Valdai Discussion Club Report

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The First Year of COVID-19: the Pandemic's Socioeconomic Aftermath, as Seen by Valdai Club Experts

Edited by Oleg Barabanov

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January 2021

ISBN 978-5-907318-26-7

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By Oleg Barabanov

The year 2020 has played havoc with the plans of most people throughout the world. The COVID-19 pandemic has drawn a sharp dividing line between what was "before" and what came "after". Naturally, an event of this scope should end up in the focus of expert opinion, as should its social and political consequences. Therefore, during 2020, the first year of COVID-19, the Valdai Discussion Club repeatedly turned to the analysis of various aspects of the pandemic. In this collection, we decided to collect together selected texts published on our website on this topic.

Their authors represent different countries and regions throughout the world; in some ways their views and points of view on the pandemic coincide, in some ways they are opposites. But this is precisely what makes it possible to more fully reflect the broad and sharp debate that began in connection with the search for optimal responses, among states and societies, to the new threat. This search, as we all understand, is by no means complete. We also found it important and interesting to arrange the authors' texts in our collection in chronological order and present them exactly in the form in which they appeared on our website, without editing or changing anything in them. It is clear that now in many texts written in the first half of 2020, one can see, from the point of view of our current knowledge about the epidemic, that some are excessively alarmist while others are too reassuring in their assessments. It is possible that some authors today themselves would not agree with them. But this just shows the lively and very rapid evolution of expert approaches during the first year of the pandemic.

Several periods can be distinguished in this chronology of expert assessments of the pandemic.

I. The first important stage is February, when the pandemic spilled over from China into Italy; this became a turning point in the perception of what was happening. We will not conceal that the advanced countries (or those posing as such), the notorious "golden billion", are long used to perceiving deadly epidemics as some abstract and faraway scare, a routine horror shown from time to time on television in reports about the poorest countries, somewhere in Africa (AIDS doesn't count because of the natural narrowness and stereotyped marginalisation of its victims). Exotic names like Ebola, Dengue, or West Nile

fever only emphasised that it was remote from us and we would never be affected. Why not? Because we have an advanced healthcare system, because we follow hygiene rules, and, subconsciously, because we are "different". The poorest countries should be given aid in these situations of course, and this has been done to one extent or another. But at the same time, let's admit, the public not infrequently argued that these countries, why hide the truth, were "destined by providence" to suffer epidemics and disasters. The result was moral ambivalence.

Modern China can hardly be considered a poor country, but when the epidemic was confined to the PRC, it fit into this pattern. But COVID's emergence in Italy changed everything. In late February, when a group of Italian tourists was denied entry to Mauritius, a female tourist, when back home, told journalists, in all innocence, that "we, Italians, were treated like some refugees." This phrase clearly elucidated the moral ambivalence that, to our mind, had become a key social factor in the first stage in the pandemic. This raises the question of "COVID ethics." Is mankind divided into first and second class citizens in the face of real global threats? The Valdai Club discussed this question at that time.

II. The next stage came in March, when the epidemic spread to other major European countries, and then later — to New York. The main mass-scale social feeling in that period was irrational and all-consuming fear. Often, however, it turned into the opposite — bravado and COVID-19 denial — as a psychological repression and substitution reaction. The socio-psychological nature of this fear at that stage was analysed by ***Kancho Stoychev*** in an article titled "The Latest Cult or the New 'Normal'?"

III. Next came April with its lockdowns, quarantines and euphemisms like "enhanced emergency preparedness". The public was getting used to the situation, even if under constraint. ***Jacques Sapir*** reacted to this with his text "Ethics, Politics, and the Tragedy of Containment", while ***Dmitry Poletaev*** explored the acute issue of the rise of migrantophobia caused by the pandemic.

It was at that time that ideas like "the world will never be the same again" were common, as were global risk society concepts. Formerly theoretical abstractions, these concepts became a reality which gave the sensation that this state of affairs was forever. In this context, we thought it fit to discuss the nascence of new global values, the values of the coronavirus era. Faced with the notorious dilemma of freedom vs. safety, most nations, with the exception of Sweden, chose safety (or what the authorities thought was safety). The result was an oxymoron: "the value of non-freedom." Another value, the state, seemed like something dated and almost outmoded for 21st century discourse. But the pandemic and the lockdowns were destroying the private sector much faster than the state, with many people pinning their hopes on benefits, payments, etc., on the often hated state.

In the same period, two expert approaches to the consequences of the coronavirus crystallized quite clearly. We can overstate them by saying that one approach postulated the conclusion that "the world will never be the same", and the other, on the contrary, that "the world does not change and will remain the same". In this collection of articles by various authors, readers can see both of these views reflected. At the same time, one thing can be said for sure: that, unfortunately, the pandemic did not stop international conflicts and wars: both old and new ones that emerged in 2020. ***Andrey Sushentsov***'s text explains the reasons for this phenomenon.

IV. Next came May, and the first COVID-19 wave subsided in some countries. Lockdowns were being eased and China stopped the spread of the virus at home altogether. It was time to conceptualise the results. The Valdai Discussion Club released the report "Staying Sane in a Crumbling World", which contained our first conclusions regarding the socio-political aftermath of the pandemic.

V. In June, the first wave had subsided in Europe and the US, and a "vaccine arms race" began to unfold. The geopolitical rivalry between the world's top states vying for the laurels of number one anti-COVID-19 vaccine maker was increasingly felt. Simultaneously voices were being heard that the vaccine should become a "global commons" resource and that it should not just be handed out free to the poorest countries (like ordinary humanitarian aid from the rich to the poor) but come under the heading "open innovation" or "open patents" with free access for everyone. Earlier, there was talk of open innovation, but normally as part of abstract and almost utopian constructs. Now, it is being suggested, for the first time on a global scale, that they be applied to real legal relations. This means that a fundamental change has occurred in the nature of all market-based economic relations and that the notion of profit itself has come to be reconsidered. This is challenging the existing legal system of intellectual property protection, and not just for music or movie piracy but in the name of global justice and equality. Thus, the world's age-old morality-versus-law discussions over whether moral justice should prevail over legal standards and whether morality is always above the law have been reinterpreted in relation to the pandemic and the vaccine. ***Francine Mestrum*** wrote in this context that healthcare as a whole should be regarded as a global commons resource.

VI. Amid the pandemic, July and August turned out to be the "quiet summer months" for Europe and the United States (although the coronavirus caseload soared in Latin America during that period). An array of statistical data for the second quarter which showed the lockdown's ramifications was already available by that time. Accordingly, the discussion focused on the quarantine policy pursued by different states and ways to achieve herd immunity, an analysis of optional solutions, human and economic rights violations during the pandemic and the responsibility of the states. These questions were posed by ***Alan Freeman***'s Valdai paper "How Many People Need Die?" ***Richard Lachmann*** provided an analysis of how the pandemic will affect the power of the elites nationally

and globally, while ***Wang Wen*** compared the results of the pandemic for countries and corporations.

VII. The autumn brought a second wave of the pandemic to Europe and new worries. Pessimism set in with a massive return of the disease, which appeared to have been defeated in the summer, followed by sad expectations that this might, indeed, last a long time. Quite naturally, this invoked the genre of dystopia. In this regard, the world in 2020 as an actual dystopia was compared with the popular literary works of this genre.

But the goal of expertise is the quest for optimism. This approach usually meets the expectations of the public. In this regard, ***Richard Sakwa*** raised the question of whether fallout from the crisis could be turned into a positive by taking advantage of the opportunities presented by this global system shock. The second Valdai Club policy report this year, "History, To Be Continued: Utopia of a Diverse World" which came as a result of expert reflections during this challenging year followed the same line of thinking (by no means dystopian, but an attempt to present a positive future world utopia).

Climate policy, too, gained more prominence among the public and expert opinion amid the COVID-19 pandemic. Perhaps improving air quality more quickly was the only positive outcome of the pandemic and the lockdowns. A sharp decrease in the anthropogenic load led to a rapid expansion of wildlife habitats as well. This amazing global natural experiment has shown that it is possible to drastically improve the environment, reduce emissions and curb climate change fairly quickly. It has also shown that environmentalists' calls, if followed, can lead to significant results not sometime in the distant future, but almost instantly. On the other hand, there was a concern that some kind of a disaster is needed in order to start this process (like the coronavirus) and that humanity will do nothing to this end of its own free will. The fact that air quality began to deteriorate quickly following the resumption of economic activity is a case in point.

That is why, in the first months of the pandemic, a sufficiently powerful civil movement started in many countries around the world to use this pivotal point, of the epidemic, to reset global energy, industrial and other policies based on green principles. A heated discussion of the green transformation strategy began. One of the authors of this collection of essays, ***Christof van Agt***, discussed the role of green energy in economic recovery after the pandemic.

Perhaps, in the run-up to the New Year, most of the Earth's inhabitants wished that the events of this challenging year would never be repeated. However, seen from the point of view of expert analysis, it must be admitted that 2020 turned out to be surprisingly productive in terms of developing and testing a large number of radically new ideas, breaking old clichés and providing an opportunity to openly discuss many previously taboo topics. For this, we must say thank you to the pandemic.

Wan Qingsong

Coronavirus Impact: Beyond the Scope of Rationality

Publication date: 05.02.2020

Can the impact of coronavirus on the world's economy be more serious than that of the US-China trade war?

First of all, what needs to be pointed out is that the novel coronavirus epidemic will definitely have a negative impact on the economy of both China and the world in the near future. This is determined by the size and international influence of China as the world's second-largest economy. It also shows that the economic and trade ties between China and other countries are increasingly close. But I think this kind of negative impact is temporary and controllable, and will not lead to catastrophic consequences because the Chinese government is determined to effectively control the spread of the epidemic, and eventually China, together with the international community, will win the victory over the coronavirus, just as it defeated SARS in 2003 (According to assessment by experts, the global economic loss caused by SARS in 2003 was 40 billion US dollars). As to whether it can be compared to the consequences caused by US-China trade war, personally I have a different view: The signing of the trade agreement between China and the United States in the first phase shows that the two countries are tied in the war; there were no losers or winners (however, coronavirus is preventable, controllable and in the end defeatable. China will be the winner). At the same time, "the first phase" also means that the competition between the two countries has just started; still, there are a lot of uncertainties. I hope that China and the United States can learn a lesson from the previous trade war and share the international responsibility for promoting world development.

Is a deficit possible due to the cut in the supply of Chinese goods to other countries?

China's production capacity is well known throughout the world and the title of "world factory" is not a myth. In the near future, Chinese enterprises will restore their production capacity on a large scale (including overtime work, capacity improvement, etc.) and complete orders from countries all over the world, so a cut in the supply of Chinese goods to other countries is not likely to happen, nor is a deficit likely to appear. Besides, foreign countries have imported a large quantity of products; for the time being, they can temporarily find substitutes in other countries. At the same time, the completion of these production tasks also necessitates understanding and support from other countries.

How uncontrollable can a global pandemic become, and what political consequences could it have at the regional and global level?

The Chinese government has devoted its national efforts (including the use of its military forces) to fighting the virus epidemic and preventing it from spreading globally, which has met a positive response and recognition from the international community. Other countries have also adopted correspondingly strict preventive measures, so it is highly unlikely that a so-called "global pandemic" will happen. In this respect, we should believe more in the continuous progress of human medical science and technology. At the international and regional level, we see citizens of more and more countries begin to complain about, and even discriminate against, tourists from China (even Chinese in the broad sense). They put pressure on their governments. And for the sake of the safety and health of their own citizens, many governments are introducing stricter regulations to restrict citizens from China. These moves are understandable, but we really don't wish to see any deliberate exclusion of, or discrimination against, the Chinese people as a result

of the epidemic. Instead, we hope to see more rationality, tolerance and patience with China's government and its people from the international community.

In what way can the United States and other Western powers take advantage of the situation, to counter China geopolitically?

In China, we have a saying: 患难见真情 (A friend in need is a friend indeed), which means that you do not know who your true friends are until you have encountered common difficulties or adversity together. The United States and other Western countries, on the one hand, have repeatedly expressed their willingness to provide assistance to China (so far, it has just been said but not done). On the other hand, we see that this epidemic has also created an excellent opportunity for Western anti-China forces. Criticism of China voiced by some Western media outlets, scholars and officials has gone far beyond the scope of rationality, and has in some cases has devolved into mockery, abuse, slander and curses. Some people wish to see the collapse of the Chinese economy and the Chinese government. This could be called 落井下石 (kicking someone while he or she is down). I think it is an especially uncivilised response. Even if the Western countries have certain "advantages," it reflects poorly on their moral character, as it hurts the feelings of the Chinese people.

Can we expect cooperation in the humanitarian sphere to change somehow at the international level? Will this issue increase the importance of the World Health Organisation and other international organizations of the same kind?

The novel coronavirus epidemic is a severe international public health crisis. In Chinese, the word 危机 (crisis) includes the double-meanings of both danger and opportunity. Crisis tests everything and tortures everything. There's no doubt that this crisis will not only test the efficiency and responsibility of the humanitarian work done by the World Health Organisation and other international organisations, but also promote human beings and the international community to be more progressive, scientific and rational.

Ivan Timofeev

COVID-19: Toward New Forms of Social Organisation

Publication date: 20.03.2020

The rapid spread of the COVID-19 virus has led to noticeable shifts in the social governance of the communities affected by the epidemic. The virus may well become a trigger for the introduction of new technology in management and politics, as well as their further improvement. Many of these technological innovations have already been known for a long time, and, to one degree or another, have been put into practice. However, inertia is characteristic of human nature. History knows many cases where well-known inventions were unable to achieve widespread adoption until a particular crisis necessitated their implementation. In addition, an emergency situation allows for the pursuit of unpopular measures that had previously been thought to contradict the law or morality. Force majeure circumstances justify tough steps and new means of governance, which otherwise may have led to public opposition and protests. Like any epidemic, COVID-19 is a temporary phenomenon. But the arrival of an emergency, however fleeting, can provoke changes that will remain with us for a long time.

The first and most obvious is the widespread use of distance learning and working. Modern information technology has facilitated remote work for a long time. There are advanced platforms for online courses, databases, a wide selection of software for the remote interaction of large groups of co-workers and the management of the projects they attend to. Of course, in a number of industries and specialities, it is impossible to make do without personal communication or people being physically present at the workplace. However, where remote work had been possible, modern society was nevertheless held back by an envious conservatism.

This pervasive inertia was also dictated by perceptions of status. For example, the status of a company without an office, in the eyes of customers or partners, may well compare poorly with the usual “office” setup featuring an on-site staff. In the perception of managers, the very notion of the availability of jobs and visual control is a familiar attribute of status and influence. It’s also more common for employees to “go to work” and identify the home as personal space rather than as a work space. Prior to 2020, there

were many business pioneers who had nevertheless mastered new forms of work. Online services are firmly established in the commercial sector and are even provided by clumsy government agencies. However, prior to the current crisis, a radical change had not occurred. This change is very real today. And COVID-19 provides an excellent pretext.

Within several weeks, and possibly for a period lasting months, many organisations in Russia and abroad will have to switch to remote work. The economy is already suffering enormous losses.

