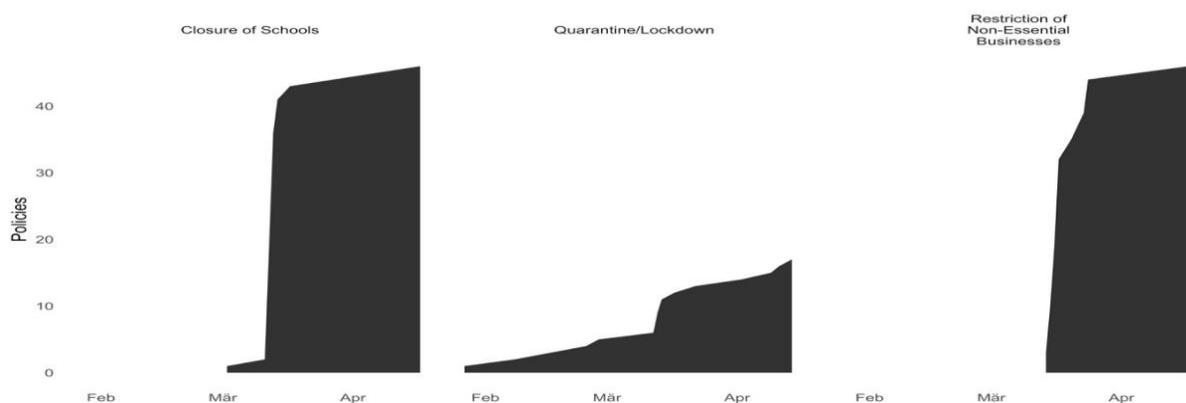
[6] The CoronaNet Project (www.coronanet-project.org) is led by Cindy Cheng, Joan Barceló, Allison Spencer Hartnett, Robert Kubinec, and Luca Messerschmidt. As of the time of writing this chapter, the CoronaNet database covers more than 12,000 policies by governments at national, provincial and municipal levels (final data download 05/08/2020); see Cheng et al, 'COVID-19 Government Response Event Dataset (CoronaNet v.1.0)', *Nature Human Behaviour* (conditionally accepted for publication).

Interestingly, the relatively high cohesion across the federal states was only rarely a function of deliberate, negotiated coordination among the sub-national governments. Rather, once one or a few 'first mover' states adopted an additional, more restrictive policy measure, it usually became a major news item throughout the country. In the context of intense public concerns over the threats posed by the virus, this tended to create a dynamic of increasing public demands for the adoption throughout Germany. In most cases, most other states then promptly fell into line.

The requirement to wear masks when using public transport and in shops illustrates this dynamic well. Bavaria and Saxony were the first states to adopt the policy, when such a requirement was still widely considered overly onerous. Yet, once these two states adopted the policy, the tone of the national public discourse quickly shifted. Wearing masks in public, previously seen as excessively cautious and 'ugly', came to be viewed as exemplarily socially responsible behaviour and a civic duty – with the potential for making a hip fashion statement. All 16 federal states adopted the same policy within a few days.

It remains to be seen whether a similar cascade dynamic will take hold in the process of loosening restrictions, which could result in the hasty removal of pandemic safeguards if public support for the highly cautious approach evaporates.

Conclusions and outlook for the post-Covid-19 period

Our analysis of the German policy responses to the Covid-19/coronavirus pandemic yields both familiar and unexpected findings. As in other international crises, the public allowed experts and the government to lead and has been willing not just to accept but support and even demand costly policies, which many citizens would surely oppose in 'normal' times, as long as the political and policy discourse among the elites was unified in support of those policies. When discord among the elites emerged, public support for severe restrictions eroded quickly.

Federalism did not prevent a coherent response across Germany's 16 states, but neither did it help. The singular national public discourse around Covid-19 created political pressure for state governments to swiftly imitate almost any measure to combat it. This resulted in relatively high but fragile cohesion without deliberate coordination nor the negotiated mutual adjustment that characterises real cooperation[7]. Most policies diffused far too quickly to allow for any real learning, given that the incubation period of the virus (1-2 weeks) makes it impossible to assess the effectiveness of policies within a few days.

Predictions about the long-term consequences of the pandemic at this early stage can only be speculative. Yet, the extent to which the economic recovery is going to be structured such that it fosters international cooperation (as opposed to economic nationalism and conflict) will surely matter greatly for the post-Covid-19 world. In this regard, the stakes are high for Germany, given its dependence on international trade. Germany might thus be expected to take on a leadership role, but its ability to do so will depend on the extent to which the crisis ends up damaging global value chains and the key conduit for legitimate German leadership, the European Union, where Germany has had little visible presence during the crisis.

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[7] Helen Milner, 'International Theories of Cooperation' 44(3) *World Politics* (1992): 466-496.

A final major issue for the post-Covid-19 world will be rethinking the role of governments. In the spirit of the 'new public management', much effort has been devoted to making governments more efficient as providers of public goods and services. The pandemic is a potent reminder that one important function of government is also to maintain spare capacity with enough flexibility to be able to respond to the next, undoubtedly different, major crisis.

Chapter 23

Covid-19 and South Korea

Jae Sung Kwak

South Korea's experience in tackling Covid-19 is gaining worldwide attention from addressing the virus outbreak to preparing for the post-Corona '*New Normal'.* In February 2020, South Korea recorded the highest number of Covid-19 cases second to China. Together with Italy and Iran, it was one of the hardest hit nations on the planet. But within a month the government had shown a remarkable ability to flatten the coronavirus curve without any lockdown. This success had its roots in agile government leadership, *state-of-the-art* technology, and democratic order. The strategies of the Korean government of massive testing, Information and Communication Technology (ICT)-based tracing, a sufficient supply of medical material and effective treatment have been positively evaluated by the international community as a model response to the threat of Covid-19[1]. As the number of newly confirmed coronavirus patients remained around 10 (mostly people coming from abroad) for the last 10 consecutive days in April 2020, Korea is now preparing for a post-Corona society while maintaining a high state of alert and social distancing. This chapter analyses the main aspects of South Korea's strategy during the pandemic and for the post Covid-19 era: '*De-globalisation*', *Decentralisation*, and *Enhancing Soft Power*.

Korea and 'de-globalisation'

South Korea is one of the most globalised countries in the world. It is therefore extremely vulnerable to changes in external economic circumstances as it relies heavily on foreign trade, foreign workers, and participation in global value chains. Firstly, foreign trade accounted for more than 30 percent of the country's total supply of goods and services in 2019, much higher than the United States (13.7 percent), China (14.1 percent) and Japan (16.5 percent). Moreover, as an export dependent country, widespread lockdowns across the world have slashed external demand, which will continue to affect the Korean economy.

Secondly, some economic sectors are dependent on immigrants and foreign workers, especially in manual services, agriculture, and manufacturing. There are currently about a million foreign residents employed in South Korea. Covid-19 caused a labour shortage, as many immigrant workers decided to return home during the early outbreak in February 2020. The government is providing aid packages to those sectors such as farmers and micro and small businesses affected by the Covid-19 outbreak. Still, massive unemployment is expected in hard-hit sectors such as tourism, lodging, restaurants, and transportation. In the light of expected massive urban unemployment and the block to inflow of migrant workers, a key issue on the post-virus policy agenda will be how to mobilise unemployed educated Koreans into the newly

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[1] The Korean government's document '*Flattening the Curve of COVID-19'* provides an exhaustive analysis of the Korean measures and model. Online:
http://www.moef.go.kr/com/synap/synapView.do?atchFileId=ATCH_000000000013739&fileSn=2.

created openings in the digital economy as well as the 3D (dirty, dangerous and difficult) jobs previously held by foreign guest workers.

Thirdly, South Korea's participation in Global Value Chains (GVCs) is higher than most OECD economies, mainly driven by the use of foreign intermediate and capital goods in Korea's exports (chemicals and steels) and the use of Korean intermediate and capital goods in foreign manufacturing (automobiles and electronics). The outbreak of the pandemic will not only accelerate the already started '*de-globalisation*' process, but it will also lead to a repatriation and *localisation* of production. The pandemic has forced many countries to restrict the inflow of foreigners, workers and visitors. The tourist industry has been frozen, the logistics sector and the information industry have begun to change their mode of operation. The pandemic has exposed the huge risks linked with the global supply of certain key items such as medical products and food.

This has led to calling into question the current model of over-reliance on the globalisation of the production chain. The Korean government may incentivise Korean companies with major assets and operations overseas to move back home to improve the efficiency of production and distribution nationally. The United States and Japan have already done so. Thanks to the structural change over the past sixty years, South Korea has achieved a successful transition to high technology and high value added forms of production. The objective is to not lose ground in the post-Covid-19 economic environment. Therefore, while participation in existing *Global Value Chains* is expected to be significantly reduced, new Local Value Chains (LVCs) can be established and strongly supported. Nevertheless, market-seeking investments are likely to remain stable or even increase due to the rising cost and increased risks involved in international trade and logistics.

Decentralisation and localisation

Covid-19 is accelerating *decentralisation* too. Due to social distancing campaigns to prevent the spread of Covid-19, many had to adjust to new practices and to a life 'from remote', to work and study from home. South Koreans have immensely appreciated a positive by-product of lockdowns and isolation: a tangible improvement in environmental and pollution indicators. Although quite unusual in winter and spring, in the first five months of 2020 Koreans have enjoyed cleaner air and blue skies as a result of much lower emission from transportation and industry as well as less polluted air due largely to the lower level of contamination produced by neighbouring China.

The surge of network-based remote work and online schooling and communication will likely boost *decentralisation* in the long run in South Korea, where overconcentration of power and activities in the Seoul metropolitan area has dominated the country's political, economic, educational, and cultural scene. Since the outbreak, the central government has designed the payment of a basic disaster allowance. This initially targeted the bottom 70% of households, but has now extended to cover 100% universal payment. The money is aimed at easing the financial difficulties of people and business amid the Covid-19 pandemic. At the same time, local governments too have moved quickly to provide assistance. In addition to the questionable basic disaster allowance designed by the central government, most of South Korea's metropolitan and provincial governments and smaller local governments are providing

residents with disaster allowances paid in '*community currencies*'. Many local governments partially pay the salary of civil servants in community currencies. Launched as an innovative tool to revive local economies by promoting transactions in the territory of a given community, the community currencies have achieved numerous successes at easing the crisis of local micro, small and medium enterprises. The example of local bookshops is an illustrative case, as demonstrated by an interview conducted by the author with a local bookshop keeper. 'The sales of the newly started bookshop have increased recently, which would not have been possible without the use of the community currency in a town with 30,000 population. Our town looks livelier than before'[2].

Escape from collectivism towards global soft power

When South Korea started to believe in the successful control of Covid-19 in mid-March 2020, thousands of new positive cases linked to the Daegu-based *Shincheonji* Church, a religious cult, suddenly broke out. Since then, new clusters of infections have emerged from Protestant churches across the nation, which spread the risk of a new massive infection wave in the middle of the country's anti-coronavirus fight. This caused significant social tension and disenchantment with those religious groups. Yet most religious communities, including the Catholic Church and Buddhist temples, were able to stream their services online during the period of social distancing. According to 2015 statistics, 44% of the South Korean population has a religion. South Korea is a country where all the world's major religions, Christianity, Buddhism and Islam, peacefully coexist with shamanism and Confucianism. It is possible that social distancing, with time, results in deeper forms of distancing.

Nevertheless, Seoul is often described as a city full of 'glowing crosses', symbolising the rapid growth of Protestantism, which was introduced in Korea only 130 years ago. Korea dispatches the world's second-largest number of Christian missionaries, surpassed only by the United States. Korea houses the largest megachurch in the world, with a congregation approaching 800,000 people. The most typical explanation of this unusual expansion of church organisations is that they offered lonely urban people a sense of belonging and a venue for collective activities as Koreans worked too hard in the course of a fast industrialisation and urbanisation. Ideological alignment with the anti-Communist authoritarian Park Jung Hee regime (1961-79) also contributed to the rapid growth of the conservative Protestantism, which has inevitably produced numerous local branches or cults, like the Unification Church and *Shincheonji*. Membership of churches and a sort of cultural collectivism seem intimately related in South Korea.