Remote forms of work represent a suitable means to preserve the activities of many enterprises and structures, where the specificity of their work allows. The longer the quarantine and the need for isolation, the more habitual (but still not widely accepted) methods of organisation will become a habit. The worse the impact of the crisis on the economy, the more incentives business will have to cut costs. Costs for expensive offices and work infrastructure are a primary concern. Why pay extra if other ways of organising labour are possible? The epidemic will simply force the mass testing and implementation of such forms, zeroing out or changing the status representations of the past. In the near future, companies that do not move to a new organisation, where it is physically possible, may become a black sheep.

It's also possible that employees may demand changes. They stand to gain more time — many modern cities force their working population to spend several hours a day just commuting to work. But here a chain reaction will take place in other areas of human life. Changes will alter the very ratio between personal and work spaces. Modern man will have to face ultramodern and pre-modern structures simultaneously. The ultramodern structure comes with the new technology. However, it is accompanied by a pre-modern context — workers will need to return to the traditional form of separation between home and work. The modern city, with its limited living space, is simply unsuitable for such a symbiosis. The capitalist logic of cutting costs and introducing new technologies is likely to lead to tremendous frustration and psychological discomfort. The institution of the family will have to be changed. People will be forced to re-learn how to spend time with each other; not just during weekends, but all their free and non-free time in general. A significant increase in the number of divorces in China against the backdrop of the COVID-19 epidemic is an alarming symptom. However, new realities can lead over time to the creation of a more comfortable urban and domestic environment. Why huddle in a cramped and noisy city if you can work with the same success in a country house or a more comfortable space? They may revisit the question of national borders and migration. Access

to brains and competencies abroad will be much easier. The brain drain will also happen quickly.

If changes proceed from such a scenario, they will have serious consequences for the functioning of the system of government and state institutions. Modern technology provides great opportunities for social control. Until now, private and public life have been quite rigidly separated by morality and law. Technically, the state could have long ago entered into the personal space of many citizens. Businesses have moved a little further in this direction, with their targeted advertising and other activity based on the data mining of social networks. Now this intrusiveness may become the norm. "Control over the body" or an all-pervasive micropower, about which Michel Foucault once wrote, threatens to take on new gravitas. The state of "alarming supervision" — a feeling of constant surveillance (which could be carried out sporadically and for completely pragmatic reasons) becomes a real possibility in such a society.

In turn, the organization of the nature of power will also generate new forms of politics, including methods of self-organization, proliferation of ideas, protest or other behaviour. The combination of such changes with transformations of the urban environment and lifestyle can produce bizarre and non-linear results that are far beyond the imagination of science fiction writers.

Lawrence McDonnell

Coronavirus in a Globally Connected World, Harnessing the Power of the Media

Publication date: 08.04.2020

As cities, towns and villages are increasingly isolated to protect communities from a deadly pandemic that knows no borders, people turn to the voices and media they trust. In this age and in this situation social media rather than government media has become the fabric that keeps us together, voices that tell us what is happening, how to behave, what to expect — the voice of our communities.

At the time of writing my son and I are effectively quarantined in separate locations, having returned to Moscow at different times on different flights. Social media keeps families together, at almost no cost. We remain in contact with grandparents, share news and anecdotes. There are no borders. Like the virus we are hiding from, fake stories emerge in the groups and the media we have grown to trust, shared stories from a friend of a friend. In our current isolation we share everything, every storyline that can amuse or frighten, every anecdote or rumour of an imminent cure. This is peer-to-peer fake news and it's gone viral.

The director-general of the World Health Organization, Tedros Adhanom Ghebreyesus, calls it an "infodemic". "Fake news spreads faster and more easily than the virus and it is just as dangerous," he said in mid-February.

The volume of misinformation is already clouding officials' statements and advice from governments. German Chancellor Angela Merkel has pleaded with citizens to listen only to official advice and guidance. The Irish Prime Minister Leo Varadkar is urging everyone to please stop sharing unverified information. "These messages are scaring and confusing people and causing real damage."

There is nothing like a global pandemic to focus the minds of politicians and the influence of the media to test the resolve of governments to work together in addressing a once-in-a-lifetime threat to our own species. We are a unique species, connected through technology that allows us to reach out to each other in real time anywhere in the world, to talk to each other, government to government, person to person. This global connection can change minds globally. Consider, for example, how Swedish schoolgirl Greta Thunberg can tell the United Nations it must get its act together to save our planet, convincing governments and major energy companies to find an alternative to fossil fuels. This campaign crossed borders easily, a single voice inspiring marches and demonstrations around the world to protect our planet.

Today, however, we are facing a more imminent threat, a pandemic that migrates easily across the same borders where Greta is rolling out her campaign to rescue the planet. The campaign to protect our world from Coronavirus is more complex, with a multitude of voices, often contradictory, led by politicians and governments working to protect their own communities.

The "infodemic" we are witnessing is born of fear, when people don't have sufficient government information or where they don't trust the information they hear. In this case they turn to social media, the channels they share with colleagues and family. For better or for worse these platforms go viral.

Today governments and medical officials are scrambling to provide the public with accurate and timely information about coronavirus. But they are undermined by the spread of medical misinformation and fake cures on WhatsApp, one of the world's most popular messaging platforms. The platform is being used to spread messages that often contain a mixture of accurate and misleading claims that are dismissed by medical experts. The problem is now so acute that world leaders are urging people to stop sharing unverified information using the app.

The best response in this information maelstrom is where governments understand the most efficient way to reach audiences is now via social media platforms. The UK Government has teamed up with WhatsApp to reach millions of Britons with accurate information about COVID-19. This is a smart move, finding an opportunity to engage with much wider audiences to provide best practice in protecting communities.

The alternative approach, where Facebook and Twitter are making every effort to remove fake stories is an uphill struggle. Stories range from biological weapons produced either by the Chinese or the US government, the latter accused by Russia or Iran. Other theories include medical misinformation about ways to prevent, treat or self-diagnose the coronavirus disease with old wives' tales of various potions. The rumours are disseminating across borders as quickly as the disease is migrating around the world.

Global pandemics are not new. COVID-19 is the latest in a long line of viruses that have decimated communities over hundreds of years. Today our world is more connected than ever, our species criss-crossing the planet without a second thought. In this smaller world we are more vulnerable to aggressive diseases and viruses. At the same time our inter-connectivity can protect, sharing information, advice and insight in real time. Our ability to communicate across the four corners of our world without obstacle in this challenging time ensures we shall inevitably recover and survive. We shall also respond to this disease far more quickly, in part, via the technology we carry in our pockets. This wasn't always the case, far from it.

A hundred years ago our world was gripped by an influenza pandemic called the Spanish flu with a death toll that is estimated at between 50 and 100 million people, one of the deadliest epidemics in human history. It was initially called the 1918 flu pandemic and it continued until December 1920. When the pandemic first appeared World War I censors minimised early reports of the number of deaths in Germany, the United Kingdom, France and the United States. Spain however, a neutral observer, reported the epidemic and hence the name. Today we are globally connected via global media. We may

have initially stumbled in places as this virus took hold of small communities and then entire countries but in this 'always connected' world we are in a far better place to inform, advise and inevitably face down the threat we all face much faster, thanks in no small part to an army of media platforms that we rely upon.

Oleg Barabanov

Values of the Coronavirus Era

Publication date: 10.04.2020

The ongoing coronavirus pandemic is spreading to new cities and countries. An increasing number of people are being forced to observe quarantines and self-isolate. Many have lost their jobs and businesses due to the suspension of economic activity. Entire industries are on the verge of bankruptcy. Society is starting to feel more anxious and more uncertain.

Naturally, this poignant change in the social situation around the world has led to a surge in expert analyses of newly-emerging problems and the search for ways to solve them, if not immediately, during the epidemic, then at least in the medium term. This is also justified, because today there is strong public demand for an examination of the problems and consequences of the pandemic. All other topics of world politics and economics, for obvious reasons, are now considered secondary among readers, consumers and decision-makers.

As a result, already at present, there is no shortage of various forecasts regarding the future world order after the coronavirus. All of them can perhaps be reduced to two large groups. One point of view is that after the epidemic, everything will return to normal. People will return to the joys of life, and the economy and social fabric of interconnections in the world will actively recover to a more or less rapid degree depending on the financial resources of various countries and companies. Relatively speaking, here we see the most understandable example (and model) of the history of the rapid development of the world after the end of World War II. This position is distinguished by an initially optimistic worldview, and expert assessments in this context

are focused on how to restore what was most optimal and least costly. The overall outcome, according to this paradigm, should be the revival of the pre-coronavirus status quo, naturally, with the addition of more attention to medical problems.

The alternate point of view is very different from this. Its concentrated expression is perhaps best represented in the phrase: "The world will never be the same again." The logic of its adherents is that the scale and level of upheaval both for the global economy and, no less importantly, for social connections and mental attitudes and values will be too large and will have too strong an impact on social psychology, which will turn out to be impossible to shift back to the way it was.

Those who have studied Marxism can recall here one of the laws of dialectics on the transition of quantitative changes to qualitative ones. According to this logic, this is precisely the case when this law begins to act and proves its merit. Thus, the main result of this approach is the emphasis on the irreversibility and initial transformation of coronavirus-related changes in the world.

This point of view is largely based on the theoretical principles of the concept of a global risk society. In short, the essence of this concept is that a sharp increase in humanity's impact on nature, the complexity of technological development and the intensity of global social ties, together with the explosive development of consumer society have led to the fact, that in the world, the level of risk of various disasters, epidemics, etc. has significantly increased. In part, these are echoes of the old catastrophism in the report on the Limits of Growth by the Club of Rome, but they are connected not only with lack of resources, but, so to speak, with systemic imbalance at the global level. As a result, risk and a sense of impending danger become constant companions of humanity. According to this logic, even after the end of the coronavirus epidemic, something else will surely happen in the world. It is clear that the catastrophism and pessimism of this approach are not very attractive, but any quick review of global public opinion will underscore its popularity. This isn't just due to the influence of current anxiety stemming from the rate at which coronavirus is spreading. Such an approach is equally important for its transformational potential, so that the optimal reconfiguration of global society, economics and politics after the coronavirus runs its course is carried out optimally, taking into account the possible new risks and challenges of a non-political nature in the future.

And in this regard, the question arises not just about political and managerial practices in such a context, but also about new moral principles of our global society.

Each era has its own values, unique to it. And if the world "will never be the same", then its values will also change greatly.

It is clear that it is extremely difficult now to give a full-fledged forecast of what the values of this new world will be, but some first hints can be made now.

The first value of this new world will undoubtedly be associated with global solidarity. In a planetary society of risk, it is solidarity which becomes the key to survival. At the same time, we agree, the first months of the current pandemic showed, along with vivid cases of this kind of solidarity, much more examples of closeness and the cutting off of global social ties. The growth of Sinophobia in the world during the early stages of the epidemic has now transformed into tangible tendencies toward xenophobia in relation to other risk groups (white tourists in the developing world, for example). This xenophobia from the level of states, races and peoples descends to lower social levels: to the levels of individual cities, neighbourhoods, down to their neighbours at home. Will this feeling of xenophobia disappear after the end of the epidemic, when everything will return to "the way things were" or will it remain as a long-term mental attitude towards all strangers, due to the fears experienced during the epidemic? If it remains, then serious obstacles will arise on the path to global sustainable development. Thus, we can suggest that, perhaps, the value of global solidarity will become the main value of the post-corona world. Certainly, against the background of contradictory aspirations pushing for closeness and xenophobia.

The second possible value for the new world will be related to the dilemma between freedom and security. The coronavirus epidemic is very acute and extremely quickly puts this dilemma at the forefront of the public consciousness. Rapid quarantine measures limit many human rights. In a number of countries, a fairly wide public debate has begun about the admissibility and extent of this. The thesis that "the epidemic will end, but restrictions will remain" is also gaining popularity. It is clear that these debates are caused not least by the internal political struggle in individual countries. However, it's obvious that in a society threatened by omnipresent risks, the balance between freedom and security is likely to shift as people place more value on the latter. Thus, if the full political implications of such

attitudes are understood, people could indeed continue to make do without personal liberty throughout the world, even after the epidemic. Naturally, can and will be acceptance of the new status quo would be combined with nostalgia for lost freedom. In an extreme case, such a society could take the form of a practical dystopia, like in the film "The Matrix".

The third value, which is now emerging from the response to the epidemic, is also almost unthinkable from the standpoint of globalism and its moral principles. This is the value of state support, and, more broadly, the value of an effective state as such. The pandemic revealed that private business collapses faster and earlier in a global catastrophe than the state. It brings with it unemployment, social unrest, and other problems. In almost all countries, the key question now is the issue of large-scale measures of state support for both citizens and private business. In a society which addresses long-term risks, this request for state assistance will be met. Naturally, there is a dangerous proclivity towards authoritarian tendencies on the part of the state, which may spread non-transparent and corrupt management practices, but nevertheless, the state would be much more highly appraised in a global risk society than it is now.

The fourth value will be related to rethinking the current value of consumption and lead us to rethink the status of the global consumer society as the status quo. Here it's not my intention to belabour the "horrors" of the consumer society (in quotation marks or without them). But simple logic allows us to assert that in a society of global risk, there is no place for the overvaluation of consumption, there is no place for consumption to be the sole purpose of the existence, be it among the middle class or the broad masses. And, accordingly, the global risk society displaces consumer society.

Naturally, this sketch of possible future values is incomplete and somewhat provocative. Each reader can imagine for him or herself other options that reflect what he or she considers important. In conclusion, everyone would like to hope that the pandemic will quickly end, and everything will be the same again. The optimistic scenario for restoring the pre-coronavirus status quo is understandably more enjoyable and desirable in terms of social psychology. But the need to ensure that the global political framework is ready for possible new challenges does not allow us to discard the pessimistic and transformational scenario, with its new values (or anti-values, as you like) the ongoing coronavirus pandemic is spreading to new cities and countries. An increasing number of people are forced to switch to quarantine and self-isolation. Many lose their jobs and businesses are due to the suspension of economic activity.

Oksana Sinyavskaya

From a Welfare State to a Welfare Society

Publication date: 16.04.2020

After several decades of talk about the imminent collapse of welfare states and the triumph of the market economy, what we have seen in recent months could be called a renaissance of state paternalism. A growing number of countries are introducing measures to support enterprises and citizens, lowering taxes, unpacking stabilisation and reserve funds, and increasing public debt. That is, doing everything that before the present emergency situation had seemed impossible.

The very fact that in order to save human lives from a new disease, states have been ready to give up their current economic interests indicates that over the past century, the protection of health as a human right has become an integral part of the social contract. The value of this guarantee is considered no less important than protection, let us say, from an external enemy. Moreover, this was also characteristic of the reaction to coronavirus among Asian countries; the approach is not unique to the Western world. This did not happen, for example, a hundred years ago, when the Spanish flu raged.

Does this mean that after the end of the pandemic, talk about the uselessness of welfare statism will stop? I'm sure that isn't the case. When the threat of mass deaths of citizens recedes, and economic difficulties, on the contrary, escalate, the governments of many countries will probably again talk about the need to cut social spending, tighten access to social programmes, reduce benefits, and target them more selectively, all in the name of state budgets and the economy.

How radical these reversals are will largely depend on the respective countries' pre-crisis level of development and how efficiently they managed to cope with coronavirus: many states will have fewer resources due to the duration and severity of the epidemic. States which witness more deaths, more job loss and lower incomes due to extended quarantines will see a higher likelihood that their policymakers will move to "tighten their belts" and attempt to extract themselves from economic crises at the expense of their citizens.

It must be kept in mind that two big threats to welfare states, aging populations and the technological revolution, have not gone away. Therefore, the coronavirus pandemic will not change the long-term trend towards governments rethinking social spending obligations.

Meanwhile, if we move away from a purely fiscal perception of social policy, we can see several important lessons of the current crisis that can set the vectors for the transformation of welfare states in the 21st century.

The first things that strike one as direct results of the specifics of the coronavirus are demand for a new model of medicine and demand for a new model of aging. A pandemic not only exposes weaknesses in health care systems and tests their ability to deal quickly with emergencies. The high mortality rate among people with coronavirus from complications associated with a variety of chronic diseases casts doubt on the effectiveness of the models for increasing life expectancy which prevailed at the end of the 20th century. In the current environment, it is no longer enough to prolong the lives of people with worsening health problems. It is important to learn how to postpone the onset of these diseases and maintain the health of citizens to the oldest possible age. Therefore, anti-aging medicine that appeared less than three decades ago, which is involved in the identification, prevention and correction of age-dependent diseases, will receive a powerful impetus for development.

It is important to emphasise that life extension is not alone in this respect and not merely the reserve of high medical technology and expensive services available to the elite. Studies show that lifestyle also contributes significantly: nutrition, physical activity, sleep, stress levels, etc. And this opens up great opportunities for the state and non-state players to promote a healthy lifestyle and the concept of healthy longevity.

The second and perhaps most important issue that this pandemic has exposed is the high social cost of inequality. It would seem that in the face of the virus, everything would be equal, which is confirmed by cases among politicians, famous actors, athletes, show business personalities and other elite segments of society. However, these are exceptions that do not change the general rule: the risks of contracting infection, not receiving proper treatment on time, and dying are obviously higher in the lower strata of society. The higher the level of income and property inequality in the country, and the more selective the coverage of social programmes is there, the more likely it becomes that these differences will be more pronounced, as evidenced, for example, by the latest data from the United States.

There are several reasons for this. First, high economic inequality is usually accompanied by significant inequalities in health and life expectancy;

it means that at the same age, there will be more chronic diseases among people with a low social status. Second, representatives of the lower social strata are often employed in the service sector and personal services: they work in catering, the trades, as couriers, taxi drivers, housekeepers, carers, nannies, etc. And, therefore, during the period of the epidemic, they either continue to work, exposing themselves to a high risk of infection, or have lost their only source of income. Since their work is often carried out informally, the availability of medical services and social benefits for them largely depends on how much the state is ready to notice them. The quality of life during the period of quarantine measures is incomparably higher in the upper social groups, where one finds spacious housing, "rainy day" savings, and the possibility of remote employment. It can be assumed that in the upper strata of society, the elderly will not end up in those nursing homes which face mass infections, where old people are dying off — as evidenced by data from France, Spain and Italy.

Ultimately, a society that allows such high degrees of inequality is likely to pay a higher price for overcoming the crisis generated by the pandemic. It experiences a large number of deaths, there's a greater risk that many citizens will be left impoverished, and the resulting economic crisis will be deeper.

Solving the problem of excessive inequality is not only the prerogative of social policy.

From the perspective of the future welfare states, it is important that the pandemic highlighted the risks generated by constrained social support measures, including with respect to medical services. It reinforced the demand for universal medical coverage among those with minimal social support and minimal social guarantees. It is no coincidence that many developed states have expanded anti-crisis measures to cover people who had previously been 'under the radar', such as self-employed people, temporary workers, and contractors.

At the same time, the current crisis has emphasised the benefits of universal welfare states. Among the developed countries, the Scandinavian nations have done the least to expand the scope of existing social services. This isn't because they care less about their citizens. On the contrary, due to the breadth of existing social services on offer, where people from all walks of life have access to a wide array of social programmes, allowing everyone to maintain a decent standard of living amid various circumstances, these countries have not needed to resort to roll out extraordinary measures to address the current crisis. Their versatility and flexibility have insured them against force majeure.

The third lesson of the pandemic is one for social policy: welfare payments and state assistance aren't enough to maintain an acceptable quality of life among the misfortunate. Old people, people with disabilities and single parents, who are all essentially locked up at home, have urgently needed to have food and medicine delivered, and have had to rely on the work of volunteers.

The experience of mass social isolation has shown us how important personal contacts and communication are for us. Despite the fact that the virtual environment cannot replace live communication, information technology has made it possible to offer new forms of mutual support. Various grassroots initiatives have been launched: self-help groups based on social networks, charitable educational programmes for children (reading books, virtual tours, etc.), online broadcasts of performances and concerts — all these manifestations of solidarity help people withstand home confinement.

Despite the extraordinary circumstances under which these projects have arisen, they've demonstrated the high ability of people, communities, and non-governmental organisations to organise themselves and jointly compensate for an otherwise less than optimal quality of life. And this is not the first, but a big step forward on the road from a welfare state to a welfare society, based on the value of human life and a shared recognition of the importance of the quality of this life…

Jean-Marie Guéhenno

Multilateralism After the Coronavirus

Publication date: 06.05.2020

What is the future of the multilateral system after COVID-19? Much will depend on the geopolitical configuration that will emerge from the crisis, and on the role that multilateral organizations will be seen to have played during the crisis. For the moment, the role of multilateral organizations is eclipsed by national efforts. Each country has its own national health response, and the bulk of the effort to mitigate the socio-economic impact of the crisis is also with states. All major powers have adopted similar,

although uncoordinated, fiscal policies. They are all injecting massive amounts of money in the economy, so as to create a safety net for households as well as for businesses. The final volume of that support will depend on the duration of the stoppage of the economy, but even if that stoppage was to be relatively short, there is no doubt that public debt worldwide will increase by a very significant amount: the IMF expect the gross fiscal debt of the world to grow to 96,4% of GDP this year, from 83,3% in 2019. This will happen at a time when the two biggest economies of the world were already very leveraged. Public+private debt represents 310% of GDP in China, 210% in the United States. Meanwhile, depressed prices of commodities and energy will hurt countries in which they represent an important share of revenues, like Russia, several Arab and African countries.

Confronted with that situation, will the major powers eventually turn to the United Nations and multilateralism? The performance of international institutions will certainly influence their decisions. WHO is showing its importance as a platform to share information and offer advice and support to weak countries that need it the most, but it has been criticized for not being independent enough, and it has been further weakened by the attacks of President Trump. Nothing at this stage guarantees that it will emerge as a stronger actor after the crisis. On the economic front, it remains unclear how much of a role the World Bank and the IMF will play. On the political front, the Secretary General has issued a call for a global ceasefire, but not much has changed on the ground and many conflicts continue unabated. The Security Council has been largely invisible.

The world may become more multipolar, but it will be a multipolarity of weak poles, in which each pole will be more inward-looking and will prioritize its own recovery. The pandemic will compound the effects of an erratic leadership in Washington, but it is unlikely that any country will be in a position to reap the benefits of that weakened US position for itself. China, apart from the looming demographic challenge of a rapidly diminishing workforce in coming decades, will need to accelerate the rebalancing of its economy so that it is less export-driven, as its key trading partners re-evaluate supply chains. In Europe, Germany is also likely to adopt a less export-driven economic model, and the European Union as a whole will be more inward-looking, focusing on protecting strategic industries, of which it will probably give an expanded definition. Power is being more evenly distributed but the horizon of every country has shrunk.

The test of multilateralism will come when the major powers realize, like patients who have suffered a severe bout of COVID-19, that they are all durably weakened, and that the COVID-19 crisis has not made any winner, just many losers.

Global trade and global growth are indeed likely to remain inferior to what they were in the previous period, which will benefit none but will be particularly hurtful for the weaker countries in the developing world. As major powers move to a more defensive and domestically-focused national posture, they will face a stark choice: they may opt for what could be described as the "power politics of weakness", or alternatively acknowledge that a more cooperative posture will benefit them in the medium term.

The "power politics of weakness" would undoubtedly weaken multilateralism, but they have their attractiveness. They provide an opportunity to practice power politics on the cheap, exploiting the potential adversary's weaknesses rather than building one's own strength, which is a lengthy and complicated process. In that scenario, the United Nations are likely to wither away, through indifference, rather than active hostility. The United Nations cannot transform itself without a strong push of its member states, and the absence of active support will be enough to gradually weaken an organization that is difficult to reform; its structures already show their limitations in dealing with emerging transnational issues for which it was not conceived, whether it is terrorism, decaying states, or the impact of new technologies. In such a scenario, the United Nations is likely to be marginalized, as the world fragments. The retreat will be much more dramatic than the one witnessed at the beginning of the Cold War, because the UN has acquired since the 1950's a major operational role.

An alternative scenario could however develop if a critical group of member states of the United Nations reaches the conclusion that they will benefit from a moderately effective United Nations. In a world in which power will be more evenly distributed than it has ever been, no country will be strong enough to shape the UN system according to its national priorities, and the United Nations will enter an unprecedented phase of its history, in which its strategic role will be the result of a negotiation between powers that have very different worldviews but nevertheless want the UN to play a significant role.

They could agree on a scaled down agenda; a rules-based order with some degree of cooperation makes for a more predictable world, which benefits all, and especially global powers whose prosperity is linked to their integration in the world system.

Peace and security would remain a core UN mission, but a new balance would have to be found between the ambitious concepts elaborated

during the first decade of this century, such as the responsibility to protect, and the much narrower prescriptions of the UN Charter relative to the use of force. An interesting test would be the evolution of peacekeeping. There is a shared interest among major powers in stopping the expansion of ungoverned spaces which can become safe havens for terrorism. Member states, without fully endorsing the democratization agenda that underpinned several peacekeeping operations in the early 2000s, might agree to provide comprehensive support to states on the brink of collapse, and use the UN framework to provide that support.

If anything, the COVID-19 crisis has shown how connected the world is, and how most challenges cannot find a solution on a purely national basis. If the United Nations is to usher in a new phase of multilateralism, it will not limit itself to its core peace and security role. Climate, pandemics, cyber, artificial intelligence are global challenges that require global coordinated responses. Specialized agencies in that context will need to be modernized and strengthened. Lastly, the COVID-19 crisis demonstrates that in any major global crisis, an effective response must integrate technical, economic, financial, and political dimensions. A legacy of the COVID-19 might well be a closer relationship between the United Nations and the Bretton Woods institutions.

Which scenario will prevail? Among the various powers that could tip the balance towards a cooperative model, China, the United States, Russia and European countries will have different perspectives. China and the United States will be driven by their bilateral strategic rivalry, and while they may eventually decide that they are better off with a functioning UN, they are unlikely to drive the process. Russia and Europe are in a different situation. There is no long-term benefit for them from an increased polarization between the United States and China, in which they risk becoming junior partners. Although they might tactically benefit from it, their strategic interest is to avoid such an outcome. The members of the European Union have additional reasons to support a cooperative model: their model is predicated on cooperation and a rules-based order, and they have a strong interest in embedding it in a broader framework, all the more so as, after an uncertain start, the COVID-19 crisis, rather than weakening the European Union, now seems to lead to deeper fiscal and financial integration within the Union. The future of multilateralism is far from assured, but in a world of weak poles of power, multilateralism may end up being the best option to rebuild a stronger and more resilient world.

Thomas Graham

The COVID-19 Pandemic: An X-Ray of Today's World

Publication date: 14.05.2020

Global crises like the COVID-19 pandemic are rare in history. Their occurrence inevitably leads to reflection about the implications for global affairs. Some see such events as historic turning pointsworld post-crisis looks radically different from its pre-crisis state. The arc of history takes a sharp turn to move in a new direction. Others see greater continuity across these crises as the general rule. They are interruptions, not revolutions. If radical change does occur afterwards, the crises are assessed to be more catalysts, accelerating the pace of already existing trends, than direct causes.

It is far too early to know whether the current pandemic will be a world changer, an accelerator, or simply an unpleasant episode before the world returns to business as usual. No matter what, the COVID-19 pandemic today is already performing an important function: It is acting as an X-ray, exposing the deeper structure of world affairs, which is often unrecognized, ignored, or denied in current political discourse. Four realities have come into sharper view.

First, and most important, for all the talk of globalization and the emergence of potent supra-national, transnational, and sub-national actors, the nation-state remains the primary actor on the global stage. It is the key point of reference and the prime object of allegiance for people across the globe. As the virus spreads, people have looked first to their national governments to provide information on the threat and to organize the response. They have expected their governments to mobilize the resources to fight the virus and ease the accompanying economic distress. Only governments, be they democratic, authoritarian, or some hybrid, have had sufficient legitimacy to do that. Citizens have also been prepared to surrender more of their own liberties to their national governments so that they can effectively fight the virus. In particular, governments have gained greater powers of surveillance.

The private sphere has thus narrowed, with the consent of frightened communities.

National governments will not likely abandon these new authorities once the pandemic has subsided, as history demonstrates: the US government has retained much of the expanded powers it received to counter the terrorist threat after the horrific attacks of September 11, 2001. As a result of the pandemic, states are thus likely to gain greater control over their populations and play a larger role in socio-economic matters for years into the future. And that control will reinforce their primacy on the world stage over other global actors.

National governments, not surprisingly, see the welfare and security of their own populations as their primary responsibility. Their self-centred actions have demonstrated once again that the international community is a myth. That is second reality revealed by the COVID X-ray. The pandemic is one of those transnational challenges, along with international terrorism, the proliferation of weapons of mass destruction and climate change, which globalists have long instructed us demand international cooperation. No one country, no matter how powerful and rich, can cope with such challenges on its own.

That may be true. But so far at least — and there is little evidence that the situation will change soon — international cooperation has been minimal in dealing with the pandemic. It has been a matter of *sauve qui peut*. States abruptly closed their borders without warning or consultation with neighbours. They hesitated to assist other countries with medical supplies and equipment to ensure that they could meet the needs of their own populations. That was the situation even in the European Union, which prides itself on shared responsibility and cooperation. Germany famously refused to offer medical help and supplies to Italy in the early days of the pandemic in March. The search for antivirals to treat the disease and a vaccine against it is largely a national — or private-sector — effort. A recent belated effort by the EU to raise a fund for that purpose failed to attract American, Chinese, or Russian participation.

Similarly, international organizations have been largely invisible or ignored. The United Nations' call for a universal ceasefire during the pandemic fell on deaf ears. China refused a request by the World Health Organization (WHO) to investigate the origins of the pandemic in Wuhan in the early stages of the crisis. The United States has subsequently cut off funding to the WHO, accusing it of caving to Chinese pressure.

The pandemic, thus, does not augur well for international cooperation on other transnational challenges. This should not be surprising. The pandemic might pose a threat to all countries, but the level of threat varies widely from country to country. Some states are better prepared, for reasons of policy, available resources, and social cohesion, to cope with the virus than others are. In a world of growing competition, especially among great powers, the temptation is to seek benefit out of what might be called one's competitive advantage in combating the pandemic. Some countries are actively spreading disinformation to disorient the public and stoke dissent and disorder in rival states. What is true of COVID-19 is true for all other transnational challenges, including the focus of so much angst in the West today, climate change.