Collectivism is much rooted in the national culture of Koreans. Koreans like to group together and establish social networks based on school, church, neighbourhood, company, club and even military service. The strong sense of collectiveness helped shape South Korea's rapid economic development, the *Miracle of the Han River* and overcome a number of economic and financial crises in an unprecedentedly short period of time. On the other hand, the greatest blemish of Korea's collectivism was that it did not leave room for diversity. The Covid-19 pandemic and the successful collective response of South Korean citizens may have a paradoxical effect. On the one hand, this can boost the sense of belonging and community. On

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[2] Zoom interview by the author with a local bookshop owner. 27 April 2020.

the other, it may move this allegiance away from traditional and religious values and affiliations towards a more modern and lay sense of pride for national political, economic and societal institutions and their achievements.

A first substantial change indeed occurred almost suddenly in coincidence with South Korea's political and social democratisation. This prompted a rise in South Korea's self-awareness, which in turn resulted in a growing attention to soft power and its possibilities. If industrial growth strengthened Korea's hard power in the 1970s and 80s, its transition to democracy and emphasis on individual rights from the 1990s on has promoted soft power. The country's soft power represented by the music band BTS and the Oscar winning movie *Parasite*, along with its flagship conglomerates such Samsung or Hyundai have captured the public worldwide. Korea in the 21st century was close to reaching a balance between its hard industrial and economic power and its soft cultural and reputation power.

Then, the Covid-19 pandemic broke out. Almost paradoxically, but quite interestingly, South Korea may cash in on this difficult situation to maximise both dimensions of its power in global diplomacy. Seoul may be able to turn the health crisis into an opportunity to find more space internationally in the diplomatic – and possibly economic – vacuum left by the US and the EU countries hit hard by the pandemic. One example is the Korean tester swab diplomacy. South Korea's fast and efficient testing practice has caught the attention of many countries. More than 120 countries around the world are now importing Korean testing kits and medical equipment. Some countries, Uzbekistan and Morocco among others (certainly not traditional partners for South Korea), have even organised special flights to return Korean residents overseas to their country on the way out, and to bring home Korean made coronavirus test kits and disinfection equipment on the way back. This may be a path to opening new markets for Korea while enhancing the country's image of efficiency and solidarity internationally.

South Korean citizens also played an important role to enhance their national brand by showing voluntary inactive social isolation, an important component to the success of the government's measures. The widespread participation of the people to maintain a social distance helped the government to avoid the imposition of a complete lockdown. Many small shops and restaurants voluntarily closed business even if that brought individual hardship. Consumers responded to local business initiatives with advance payment to maintain cash flow against the sudden drop of sales. The strength of South Korean companies, people, and governments have boosted the country's global reputation. South Korea recorded a relatively low score in the 2019 Soft Power Index (19th), but this result is likely to improve substantially after the Covid-19 pandemic. At least so hope South Koreans.

Brazil: pandemic, populism, and international decay

Maria Hermínia Tavares de Almeida

Covid-19 will have terrible consequences for Brazil in many different ways, besides the foreseeable toll in human lives. This chapter focuses mainly on the implications for the country's foreign affairs. There are international and domestic circumstances that justify a very pessimistic forecast of Brazil's global importance in the near future. The Covid-19 pandemic actually will make worse what was already very bad. To understand the country's post-pandemic international challenges, one should go back a decade.

The *Economist* issue of December 12th, 2009, showed on its front cover the image of the open arms Christ, probably the most famous Brazilian public monument, taking off like a rocket from Corcovado Mountain, from where it seems to be watching over the city of Rio de Janeiro. Inside the magazine, a long article explained the reasons for the optimism regarding the country. In the same vein, two years later, the US Council on Foreign Affairs included Brazil in 'the shortlist of countries that will most shape the twenty-first century'.

Far from being a military or an economic power, the country has built an international reputation by developing and skilfully exercising its soft power, based on a commitment to peace, diplomatic negotiation, multilateralism, and, since 1985, democracy. Being one of the largest countries of the Americas, Brazil committed itself, during the whole of the 20th century, to solving regional conflicts, negotiating with its ten neighbours or mediating disputes among them. In consequence, it could claim to be the ballast of the relatively peaceful political environment in the South American region.

After returning to democracy in 1985 and coping successfully with foreign debt and inflationary crises, Brazil engaged deeply in multilateral activism. It strove to build coalitions aiming at widening the space for itself and other developing countries at the World Trade Organization, the World Bank, the International Monetary Fund, and the United Nations agencies and bodies. It was decisive to the creation of the G20-trade group within the WTO, contributed to changing the BRICS from an acronym to a functioning coalition, promoted the formation of the IBSA Forum, joined the G-20 of finance ministers, and applied to join the Organization for Economic Cooperation and Development (OECD). It played an active role in establishing the climate change regime and developed an affirmative and successful health diplomacy, especially in relation to access to HIV drugs. It also presented itself as a functioning mass democracy committed to addressing its history of enormous poverty and stringent inequalities of income, race, and gender.

Furthermore, although it has never been a significant international trader, and differently from other developing nations, Brazil established commercial links to a diverse array of countries all over the world. All these factors seemed to support the national as much as the international optimism regarding Brazil's role in the world. Brazil was a global trader that strived with all its resources to become a global player.

By the mid-2010s, optimism began to fade. Economic crisis, widespread political corruption scandals involving the centre-left governing coalition, and massive street demonstrations culminated in a presidential crisis. The president was impeached in 2016 and replaced by a weak vice-president.

Even before that political outcome, Brazil's international ascent had begun to lose momentum. The first signs of economic difficulties and a president, Dilma Rousseff, who lacked interest in international affairs contributed to diminishing the energy put in the international endeavour and the lustre of Brazil's global reputation. Moreover, conditions that had allowed Brazil's global take-off also seemed to be changing. On the one hand, China's ascent as a great power imbalanced and weakened the BRICS as a coalition of emerging countries. On the other, US foreign policy under President Trump, constantly assailing international organisations, actually began to undermine the conditions under which the Brazilian commitment to multilateral diplomacy could bring it international rewards. For instance, the country succeeded in getting a Brazilian diplomat elected as Director General of the WTO only to find out that the organisation was politically crippled.

In the 2018 general elections, the political system collapsed. The most important Brazilian parties that, since the 1990s, had organised the political competition and electoral alternatives were beaten. Voters chose an extreme-right populist president, and a slew of new rightist politicians arrived at the Congress.

President Jair Messias Bolsonaro is no doubt a sort of populist. A former low-rank military officer punished by the Army for unruly behaviour, he was a House of Representatives obscure backbencher for 28 years, known only for his outrageous extremist rhetoric and his commitment to a conservative agenda: pro-guns, anti-environmental protection, anti-minorities' rights and in favour of somehow misconceived 'traditional values'. He has shown unbounded admiration for Donald Trump and no interest at all in international affairs. He appointed to the Ministry of Foreign Relations Ernesto Araújo, an alt-right mediocre diplomat who thinks of himself as a 'Jewish-Christian Western civilisation' crusader fighting globalism, environmentalism, multiculturalism, and multilateral institutions believed to be the spearhead of communism that, of course, comes from China.

During 2019, the president and his foreign affairs minister devoted themselves to destroying the policies that had accounted for Brazil's international recognition. They have weakened regional fora, such as the Common Market of the South (Mercosur, formed by Brazil, Argentina, Paraguay and Uruguay) and the Union of South American Nations (Unasur), and created animosity towards neighbouring countries governed by leftist leaders, such as Bolivia and Argentina. They have taken a very aggressive stand towards Venezuela, therefore losing the capacity to act as a responsible third party in any possible negotiation. They have criticised the former strategy that prioritised multilateral diplomacy. They have threatened to leave the Paris Agreement on climate change and became the target of international criticism as domestic environmental policies have loosened, allowing for mounting deforestation and threats to indigenous communities that inhabit and take part in the protection of the Amazonian rainforest.

The Brazilian government has also completely changed its international coalitions. South-South cooperation faded out, replaced by loudly proclaimed automatic alignment to US President Trump's foreign policies and by participation in Steve Bannon's alt-right global network known as *The Movement*. In the same vein, the foreign minister and members of the

president's inner circle created unnecessary diplomatic tensions with trade partners such as the Arab countries and, most notably, with China.

In domestic affairs, it is crucial to keep in mind that the populist government of Jair Bolsonaro since the beginning has opened fire against public universities, which harbour most of the science and technology systems. Thought to be the nest of leftist scholars, universities and public research centres had their funds reduced and have been harassed with repeated criticism and threats. The fight against 'environmentalism', so crucial to the populist reactionary rhetoric, has always and mainly been a battle against science and scientific institutions producing data and monitoring environmental damage.

Covid-19 arrived in Brazil when its destructive power and its capacity to spread rapidly were already evident in China, Iran, and Italy. It was probably brought by masses of tourists who came to enjoy the Brazilian carnival, in mid-February, and by high-income Brazilian travellers and businesspersons coming from Asia and Europe.

In hindsight, it is possible to say that, by February, the Brazilian government had enough information to create some kind of screening in international airports, imposing quarantine to those infected and thus controlling from scratch the virus arrival and limiting the possibility of its spread. But since no other country had shown this readiness to act and the World Health Organization declared the pandemic nature of the disease only on March 11th, it is fair to acknowledge that the Brazilian president's first reaction did not differ from those of other officials who underestimated the pandemic's danger, such as the governments of France, Italy, Spain, the United States, and the United Kingdom. Nevertheless, while most of them rapidly changed course when the nature and extent of the threat became apparent, President Bolsonaro never changed his stand and continued to downplay the menace. In bizarre public declarations or during his weekly Facebook talks, he said that Covid-19 was like a 'little flu' or that Brazilians were 'tough people who could sink in the sewers without being contaminated'. He also dismissed WHO recommendations, made a case against social isolation and publicised the use of chloroquine when scientists cautiously said that there was no evidence of its efficacy to treat those infected by the coronavirus.

Underestimating the epidemic became his motto and the tool to mobilise extreme right supporters while other political agents organised the reaction to the virus in Brazil. The Health Ministry recommended measures of isolation that were taken by governors and mayors of major cities, regardless of the president's attitudes. Due to petty political disputes, as Covid-19 escalated, Bolsonaro fired the minister of health, a reasonable politician and former medical doctor with previous experience with the nuts and bolts of the public health system. He was replaced by another doctor who does not know the public administration machine, a good recipe for disaster.

In the Brazilian federal system, public health care is the shared responsibility of federal, state, and municipal governments. The country has a quite robust public health care system – the Sistema Unico de Saúde (Unified Health System). Based on that principle of federative cooperation, the system is capable of providing far-reaching essential health services to its citizens. Responsibilities are distributed to the different spheres of the federation, and earmarked funds assure a minimum level of resources for the system to work. The federal government plays irreplaceable regulatory, monitoring, and coordination roles.

Nevertheless, significant disparities in fiscal resources and administrative capacities across states and cities contribute to considerable differences in scope and quality of the health care provided in different parts of the Brazilian territory. In 2016, fourteen states provided attention to 75% to 100% of their population and eleven states to 50% to 74% of the citizens. The same differences go for the availability of hospitals, intensive care units, medical equipment, and human resources. The system as a whole also suffered from a relatively long period of underfunding due to the mid-2010s fiscal crisis and restrictive economic policies.

In the present pandemic crisis, the diminished federal coordination capacity resulting from the president's denial attitudes towards the pandemic allowed very decentralised responses, each governor trying to face the challenges according to their perceptions of the threat and their available resources. For political purposes, the president has been stimulating people to break isolation, thus creating favourable conditions for the rapid increase in the numbers of people infected by the coronavirus.

Information about the escalation of the disease is not trustworthy since the country lacks testing capacity. Without it, there is no way to assess the dimension of the disaster nor its pace. The only relatively reliable data are those about deaths from Covid-19. But even those may be underestimated due to the delay in testing procedures. As of the beginning of May 2020, Brazil has the second-largest number of deaths, in absolute values, in the world and they are steeply increasing. As for May 2020, it is not possible to forecast the disease's trajectory and to determine at what point of the spread curve the country really is. The final result will certainly amount to an incomparable humane, social, and economic disaster. Brazil will come out of the pandemic more impoverished, more unequal, and also more isolated in the international sphere.