That leads to the third reality exposed by the pandemic: the absence of true global leaders. No one or group of leaders has emerged to galvanize a powerful coalition against the global scourge, as, for example, Churchill, Roosevelt, and Stalin did during the Second World War against Nazi Germany. Indeed, so far at least, leaders of the major world powers — America's Donald Trump, China's Xi Jinping, and Russia's Vladimir Putin — have focused almost exclusively on their own countries, and not without serious missteps in the beginning. Xi concealed the gravity of the crisis, depriving other countries of critical time to prepare for the onslaught. Putin and Trump both assured their countries that they had the situation under control, until it became obvious that they didn't. Offers of assistance are welcome, of course, but they mainly advance national agendas; they are not designed to rally support for a global response. Rather than fostering cooperation, the United States and China have sharpened their rivalry, while US-Russian relations remain confrontational.

The lack of a genuine international community and true global leaders underscores the absence of a universal world order, the fourth revelation of the COVID X-ray. The American effort to expand the liberal international order, which structured post-World War II relations in the West, to the entire world after the end of the Cold War has ended in failure. That order, based on liberal principles and ostensibly on the rule of law, was ultimately dependent on American power, that is, America's willingness to use force, and ability to use it effectively, to enforce the rules anywhere on the planet. There may have been a brief period, the so-called unipolar moment in the 1990s and early 2000s, when the United States came close to making that order truly universal, but that moment faded away as China rose and Russia reasserted itself on the global stage. The pandemic has only underscored America's retreat from global leadership and lack

of sufficient power to enforce the liberal rule of law. That order might continue to operate regionally, within the Transatlantic community, for example, although Trump's disdain for America's European allies has eroded even that. Worldwide, however, there is no one dominant, universal world order. American, Chinese, and Russian concepts compete for adherents. In many places, there is only growing disorder.

In short, COVID-19 has revealed most vividly that we live in a world of great-power competition. Globalization, to be sure, is a reality. The world has grown increasingly interconnected in recent decades; transnational challenges have intensified. They might call for international cooperation, but for the great powers at least, national gain takes priority. The pandemic has done nothing to change that equation; it has only made it more vivid.

Kancho Stoychev

The Latest Cult or the New 'Normal'

Publication date: 05.06.2020

We, humans, have always been proud that our main difference and advantage leading to supremacy over the animal world lays in our heads, not in our bodies. Our causal rationality makes us what we are. We are minds, we are beliefs, we are virtual, we are time and space, we are spiritual…

COVID-19 or the new old SARS changes completely the above. Now we are only bodies, we are the guardians of our bodies and especially of a specific one — our own. My body is my fortress but my fortress is not mine — it belongs to the doctor. Not to a specific one but to a collective, global one. In history the shaman always was a concrete person, now it's a guild. And when a guild is entitled to protect a cult we normally deal with the phenomenon of religion.

The COVID-19 pandemic situation does not exist in formal definition terms yet — at least 350 million people globally should all have the same disease. We are desperately far from that. In the country where I was born the definition for epidemic state is 20 thousand ill citizens per million or about 150 thousand overall and we are now getting out of the emergency situation with less than 3 thousand tested positive (which, by the way, is quite different to being actually ill). About 100 persons have been announced dead from COVID-19 in the last three months in Bulgaria and because that figure is so small it's easy to check every single case. And such a check reveals a remarkable fact — about 60% of those persons had advanced cancer, another 20% suffered heavy stage of diabetes, and all the others had either heavy respiratory problems or any other heavy chronic problems. The only criteria to put all those dead people in one group is that they have been tested positive to COVID-19. Or, maybe, if we take into consideration the preciseness of the different tests available on the market.

Don't hurry, please — I am not one of those monsters who advocate that COVID-19 doesn't exist. It's definitely here. Moreover — it has never been out if we consider the Corona family. If there is something new it's our reaction, it's the substitution of the common sense by fear and panic.

Fear and panic are the basic characteristics of the Consumer — the first human being whose identity comes from the future. This historical personage arises from the welfare society concept and practice and is entitled to the so-called disposable income — a given amount of money per month above what is basically necessary for his reproduction as a genuine trader of his labour force. Which makes him a quasi-capitalist (a far better position than the capitalist himself — no need to be responsible for the permanent growth of the economy which is keeping the system alive.) The Consumer is responsible only for his future choices as a buyer of future identities. His power is unlimited because it's that power which drives the growth of the capital. This historical creature wants to live better than himself and the only limit in his absurd aspiration is the limit of his body. That's how the body becomes the goal, the supreme essence of life.

Freedom becomes obsolete because it's in the mind. Rationality disappears because death is not rational. Health becomes a physical and not a spiritual state. Doctors become magicians and final treasurers of the truth because they are the ones responsible for the bodies.

A new religion is born — the religion of the body. It requires a permanent fear and panic: about the water we drink, about the food we eat, about the air we breathe, about the climate, about the ozone hole (which by the way disappeared silently), about the sex we belong to…

I am a researcher of global mass consciousness and as such I always was very doubtful about the existence of my research topic. In the past two months I am relaxed — it exists. COVID-19 is the proof. Gallup International Association (currently I am serving a term as a President) initiated and realized the first global study of COVID-19 perception in mass consciousness. In brief we found out approximately that:

- 80% are panicked everywhere
- 80% love their government everywhere
- 80% are ready to give up their freedom everywhere
- 80% more or less stopped working everywhere

The vague and bizarre thoughts above are due to those results.

I don't pretend to be ready with answers. But it will be productive enough if I manage to formulate the questions.

Are we going to be the 22nd civilization which will destroy itself as fundamentally shown by Toynbee on the examples of the previous 21?

Do we want to "upgrade" science to religion?

Are we so naive to believe that we are able to eliminate all viruses from the face of our planet?

Are we going to hold our elected (or not so much) leaders responsible for all completely unconstitutional measures they applied? Do we need panicked elites at all?

Does the personal desire to be elected bring whatever benefit to the society in a crisis moment?

Are we ready to give the ultimate decision to live or die in the hands of people who advised us (more precisely — forced us) not to go to the parks and mountains for a walk, not to travel with our personal car to the next city while the underground fully functions, who stopped or postponed the regular medical care for all those of us who have a serious disease, who closed our business without appropriate or any compensation, who are publicly creating day and night mass panic and are deeply harming our psyche?

Are we so foolish to embrace a false dilemma like "health or economy"?

A classical Chinese philosopher once said thousands of years ago that an idiot is a person who can't make the difference between small and big. Are we idiots?

Andrey Sushentsov

War Never Changes. Why Pandemic Does Not Affect International Conflicts

Publication date: 23.06.2020

International crises have returned to the front pages of the world media. A civil war rages on in Libya with the participation of external forces. On the border between India and China, the concentration of military units is intensifying. The United States made an unsuccessful attempt to overthrow the government of Venezuela. The number of victims of the conflict in Syria is growing, and Donbass faces a new aggravation of its on-going struggle with Kiev. And all this is happening in the midst of the novel coronavirus pandemic.

Why does a pandemic not prevent nations from fighting with each other? War is a way to resolve deep contradictions in which the vital

interests of the parties are affected. The violation of such interests is most often incompatible with the viability or sustainable development of the respective states. These interests are so important that governments choose the final expedient method of resolving contradictions — the use of military force.

It has been historically proven that wars are arduous, expensive, and ultimately indefinite in their conclusion. Sun Tzu's metaphors from his classic treatise "The Art of War" retain their enduring relevance: "the best military policy is to attack strategies; the next to attack alliances; the next to attack soldiers…" The difference between these types of attacks, according to Sun Tzu, consists in one thing — of all kinds of fighting, "there is nothing more difficult than fighting in a war."

However, war continues to exist and does not change as a phenomenon. And although the likelihood of a major war, one analogous to the global conflagrations of the twentieth century, is small due to their catastrophic nature and the deep interconnectedness of the modern world, regional and local conflicts continue to flourish, and the defence budgets of countries set new records from year to year.

The 2020 pandemic halted many global processes. The greatest toll has been exacted on the economic, social, cultural, and sports life of most countries. But international conflicts are somehow exempt. What is the reason?

On the ladder of state needs, if an analogy can be made to the hierarchy of human needs of Abraham Maslow, physical security and sovereignty are fundamental. While countries can sacrifice other needs, they can't give up security; for its sake, they will be ready to sacrifice any resources.

It can be argued that many contemporary conflicts are not based on a clash of vital interests. Does the US really need a regime change in Venezuela, especially in light of the multiple internal conflicts that the US is experiencing now? The civil war in Libya is definitely not on the list of key priorities for Russia, the United States or Turkey. And, nevertheless, the competition of external forces in this country has not weakened.

The fact is that countries have different perceptions of their need for security. Even during a pandemic, countries do not reduce their participation in military conflicts. It means that they perceive the coronavirus pandemic

as a less dangerous challenge than damage to their geopolitical positions at the hands of their competitors. All this ultimately suggests that conflict remains the core international process.

We can conclude that the coronavirus pandemic did not amount to an existential threat, which would require the unification of the forces of all mankind. The crisis would not force the states to make counteracting the pandemic their first priority and put aside national interests in protecting security and strengthening geopolitical positions. This means that in general terms, the world remains the same. The aggravation of modern international conflicts suggests that the leading countries — primarily the USA, Russia and China — are counting on a speedy return to the "normal" that they see in classic inter-state competition, which began long before the pandemic.

Jacques Sapir

Ethics, Politics, and the Tragedy of Containment

Publication date: 24.06.2020

The experience of generalised confinement or lock-down will have deeply affected the populations who have suffered it. Faced with the COVID-19 epidemic, it was indeed a strategy widely used in Europe (with the exception of Sweden and Belarus) and less in Asia, even if in China it was used on a regional basis; it was also used in Africa and in the Americas.

Have we, as some claim, chosen to sacrifice our freedoms and our economy to save the most vulnerable among us? François Lenglet, an economic columnist for TF-1 and LCI, television channels with a strong audience in France, has even argued that confinement resulted in preserving the rich

elderly at the expense of the working poor, who will be much more exposed to the dire projected economic consequences of the containment strategy. So, have the governments that made the decision to mandate the self-confinement of their populations made a form of ethical choice, favouring the inactive over the active, or the rich over the poor?

This idea of an ethical choice is interesting, but is it justified? The decision to use general containment appears more like a strategy born out of despair, employed by political powers that were overwhelmed by the course of events. This is what we have seen in France, Italy and Spain in particular. The case of France is interesting in that in the first ten days of March, the government and President alike were still making reassuring remarks. Thus, on the evening of March 6, when there were already 613 coronavirus cases declared in France and their number was doubling every three days, President Macron encouraged the French to go out, on the grounds that there was "no reason to change our outing habits". On March 12, Mr. Macron affirmed that "the scientists" had concluded that there was nothing to prevent the French, "even the most vulnerable", from going to the polls for the first round of the municipal elections. Then, on March 16, in his televised address, he spoke of a "war" against the virus and announced a general confinement. Of course, there had been in the meantime a glaring lack of masks, hydro-alcoholic gel, respirators, and beds in the hospitals' intensive care units…

In Italy and Spain, governments panicked over a devastating regional development of the epidemic in Lombardy and Catalonia, respectively. From these various cases, one can think that it was a form of fear which stood behind the decision to mandate self-confinement. In the case of France, it was the fear of being accused of negligence, and this fear materialised in the fear of criminal prosecution following numerous legal complaints; fear, too, because the government was facing a disease whose real lethality had been poorly measured as of the beginning of March; fear, finally, of also giving foreign observers the image of a country plunging into chaos. This leaves us far from an ethical choice, but indeed in the presence of a political choice, even if it remains still quite difficult for policymakers to really explain such a choice.

This political choice was not necessarily unjustified. Professor Didier Raoult, in his interview with LCI on May 26, offered an interesting indication. After having expressed his scientific doubts as to the effectiveness of the containment strategy, and explained that there is a big difference between

the “quarantine”, i.e. confinement, and a “lazaret” policy (where only the sick are subject to a lock-down), he gives a political interpretation of confinement. He explains it is the result of a panic arising within the population and the government. He sees in it a measure which, while being ineffective medically speaking, makes it possible to combat this panic, and thus to limit the death toll that this panic would certainly have provoked. The argument is worth considering. It demonstrates a strategic, albeit not a technical or tactical perspective of the epidemic. It is not yet known whether this approach or the aforementioned ones have been decisive. But, it can be considered a given that the decision was political and not ethical.

This decision, however, came at a cost. We first think, of course, of the economic cost. It will be considerable. The containment and its aftermath have caused a major economic crisis. In France, the drop in GDP in 2020 is expected to range between −10% and −12%. It will certainly be −10% in Italy and Spain, and possibly −6% in Russia. However, this economic crisis is just one aspect of the cost of containment.

There is also a human cost, which will be difficult to measure. Containment was intended to protect, but it also killed. It killed the elderly, who have been cut off from their families and social ties, and who are dying of despair. It also killed many young working people, who could not bear to be cut off from their social environment and who fell prey to alcohol or drugs. It killed fragile, depressed and autistic people. Victims were also claimed by the explosion of violence in families who were brutally forced to live in confinement. The few data available show a 90% increase in violence against children and an almost 100% rise in violence against women.

This human cost will continue to accrue until the lockdowns are lifted, or even until the beginning of next year, hence the difficulty in collecting reliable statistics. But there is no question that it will be high.

Were the authorities aware of this before they made the decision on containment? Here we must answer in the negative, because no large-scale experiment had been made which could have shed some light on all the effects of the relatively long-term lock-down.

On the other hand, the human cost of the crisis generated by mandatory self-confinement could be predicted. We know that any sharp

rise in unemployment causes a sharp rise in direct mortality (suicide), but also indirect (increase in morbidity due to the impoverishment of part of the population). All of this was known from the earlier work of doctors and sociologists. It seems inconceivable (but alas not completely impossible) that governments were not aware of the economic catastrophe that mass confinement would cause.

Therefore, another choice emerges for policymakers: that between, on one hand, allowing the disease to cause certain deaths and facing lawsuits and accusations of negligence for failing to adequately respond to the pandemic, or on the other hand, taking measures that would inevitably cause other deaths, albeit ones to which societies are (relatively) accustomed. It's a cynical choice, but it's a highly political choice.

The fact remains that this choice highlights both the predisposition of a so-called democratic government to encroach on public freedoms, and the blatant unpreparedness of France and other European countries for the risks associated with epidemics.

This general lack of preparation is curious, to say the least. Since the SARS epidemic (2002-2004), numerous studies have been carried out in France. Scientists, including the aforementioned Professor Didier Raoult, winner of the INSERM grand prize in 2010 and one of the most quoted French researchers, had alerted the authorities to the risk posed by such an epidemic. Preparations for such crises had been in place until 2010-2012. Then it seemed to have ceased to interest the administration, and funding dried up. The real question to ask is: why?

Why was the body tasked with monitoring the risks posed by epidemics dissolved? Why were the supplies of materials, sufficient in 2010, gradually reduced to the point that the Director-General of the Ministry Health, Professor Jérôme Salomon, made special note of it in 2017? Why didn't he resign when confronted by the government's ineptitude in addressing this question?

It seems that financial considerations were allowed to prevail over a strategic national security decision, to a point where the state found itself helpless and had no other option than to mandate self-confinement, with all the consequences that this has caused. And that, beyond presenting a political problem, quite certainly raises an ethical problem.