President Bolsonaro's behaviour during the pandemic put Brazil in a bizarre group of countries whose presidents persisted in denial beyond evidence and reason: Nicaragua, Turkmenistan, and Belarus. This is not the place where it should be considering the size of its economy, its regional importance, and its previous diplomatic achievements. After Covid-19 and after Bolsonaro, the country will have to rebuild its foreign politics and policies in a global scenario, probably quite different from the one where Brazil, in the recent past, has shone as a rising intermediate power. Brazil's success in retrieving international political recognition and a protagonist role globally will depend as much on domestic conditions as on the spaces allowed by the tension between the old international liberal order and the new power game between the United States and China.

Covid-19 and the European Union: A crisis of values

Mario Torres Jarrín

Most of the international press has referred to the health crisis generated by Covid-19 as one of the biggest crises in modern European history. Others quantify it as the biggest crisis since the end of World War II. The truth is that from a historical perspective both Europe and the world have experienced many pandemics. Some have claimed up to millions of lives, for example the 'Black Death', 75 million in the fourteenth century or smallpox over 100 million in the twentieth century. According to the World Health Organization (WHO), during the 20th century there were several pandemics caused by influenza: the so-called 'Spanish Flu', which in 1918 caused 40 million deaths, the 'Asian' flu and the 'Hong Kong' flu of 1957 and 1968 caused the death of between 1 and 4 million people[1]. In the 21st century, the 2009 influenza A (H1N1), also called the 'swine flu', left some 600,000 people dead worldwide.

According to these figures, influenza pandemics are recurrent events over time and, in most cases, cause a sudden increase in the number of sick and dead, events that lead to overflows and collapses in health services and are often accompanied by political, economic and social crises in countries with weak health systems.

The difference between previous pandemics and the Covid-19 pandemic is that the latter was preventable and yet prevention was not done. The Covid-19 pandemic is treated as a health crisis, and it is so because health systems do not have the human and material resource capacity to deal with such a pandemic. Despite the fact that the WHO had been warning for years about the importance of strengthening health systems in all countries. The WHO Bulletin, in February 2018, included an article entitled '*Pandemic risk: How large are the expected losses?*'[2] In this document, the WHO called on countries to invest more in their health systems.

In the case of the current coronavirus, it was not a lack of information but a lack of political leadership that caused the inability to react jointly. The lack of cooperation and political coordination was also evident in the European Union, supposedly the most effective model of regional political coordination and integration in the world. Not only did the Member States adopt different policies towards Covid-19, but they did not even reach an agreement on a common response, when at least it was possible to think about creating various types of funds, for example, so that European scientists could research a vaccine, coordinate the manufacture and distribution of the required medical material and post-pandemic investment funds.

At the international level, mutual reproach for the origin and spread of the virus prevails over the search for joint solutions to the pandemic. It is evident that global governance lacks leadership. Too much rhetoric and not enough action. Several governments talk about how

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[1] World Health Organization, 'WHO global influenza preparedness plan', Geneva, 2005. Online: https://www.who.int/csr/resources/publications/influenza/WHO_CDS_CSR_GIP_2005_5.pdf.
[2] World Health Organization, 'Pandemic Risk: How large are the expected losses?', Geneva, 2018. Online: https://www.who.int/bulletin/volumes/96/2/17-199588/en/.

important citizens' rights are, but in practice they are the first to violate them, and they do so because the root of the problem is that they lack values. One cannot defend what he or she does not know and one cannot make policy on issues that are not practiced in daily life. But these attitudes are not alien either in the history of mankind. What indicts the current international order is that despite the technological advances and the different forums, regional and international organizations that we have, we have not managed to come to any agreement. According to the international scientific community, pandemics will become increasingly frequent events with shorter intervals of time. Prevention and international cooperation is therefore not an option, it is an absolute necessity, and in the case of the EU it must be a *conditio sine qua non*.

9 May 2020 was the 70th anniversary of the Schuman Declaration and the 11th anniversary of the entry into force of the Lisbon Treaty. In theory, the declaration announced the beginning of the first stage of a European federation and the treaty sought greater efficiency, coherence and transparency in the actions of the European Union. Although European integration has achieved important and relevant advances for the life of European citizens, it is also true that the integration process is experiencing a prolonged stagnation, whose starting point is 2005, the year in which France and the Netherlands said 'no' to the draft European Constitution. This 'no' was the rejection of the European federation, therefore, of the Schuman Declaration itself. It was dropped, despite being approved by all 25 EU Member States in June 2004. In other words, the will of two was imposed against the will of 23. If there had been a European Constitution, the EU would have had the legal and political framework to provide better responses to each of the crises experienced.

Since 2005, the EU has lived from crisis to crisis until reaching the current stage, in which it lives in a 'multi-crisis scenario': political, economic, social, cultural, including climate and existential. The origin of all these crises is the abandonment of the European model by its political leaders. Both the left and the right have stopped defending values and ideals and now defend only party interests. The European citizenry is not unaware of this, reaching the point of disaffection for politics, and therefore for the political future of Europe.

The first three months of 2020 have shown that the EU is going through a structural rather than a cyclical crisis. On 31st January 2020 the United Kingdom ceased to be a member of the European Union. In February, negotiations on the EU budget for the period 2021-2027 came to a standstill due to differences between different groups of EU Member States: a group comprising Austria, Denmark, Sweden and the Netherlands; the group of Southern European countries, the Visegrad Group and the group of Eastern European countries. As if this were not enough, the Franco-German axis itself showed divergences on political priorities and economic goals. The uncoordinated response of the EU Member States to the Covid-19, declared a pandemic by the World Health Organisation in March, only served to confirm that the multi-crisis was accompanied by a multi-fragmentation of the European integration process.

In the current convulsed and complex political context, populist and nationalist parties are gaining support because their political rhetoric expresses the defence of certain values and traditions with which the citizens identify and which they miss in European political life. If we analyse the election results, the rise of these extremist parties is at the expense of the decline of the main traditional parties. We can therefore say that the growth of these extremist parties is

due to the disaffection of the citizens with all the political parties that have abandoned their ideals, values and principles.

Mismanagement and lack of leadership in some European governments means that they always shift the blame to Brussels. This is how citizens conclude that the origin of all evils is European integration. Forgetting the benefits that the EU has brought to all the countries of Europe, all thanks to a policy based on values, which were transmitted by the founding fathers; but which have been forgotten by the current European political leaders. What makes European countries distinctive is not their geographical location in the continent or membership of the EU alone, but their identity, based on a common history and traditions, on a vision of life defended and developed on the basis of values.

Many people believe that the peace and democracy we are experiencing today are unalterable and immovable; but nothing could be further from the truth. Like everything else in life, the difficult thing is not only to achieve a goal but steadfastly to maintain it. The current international scenario has been, for decades, in constant uncertainty. There is no political leadership and the main actors have disappeared leaving with their lack of leadership not only a vacuum in global governance, but also a perplexity about the future of the international system itself. Let us be clear, the world order is rather a great world disorder.

The EU has lost its leadership in many of the multilateral fora in which it participates. This is due to several factors, but one of the main ones is that some EU Member States play a double agenda, in which even though they talk about Europe they have stopped believing in it. It is also true that the EU's traditional partners have distanced themselves from it and opted for new alliances. But being self-critical, it has to be said, that Europeans have played with being the centre of the world, when the centre of the world was changing axis, and they have not wanted to recognize it. The Europeans, and consequently the European Union, have not known how to direct and manage their international relations, especially with the new emerging powers. Double talk no longer works. Europe and the EU are no longer credible. Because they have betrayed their values and principles that were the reasons why the world admired European integration.

The countries of the European Union talk about defending human rights; but they trade in arms with countries that systematically violate human rights. They advocate peace; but they increase their spending on arms and get involved in wars and armed conflicts. They promote solidarity and boast that they are the greatest power in development aid and humanitarian assistance, but they are unable to resolve the situation of millions of immigrants living in the EU and the immigrants who knock on Europe's door every day. They fly the flag of free trade, multilateralism and aspire to have a single, strong voice in the world as the EU; but instead several members are opting to defend protectionism, nationalism and to seek solutions bilaterally rather than jointly.

European integration is a construction, its history, as well as the history of humanity as a whole, shows us that events can repeat themselves. At a conference in 1956, Konrad Adenauer reflected on the weaknesses and challenges that Europe would have to face in the world:

'Unless we act, events that we Europeans will be unable to influence will overtake us. I believe we Europeans feel far too safe. Europe's political and economic leadership in the world, which was still unchallenged at the beginning of the century, has long since ceased to exist.

Will the dominant cultural influence of Europe be maintained? I think not, unless we defend it and adjust ourselves to new conditions; history has shown that civilisations are all too perishable[3].

We need a strategic vision, to stop dealing with the urgent to deal with the important.

In 1925, Édouard Herriot proclaimed in the French Chamber of Deputies his most fervent desire to see the birth of the United States of Europe. At that time, the political unification of the continent through a federal system was being sought in order to preserve peace on the continent. This plan failed due to the rise of nationalist and populist parties. This represented the beginning of a dark and gloomy period in Europe, while the first attempt in the 20th century to unify Europe was frustrated. Let us not let history repeat itself in this 21st century.

In his memoirs, Jean Monnet says that 'Europe will not be built all at once or by means of global construction: it will be built by means of concrete achievements that first create a de facto solidarity'[4]. Robert Schuman said that 'the worst responsibility in the face of history is that of the opportunities that have been lost and the disasters that have not been avoided'[5]. Alcide de Gasperi stressed the importance of Europe defending a unitary morality and respect for the rights inherited by the ancients. When he accepted the Charlemagne Prize for his commitment to Europe he said: 'the future will not be built by force or by the desire to conquer, but by the patient application of the democratic method, the spirit of constructive consensus and respect for freedom'[6].

The founding fathers of the European project not only left the ideas, they transmitted the values and principles to be followed. Europeans have got lost along the way, but it does not matter, they have a map, they can return to the path of integration, to the promoting the original ideas enunciated by the founders, a European federation, a United States of Europe. As the new President of the European Commission, Ursula von der Leyen, said at the presentation of the 2019 general report on the activities of the Union: 'The vast range of actions and initiatives that it describes demonstrates, once again, how much we can achieve together. Long live Europe'[7]

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[3] Address by Konrad Adenauer on continuing European integration, Brussels, 25 September 1956. PA AA, [s.l.]. B10 Abteilung II, Politische Abteilung. Bd. 918, Brüsseler Integrationskonferenz. Online: https://www.cvce.eu/obj/address_given_by_konrad_adenauer_on_continuing_european_integration_brussels_25 _september_1956-en-ea27a4e3-4883-4d38-8dbc-5e3949b1145d.html.

[4] Jean Monnet, *Mémoires*, París: Fayard, 1976.

[5] Robert Schuman, *Pour l'Europe*, París: Nagel, 1963.

[6] Alcide de Gasperi, 'An inspired mediator for democracy and freedom in Europe', in EU Pioneers, European Union. Online: https://europa.eu/european-union/about-eu/history/eu-pioneers_en.

[7] European Commission: The EU in 2019. General Report on the Activities of the European Union, Publications Office of the European Union, Luxembourg, 202o. Online: https://op.europa.eu/webpub/com/general-report-2019/en/.

Covid-19, the EU mobilisation and solidarity, and compared regionalism

Gian Luca Gardini

In May 1950, the Schuman Declaration, named after the French Foreign Minister Robert Schuman, de facto launched the process of European integration. In practical terms, it proposed that France and Germany placed their production of coal and steel under a common organisation open to the participation of the other European countries. In terms of principles, the Declaration set out the inspiring values of European integration and, more broadly, of international cooperation[1]. Firstly, the creative efforts of the international community must be proportioned to the dangers that threaten it. Secondly, those efforts must result in a solidarity de facto and not just in words. Thirdly, the results must be offered to the world with the aim of contributing to raising living standards and promoting peace. This chapter argues that, in spite of the many criticisms against the EU's response to Covid-19, the organisation has acted according to those principles and has performed much better that many citizens and analysts, in Europe and outside, tend to think or know.

Three major critiques have been made against the European Union's reaction to the coronavirus pandemic. Firstly, the EU was unable to maintain control or coordinate policy over internal borders (and the Schengen Agreement) and the health emergency. Secondly, the response, especially in terms of economic support to member states, was slow and inadequate. Thirdly, the EU and its member states did not show enough solidarity but, on the contrary, reproduced or even deepened divisions, especially between the North and the South of the continent, but not only. Solid arguments based on irrefutable facts, and not on ideologically charged discourse, can counter these criticisms. However, even before that, it is important to understand the context, competences, and the limitations that the EU faces to fight the pandemic.