Dmitry Poletaev

Global Migrantophobia and Coronavirus

Publication date: 24.06.2020

Amid the coronavirus pandemic, migrantophobia has had a "second wind" in many countries. The pandemic has provided a formal reason for a global wave of intolerance towards "strangers" and "aliens". They are now deemed "responsible for the spread of infection", but this antipathy isn't new; it's often caused by xenophobia and migrantophobia. Now, these long-established phobias have manifested themselves along with fears caused by the rapid and global spread of the infection. At the same time, public manifestations of migrantophobia are becoming sharper and more frequent.

Unfortunately, anti-immigrant, anti-Semitic, xenophobic and radical nationalist slogans, supported by individual political parties and associations, and accompanied by attacks on refugees and the like, have been observed in countries throughout the world, including Britain, Greece, Germany, Italy, Spain, the USA and France.

The most striking manifestation of migrantophobia around the world has been the wave of spite directed at the Chinese, which during the pandemic has been demonstrated by the media, residents of countries which receive large numbers of migrants, and top-level officials. In response to anti-Chinese sentiments on social media, the victims of this unwarranted antipathy began to share personal stories with the hashtag #JeNeSuisPasUnVirus ("I'm not a virus"), criticising the current situation. Anti-Chinese sentiment and Sinophobia have a complex nature, but reflect long-standing prejudices, reinforced by foreign policy and economic rivalry, and fuelled by today's pandemic-related fears.

In connection with the COVID-19 pandemic, migrantophobia, racism and xenophobia, especially against foreigners and immigrants from Asia, are growing all over the world; heads of international organisations and international associations, as well as public figures and human

rights organisations, have declared that the further escalation of hatred is unacceptable and needs to be eliminated. UN Secretary General António Guterres has implored national governments to address the problem, saying "we must act now to strengthen the immunity of our societies against the virus of hate." The EU leadership, realising the danger of a new wave of migrantophobia, has emphasised the positive role of migrants in the economic and historical development of Europe, and Human Rights Watch promotes the idea of developing new national action plans in connection with the pandemic, based on mechanisms already developed by the UN, such as a guide for fighting racial discrimination published by the Office of the United Nations High Commissioner for Human Rights. But the strengthening of efforts to combat migrantophobia on a joint and integrated basis has been a slow process and it can't be said that the world community considers it a high-priority task.

Even on the eve of the pandemic, migrantophobia in Russia had potential for growth, but when Russians began to lose their jobs en masse, this potential began to be realised. According to the forecasts of experts and top-level Russian officials, the number of people in Russia who are unemployed, calculated according to the methodology of the International Labour Organisation, could grow from 5 million people to 9 million people. A significant number of both Russian and foreign citizens have been left without work, and unable to leave Russia because of closed borders (as of late May 2020, when this article was written). In economic crises, labour migrants are traditionally considered to be competitors for jobs; although this is true only with a significant number of caveats and mainly applies to unskilled labourers, the narrative is being actively promoted by populist politicians.

But today in Russia, in addition to the migrantophobia that has already set in, in recent decades, towards external labour migrants, the pandemic has worsened wary attitudes towards Muscovites; their presence outside the nation's capital is now viewed with open hostility.

Muscovites are now not just written off as an annoyance, they are viewed as potential vectors of the coronavirus infection, constituting a direct danger and providing a new target for migrantophobia. Popular hostility towards Muscovites has a long history and has its roots in regional inequality that has persisted since the times of the USSR, as people from the capital enjoy higher living standards and a superior quality of life. At the same time, it is clear that the number of coronavirus infections in Moscow was the highest in the

country due to the frequent overseas trips made by the wealthiest Muscovites, as well as the large transit flow of foreigners from countries where coronavirus had already spread, which resulted in it being exposed before the healthcare system was prepared for the pandemic, a problem compounded by the high density of the population.

In the coming years, the growth of migrantophobia and xenophobia in Russia is unlikely to lead to large-scale inter-ethnic conflicts, but the popularity of political parties and movements which make use of anti-migrant rhetoric among some Russians can be predicted now. Russia has not yet created a comprehensive system for the integration of migrants, although there are some of its elements (free education for migrant children in public schools, free emergency medical care for foreigners and free maternity care for foreign women giving birth). The lack of such a system of integration in Russia, where natives and newcomers alike strive to build the "glass walls" of alienation rather than embrace mutually beneficial interaction, has yielded a stable level of migrantophobia. At the same time, migration is perceived not as a development resource, which has its pluses (which are greater) and minuses (which can be minimised), but as a serious challenge to national security. Under such conditions, when the economy takes a turn for the worse, there is a political upheaval, or in situations of force majeure (including the coronavirus pandemic), bursts of migrantophobia are constantly observed.

On the global stage, the states which are the most attractive to migrants have tried to approach migration as a development resource, while at the same time minimising the negative effects of migration by prioritising integration, as this significantly reduces the level of migrantophobia within host communities. Despite this approach, migrantophobia as a phenomenon could not be completely eradicated, although it has been possible to smooth out and neutralise its negative consequences. For this work, the active efforts of taxpayer-funded government agencies have been supplemented by civil society initiatives, stimulated by significant financial resources, allocated on a competitive basis by private and state funds and organisations, as well as cultural and art institutions, which have also received significant state and private financial support. It seems that it was this approach that yielded long-term and sustainable results in the strengthening of unity and good neighbourliness, increasing these countries' attractiveness to migrants.

Unfortunately, the pandemic has shown that, despite all the measures taken, migrantophobia, both in those countries that are taking steps

to eliminate it, and in those countries where a solution to this problem is not a priority, can quickly grow and become a reliable weapon in the arsenal of populist politicians seeking to gain popularity. Time will tell whether international institutions, interstate associations and the states themselves won't run wild in a "crumbling world", where migrantophobia threatens to become one of the components of a new "war of all against all", where everyone is out for himself.

Christof Van Agt

Green Energy and Recovery After the Coronavirus

Publication date: 08.07.2020

The "New" Normal

The coronavirus (COVID-19) pandemic holds sway over a fragile economy in a more divided world. Grand visions on what the recovery might bring disguise the fact that room for manoeuvre is limited. Financial balances and goodwill lost in earlier crises have yet to be restored. There is no normal to depart from or return to which creates a heightened sense of vulnerability. As a consequence, global challenges such as widening inequalities and climate change are placed in starker contrast. The crisis has not created new but accelerated existing trends. These dynamics raise two important questions. First, will economic recovery demands help bridge divisions and ease global tensions through greater international solidarity and collaboration? Second, can the world fast-forward towards universal energy access and climate neutral growth as envisioned by the UN Sustainable Development Goals and Paris Agreement and that green growth and net-zero-emission strategies aim to achieve? The answer to the latter question depends almost entirely on the outcome of the former.

Preliminary assessments

The pandemic has claimed half a million lives and reduced global working hours by more than 10 percent equating to around 305 million full-time jobs lost worldwide. This has caused a loss of income which exceeds that of any previous recession over the last 100 years outside wartime. Generational, gender, income, and other divides may widen in a world where 1.3 billion people must do without access to modern energy services, 2.5 billion have no access to clean water, 800 million people live in extreme poverty; and one out of nine people starve. The informal economy, as well as younger and lower-skilled workers, are most affected and are at risk to remain unemployed for an extended period of time, while the people facing acute hunger may rise to 265 million by the end of this year according to the United Nations.

Beyond the loss of life and livelihoods, the negative impact of COVID-19 exceed that of the Great Financial Crisis. Global economic growth will decline to minus 4.9 percent in 2020 according to the International Monetary Fund; the second major downward revision from the January forecast for the year that projected global economic growth at 3.3 percent in 2020. Market volatility exceeds previous episodes by a multitude of standard deviations that reveal the extent of economic dislocation. Recent market retreats show that economic upturns remain fragile and have yet to find firmer footing. While the role of central banks and financial markets remain essential to maintain liquidity and enable the transfer of risks at a time of unusual dislocations.

As the crisis unfolds and new data emerges, swift and decisive action by governments and market stakeholders is vital to restore market balances and clear the way for a robust and sustainable global economic recovery that leaves nobody behind. Greater solidarity and collaboration are needed to address the different impacts and interest in mature and growth economies. Especially, since a slow recovery will have longer lasting impacts that are likely to widen divides and further entrench rather than resolve inequities and global tensions.

Elevated uncertainty has a devastating effect on the trust and confidence that is required to mobilise the investment and trade that a sustainable recovery calls for. In the energy sector this has dropped by around 400 billion US dollars according to current estimates. Though hydrocarbon markets are particularly hard-hit, all energy sectors are affected and will take time to recover. With government support and the benefit of falling costs for both wind and solar technologies, clean energy — and renewable energy growth may prove more resilient but can still fall short of earlier held expectations. Investment had stabilised at around 360 and 260 billion US dollars for all

zero-emission technologies and intermittent sources over the last two years. Steep cost reductions in solar and wind power technologies, combined with green growth strategies will continue to add capacity. But investment in infrastructure and smart networks to balance systems will need to increase to enhance connectivity and market stability. Hydrocarbon and nuclear power investments were at a low ebb even prior to the pandemic. This is where the heavy lifting needs to be shouldered collectively to both safeguard security of supply and ensure a sustainable and fair recovery.

Energy sources that do not emit greenhouse gas emissions including large hydro and nuclear provide an important share of global primary energy consumption. The stellar rise these sources made over the past decades stands at around 20 percent of world demand today and their share may reach around 40 percent by 2040. That is if substantial sweeping transformations follow, for instance in accordance with the latest Sustainable Development Scenario the International Energy Agency (IEA) published shortly before the novel coronavirus broke out in November 2019. Around 50 billion US dollars in renewables investment is delayed on health restrictions and supply chain constraints. Fiercer competition for budgets among rising public and private sector demands makes it difficult for investments to exceed past records without stepped up and more concerted efforts.

The COVID-19 related deep but incidental drop in energy demand gives us a preview of what a more sustainable world could look like. Carbon dioxide emissions dropped by 17 percent and nitrous oxide and sulphur levels fell by some 30 to 50 percent in some major cities improving air quality and greatly enhancing living conditions in April. Yet the social economic cost of this more sustainable future is prohibitively high and, of course, not acceptable. In fact, the crisis reveals just how hard it is to reduce emissions even when the world grinds to a temporary halt in the exceptional circumstances of a massive global health crisis. More connected and creative thinking is urgently needed to restore balances and reimagine how to achieve changes that support sustainable growth on the road to recovery. Enhanced dialogue that is focused on technology solutions and system integration rather than energy sources alone, as well as greater data transparency to benchmark fuel quality, carbon intensity, and emissions will be central to these efforts. Three facts drive the global conversation:

There is no doubt that the world will eventually return to healthy growth trajectories. Both the IEA and Organization of the Petroleum Exporting Countries short-term market reports project a relatively swift return of demand close to pre-outbreak levels reaching around 97 million barrels by 2021, and long-term demand trends remain largely unaffected.

Meanwhile, a reduction of greenhouse gas emissions and other harmful pollutants including fugitive methane, and particle matter is needed to keep global warming within acceptable thresholds of 1.5 to 2 degrees Celsius and living conditions healthy and desirable in a rapidly urbanising world.

Though hydrocarbon demand growth rates may decline over the next decade, a structural reduction in demand is unlikely to occur, due to the economic expansion that population growth will bring together with social demands for smart and just energy transitions.

The only way to reconcile these three facts is to acknowledge that sustainable growth expressed in reduced hydrocarbon consumption and an increase in renewables or nuclear technologies prevents us from reaching our goals in accordance with the timetables that the Paris Agreement and 2030 Agenda for Sustainable Development set. Making energy supply and demand more efficient and sustainable through regulation, incentives, and innovation should prevail over technology choices for investment in green growth to move forward within global thresholds.

Leveraging producer and consumer capabilities to integrate new and available technologies helps better manage greenhouse gas emissions and pollutants while achieving universal access to modern energy services. This includes, but is not limited to, the opportunities offered by energy efficiency and renewable sources, energy systems integration between molecules and electrons in the hydrogen economy and carbon capture use and storage. Generating value from emissions through their application in chemicals, use for enhanced oil recovery, or absorption from the atmosphere through mineralisation and direct air capture techniques also help.

Energy sector transformations are well underway but follow different pathways due to diverse economic conditions, competitive advantages, policy priorities, business strategies, and consumer preferences in dissimilar countries. Greater international collaboration is needed to avoid diluting efforts or limiting market opportunities. Whole system solutions and circular models that technology and innovation can offer through well-established open-market and multilateral governance mechanisms, create a more predictable environment for investment, trade, and technology transfer. This reduces market barriers and transition costs among developed and developing economies. When distinct transition pathways build on each other strengths, investment and trade follow at the scale and speed that rising standards for environmental and social stewardship require.

Takeaways

The pandemic provides a chance to strengthen cooperation and seize new opportunities to harness markets, resources, and technologies that help us grow in a more sustainable manner. A swift and robust recovery towards a more sustainable and secure future relies on greater solidarity, connected, and creative thinking across geographies, economic sectors, and knowledge networks.

Government-industry partnerships can build on available networks, and capitalise on abundant and more competitive supplies to place greater emphasis on clean air requirements and inclusive clean energy transitions that advance energy access in post-pandemic recovery strategies.

Economic stimulus however should not result in protectionist measures to ring-fence policy and technology choices but must ensure that markets remain well-regulated in accordance with predictable market mechanisms and well-established energy and climate policy principles.

This includes international cooperation on energy and climate policy aspects of recovery strategies and leveraging the capabilities of international energy companies, and energy intensive industries, some of which have announced ambitious net zero carbon strategies.

Major market stakeholders working with governments of major economies will build greater momentum to accelerate the integration of renewables, green gas, hydrogen, and carbon dioxide solutions at an acceptable cost to societies.

Growth economies and the global gas industry appear well-positioned to help facilitate a sustainable economic recovery. As emission reductions in North America show, gas technologies can accelerate fuel-switching that enable affordable and resilient energy systems integration on which sustainable growth depends.

The impact of the pandemic also merits a broader collective evaluation of crisis prevention and emergency response mechanisms in a more dynamic and new risk environment. This must include a review of the resiliency of global economic supply chains and the cybersecurity implications of increasing electrification rates.

Finally, the 'apparent triumph' of digitalisation keeps humanity afloat amidst the public health restrictions. The lock down shows that a world in retreat towards 'splendid isolation' does not build the trust, confidence,

and wider understandings to move forward reliably at the speed required in practice. Clearing real and imagined borders by reaching out through face-to-face conversation or showing up in person provides enrichment. Ultimately this is what shapes secure, sustainable, and prosperous societies. International relations matter as much as do personal exchanges. Leaving this annus horribilis behind, exploring the world with an open mind beyond comfort zones and professional silos, will deliver the solutions we all desire.

Francine Mestrum

COVID-19: Caring for the Commons

Publication date: 05.08.2020

The crisis of the coronavirus was dangerous and it will have a serious aftermath. But it also has a silver lining, at least for those who are willing to open their eyes. This crisis was indeed a moment of truth.

After years or even decades of neoliberal policies, with deregulations, privatisations, private public partnerships and cuts in social expenditures, almost all national governments were unprepared to tackle the pandemic. Even worse: they had no clue on how to do it.

In many countries of Western Europe, one of the richest parts of the world, there were no masks to protect health workers, there were no ventilators to care for the sick, there was no protective clothing for the doctors, many public hospitals lacked beds in their intensive care units while several private hospitals refused to open their doors.

While clear guidance had been given by the World Health Organisation and several national public health services on how to prepare for and tackle

a pandemic — after outbursts of SARS, MERS, Chikungunya… — Ministers and their staff did not even know about the requirements.

Add to this, in a country like my own, Belgium, health competences are with 7 (seven!) different ministers. If ever evidence of incompetence and ignorance was needed, here it was.

Capitalism unfit

While the stock markets continued to flourish, the real economy collapsed, because lockdowned people only buy what they really need!

Informal workers, homeless people, asylum seekers, the poor and vulnerable lost their income and assistance and were left to charity.

Old people living in homes for the elderly were not taken care of. A large proportion of the dead in Western Europe died in places where they paid a high price for getting get help and protection. Again, if evidence was needed to show how unfit our economic, social and political systems were to protect people, here it was. Markets were not willing to provide what they promised.

A common interest, a societal concern

What then is the silver lining?

For those living with their eyes open, it is crystal clear that health is not just an individual concern, but a common interest. Viruses live in society, they do not know borders and they know no classes. They can hit every unprotected person.

Secondly, a profit-seeking market cannot take care of a pandemic. As obviously care should be at the forefront, this is opposite to the profit objective of private health institutions. Once again, the role of the State or public authorities becomes crucial.

Thirdly, the people who sustain societies and take care of the sick, should be central in our social organisation: doctors, nurses, health workers

but also drivers of public transport, cashiers in supermarkets, garbage collectors… But precisely these people have wages and working conditions that are among the worst. They deserve better.

Fourthly, if ever a vaccine becomes available, it should be widely available and affordable. In other words, patents should be considered a global public good and should not be appropriated by the private sector.

Interdependence

There are more reasons why health and health care should be considered global public goods. Health care is a common concern, it is in the interest of all, and we are interdependent.

One cannot cure a viral illness for one person or in one country, hoping it will never travel to a neighbouring country. If the pest of the 14th century took several years to travel from Central Asia to China and Southern Europe, today, it is a matter of hours. One cannot stop it. If one country does not do its work, peoples in other countries will be victims.

The same goes for environmental problems. The destruction of the Amazon forest in particular and deforestation in general has consequences for all peoples all over the world. Forests are a global public good.

Or consider poverty. Even if the poor only rarely belong to the groups of migrants seeking a better life, it is clear that the lack of perspective for a better future is the main reason people leave their homes and villages in order to seek employment in a far-off country. Wellbeing is a global public good.

The same interdependence plays between sectors. Still in the context of this health crisis, it becomes clear that housing and water are health concerns. As it becomes clear that the chemical sector can become a problem for the health of people. As agriculture and food are health concerns.

What this means is that as soon as one wants to protect the health of people, working on prevention, one cannot only look at doctors and hospitals. One has to look at the whole economy and one has to look at power relations in society. There is no objective reason why there are so many vulnerable people who are always the first victims of any problem arising in society, whether is a pandemic or whether it is climate change.

All this points to the need for a comprehensive approach that can only come from public authorities. One cannot expect a 'free market' to coordinate all activities and even make profit from it.

Health and health care, then, are crucial elements for which a whole range of other policies should be taken care of. In fact, this reasoning is valid for the whole of social protection which can become, within a comprehensive and thoughtful framework, a tool for change. Through its links with the environment and several economic sectors, it can be truly transformative.

What free markets cannot do, coordinate a wide range of sectoral activities, focused as they are on profit-making, public authorities can do. The condition is we consider them indeed as global public goods and are prepared to work in an intersectional way.

The institutional framework

There are other conditions. States can only be the advocates of public goods if they abandon their public management policies of the past decades. They should interiorize their role as protectors of people and of societies, in the same way as international organisations should be more than vehicles for inter-governmental coordination, but should become the heralds of global issues, from health to the environment, from the seas and oceans to the forests and mountains, from water to all natural resources.

What we need then is first, an awareness of the interconnectedness of issues and of our interdependence, an awareness of the need for comprehensive and structural policies and a re-emergence of States and international organisations willing to embody the common interest.

This means an institutional change with decent funding for autonomy, instead of being dependent on philanthropy. It means capacity for monitoring, data collection and preparedness for global health issues, such as pandemics. It means management with a long-term vision.

And it means coordination between several institutions, from health to labour to trade and to women and children. They are all interlinked.

Progressive social movements from all over the world should push for these changes by working together and get organized. We can say whatever we want on what needs to be done, but it is urgent now to also show we can do it...

Richard Lachmann

Will COVID-19 Transform States?

Publication date: 17.09.2020

COVID-19 has produced the largest increase in government spending outside of wartimes. Governments around the world are providing income support to workers kept from their jobs by quarantines and to mitigate the collapse of demand as ordinary citizens fearful of Coronavirus remain at home and stop travelling, shopping, and going to restaurants, bars and theatres. Governments are investing in the search for vaccines, spending billions for scientists at state and university labs, and in contracts to private pharmaceutical firms, in the hopes that one or more of those will develop an effective drug. At the same time, governments are paying for the construction of multiple factories that will be ready to mass produce vaccines.

The ways in which states respond to COVID-19 reflect their capacities, their ideological orientations, and the ability of capitalists and other private interests to influence governmental decisions. The United States stands at one pole. While the US government has the enormous advantage of being able to spend unlimited amounts of money thanks to the dollar's status as the global currency, the trillions it has spent have been in good part wasted. Supplemental unemployment insurance payments sustained the economy but ended on 31 July. Even more was given to corporations in tax breaks, zero interest loans, and subsidies for retaining workers. However, much of the largess to capitalists ended up fuelling speculation in the stock and bond markets, doing nothing to help ordinary workers. Meanwhile, universities, schools, and state and local governments have gotten little. Americans are now facing the coming bankruptcies of many universities, transit systems, museums and theatres, while state and local governments will be forced to dismiss millions of their employees.

Countries with already existing systems of income support and more robust public sectors have had much smaller increases in unemployment and poverty than the US. The US is unique in financing its universities by charging students tuitions that equal the median worker's income, costs that students finance by taking on massive amounts of debt that they then have to pay off over decades. If students are unable to attend university in person, the institutions lose income they receive from dormitories and cafeterias. That already has forced some universities to dismiss faculty and other employees. Of course, if there is a prolonged recession, students will be reluctant to take on large debts to pay tuition. These circumstances could bankrupt many universities and already have led those schools to suspend hiring, which will leave the next generation of scholars without jobs and force them from academia. This will have drastic long-term effects in retarding American research in the sciences and humanities.

While the world waits for the development of a vaccine which could come anywhere from the end of 2020, to a year or two later, to never (remember, there still isn't a vaccine for AIDS forty years after the discovery of that disease), the US, despite spending more on health care than any country on Earth, has failed to employ contact tracing, enforce quarantines, and then use antibody testing to identify those who have recovered from the disease and can safely interact with others, while providing protective equipment for everyone else. These are the measures that are being used in Germany, South Korea, Taiwan, China, Vietnam, and other places that have been able to keep deaths low and now are able to allow normal life and work to resume.

The US has not been able to achieve any of these goals because the American healthcare system is organized to allow private entities to maximize their profits. As a result, there is no central coordination and the most effective but least profitable public health measures do not receive enough funds. Contact tracing requires training and paying a large staff of public health workers. That is not profitable and the few skilled people doing that task are employed by state and local public health departments or the Centres of Disease Control, all of which have smaller budgets today than they had ten years ago.

The contrast between the US and the rest of the world provides a real-life demonstration of the importance of strong states with the capacity to develop and implement public health measures rapidly enough to slow and reverse pandemics, and to prevent their citizens from falling into poverty. It also shows the need for a robust social welfare system that can track workers and smoothly step in to provide

income support. Of course, in countries where health care is a human right, citizens can go to doctors and hospitals when the feel symptoms, confident they will receive care and not be wiped out financially. Countries, like Germany that built and maintained an excess of hospital beds to be ready for emergencies like the current pandemic, have much lower death rates than Spain or the US which have closed hospitals and reduced the number of beds to save money over decades of neoliberal economizing.

Popular support for neoliberalism always was limited. The liberalization of finance, and tax cuts for the rich combined with cuts in social benefits, always were elite projects. People around the world are seeing the relationship between governmental capacity and the extent to which they suffer the health and economic consequences of COVID-19.

We don't yet know if that understanding will be strong enough to change governmental policies and usher in a new era of more assertive and capable states.

If we look at the past century, war and economic disaster have been the forces behind progressive taxation and the expansion of social benefits. Progressive income and estate taxes began during World War I in countries that were both democracies and used conscription to fill their armies' ranks. Such taxes were described as conscriptions of wealth meant to match the conscription of working-class men. With the end of conscription in most of Europe and the US in the 1970s, tax rates became less progressive. Similarly, social welfare benefits were created and expanded during and immediately after the two World Wars and during the Great Depression of the 1930s. Since then, benefits have at best remained stable and in some countries, above all the US and Britain, have been regularly reduced.

The pandemic is producing economic hardship that is approaching Depression levels in the US, and the death rate in the US, Britain, Brazil, South Africa, Belgium, and probably a number of countries that are unable or unwilling to count the fatalities, are at double or more of the normal rate. Those are not wartime levels, but then most people in the world have never experiences elevated death rates, and so these tolls are upsetting, disorienting, and panic-producing.

Are the deaths and economic hardships enough to produce enough political pressure to force government officials to enact new social programs and to finance those with taxes on the rich? It is too soon to say for sure. The strongest evidence that COVID-19 will transform politics comes from what governments already have done. As I discussed above, politicians of the right as well as the left quickly decided to spend unprecedented amounts on relief for the unemployed and to expand medical care. The failures were the result of past cuts in government agencies and infrastructure that made the money spent ineffective. So far, the will to do something remains strong, except among Republicans in the US. Certainly, some of the pressure for spending comes from capitalists who recognize that if demand for goods and services from ordinary people collapses then their firms' profits will melt away as well.

On the other side, it is likely that the rich elsewhere in the world will follow the path of American capitalists and turn against government spending. Capitalists always worry that excessive government spending will spark inflation and undercut the value of their wealth. Eventually someone will have to pay for the stimulus, and the rich worry it will be them, and so they well could follow the lead of rich Americans and push for an end to relief.

In the end, the decisive factor will be the presence or absence of mass mobilization. Fear of death and despair at the collapse of one's economic security can easily induce passivity. It is possible that people around the world will acquiesce in their immiseration. However, even before COVID-19 there was anger at the ever more extreme distribution of wealth and income and at the ability of financiers to bring down the world economy in 2008 and then get bailed out by governments and not suffer any consequences for their fraud. The clearly unequal way in which the effects of COVID-19 are being felt could provoke mass anger just as well as passive despair. We don't yet know how such anger would be directed. We see right-wing hucksters like Trump and Bolsonaro trying to turn anger against immigrants and minorities and to convince their supporters that the virus is not real or that it was invented in Chinese labs. Left parties are weak and social movements mostly are disorganized and focus on narrow issues and identity-based politics. However, massive and effective social movements often emerge suddenly. That possibility is the best hope for COVID-19 to produce stronger governments committed to redistribution and to rebuilding states' capacities to serve their citizens.

Wang Wen

While Companies Are Rising, Countries Are Weakening

Publication date: 08.10.2020

The COVID-19 outbreak is disintegrating the original governance system, and the international power structure is further fragmented, stratified, and regionalized. As I mentioned in an article I once wrote, the era of globalization dominated by one country or group of countries has come to an end. The international order cannot be dominated by G2, G7, or G20. Instead, "n" forces may influence or dominate different global events at different levels, which we call "Gn".

In other words, the power of "Gn" is not limited to traditional powers, but also regional powers, international organizations, non-governmental institutions, financial institutions, multinational corporations, opinion leaders, think tanks, and media, forming an overlapping international power network, blurring the ownership of global authority, breaking the ownership of sovereignty and weakening the traditional political structure. Globalization presents a more complex situation than in the past. Among those, the most important one is the rise of multinational companies.

The rise of "the Company" maybe the other side of the horror and negativity that has gripped the past eight months. The COIVD-19 epidemic has caused 30 million infections and 1 million deaths till September 2020. Governments of all countries are under great pressure. Many countries have fallen into economic recession, political difficulties, and social chaos. However, most multinational companies have benefited from it.

The market value of large companies increased by more than 80% in the first decade of 2020. Take September 17 as an example, Apple's market value was $1.9 trillion, an increase of 210% over the $896 billion in 2019; Microsoft's market value was $1.55 trillion, an increase of 165% over $905 billion in 2019. This growth trend continues.

GDP, by contrast, is a different picture. According to the World Economic Outlook released by IMF at the end of June, the global GDP growth rate is expected to be −4.9% in 2020, while it was previously expected at −3%; the GDP growth rate of the United States is — 8.0%, which is lower than the previous expectation of −5.9%; GDP growth of the euro area is −10.2%, which is lower than the previous expectation of −7.5%. Except for a few countries such as China and Vietnam, the GDP of more than 170 countries will show negative growth in 2020.

There is no denying that the greatest human crisis since 1945 has led a K-shaped division of economic growth. Profits have been skyrocketing in the financial industry, the Five American technology giants (FAANG), logistics, consumer goods, and online education, while tourism fell by 79% in 2020 and luxury goods (including cosmetics and ornaments), entertainment and sports continue to slump.

Unfortunately, the state as an organization is in the lower half of the K-shape. According to the previous WTO forecast, global trade will fall between −13% and −32% in 2020. The purchasing managers' index (PMI) will be below the 50% prosperity and decline line for a long time.

A new thing we have to think about is that companies may be more resilient in a crisis than countries.

In human history, there are at least three companies with a history of more than 1,000 years. They are Keiunkan restaurant in the West Mountains, Japan, which was founded in 705; St. Peter Stiftskulinarium restaurant in Salzburg, Austria, which was founded in 803; and Sean's Bar in Athlone, Ireland, which started in 900 AD. There are countless companies with hundreds of years of history, and family businesses with more than 200 years are not a few as well.

But imagine, how many countries have a history of more than 500 years? What about the governments of more than 200 years? Maybe we can count them with our fingers.

The academia has paid attention to the corporate bankruptcy and the rise and fall of the state, but they have been discussed in different disciplines. The business arena pays more attention to the operation and success of the company, while the international political science circle is discussing the rise and fall of the state. But it seems that people have not

discussed what companies and countries, as organizational forms of human civilization, mean to human development.

The emergence of the company is later than that of the country, but the vitality of the company is becoming stronger and stronger in the future. At present, the market value of the top multinational companies far exceeds the economic scale of most countries. The market value of the top five companies in the world can be ranked in the top 20 of the national GDP.

An obvious phenomenon of the weakening of the state is that the companies with the top 100 market value can be ranked in the top 65 of global GDP. However, the economic scale of the countries with the GDP ranking lower than 65 is even inferior to the market value of the world's top 100 companies. In other words, the size of about two thirds of national economies is less than that of the 100 global companies.

What's worse, globalization is driving the "fragmentation" of countries. In 1945, there were only 51 member states of the United Nations. In 2009, it became 192. So far, there are more than 200 countries or international actors who claim to be "states" but have not been widely accepted. After the end of the Cold War, the information revolution, the spread of transnational culture and ideology, and the development of the shipping network have greatly shortened the physical distance between people and countries, but the national division is still continuing. In the past 30 years, the Soviet Union, Yugoslavia, Sudan, Czechoslovakia, and Ukraine have all split up. The next wave may be Britain, Spain, and even the United States. There are calls for state independence.