The European Union has no exclusive or even concurrent competence in the management of internal borders and health policy in case of an emergency. Member states have primary responsibility for these two areas, and the EU can only play a supporting role. The imposition of travel bans by national authorities and the unilateral reintroduction of controls at internal borders were particularly sensitive measures. Art. 29 of Directive 2004/38/EC covers travel bans and allows member states to limit free movement in the event of a 'disease with epidemic potential'. The jurisprudence of the European Court of Justice also confirms that the member states enjoy wide discretion in this event as long as they meet the principle of proportionality. Considering the seriousness of the threat posed by Covid-19, any criticism in this respect is a non-issue. About the temporary reintroduction of controls at the borders with other members of the Schengen Area, these are specifically provided by the Schengen Borders

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[1] Declaration of 9 May 1950. Online: https://www.robert-schuman.eu/en/declaration-of-9-may-1950.

Code and are therefore little disputed from a legal point of view[2]. There was nothing strange about the introduction of restrictive measures to contain the spread of the virus and both the EU and its member states have acted according to EU Law. Furthermore, the reintroduction of border control is a prerogative of the member states and the Commission cannot veto such a decision. A different matter is the temporary nature of such measures but in this case only time will tell.

About the EU common health policy, EU countries hold primary responsibility for organising and delivering health services and medical care. The EU health policy therefore serves to complement national policies. The EU's role is to support national responses to Covid-19, not to replace or dictate them. This legal context defines the EU's role and competences. Let us turn our attention to the swiftness and appropriateness of the measures undertaken by the EU to show how these have indeed displayed a solidarity de facto, in spite of widespread criticism.

After initial hesitation, the measures taken by the EU in support of its member states have been timely and substantial. Apart from the early unfortunate comments by the President of the European Central Bank Christine Lagarde, a serial gaffe maker[3], the EU has not been slower or more unprepared than the US, the UK or others, quite the contrary. As early as March 13th, 2020, the EU Commission launched the emergency package Corona Response Investment Initiative (CRII). That was only four days after the first country in the European Union, Italy, imposed a lockdown. Spain did so on March 14th, France on the 17th, and Germany imposed social distancing only on the 22nd[4]. CRII has an endowment of €37 billion from the EU budget to buy medical equipment, pay doctors, support employment and help small and medium-size enterprises. At the beginning of April, the CRII was further strengthened with CRII Plus, which allows the mobilisation of all non-utilised resources from the EU Structural Funds. An additional €28 billion of Structural Funds national envelopes not yet allocated were made available for the crisis. Another €800 million were mobilised by extending the use of the EU Solidarity Fund to public health purposes for the countries hardest hit. Further flexibility in the use of Structural Funds, such as transfer money between different funds or redirection of resources to the most affected regions, was also granted.

In the acute phase of the pandemic, the EU contributed to ensure provision of medical equipment throughout the Union in a moment of extreme scarcity. The EU organised four joint public procurement calls to buy masks and other protective equipment such as gloves, goggles, ventilators and testing kits. Exports of the same type of equipment were subject to regulation to ensure supply within the Union. The Commission approved a temporary waiver of customs duties and exemption of VAT on the import of medical devices from third countries. Plans for industrial reconversion and the building up of a European reserve of essential medical equipment were designed. Furthermore, the EU has destined €550 million to research to find a vaccine against Covid-19, develop more effective forms of treatment, and enhance diagnosis.

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[2] Stefano Montalto, 'The COVID-19 Emergency and the Reintroduction of Internal Border Controls in the Schengen Area: Never Let a Serious Crisis Go to Waste', *European Papers*. European Forum, Insight of 25 April 2020, pp. 1-9. Online: http://www.europeanpapers.eu/en/europeanforum/covid-19-emergency-and-reintroduction-internal-border-controls-schengen-area.

[3] Tiziana Barghini, 'The Return Of "Madame La Gaffe"', *Global Finance*, 7 April 2020. Online: https://www.gfmag.com/magazine/april-2020/return-madame-la-gaffe.

[4] Deutsche Welle, 'Coronavirus: What are the lockdown measures across Europe?'. Online: https://www.dw.com/en/coronavirus-what-are-the-lockdown-measures-across-europe/a-52905137.

Individual member states have helped the others with donations of medical equipment, dispatching doctors and taking in patients from other countries[5].

The often-criticised rigidity of EU regulations has given way to flexibility and pragmatism during the pandemic. The Commission promptly activated the general escape clause of the Stability and Growth Pact, allowing member states to overcome the 3% spending threshold of the ratio deficit/GDP. This fiscal flexibility is an absolute novelty for Brussels's policy. Moreover, rules on state aid have been relaxed. Member states can now provide direct support for hard hit companies, especially SMEs, through direct grants, subsidised guarantees on bank loans, private and public loans with subsidised interest rates, export credit insurance, and enhanced lending capacities for banks.

As the pandemic unfolded, the EU strengthened and diversified its response. The EU Spring 2020 Economic Forecast expects an economic recession for the EU in 2020 with a GDP loss in excess of 7.5%, with all the negative consequences on employment and livelihoods. On April 2nd, the Commission launched the Support mitigating Unemployment Risks in Emergency (SURE). The programme helps member states to cover the costs of national short-time work schemes to safeguard jobs. SURE makes up to €100 billion available to member states in the form of loans granted on favourable terms. By the end of April 2020, a package of €540 billion provided support through three different safety nets, for workers, businesses, and states in difficulty. The European Investment Bank offers immediate liquidity support to hard-hit enterprises with a package worth €40 billion. The European Central Bank has announced a €750 billion emergency programme for the purchase of private and public securities during the crisis, in addition to another €120 billion already committed.

According to EU sources, the Union and its member states have raised, as of the beginning of May 2020, over €3,390 billion to face the coronavirus crisis[6]. Of these, €2,250 billion are the result of national liquidity measures, including schemes approved under EU temporary state aid rules; over €330 billion come from national measures taken under increased flexibility of EU budgetary rules, and €240 billion were generated through the Pandemic Crisis Support for Member States within the European Stability Mechanism. While it is true that most of these resources were generated nationally, it is equally true that this was possible through the EU's decisions to make rules more flexible and allow fiscal tolerance.

The Southern European states vocally requested a mechanism that would distribute money free by 'communitarising' the debt issued – and guaranteed – by European institutions, the so-called 'Coronabonds'. Such a solution would not take into account the legitimate interests of all member states and the future of the Union but only those of a minority. The complexity of the financing and accountability mechanisms required along with the uncertainty related to such huge EU indebtedness would probably overshadow the already doubtful economic benefits. Moreover, such measures would go beyond solidarity to enter the sphere of responsibility and charity. Commission President Ursula von der Leyen promised that the EU

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[5] European Union, 'The common EU response to COVID-19'. Online: https://europa.eu/european-union/coronavirus-response_en.

[6] European Commission, 'Jobs and economy during the coronavirus pandemic'. Online: https://ec.europa.eu/info/live-work-travel-eu/health/coronavirus-response/jobs-and-economy-during-coronavirus-pandemic_en (last accessed 18.05.2020).

'will do whatever is necessary to support the Europeans and the European economy'[7]. Much has already been achieved. To fight the coronavirus crisis, the EU has already mobilised resources, at purchasing power parity, exceeding those that the entire Marshall Plan disbursed for the reconstruction of Europe after World War II[8]. And the post-pandemic has not started yet. Indeed, the proposal by German Chancellor Merkel and French President Macron for a European Recovery Plan worth €500 billion seems to be going the extra-mile to accommodate all positions and rally consensus for a Europe-wide exit from the crisis and the relaunch of the integration project[9].

The EU has also launched a global response to help its international partners to respond to the pandemic[10]. This consists of €15.6 billion from existing resources that have been re-oriented from allocated funds, with 3.25 billion Euros destined for Africa, 3.07 for the neighbouring countries, 918 million for Latin America and the Caribbean (including 8 to the Caribbean Public Health Agency and 9 channelled through the Pan-American Health Organization and the Red Cross International). Furthermore, the Commission has launched a €3.3 billion financial support for the Western Balkans (Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia). The EU has also contributed €25 million to the World Health Organization and 200 million to the GAVI Vaccine Alliance. The EU and the Europeans have not forgotten solidarity also in difficult times and share generously the achievements of their regional organisation with the rest of the world.

In comparative terms, the EU is the only regional organisation in the world that has had a real impact on the fight against Covid-19. Apart from Europe, the area of the world where regional integration has the longest history, widest use and highest reputation is Latin America. Facing Covid-19 none of the Latin American regional organisations has been able to take meaningful action or to support its members with significant action and resources in addition to national budgets. Mercosur, the Andean Community, Unasur, Prosur, Alba, CELAC have been silent or irrelevant actors in the coronavirus crisis. Paradoxically, the Andean Community and Unasur have health mechanisms in place, but they lack either competences or the political will to activate them[11]. The board of the African Union's Covid-19 Response Fund held their first meeting on April 27th, 2020. ASEAN established a Covid-19 ASEAN response fund, the sharing of information, and strategies to ease the impact of Covid-19 on people and the economy, but nothing even close to the effort and resources mobilised by the EU.

The EU is not perfect. Its response to Covid-19 may not have been that expected by certain member states but it reflects the necessary compromise between the interests and views of all of the 27 members. In any case, the EU response has been the most effective among regional organisations. It has mobilised a vast amount of resources and undertaken numerous

[7] Eszter Zalan, 'Von der Leyen on virus: "EU will do whatever is necessary"', EUobserver, 13.03.2020. Online: https://euobserver.com/coronavirus/147731.

[8] According to the Bureau of Labour Statistics consumer price index, prices in 2020 are 963.85% higher than average prices since 1948. In other words, $100 in 1948 is equivalent in purchasing power to about $1,063.85 in 2020. The Marshall Plan provided over $15 billion for the reconstruction of Europe.

[9] Christina Goßner and Sarah Lawton, 'Merkel and Macron roll out €500 billion COVID-19 recovery initiative', *Euractiv*, 19 May 2020. Online: https://www.euractiv.com/section/economy-jobs/news/merkel-and-macron-roll-out-e500-billion-covid-19-recovery-initiative.

[10] European Commission, 'Q&A: Global EU response to the coronavirus pandemic', 8 April 2020. Online: https://ec.europa.eu/commission/presscorner/detail/en/QANDA_20_606 (last accessed 15 May 2020).

[11] Michel Levi, Webinar: La Unión Europea y las solidaridades de hecho en tiempos del Covid-19, 14 May 2020.

initiatives. It has certainly done much more for Europe and its citizens than the much publicised 'mask diplomacy' by China. The EU response has also been much faster than that to the global financial crisis of 2008/09. Overall, the EU response has been fast and substantial and has met the ideals set by Robert Schuman seventy years ago. The effort has been proportionate to the challenge. It has produced solidarity with facts. It has shared the benefits of cooperation with member states and international partners. It was objectively difficult to ask more in the early months of the crisis. The big challenge lies ahead with social reconstruction and economic recovery. Yet, in one thing, the EU has failed once again: its communication strategy. Citizens still perceive that the Union does not do much or enough even when it does. The same inability to convey all the good that the EU provides occurred during Brexit. Narratives and perceptions do not always meet facts. Who has an interest in manipulating information against Brussels or using the EU as a scapegoat? These days, communicating effectively is just as important as doing things effectively. Seventy years of successful integration, peace and prosperity would deserve better publicity.

The coronavirus: another poverty trap for Latin America

Carolina Chica Builes

On March 19ᵗʰ, 2020, after the first case of Covid-19 was registered in Haiti, it was confirmed that all Latin American countries were infected. All the countries in the region were facing a health crisis unprecedented in their recent history. Governments and citizens were on the alert. The media were constantly broadcasting images of the collapsed health systems in Italy and Spain and reported on the impressive mobilisation of logistic and medical resources in China, Germany and France. If the disease had shaken the powerful, the picture seemed bleak for Latin America, the world's most unequal region, which, with 184 million poor people, has little capacity to respond because of the fragility of its health systems and the deep inequalities in access to basic social services[1].

With few exceptions[2], the strategy of the Latin American states was to try to reduce the speed of infection in the hope of 'buying time' to seek the adaptation of medical facilities and increase the capacity to care for patients with complications. To this end, exceptional emergency measures were adopted to establish rules of social distancing that meant putting the entire productive apparatus into a vegetative state. Since then, Latin American governments have been grappling with the dilemma of protecting the greatest number of lives at any cost or safeguarding the economy. In a region where, according to International Labour Organisation (ILO) data, 53% of employment is informal in nature, confinement means the unemployment of nearly 140 million workers, and with it, a catastrophe as serious as the disease itself.

The measures identified to respond to the coronavirus made it clear that the region's profound socio-economic inequality would be the greatest obstacle to dealing with the crisis, even more so than the limited capacity of the health system. The coronavirus emerged as an aggravating element of the 'sustainable and inclusive development traps' identified by the UN Economic Commission for Latin America and the Caribbean (ECLAC) in its 2019 report on the economic outlook for Latin America. The productivity trap, the social vulnerability trap, the institutional trap and the environmental trap refer to structural elements that make it difficult for the region to insert itself into global value chains, put at risk the consolidation of a productive middle class, effect mistrust of public institutions, and threaten the ecosystem balance. Following the containment of the disease, the phase of dealing with the social and economic consequences that can activate these traps is approaching, which is why it is necessary to build thematic agendas to address the crisis. This reflection proposes to look at the following aspects:

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[1] According to UNDESA figures, by 2015, 35% of the Latin American population lacked access to safely managed water services, which is worrying in the context of a disease whose main containment strategy is asepsis.

[2] President Ortega ruled out the use of mandatory quarantine, President Andrés Manuel López Obrador opted for flexible social restriction measures in Mexico and in Brazil there has been a dispute between the call to continue a normal life formulated by President Bolsonaro's federal government and the mobility restrictions imposed by state governments.

a. *The social agenda*: The social protests that closed the year 2019 were the channel of expression of a middle class still in a consolidation phase[3] that demanded a true social state of law guaranteeing the provision of social goods and services under conditions of equality. Citizens demanded the implementation of their right to a decent pension, access to quality health and education services, respect for civil rights, particularly the rights of women and minorities, and the adoption of taxation models based on equity rather than on regression. Unfortunately, that segment of the population is the same one that will be hit hard by the economic crisis that is looming in the short term. This is where the capacity of states to respond to social demands comes into play. With the debt crisis of the 1980s, governments threw the economic lifeline to the international financial system at the cost of impoverishing the population. Who will be rescued this time? At all costs, we must avoid ending 2020 with the same citizens in the streets, this time more angry and tired of institutional responses that always seem to come too late.

b. *The political agenda*: The media suggests that the coronavirus meant a respite for those governments with falling political consensus, where leaders were paying the price for the absence of a clear programmatic agenda for their citizens and which were showing signs of weariness due to social protest[4]. It was the so-called 'rally round the flag effect'[5]. This is a particularly important issue, which has led to growing approval rates for the leaders in office throughout the region, but this effect will not last long. As the days go by, social and economic discontent is on the rise. Not only does the productive sector send out signals for help, but we are beginning to see moratoriums on the fulfilment of financial obligations, evictions in popular neighbourhoods or long queues of citizens demanding public aid. This will be the real litmus test for the political stability of the region. In the midst of the turbulence, most Latin American administrations will face crucial tests. It will be so for the ability of López Obrador and Piñera to gain popular support in Mexico and Chile, for the resourcefulness of the Argentine government to respond to its acute economic crisis, and for the wisdom of the leaders of Peru and Colombia in creating a political identity and a convincing government strategy. In the case of Colombia, there is the aggravating factor that the president will have to face accusations of electoral fraud and persecution of critics and opponents at the same time. Most of all, radical governments of one political sign or the other, such as those of Bolsonaro in Brazil, Maduro in Venezuela, Bukele in El Salvador or Ortega in Nicaragua will have to demonstrate the technical and political wisdom that has eluded them so far. In a year or a year and a half, the political game of the new electoral contests will begin and the adequate treatment of the situation will be decisive in discouraging populist positions of the left or the right that put at risk the adequate functioning of the democratic institutions.

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[3] 'Most of those who escaped poverty in LAC are part of a growing vulnerable middle class (40% of the population). They face a vicious circle of poor-quality jobs, poor social protection, and volatile income that leaves them vulnerable and at risk of falling back into poverty' (OECD, Perspectivas económicas de América Latina 2019: Desarrollo en Transición, Paris, 2019. Online: http://www.oecd.org/dev/americas/Overview_SP-Leo-2019.pdf).

[4] Germán Gómez Polo (2020), '"Pinzas" para leer la favorabilidad del presidente Iván Duque en medio de la pandemia press', *El Espectador*, 27th April 2020. Retrieved from: https://www.elespectador.com/coronavirus/pinzas-para-leer-la-favorabilidad-del-presidente-ivan-duque-en-medio-de-la-pandemia-articulo-916678.

[5] Political phenomenon that describes a transitory increase in favour or in approval of a government leader after the occurrence of an external threat.

c. *The economic agenda*: As they did 60 years ago, Latin American countries continue to discuss the need to transform economic structures to reduce their vulnerability to shocks in the price of raw materials and the rise in the price of imports. As the Harvard University-based Venezuelan economist Ricardo Hausmann states, 'even if the region were immune to the coronavirus, this would be one of the biggest macroeconomic shocks in its history'[6]. The high dependence on exports of goods to China, the United States and Europe, and the share that remittances or services such as tourism have gained in wealth generation, means that, in the face of the global economic slowdown, governments will have to deal with a crisis that demands the injection of large volumes of public investment with meagre budgets. The diversification of the productive apparatuses cannot wait any longer and it is time for the governments of the region to consolidate alternative economic models. The export of value-added agricultural and food products, pharmaceutical intermediate goods, modernisation of the logistics sectors, training in technical and technological skills, and the development of financial technologies (*FinTech*) should be part of the new economic road map.

d. *The international agenda*: José Antonio Ocampo, a professor at Columbia University in the United States, pointed out that 'the big difference between the debt crisis of the 1980s and the Great Depression should not be sought either in foreign trade, which performed much worse during the 1930s, or in the massive and prolonged capital account shock, which was also worse in the 1930s, but in the inadequate international response of the 1980s, which plunged Latin America into the worst crisis in its history'[7]. Given the impossibility of having sovereign financing mechanisms, Latin America's recovery will depend on a new multilateralism that facilitates the massive injection of capital to finance targeted social spending and the recovery of productive actors at all levels. The main actor in the strategy should be the International Monetary Fund, followed by agencies such as the World Bank, the Inter-American Development Bank (IDB) and the Latin American Development Bank (CAF). The future of Latin American society depends on it. This has been made clear by the group of former regional leaders who have addressed a letter to the IMF asking it to consider issuing one billion Special Drawing Rights (SDRs)[8] to support the reserves of member countries[9]. The call is for the financial mechanisms of multilateral organisations that did not work in the 1980s to be put at the service of rescuing the region's economy. In this case, their expeditious and supportive response becomes the possible and desirable alternative for dealing with this unexpected economic blow, which is temporary but acute. The Covid-19 crisis threatens to turn Latin America into an unpredictable social and political powder keg capable of jeopardising the progress in socio-economic performance indicators recorded between 2002 and 2016.

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[6] *El Tiempo* (2020). 'Coronavirus: "Conseguir dinero toma tiempo y esfuerzo"', 6th April 2020. Retrieved from: https://www.eltiempo.com/economia/sectores/coronavirus-conseguir-dinero-toma-centremos-la-discusion-en-donde-esta-el-dinero-481422.

[7] Ocampo, José Antonio, et. al. 'La crisis latinoamericana de la deuda desde la perspectiva histórica', in: libros de la Cepal No. 25, Comisión Económica para América Latina y el Caribe (CEPAL), Cooperación Alemana, CAF. Santiago, Chile. Ocampo also points out that 'the incidence of poverty rose sharply between 1980 and 1990, from 40.5% to 48.3% of the population. Latin America would only return to 1980 poverty levels in 2004, so there was not a decade, but a quarter of a century lost in this field'.

[8] The Special Drawing Right (SDR) is an international reserve asset, created by the IMF to supplement its member countries' official reserves. The value of the SDR is based on a basket of five currencies — the US dollar, the euro, the Chinese renminbi, the Japanese yen, and the British pound sterling.

[9] This petition was presented on April 15 in a letter entitled 'Ethical and economic imperatives in the fight against Covid-19: a Latin American perspective' and was signed by former presidents Fernando Henrique Cardoso (Brazil), Ricardo Lagos (Chile), Juan Manuel Santos (Colombia) and Ernesto Zedillo (Mexico).

The corollary of the proposed agenda is that in the 1970s several scenarios for the future of the continent were designed. Regrettably, today Latin America is not living in any of those 'future' scenarios envisioned fifty years ago. Instead, the region remains tied to the same structural development problems of the past, among which are its low productive sophistication, its entrenched political caste structure, the presence of powerful illegal economies, the corruption that permeates all social structures, economic informality and, above all, profound inequality. Perhaps it is time to trust that the post-pandemic period will bring to the table the urgency of acting to build a new social covenant that will address the asymmetries traditionally hidden by average numbers. In May 2020, Latin America was still waiting for the arrival of the announced critical point of the disease. Everything seemed to indicate that the containment model proved successful in buying time and keeping the death toll at bay. However, it will be the return to 'normality', with the relaxation of containment, that will test the response capacity of a visibly fractured society.

Section D

Health, Medicine, Biology, and Psychology

Humanity ruled by a virus

Raúl Giunta

The coronavirus has besieged the world and found us unprepared and highly vulnerable to its ruthless and ferocious virulence. In the face of this epidemic now transformed into a pandemic, this chapter offers a solution composed of two phases: The present, or emergency, and another for the future. The political, institutional, economic, financial, human, scientific, technical, and environmental perspectives are all considered in the following analysis in order to reach a holistic synthesis.

In the acute phase of Covid-19, governments and institutions have struggled to confront this enormous challenge. The economic-financial situation is unprecedented in modern times. Science and technology, which seemed to be infallible, are today struggling with the capacity to respond to this lethal enemy. The environment, so offended by man, seems to have favoured the steep arrival of the virus, from one end of the planet to the other. The human factor, which is the one who has suffered the injury to his own flesh, will be the main protagonist of the post Covid-19 phase, to reconstruct and guide his own destiny. The 'health-system-man' has been the decisive factor in containing the calamity. The other, the 'man-suffering', with great dignity and in synergy with the above mentioned, has generated a virtuous change in the *Doctor-Patient Relationship*, which has made a leap in quality, moving from a biomedical culture to the so-called *Bio-Psycho-Social Medicine*. The tangible physical injury may or may not be mitigated, while the emotional-spiritual, intangible and deeper one, with the warmth of a hand and a smile, may be sufficiently tempered. One word cures more than all science. Pier Paolo Donati and Riccardo Solci consider as 'relational goods' those that can only be produced and enjoyed jointly by the producers and the users, through a satisfactory relationship connecting the participating subjects[1].

In synthesis, in the acute phase, medical science has identified the 'aggressor', which co-habits with us. Our mission is to sustain morally those who are in the 'front line', accept and support the strategies of containment, and comply with health regulations and instructions.

The plan for the future involves a more proactive role for individuals. Future strategies have to be centred on the person, and simultaneously mobilise fundamental and sufficient resources to revive institutions, the economy, science and the environment, in a way that is optimized for life. In order to shape a feasible proposal based on the existing reality, this chapter focuses on key aspects such as the person and nature, human sustainability, and the sense and meaning of profit. The result is a proposal for a *Sustainable Medicine*.

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[1] Pier Paolo Donati and Riccardo Solci (2015), 'Misurare l'immateriale: il caso dei beni relazionali', *Sociologia e Ricerca Sociale*, No. 108, pp. 13-32.

From a bio-medical to a bio-psycho-social medicine

Healthcare is engaged in 'waging war' against an unknown ghost. This challenge could be, like all of them, an opportunity too for individual and collective growth.

The doctor-patient relationship is undergoing a fundamental change for the better, perceived by both the patient and the healthcare personnel. This enriches an already excellent bio-medical care, with an attribute of quality management, less scientific, but more humane: the psychosocial aspect. In practice, the health worker not only deals skilfully with tangible data -fever, coughs, deaths- with great skill, but is also very sensitive to intangible and invisible injuries, such as the suffering of the patient. This formalizes a nascent health model, the *Bio-Psycho-Social Medicine*. Dr George L. Engel already described the bio-medical culture as a vision focused on pathology, denying the impact of non-biological conditions, such as the condition of the mind, on biological processes. In 1941, he began his studies on the psycho-behavioural and socio-relational aspects of disease. In 1977, *bio-psycho-social medicine* was born from his inspiration. Reconfirming it in 2010, the European Observatory on Health Systems and Policies included in the definition of health the 'emotional, mental, physical, social and spiritual state of global well-being'.