There are about 4000 ethnic groups in the world. Only half of the countries' population is composed of more than 75% of single ethnic groups. There are about 90 countries with a population of less than 5 million and 30 countries with a population of less than 500,000. Most of the ultra-small countries, such as Luxembourg, Seychelles and Dominica, are essentially small companies.

It is clear that companies will become stronger and the country more fragmented. Through the merger, reorganization, and investment, there are now companies with a market value of more than 2 trillion US dollars. It can be imagined that the market value of the world's largest

company will certainly exceed the GDP of the world's largest economy within 20 years. And small countries are likely to be increasingly controlled by companies.

We still need to think deeply about this issue. Through the pandemic situation, we can find that the speed of adjustment and reform of the company is obviously faster than that of the state in the crisis. In our era, the company should be more enterprising than the country. Of course, the cruelty of competition and upgrading of the company is faster than that of the state.

More than 200 years ago, Rousseau, a French thinker, thought about "the demise of the state." Later, Karl Marx firmly believed that the state and class would eventually die out. Twenty years ago, Alexander Wendt and other international relations scholars discussed "will a state be like a human being?" What he means is that, will a country live, grow old, ill, or die? At present, it seems that a country has a life span.

The life expectancy in the Soviet Union is only 69 years; in Yugoslavia, it is only 74 years old. If the American society continues to split like this, it may be necessary to consider the issue of the United States of America (1776 -?).

From this perspective, the COVID-19 is prompting people to think about the organizational governance model. Theoretically speaking, most companies implement the equity governance and performance evaluation system under the principle of elitism. Those who have more shares will be elected by the shareholders to govern the company. Most countries, led by the Western electoral democracy more than 200 years ago, have become equal rights governance and procedural evaluation system under the principle of populism. Who gets the vote will be the leader of the country, and usually needs to do things according to the procedure. The procedure is placed first, but whether the he/she is a good leader or not is placed second.

Quantitatively, there are many good companies, but lesser and lesser good countries. Comparing companies with countries is certainly a new topic and a controversial one. But there should be no controversy at all, when the COVID-19 outbreak inspires us to think about the mode of human governance. History just begins again, but not ends.

Richard Sakwa

The New Wave of COVID: A Negative Crisis?

Publication date: 12.11.2020

The approach of winter in the northern hemisphere is accompanied by the gathering pace of a second wave of the coronavirus pandemic. In the wake of the Great War in 1918-19 the second wave of the great 'Spanish' flu pandemic had been worse than the first, raising fears this year that the coming winter months may repeat that devastating experience. Businesses that survived the first wave, notably airlines, may finally go under in the second as travel restrictions are once again imposed. The International Monetary Fund estimates the pandemic's economic loss to the global economy at some $12 trillion, and that is only counting the first wave. It is hard to under-estimate the potentially damaging consequences of a second wave.

In certain respects, of course, the second wave is just the continuation of the first. Unless some sort of widely-available vaccine can be introduced soon, then we can anticipate a series of waves stretching into the future. Each stage will test popular reactions. Populations on the whole in the first wave were willing to accept sacrificing their freedom for the common good, but as the epidemic ebbs and flows it will be harder to convince people that new restrictions and hardships are the appropriate response. The Swedish model of voluntary controls, which allows the economy and society to work largely as normal, becomes increasingly attractive. The balance to be drawn between virus control and economic damage is increasingly contested. The restrictions are increasingly perceived to be as economically damaging as the disease itself.

The virus affects various age groups and ethnic communities differently, rendering effective epidemiological management difficult. For example, younger people are more resilient, but nevertheless asymptomatic carriers can infect older people, as happened in the US sunbelt over the summer. For various reasons, reflecting employment, housing and sociability patterns, black and ethnic minority communities in the UK suffer disproportionately.

Life is disrupted at all levels. Whole societies and the global economy work in fits and starts. Businesses that survived the first wave, battered and bruised but still alive, may now go under. Shoppers still fear the high street, leaving stores semi-deserted, while the shift to online sales augurs the end of the old consumer model in its entirety. Students, who in many cases have committed significant sums of money for their education, are taught on-line while being forced to quarantine in dormitories on semi-deserted campuses. The leisure industry including bars and restaurants managed to survive the first wave, usually through various forms of state support such as furlough payments. Employers were able to retain staff, but are now faced with diminishing state support. As winter deepens there will be a growing wave of redundancies, business closures and rising unemployment.

Hanging over it all is the sense of futility. Rahm Emanuel, who served as mayor of Chicago after having previously been President Barack Obama's chief of staff, is reputed to have stated 'You never want a serious crisis to go to waste'. He was speaking in the wake of the 2008 global financial crisis, and the idea was that the shock of the crisis would force reforms to financial markets, above all to limit the power of the banks. The growing gulf between various forms of financialization and the 'real economy' would be reversed, attention paid to the real needs of industry and consumers, and some of the egregious excesses in bonuses and risk culture reduced. In the event little was achieved, and the vast sums devoted to quantitative easing in fact were channelled through the very banks that had provoked the crisis in the first place. The crisis did provoke new forms of popular mobilization, including the various 'Occupy' movements, but they soon fizzled out. Nevertheless, the agenda of improved financial control remains on the table.

Will the coronacrisis prompt a return to the agenda of 2008? At present this is hard to envisage. The pandemic has so far, in the main, only accelerated and intensified negative tendencies. Early indications of solidarity and internationally-coordinated responses, including calls for a global ceasefire, soon gave way to the reassertion of national egotism as countries struggled to get scarce stocks of personal protective and other equipment. Wars continued, and existing rifts were deepened. The trade war between the United and China has now become a type of new cold war, with mutual antagonism assuming deeper ideological forms. Coronavirus nationalism has added a new layer to the already intensifying great power conflicts.

This is where the concept of a negative crisis comes in. A negative crisis is one in which there are few, if any, positive outcomes. The earlier financial crisis at least demonstrated elements of coherent international cooperation, as the G20 coordinated government policies and countries pulled together.

This crisis has only illustrated the further 'crumbling' of international order, as earlier Valdai reports have put it. Multilateral institutions have either been marginalized, or even come under attack. The UN's World Health Organisation was accused by Washington of having been too complaisant with the Chinese authorities in the early stages of the pandemic, and the US declared its departure. The unseemly race to be the first with an effective vaccine, accompanied by accusations of hacking, undermined the elements of genuine cooperation in the search for a way of beating the virus.

Although some of the planned major military exercises in Europe were scaled back, they were not cancelled. The new 'iron curtain' across the continent has only been reinforced. This is accompanied by provocative 'freedom of navigation' operations in the Barents Sea, and innumerable dangerous manoeuvres in the Black and Baltic seas. The impasse in international affairs has only deepened. More broadly, the deepening Sino-American confrontation is recreating elements of a bipolar structure to international politics, in which other countries, including major world powers, are forced to chose, whether they like it or not. None can resist the gravitational pull of one or the other 'superpower'.

In short, a negative crisis is one in which the opportunities for renewal and rethinking provoked by a crisis are not used or cannot be used because they do not exist as substantive and realistic policy platforms. The disconnect between the real economy and financial markets has not been bridged. The vulnerability of those who were already weak and marginalized in society is exacerbated, with precarious incomes further reduced or entirely lost. The major tech giants, on the other hand, only consolidated their position. Thirty million American jobs were lost over the summer, but Amazon employed thousands more in its warehouses and distribution systems. Borders have been reinforced, and even the Schengen free travel zone in Europe is under threat.

At the global level, this is a double crisis. The foundations of the so-called liberal international order (in large part a synonym assumed after 1989 for the Atlantic power system) have long been eroding as hubristic and counter-productive strategies have been deployed. The 'end of history' has long ended, and the type of globalism with which it was associated is decaying. This is not so much because of the emergence of illiberal, populist or authoritarian alternatives, but because of its own internal contradictions. However, the far more consequential crisis is that afflicting the international system created in 1945. The whole system of international law centred on the UN, its Charter and institutions, is under sustained attack. The 1945 system was based on the idea of sovereign internationalism, and thus is not simply Westphalian. Sovereignty is defended, but it is moderated by a commitment to internationalism. The forms, practices

and institutions of that internationalism, above all embodied by traditional methods of diplomacy, are eroding.

The present crisis is undoubtedly a moment of danger, but can it also be an opportunity? First, the pandemic accelerated the shift towards decarbonising economies, with various 'green' plans for renewal. The demand for oil is unlikely to return to 2019 levels for at least a couple of years, if ever. In that sense, 'peak oil' (defined in terms of demand rather than supply) has already been reached. At the same time, there has been increasing attention to issues of 'climate justice' — the distribution of environmental costs is very uneven, falling in particular on lesser developed countries and those most at risk in developed societies.

Second, at various points more than $20 trillion has been announced for COVID-19 recovery plans. The UN insists that this money should be farmed in terms of green recovery programmes. This also encompasses shifts in transport patterns, with a move away from the internal combustion engine toward electric cars, as well as more emphasis on urban design that would encourage cycling and walking — the idea of the '15-minute city' pioneered in Paris. It also encompasses plans to ensure equitable access to vaccines, rather than some rich nations hoarding the lot. The epidemic magnified the inequalities in access to healthcare, both within countries and between them. This is reflected in the number of tests, running now at about 290 per 100,000 population in developed countries, but only 14 in low income countries.

This brings us to the third point, namely the paradox that the COVID-19 pandemic radically reasserted the power, and indeed authority, of the central state, while at the same highlighting the importance of regional and local government. Despite its rhetoric in favour of individual freedom, the neo-liberal state has been characterized by creeping centralization in the economy, healthcare and education as increasingly complex — and burdensome — forms of regulation were imposed. The pandemic reasserted the importance of local responses, tailored to specific communities and infection levels. In the UK this has been apparent in the diverging strategies of the four nations, as well as in the various regions of England. The localization of business and banks, as already practiced in some federal states, would restore community pride and help overcome the sharp regional imbalances, which are particularly acute in the UK. This here feeds calls for an economic overhaul as radical as the one that was achieved by the 1945 Labour government.

So, can the negatives of the crisis be turned into the positives by taking advantage of the opportunity afforded by the global shock to the system? In international affairs all the signals are turned to red, with

the liberal international order crumbling and the 1945 international system challenged as never before. However, at the societal level the green signals are strongest. The continuing environmental catastrophe is now reinforced by an epidemiological disaster on an almost unimaginable scale, building on economic dysfunctionalities already exposed by the 2008 crisis. The absence of a positive narrative in which to respond to the multi-layered character of the negative crisis has opened up space for illiberal populists, neo-nationalists and militarists. There is no natural positive revolution in prospect, since almost all the sources of renewal are exhausted in one way or another. The best that can be achieved in present circumstances is to defend the international legal order established in 1945, and to remember how out of the embers of war societies were rebuilt.

Marek Dabrowski

Fighting the COVID-19 Pandemic: Economic Dilemmas and Choices

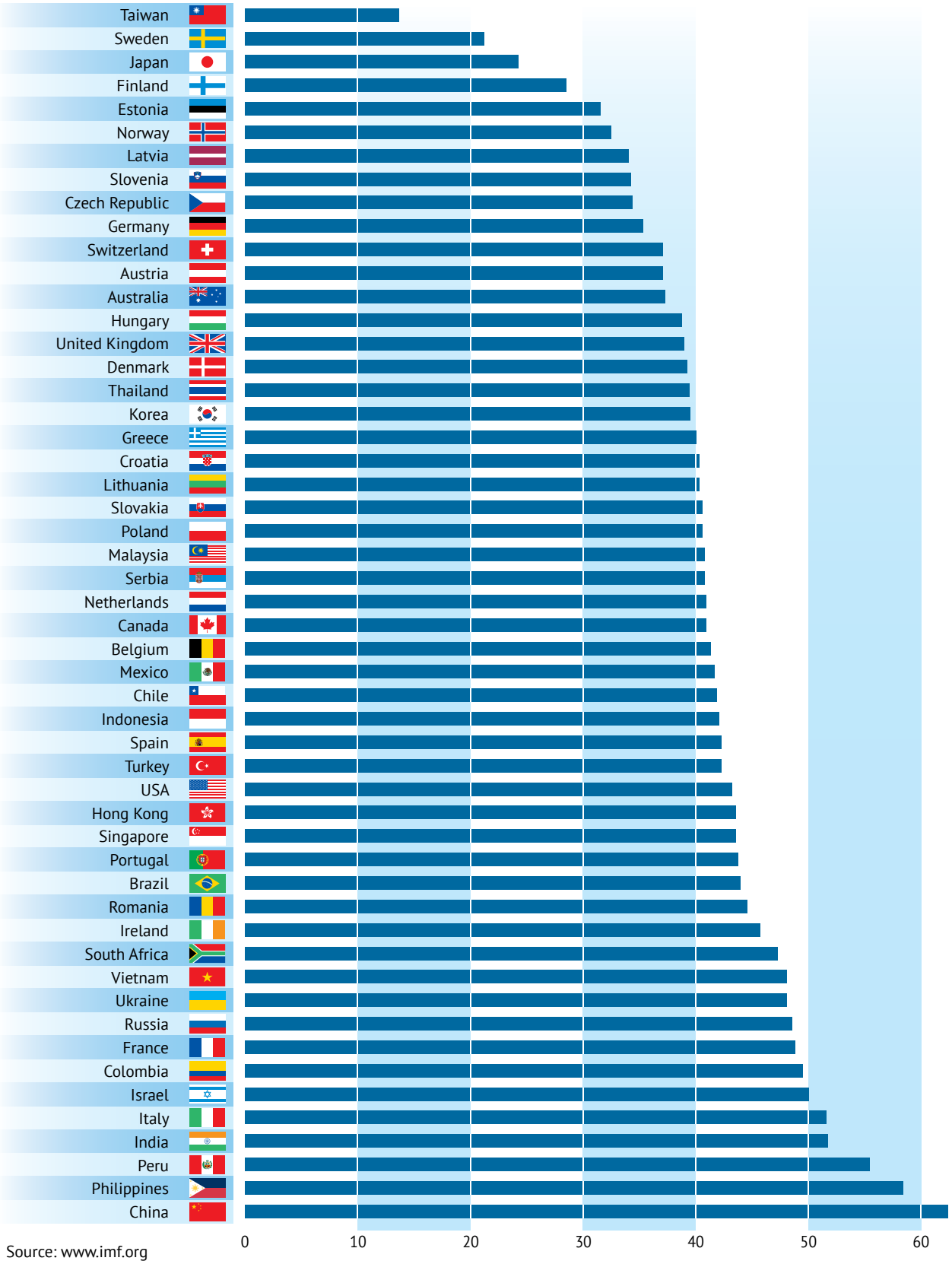
Publication date: 30.11.2020

Since the beginning of 2020, the entire world is fighting the COVID-19 pandemic. At the end of November 2020 this is an unfinished story and nobody knows when and how exactly this very dramatic threat to human health and life will be defeated. Meanwhile the pandemic has also had serious economic and social consequences. Below we discuss key dilemmas faced by economic policies in all countries affected by the pandemic.

Stopping contagion or protecting the economy?