The individual is transformed into a person when someone asks him/her: how are you? It is vitally important to pay attention to the unique individual who is the person. Crises pass, men die from diseases, but many who survive, whether they are convalescent, infected, or asymptomatic, all will be injured to a greater or lesser degree on a psycho-social-emotional-spiritual level and not only on an economic-productive level. For this reason, education is an irreplaceable factor in acquiring 'personal freedom', an inestimable value in the society of individuals, configuring self-awareness and one's own identity, enabling the individual to discover what is essential and necessary to lead a dignified life.

Laughing at pain is for those who have never suffered a wound. Suffering is a condition of pain referred to the body and/or the psyche of the subject, derived from a physical or emotional trauma, or being a reflection of an inner affliction, which can manifest itself in the form of fear, frustration or submission. Today, particularly with the Covid-19 pandemic, suffering is dramatically present in human beings, because of adaptation to these circumstances. Education is the most effective way to counteract it, since the rational part is the one that helps us most to face it. It will increase the capacity of resilience, conceived as the capacity of a system to adapt itself in a positive way in the face of foreseen or unforeseen changes. The development of emotional and social skills is vital to prevent psychopathologies in personality and thus to manage the future successfully. Once the crisis is over, some will continue to doubt the existence of Paradise, but few of the existence of hell.

Nature, this time through a virus, has hit us lethally and only apparently without warning. One may ask why nature has generated such 'hell'. Immediately another doubt arises: what role does man play? Nature continues to present itself in various terrible events such as earthquakes, floods, tornadoes, droughts, and many others. Ebola and SARS also emerged in our time. The question is why. Is it that they are all random phenomena or will there be something causal? If at least partly, it is the latter, is man be a mere spectator or a contributor in the origin or the development of these phenomena? One could continue to question, but it will be more useful and honest to recognize that the human race is an integral part of nature. In periods of endemic crisis, and not only then, it would be necessary to investigate the causes that

originated such catastrophe and, from a systemic perspective, discover in what way man has contributed, by invading ecosystems untouched by his presence, breaking their balance, surpassing the biosphere limits, that is, the regenerative capacities of the earth.

To link to the next argument, globalization, the term holistic is used to define an approach to the study of the behaviour of complex systems. Holism is based on the existence of a qualitative difference between a system and the sum of its parts, and its partial analysis can lead to misunderstandings.

Globalization, planned and executed by man, with all the progress it has provided, has not only made communication between continents more fluid, to mention just one of many benefits. In the current health crisis, it also seems that the advantages have been transformed into a boomerang, by favouring the rapid spread of a highly transmissible infectious disease, where the beneficiary of globalisation is also the victim. Today it is even more evident than in the past that a step taken by man anywhere has the power to shake the whole planet. This imposes another observation. It would be more judicious to plan the future from a multi-systemic, holistic, perspective in order to limit the risks more efficiently. This is based on the conviction that man is an integral part of nature and on the awareness of the limits that this entails. When human beings wish to satisfy their personal and social needs and desires, they should also care for an integral and balanced growth. Any insult to the biosphere will be a cause of self-harm. A homicide-suicide.

In a sustainable world, a different and virtuous life would be based on the adequate satisfaction of basic needs, the development of society and of personal and collective creativity, with great attention to the self-limitation of material consumption. The technology we need most is community technology: knowing how to cooperate so that things are always done well. This can only be achieved through education.

The allocation of health resources at each level of medical care around the world, presumably well thought through but not equally well implemented, raises an important consideration. If we start from the premise that nature is '*almost*' perfect, and if we accept that man is a constituent part of it, then because of the transitive property, man too should be perfect. Of course there are exceptions (like in nature), which would not exceed, if we quantify them, around 20%. Thus, the remaining 80% of men would be healthy ('perfect'), only needing to maintain their own health and to develop it. This is the reasoning behind the WHO's *Health Promotion Programme*, which has already and repeatedly proved itself to be suitable for this segment of the healthy population. Continuing, if the rest, about 20%, requires cures, it has reserved for them all the necessary science and technology. If these were not enough, which may be expected only for a few cases, then the so-called high complexity medicine comes into play.

A modest reflection is worth at this point. The savings – consciously or unconsciously – made on the 80% of healthy people, offer the other 20%, who are unhealthy and in need, the possibility of making use of 80% of the economic, material and assistance resources. If this reasoning works, it seems right to implement *Health Promotion Programmes* on a vast scale, hoping that this is not just theory. If instead, the apparatus of high complexity medicine had to take care not only of the 20% in a 'natural' or structural condition of need, but also of at least part of the other 80% then the whole system would face serious problem. A current example in this epidemic is that deaths are not only linked to age but also to co-morbidity. Educating

citizens to health from childhood would make them aware of the need to be more responsible for their own integrity, collaborating indirectly with the whole system, not just the health system. In short, education through a health promotion programme would be as economical as it is vital.

Sustainability is the characteristic of an evolving system that has to be maintained to safeguard human life and the entire biosphere. Sustainability is essential for the balance of the system where man should find eco-efficient solutions.

The culture of profit vs. the profit as a result

Sometimes the logic of profit undermines the basis of institutions, whether they be educational, humanistic or scientific. Their value should coincide with knowledge in itself and not with profit. The value of these institutions is independent of the capacity to produce immediate profits or practical benefits. Consequently, the logic of profit applied to these institutions would limit the possibilities of obtaining knowledge. In our case that would be the necessary knowledge for a more sustainable, dignified and free healthcare system.

In order to understand on what basis resources have been allocated, especially those for prevention and health promotion, it is necessary to review the criteria used. Another reason to do this is that if we are really living in a kind of 'war economy' against the virus, then it would be appropriate to implement a rigorous management control system that optimises the use of health resources in an appropriate, ecological and sustainable way. The high costs of modern medicine, the ageing of the population, and the lack of personal responsibility result in increased morbidity, disability, and reduced autonomy. This set of factors increases the social and economic costs. Public demand and economic conditions, both aggravated by the pandemic, urge a search for less costly, more effective and efficient alternatives that are sustainable, psychologically adequate, and that satisfy most of the needs and reasonable expectations linked to health.

Sustainable Medicine offers a sufficient level of psychophysical health care for a lifetime. Properly dispensed, *Sustainable Medicine* would not entail excessive costs for the user, and would help to promote research and technological innovation. However, three conditions must be met for *Sustainable Medicine* to succeed:

a. that is provided - and limited - to ensure the sustainability of the system and equality;

b. that it is implemented through a program of *Prevention and Health Promotion*;

c. that it is directed to increase everyone's sense of personal responsibility for health.

Health is not just an issue that arises when you visit the doctor. It is a value that is lived daily wherever we are and in every choice that we make. Health is essential for a high quality of life, and is a decisive factor for the social and economic growth of a community.

Health Promotion from a holistic perspective goes beyond the health sector and beyond health itself. It encompasses other crucial factors such as political, economic, social, cultural, environmental, behavioural, and biological aspects. Everyone can have an influence for or against health, because health is a dynamic condition of substantial physical, psychic, social and spiritual well-being that depends on an optimal functionality of the organism. Conscious

Health Promotion achieves economic optimization to maintain health, and provides a greater stimulus to the active engagement of the person. It is also important to acquire and maintain as much as possible psychophysical autonomy. *Health Promotion* is instrumental in using all available strategies to slow down the processes of biological degeneration. It is also instrumental to prepare people to learn throughout their life to face the disturbances of chronic pathologies in the stage of irreversible organic decay.

Two tools are irreplaceable in a sustainable health management as they generate personalized treatments and appropriate prescriptions, and improve the experience and adherence to the cure of the patient while maximizing the efficiency of the system:

a. *Therapeutic Patient Education (TPE)*. The chronic patient acquires skills for self-healing;

b. *Narrative Medicine (NM)*. The cultural transformation where persons express 'their' experience, tell of 'their' disease, based on 'their' individual capacities. Narrative Medicine does not consider the pathology a simple biomedical fact but moves toward a more humanised medicine.

In summary, the strategic health plan to face the emergence of coronavirus and its successive stage of recovery and social reorganisation, including health care, must contemplate all the variables examined above. Only new paradigms at all levels, focused on *education towards human sustainability*, can lead to true social regeneration and the holistic well-being of the human kind.

Re-thinking humanness in light of Covid-19

Mark Bowmaker

The coronavirus pandemic is a loud and urgent reminder that despite our apparent success as a species we are still very much of animal in nature. The SARS-CoV-2 virus comprising of just a few genes and far smaller than a single human cell has spread from its origin in bats first to Wuhan province, China and from there across the world. This small piece of genetic information coded in RNA, only 0.0005% the size of the human genome, has resulted in infection, death and economic and societal instability not seen since World War II. The fact that Covid-19 disease has spread to pandemic levels in the matter of a few short months says just as much about the viruses exquisite biology as it does about our interaction with the natural world and the interconnectedness of modern society.

The SARS-CoV-2 virus is small regardless how one measures it and yet has used our own systems against us. The virus is a mere 15 genes compared with some 20,000 in a single human cell. A single virus particle is some 100 times smaller than a typical cell. After inhalation of a viral particle, this attaches to a cell on the surface of our airway and inserts its few genes into the cell. That genetic information is enough to subvert the cell and ordering it to produce more viral particles. These new particles are liberated from the now dying cell and pass to a new cell. This process repeats itself from cell to cell, and when the virus particles are expelled perhaps by a cough or a sneeze, then they pass from person to person. All the while, our own biology is being used for the viruses own ends.

The genetic sequence of the virus was elucidated in January 2020 and shows a high degree of similarity to coronaviruses found in bats and pangolins. Through the mixing of two (or possibly more) viruses, a new virus with a unique surface protein molecule arises. This surface protein is the molecular key that the virus uses to gain access to a host cell and by chance, it happened to fit very well into the human lock found on the surface of cells lining of our airways. Such that when that virus circulating through the bat population eventually came into contact with humans it could infect them easily. More importantly, this process allows the virus to pass effectively from one human to another.

This story is far from unique; bats are also thought to be the proximal host to Ebola and Marburg viruses; HIV developed from a virus passed from primates to humans in Africa on several occasions. These are normal biological processes, as viruses are frequently passed from species to species. Fortunately, they are only rarely able to propagate in the second species. However, occasionally an alteration in the virus allows it to successfully pass around, the so-called zoonotic transfer.

There are two sources for this contagion: wild animal populations and farmed animals. As humans are now prevalent in almost all ecosystems, we are exposed to wild reservoirs of viruses all the more readily. This increases the probability that we will encounter a virus capable of replicating in our cells and a new human disease will arise. Therefore, while Covid-19 is a

public health emergency it in fact has deep roots as an ecological and environmental issue. The more we interact with previously undisturbed animal populations the more likely we are to encounter a new and potentially dangerous virus. Moreover, the nature of the interactions is critical. The close and sustained contact between wild animals and humans in the so-called 'wet markets' in Asia and in the bush meat trade in Africa give far greater chance for viral contagion. As does the intensive farming practices of modern factory farms in which farmer workers are in close contact with large numbers of animals. The transfer of viruses from animals to humans is a fact of our biology and unless our attitude to the wider non-human world changes we will see continued outbreaks of new diseases. Rather worryingly, they could be far worse than the current pandemic.

For most of our evolutionary history as a species, *Homo sapiens* has lived in small groups and so any newly acquired viral disease would be self-limiting to one particular village or area. Alternatively, if it did spread, it would do so slowly; and as it did so, it would often adapt to its new host and become less dangerous. However as we have seen with Covid-19, with international air-travel a disease can easily spread around the globe in a matter of weeks. The ecosystem that we individually inhabit is no longer our village, town or city suburb but is global and the virus has no respect for our humanly constructed borders. Our response to the emerging pandemic has been to try to revert to a simpler ecosystem through measures such as lockdown and social distancing. Social isolation is an ecological response, returning us to a tribal ecology, turning the clock back so that we are less connected, each in our own village.

These are just a few points about the virus but are there to illustrate a central point of this chapter's thesis: that we are human animals embedded in an ecosystem, that our human society has a biological underpinning. This is not something we consider very deeply on a day-to-day, moment-to-moment basis.

Modern technological society has been very successful in manipulating, controlling and some would even say dominating the non-human world. Humans have had profound impact on across all the continents with only a few corners of the world un-impacted by human development. One has to go to deep ocean trenches, unconnected Amazonian tribes, Pacific desert islands, some remote corners of African wilderness or deep into Antarctica to get away from human influence over nature. Control over our environment is taken for granted in affluent societies. We have central heating to keep us warm, air-conditioning to keep us cool, we have eliminated infectious diseases and predators from our environment all through the powers of our intellect. Our large brains have given us dominion over the land, sea and sky. All of this progress has undoubtedly benefited us as a society, but there is an unseen side effect that has infiltrated our thinking and from there our larger society. That is, we perceive ourselves separate from nature, from the wider ecosystem that we inhabit. This has had implications on both the epidemiology of Covid-19 and on our response as a wider society, not just to the current pandemic, but also to the other challenges human society is facing, such as climate change.

This way of thinking of ourselves as separate from nature has deep roots in our cultural history. The very first shoots of this thinking can be traced back to our earliest ancestors. The first use of tools and then the advent of agriculture allowed us to use our inner mental landscape to manipulate an outside world. Obviously, those early cultures were still deeply embedded in the natural world but the seeds were sown and began to grow as our civilisation developed itself. The Christian genesis myth whereby humankind is given dominion over the earth was

reinforced by the enlightenment thinking characterised by Descartes maxim *'Cogito ergo sum/I think, therefore I am'*. The separation of humans from the natural world has accelerated from the industrial revolution onwards such that each and all parts of the natural world are considered resources for humans. It is from this schism between human society and nature that Covid-19, climate change and environmental degradation stem.

As Martin Lee Muller so eloquently says at the very beginning of his book 'Being Salmon Being Human'[1]:

'We inhabitants of industrialised civilisation still live inside a human-centred story. The story articulates itself in the ways we speak, what we think, how we listen, what we hear. It expresses itself in the physical forms of our life-worlds, in our legal, political and economic institutions. It gives structure to the way we conceive of and inhabit both space and time. It shapes our encounters with other-than-human living creatures, as well as the larger planetary presence. This is the story of the human as a separate self'.

We can no longer be in denial about the reality we live in. We were warned about the possibility of disease pandemics from infectious diseases specialists; we even had warning calls with the likes of SARS, MERS, Ebola, swine flu and the H1N1 flu all in the last 20 years. Similar warnings exist about climate change, collapse of insect populations, overfishing and acidification of the oceans, re-emerging hole in the ozone layer, particulate pollution in cities. We need to heed those warnings and find a way to integrate them into our society structures quickly if we are to avert the dangers. A shift from reactive to proactive thinking is needed.

How then are we to heal the rift between our current way of living and our underlying biological and ecological reality? This is not a call for us to give up on the benefits of society and to roll back the clock a few thousand years. Rather it is a call to a revolution. In the short term, we should of course look to mitigate the worst effects of Covid-19 and the best hope is that medical research can find an effective vaccine quickly. However, this will simply allow us to return to some sort of business as usual paradigm. Rather, we can use this time to pause, reflect and think about the changes we wish to make. We are biological creatures, living in relationship with a biological and geochemical world. We know this to be true. We therefore should start to behave as a mature adult society and build upon these truths rather than ignoring them. To do this we need to re-imagine what it means to be human and to re-evaluate our norms and values as a society. These are of course grand and difficult questions but ones that urgently need answering.

Andreas Weber answers these questions by proposing a shift from enlightenment thinking to what he calls *'enlivenment thinking'*[2].

'Enlivenment, by contrast, puts the life into the centre. It begins with the foundational premise that we are embodied selves and therefore we know what it means to be animated parts of a living world. We know how it feels to be in the world and to be an individual. It is the deepest knowledge that we can access. Why should such inquiries be off-limits to science and banished from economics and public policy?'

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[1] Martin Lee Muller, *Being Salmon, Being Human: Encountering the wild in Us and Us in the wild*. Chelsea Green, 2017.

[2] Andreas Weber, *Enlivenment: Towards a fundamental shift in the concepts of nature, culture and politics*. Vol 31 of the Publication Series Ecology, Heinrich Böll Foundation, 2013.

Fritjof Capra and Pier Luigi Luisi in their book 'The Systems View of Life'[3] put forward a comprehensive view of systems thinking. They collect together insights from many disciplines; they combine and integrate biological, ecological, societal, cultural and psychological understandings into a unified view based upon thinking in terms of patterns and relationships rather than simplistic reductionist principles.

Just as humans live not as separate entities within an ecosystem, but are part of a larger, connected whole, then our response to issues such as Covid-19 needs to be seen also in terms of the whole and not just from individual actions. Biology, medicine, ecology, social and cultural structures, but also economics, geo-politics, and international relations are not separate but form an interlinked network. By appreciating this can we perhaps best meet the threat not only of Covid-19 but also of those other challenges, such as environmental degradation, nuclear proliferation, technological advance and artificial intelligence, which we all face as a species. Hence the prescience of this volume.

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[3] Fritjoft Capra and Pier Luigi Luisi, *The Systems View of Life: A Unifying Vision*, Cambridge University Press, 2014.

A pandemic of panic…and hope
A journey from hopelessness to a new start

Davide Bertorelli

> *The Senex tells the Puer: when fishermen cannot go to sea, they repair nets.*

The coronavirus pandemic has had wide-reaching consequences. Everywhere in the world, people have experienced differing degrees of anxiety, panic and disruption in every aspect of their lives. Social restrictions have been imposed in many countries. The pandemic has absorbed all of our attention and the risk is that we forget about other emergencies such as climate change and environmental issues. Importantly, panic is infectious. The contagiousness of fear can be more virulent than the biological contagion itself. While most people react to fear in a normal way, during and after previous pandemics the prevalence of mental health issues increased significantly. Such issues include anxiety, depression, addictions, Post-Traumatic Stress Disorder (PTSD), and, in some areas, the rates of suicides.

This raises the question: 'Are we living a mild collective psychosis?[1] The pandemic timeline foresees, after a health catastrophe, an economic catastrophe with probable long-lasting mental health problems. People try to find meaning in what is happening; they need direction and want to bring a sense of hope to their lives and their futures. We would like to boost our 'psychological and/or spiritual immunity' with a 'special vaccine'. The World Health Organisation considers the multidisciplinary approach to Mental Health (biological, psychological, social, cultural and spiritual) as the most appropriate. Taking stock of this position, this chapter presents some aspects of the psychological domain of the Covid-19 phenomenon in relation to some of its interfaces with philosophy, mythology and spirituality. It is a patchwork of considerations, presented as mental health ramifications.

Zeitgeist, symbols and myths

In the past, in times of troubles, people were accustomed to listening to the voice of the 'oracles' to get some direction and help. Are the gods against us for our mistakes or omissions? Is Pan, the god of the wild, angry? What rituals and offers are necessary to regain health and stability? Today, the gods seem mute. Where are the oracles? How can we decipher their messages? Materialistic thinking alone cannot help.

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[1] Conversation between Serge Latouche and Luigi Zoja (Annachiara Sacchi, Ed.), 'Euforia, paranoia. Il problema è dopo', *Corriere della Sera* - Lettura, 12 April 2020. Online: https://www.pressreader.com/italy/corriere-della-sera-la-lettura/20200412/282333977030660.

Instead, analytical and archetypal psychology (C.G. Jung and J. Hillman) can help with this, through the analysis of collective dreams, fantasies, art works and current psychopathologies, using a symbolic lens. At a deeper level, archetypal psychology can address questions such as how our psyche is reacting to the pandemic or what myths are generated by our collective unconscious. Myth is a form of deep intelligence resurfacing from our collective unconscious. It can make diagnoses and prepare symbolic treatments. This pandemic seems to have a strong correlation with the suffering of our Anima mundi (world soul), for which we are responsible. In the mythological 'cosmovision', gods sent pestilence and epidemics when the humans did not respect the sacred rules. Our daily lives are usually based on doing, on speed; and now we are faced with a different dimension, which includes the human and painful experience of fragility and our limits. We need a healthier world vision, otherwise 'Mother Earth' could intervene again more forcefully. The call is most urgent.

Nigredo, bardo, and the 'dark night' of the soul. How to cross the 'swamp of sadness'?

After an initial state of anxiety, other feelings, such as sadness, demoralization and, at times, depressive reactions, become more prominent. How does one then face and cross the 'swamp of sadness', the deadly swamp that symbolically represents sorrow and misery made famous by the movie and novel 'The Neverending Story'?[2] We can get inspiration from some psychological and spiritual traditions. For the alchemists, 'Nigredo' was the first step in the pathway to the philosopher's stone. The Swiss psychiatrist Carl Gustav Jung described this first step as a moment of maximum despair, because you confront the *shadow within*, but it is also a fundamental prerequisite to personal development and creativity. Similarly, *the Dark Night of The Soul*, by the 16th century Spanish mystic and poet St. John of the Cross, narrates the difficult journey of the soul before the mystical union with God. This critical transitional time can also be considered as a *Bardo of Life* according to the Tibetan Buddhism, a gap, a transitional crisis with strong sense of disruption. How to find the 'middle path'? Meditation, together with the Bardo teachings, can be the antidote to our inner contagion, our '*inner GPS*'. Our technological society has lived mainly in a linear time, of delusional uninterrupted advance, of hurry and distractions, and now we can discover that time has a cyclical and rhythmic dimension too, with its pauses and sacred spaciousness.

Spill-over and synchronicity

Infectious diseases have always had a powerful psychological impact on humans throughout history. So, is this pandemic really a completely unexpected event?

It seems that it was already in the air, flagged in literature, dreams, channellings, prophesies and so on. In history, there have been about two major epidemics per century, and several other smaller epidemics. In 2012 David Quammen, a science writer, in his book 'Spillover: Animal Infections and the Next Human Pandemics' anticipated nearly everything[3]. Why then, has there been this public indifference? Mass distraction? Why this collective projection of the problem on to distant exotic locations? Projections, unfortunately, do not

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[2] Michael Ende (1997), *The Neverending Story*, Dutton Children's Books. First published in 1979.
[3] David Quammen (2012), *Spillover: Animal Infections and the Next Human Pandemic*, W.W. Norton & Company, New York

always work and make us weaker. Another taste of synchronicity comes from the movie 'Parasite', which won the best picture award at the Oscars Academy Awards 2020, during the early stages of this pandemic. The plot tells the story of a poor family who lives in a basement and that, by engaging in a parasitic and sinister manner, infiltrates the house of a very rich family, in a similar way to what a virus does.

Going back to Greek mythology, Artemis was the goddess of the forests and, using a modern language, protected the humans against pathogen spill-overs. The humans had to respect some boundaries and the *Genius loci*, the protective spirit of a place. In case of a profane crossing of these thresholds, those spirits or gods could send epidemics and droughts. Apollo was the god of medicine and clear thinking, but also could bring plagues. In this secularised world, are such crucial thresholds crossed through the deforestation of the Amazon rainforest or the immorality of biological warfare? How can and should our inner gods react to these transgressions?

Are we at war? And how to survive it

According to the German philosopher Martin Heidegger, language creates reality, and reality causes consequences. Every day we are bombarded by numbers and repeated words: contagion, epidemiological curves, isolation, immunity, vaccines, recovery and…deaths. '*Infodemia*' – an uncontrolled pandemic of information, war-like metaphors, politicization of the virus, conspiracy theories, stress, recession are also part of the daily terminology. The virus itself has special features and descriptors: novel, invisible, aggressive, silently transmitted, a parasite, and it has a '*corona*' (meaning crown in Latin). This pandemic also has an obscure origin: natural formation and spillover? A biological weapon made in a lab? As far as science has established so far, the virus has a nature-made and not a man-made origin. Nevertheless, the fear, conspiracy, and all associated speculations also facilitate mental projections. Here is a psychology glossary and toolkit for survival.

Inner compass. Outbreaks can be stressful, and people react differently to stressful situations. Human beings fear the unknown. Psychological regressions in these situations are common among humans. These include irrational behaviours (panic buying), anxiety, panic, paranoia and scapegoating. Doubt and confusion are frequent. People are faced with the challenge of how to navigate between scientific 'doctrines' given by the health systems and alternative worldviews of the problem, optimism and apocalyptic scenarios, isolation and togetherness. How to integrate '*immunis*' and '*communis*'? How to find a 'middle path'? We are constantly reminded that after the pandemic, nothing will be the same. We really hope so, and for the better, especially when it comes to global inequalities and environmental awareness.

Resilience. When it comes to an epidemic, we don't have to look only at the pathogenicity (factors that cause disease), a field in which we are already knowledgeable, but we have to consider the '*salutogenic*' approach as well. A. Antonovsky, the founder of *Salutogenesis*, started his epidemiological investigation among a group of women who survived the dramatic experience of the Nazi concentration camps. He found that these very resilient women had some psychological and spiritual commonalities: what he called a *strong sense of coherence* (SOC). SOC relates to the coping capacity of people to deal with everyday life stressors, and it is composed of three elements: comprehensibility, manageability and

meaningfulness. Those who have a strong SOC are more able to activate their personal resources to cope with challenges and stressful situations in life. In the '*salutogenic*' model, the focus is on the origins of health rather than the causes of disease, or, in other words, on the connection between health, stress, and coping. The good news is that we can improve our SOC.

Death, the dark side of social distancing and humanity. We live in a death-denying society and this has had a profound negative impact on us at a psychological and spiritual level. This pandemic has also shocked us for some dramatic images from the media: mass grave sites, cardboard coffins, military vehicles transporting away hundreds of coffins from warehouses and so on. In some countries an entire generation of old people in nursing homes has been decimated. Have we also lost their wisdom and, with them, the symbolic contact with the inner figure of the *wise old man* that is so important for the '*individuation process*' of the younger generation? Death and grief are severely affected in these times and funeral formats have changed. The 'quality' of death may be equally important as the 'quality' of life. Many have died alone in isolation, without the proximity of their loved ones, unable to say a final goodbye, with no rituals, no prayers, and no flowers. For many relatives and friends, the loss and the 'grief in seclusion' have been traumatic, and many experienced a 'sense of deprivation', with possible long-lasting impacts[4]. Numbers and technology have shown their fragility and are too weak to confront destiny. Mass memorials, as part of a collective ritual to remember the dead during this pandemic, can be part of a future healing process.

Is pandemic patriarchal?[5] A toxic patriarchal society is seen as responsible for the exploitation of nature, wars, genocides and inequalities. A balancing of masculine and feminine energies is urgent: cooperation versus competition; care versus power and respect for limits versus devastation. We need *energies for life* and here women and the youth must play a crucial role. They must be included, among other things, also in leadership and pandemic taskforces. There is good news: in times of coronavirus the influence of the positive side of the Feminine archetype, which brings acceptance of the unknown, flexibility, receptivity and patience is already at work in women and men.

There is a better world to build. The world acclaimed Italian architect Renzo Piano confessed in a video message that his generation has failed in building a better world and that it is for the young generations to save the world. *Puer* (the young man) and *Senex* (the old man) are primordial archetypes who live as a continuum in the collective unconscious and influence patterns of behaviour. The falcon and the falconer, Mercury and Saturn. In a fertile and balancing dialogue, the *Senex* brings discipline, grounding, reliability, and authority. The *Puer* brings optimism, play, creativity, imagination, vertical ascension, enthusiasm about life and new beginnings. When imbalanced, the *Senex* is correlated to rigidity, resistance to transformation, hoarding and pessimism, whereas the *Puer* can be unbounded, puerile, reluctant to commit and wants instant gratification. We need to balance them for our psychological, social and spiritual growth. It seems that during the pandemics states and governments have been guided mainly by the *Senex* archetype who loves laws, order, distance, discipline. If imbalanced, unfortunately this generates feelings of coldness, sense of loss, sadness, discontent,

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[4] Khushboo Razdan, 'From dying alone to no goodbye: Death and grief during COVID-19 pandemic Updated', *CGNT*, 4 April 2020. Online: https://news.cgtn.com/news/2020-04-04/From-dying-alone-to-no-goodbye-Death-during-COVID-19-pandemic-Ppdyt4atGg/index.html.

[5] Rebecca Gordon (2020), 'The Risks of Being a Woman During the Pandemic', *The Nation*, 1 April 2020. Online: https://www.thenation.com/article/society/coronavirus-feminism-domestic-violence/.

pessimism and chronicity. *Eros* and the *Puer* seem sacrificed and with them idealism and invention. We need to realign our falcons and falconers. *Kairos*, the right and opportune time for action between past and future, is now, and the motto could be *festina lente,* make haste slowly, when urgency and maturity work together.

A planetary healing and a new start? We also need to consider a positive reframing, looking at the bigger picture. Pandemics also had positive long-term repercussions in the past. For example: the *Black Death*, the most fatal pandemic recorded in human history in the 14th century, created significant social, religious and economic changes. In Florence, in the long term, the pandemic resulted in a shift of the worldview of the people that led to Humanism and the Renaissance, whose ideals then spread to the rest of Europe. There are some bright sides of this pandemic. More people seem aware that we are all interconnected and in the same boat. Localised solutions, re-localization from cities to rural areas and 'degrowth' have gained greater topicality. There has been massive promotion of solidarity and altruism; ideas about preparing ourselves better for future pandemics, and finally, an unimaginable positive impact on environment and wildlife have emerged. *Papatuanuku*, our earth mother in the Maori language, is breathing again…

Nine suggestions as a tentative conclusion

1. Just as the world needs strategies to manage the pandemic, it equally needs strategies to manage the public mental health problems generated by it.
2. Now and in the aftermath of the acute phase of the pandemic, mental health experts, who use a holistic view, should be part of the taskforces.
3. Preference for a 'Salutogenic' approach focused on boosting resilience should prevail.
4. Serious consideration should be given to an effective resilient-focused Leadership with action-oriented information that is empowering .
5. Pandemic taskforces should operate in the context of the new paradigms catalysed by the coronavirus, with no gender inequalities and including special contributions from youth.
6. Promotion of altruism, solidarity and social inclusion, in a micro-macro continuum, are at the foundation of any intervention in mental health.
7. We should be extremely careful about the use of militarised language. This could undermine the positive transformations correlated to the pandemic.
8. A holistic approach to human wellbeing should include the symbolic dimension and the attitude to consider the messages from our collective unconscious.
9. Innovative educational school programs aligned with the topics discussed in this chapter should be implemented in order to help the younger generation to become more aware and sensitive to these issues. Education is and will be a crucial element to defeat the pandemic and avoid new ones in the long term.

Recognising the essential

José Antonio Calvo Gómez

Covid-19 is going to change us all a little bit. How much will be different for everyone? Probably, each analysis, each conclusion, will depend, largely, on the starting situation of each person. However, the list of newly infected people and, above all, the tragic number of deaths, which is constantly growing in different regions of the world, is unbearable for any human conscience, no matter how used to facing adversity it might be. Although the media try to minimize the psychological impact that the magnitude of the pandemic would cause, the data are ominous. It is impossible to distance oneself from the fact that probably already, without even knowing how and when this cycle of destruction will end, this represents the greatest global threat since World War II.

It is difficult to recognize any glimmer of good in a space marked by death in the solitude of a hospital bed, surrounded by plastics and personal protective equipment. It seems obscene even to attempt to construct an essay on the essentials when the threat is to the very concept of life, the basis of everything else. The number of dead has reached the hundreds of thousands; those infected and hospitalised number in the millions across the planet. In these circumstances, it seems that we can only wait for this to end and, if we live, then try to interpret what has happened to us, what we have experienced, how we have been able to reach, in such a short time, a structural fragility of this magnitude.

In the midst of the struggle, however, it is already possible to recognize that there is something good: *we have woken up* from the dismal existence that we had been leading for many decades. Paradoxically, in the face of illness and death, in the face of the loss of all economic and social horizons, even of certain attempts to manipulate the truth, we have come of age and realized that we want to live.

Reality has imposed itself and has given us a collective bath of cold water with its macabre accounting. It is as if the world found no other way to communicate with us. Neither the ecological crisis, nor the drama of immigration, nor eugenics and the policies of human discard have been able to wake us up. Suddenly, almost without giving us time to become aware, a small, almost invisible virus has awakened us.

Probably, in that kind of social balm in which we had settled, we had forgotten the essential. Suddenly, we woke up and came to recognize what we would want to save if the house burned down, what we would want to take with us if the Titanic sank. Almost without knowing it, certainly without wanting to, we have come to *recognize what is essential* in our existence; we have discovered that we are human; that we want to be human, in all its richness, in all its greatness and, in its weak and fragile condition, in all its fullness.

We had thought that we had no limits and that we could do whatever we wanted because nothing could spoil the party. However, the storm - unpredictable, inappropriate, even unjust - has blown this conviction away; we have realized that we were too exposed, that we were more fragile than the superheroes of television had led us to believe. Suddenly, we realise, as a society, that *we want to save the human being*. Maybe we have not all come to that conclusion. Surely, there will still be many reflections and we will have to keep blaming each other. Yet we have realized that, *as a society, we want to react*.

We are beginning to feel the fragility of life; suddenly, as if by instinct, we want to protect the helpless, the elderly, the children, the sick. They no longer annoy us. We want them to be saved; we want them not to die. We are shocked that, in hospitals, they have to decide who gets a respirator. We react, we get angry, we get indignant in our homes and we ignite the social networks with our complaints. Almost without realizing it, we have put back, at the centre of our conscience, the inalienable value of life, *human dignity*, what makes us protect the weak. How we have changed. In the midst of the storm, in the midst of the battle, we have become human.

We are unable to interpret the moment because we were not prepared to lock ourselves up for months. Everything has come to a standstill. The threats to our future multiply; we start reading new distressing figures on the internet, this time economic ones. Unemployment is once again becoming a global danger. This time we may be able to respond better, we have managed to work from home and our anxiety is reduced. Then we realize that many have not been so lucky. Companies have had to close down. We begin to hear words like 'flexible pension contributions' and 'universal minimum income'. Many in several regions of the world are not even so fortunate. We had forgotten the drama of so many families who, in the midst of the crisis, have lost everything. Fortunately, *solidarity* is going viral and the social networks are once again buzzing. We cannot leave anyone in the lurch. Fortunately, there are companies that have understood well what Corporate Social Responsibility (CSR) means. We want to help and we are starting to look at what we can do.

The storm has left us locked up with our loved ones. We have been at home for several weeks and, suddenly, in a situation that is beyond us, we realize that it is good here. It has been a long time since we have spent so much time together. We had forgotten to talk. In the frenetic flow of life, in the collective alienation of the big city, we had forgotten that we are a family. For years, some have been bent on *destroying our home*. The legislation of the liquid society has sought to blur the boundaries of our family in order to build a postmodern civilization alien to any consideration of natural basis. We realize *the value of family*; how different we are and, at the same time, how beautiful is the space that the complementarity between generations has created. When we were about to recognize that families no longer exist and that only the individual is worthwhile, suddenly, as if in a surprising *déjà vu*, we have discovered that everything makes sense in the complexity of our family. We recognize ourselves as part of a family, which inserts us in society, and this feeling of belonging makes us more human.

In this tragedy, we have discovered that we are human. We have realized that life is not a game but something amazing that we want to appreciate. We have recognized the *inalienable dignity of each person*, this gift that represents each of the men and women of our small world and we do not want anyone to die, neither children, nor the elderly, nor the sick. A yearning to protect flows through our veins. When we had already forgotten that we are social beings, that we live in an extraordinary community, full of life, committed, suddenly, as if we had woken up from unreality, we have recognized that we feel, as if it were our own, the need of each person. *Solidarity* has emerged in us as a human privilege in which we recognize ourselves, which we like, which makes us feel good. We have discovered that we are no strangers to the pain of those around us, that today we feel closer, in a way that both disconcerts and comforts us.

It turns out that, when anguish, illness and pain have conquered our tiny being, when death threatens us, suddenly, we have begun to feel reality; we have begun to live; we have recognized that we are human, liberated spirits with a longing for eternity. Perhaps not all of us have understood it this way; perhaps to speak of *human dignity*, of *solidarity*, of *family*, in the

midst of the figures of unemployment and death is not appropriate. Perhaps, but it is undoubtedly an *essential fact*.