From the very beginning of COVID-19 pandemic, governments faced a fundamental dilemma: whether to introduce restrictions on people's mobility and various forms of economic and social activity in order to stop/minimize disease contagion or protect the economy? Figure 1 shows that in the first half of 2020 individual countries choose various strategies which

FIGURE 1
LOCKDOWN STRINGENCY (0–100), AVERAGE OF THE H1 2020

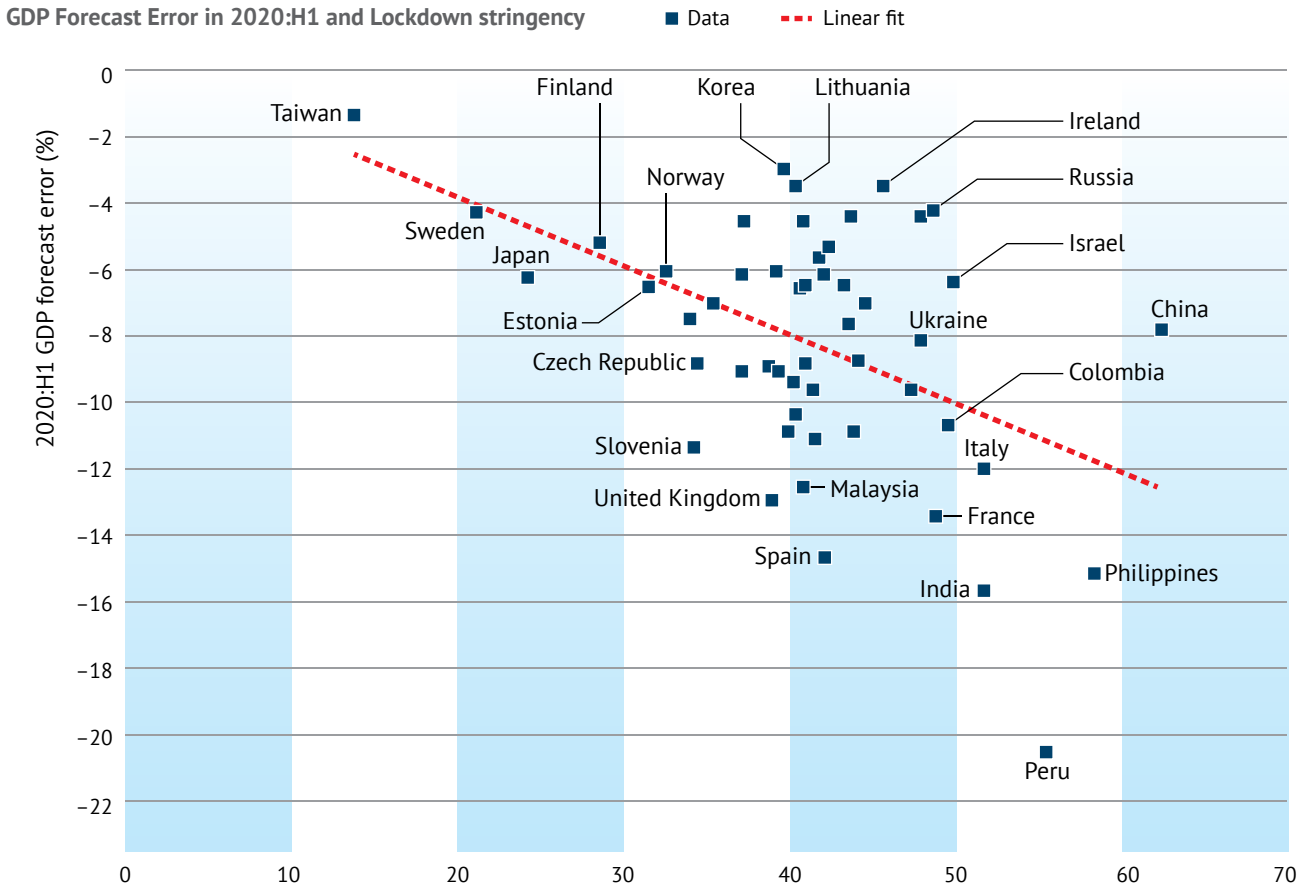


Source: www.imf.org

did not fall into any clear regional pattern. For example, in all continents there were cases of relatively soft restrictions (Taiwan and Japan in Asia, Sweden and Finland in Europe) and tougher ones (China, Philippines and India in Asia, Peru and Colombia in Latin America, Italy and France in Europe). Quite often, the actual degree of lockdown differed from the initial declarations of the country's authorities and dominant political narrative and evolved over time (Figure 1 presents an average level of containment measures in the entire first half of 2020).

When the pandemic erupted, several governments believed that they could stop spreading the pandemic into their countries by closing their borders. This did not work — the pandemic is practically everywhere. And it has not been a short-term episode as some people hoped. The COVID-19 is already with us more than half a year and there is no light at the end of the tunnel so far. On the other hand, the heavy economic costs of pandemic and associated lockdown have become visible. Unsurprisingly, Figure 2 shows

FIGURE 2
GDP FORECAST ERROR AND LOCKDOWN STRINGENCY (0–100), H1 2020



Lockdown stringency (index, average in 2020:H1)

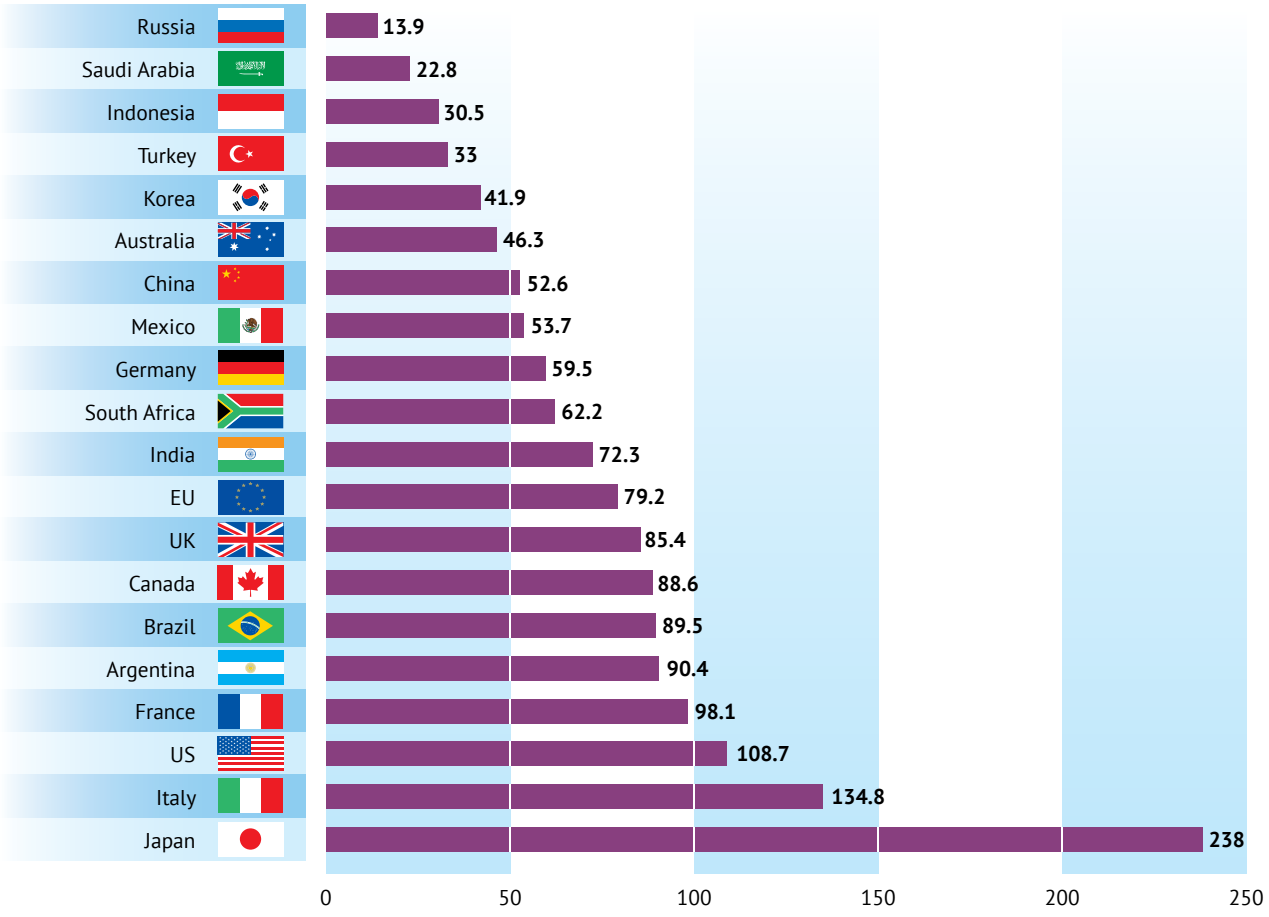
Source: www.imf.org

that there is a correlation between lockdown stringency and output losses (estimated as the difference between the IMF January 2020 forecast and the actual performance).

Everybody understands that there is an upper limit of economic losses that a given economy can accept. Usually this limit is lower in developing economies in which the choice between protecting people from the pandemic and guaranteeing them a minimal living standard looks dramatic (Basu, 2020). However, the macroeconomic situation in most high- and middle-income countries is also difficult. They entered the COVID-19 crisis with high public debt (see Figure 3) and without fiscal reserves for 'rainy' days. As a result, they reached limits of their GDP losses and costs of government intervention quickly.

Thus, it is not surprising that after the strict lockdowns in the first half of 2020 individual countries started to reopen their economies. Accumulated

FIGURE 3
GENERAL GOVERNMENT GROSS PUBLIC DEBT IN G20 ECONOMIES, % GDP, 2019



Source: IMF World Economic Outlook database, October 2020

knowledge on the pandemic has given hope that more selective measures of a 'soft' or 'smart' lockdown will be sufficient to contain pandemic with smaller economic costs. However, the new outburst of pandemic on the Northern Cone in September and October 2020 puts these hopes under big questions.

The nature of the crisis

Beyond the fundamental choice between public health and economic considerations, the crisis management process has been confronted with the necessity to rightly diagnose the macroeconomic character of the crisis. Most governments and central banks in high-income economies reacted in a similar way as during the global financial crisis (GFC) of 2008-2009 — by aggressive monetary and fiscal easing. Such a reaction assumes that the crisis related shock has a demand-side character. Indeed, this was the case of GFC when a deep financial disintermediation caused a powerful deflationary shock.

The characteristic of the current crisis is different. It is a combination of demand-side and supply-side shock, resulting mainly from restriction measures. In such circumstances, private spending decreases and private savings increase, but these are forced savings, similarly to centrally-planned economies where people could not spend their income on the goods and services they wanted to buy because they were not available.

In terms of monetary arithmetic, forced savings mean additional demand for money balances, which creates a kind of temporary buffer against the increased supply of money caused by monetary and fiscal expansion. The key questions are how big this monetary overhang is, and how quickly it will disappear once pandemic ends. At the moment, nobody knows the exact answers to these questions because demand for money is not stable in the time of crisis. It can change dramatically in a short period of time, as a reaction to factors unknown and unpredictable today. The increase of assets prices in 2020, after short decline of stock indexes in February and March 2020 (The Economist, 2020) suggests that monetary overhang may be quite substantial

Deterioration of fiscal position is, to some extent, unavoidable because government revenue declines as a result of recession and various kinds of spending (for fighting the pandemic, strengthening public health

systems, social protection of the most vulnerable, compensation for business for lockdown measures, etc.) increase. One can say that these are automatic fiscal stabilizers in work and they are less controversial. A more controversial is discretionary fiscal stimulus to boost aggregate demand. It may raise several questions: on the available fiscal space to launch such stimulus, its timing, concrete design and potential fiscal multipliers.

As already mentioned, in most high-income economies, the fiscal space is rather limited and the unknown length of pandemic makes it difficult to assess its safe size. In middle- and low-income economies the fiscal space is even more limited, except perhaps some oil producers who managed to accumulate fiscal reserves in the past.

The question of timing is directly related to the above-discussed characteristic of the current crisis. If economic agents cannot spend because of administrative restrictions or uncertainty related to the length and intensity of pandemic what is the rationale to increase their spending power by means of fiscal or monetary policies? Perhaps it makes sense to wait until the end of pandemic (and related containment measures) to launch monetary and fiscal stimulus to accelerate the recovery phase?

Designing a stimulus package, policymakers must decide not only on its size but also on its structure and choice of concrete instruments. For example, what should be given priority — additional spending programs or revenue measures (tax cuts)? This leads us to the next important question — whom to protect?

Whom to rescue — enterprises or individuals?

The pandemic-related shock and lockdown forced governments to offer people and businesses financial compensation. The concrete forms of these 'protection shields' differ between countries depending on local circumstances, including available fiscal space, and policymakers' preferences. The most principal choice is between protecting people directly or protecting them by supporting enterprises, in which they are employed.

The first approach has dominated so far in the United States where, in addition to unemployment benefits, the federal government has offered, among others, the one-off Economic Impact Payments to all

individuals whose annual income was below USD 99,000 in 2019 and all children under 17 years old, and the Pandemic Electronic Benefit Transfers to school-age children. The support to businesses has been relatively limited. The second approach, that is, offering companies in the most crisis-affected sectors various kinds of financial aid (for example, tax exemptions, forgiveness, or temporary suspension of tax obligation, special loans, etc.), usually under condition of avoiding layoffs of their employees, has dominated in Europe.

The rationale of each approach depends on labour market flexibility in a given economy (it is higher in the US than in Europe) and on assumptions regarding crisis length and its long-term economic impact. When in Spring 2020 one might expect that it would be a short-term episode a policy aimed at protection of existing enterprises and their employment seemed justified because it could facilitate a rapid recovery when the pandemic ends. However, this assumption must be corrected. Now we know that the crisis will last longer and may bring substantial structural changes. Think about rapid expansion of digital services, e-commerce, e-banking, on-line education, telework, etc. On the other hand, business trips, conferences and congresses, traditional retail, demand for commercial real estate and office space, etc. may shrink for good. Some other sectors like tourism, hospitality or air travel may experience declining demand for a longer period of time.

Under such a scenario, protection of existing capacities may be counterproductive. It can lead to the phenomenon of zombie firms without market prospects but artificially supported by taxpayers. Therefore, it is better to allow market allocation mechanisms to work, including a Schumpeterian 'creative destruction', and provide a temporary social protection to people who will have to change their jobs and professions.

In practice, however, both approaches will be needed because economic policy will have to deal with a combination of temporary slump (caused by the pandemic and associated lockdown) and durable structural changes.

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Andrey Bystritskiy

Quo Vadis?

Publication date: 28.12.2020

Where, precisely, is the world heading? Perhaps, only heaven knows the exact answer. But from an Earth-bound point of view, nothing particularly good should be expected; in the coming years, in any case. Human beings, alas, are not quite good at creating a comfortable and happy world.

Of course, hopes that the world can become a better place have not disappeared. Moreover, without these hopes, we would be driven to revulsion. But, as was the case more than a hundred years ago, when Henryk Sienkiewicz wrote his novel about first century Rome, the future is still very worrisome.

Naturally, all the grounds for alarm are right before our eyes. One even gets the feeling that along with tangible progress, primarily technological, we are seeing a noticeable regression of the world around us. As it turns out, human nature has not gone anywhere. Selfishness, envy, anger and aggression do not recede: far from that, they intensify to some extent, reminding us that the darkest periods of human history could return.

The most dangerous thing here is that we are sinking more and more into conflicts, both new and rekindled old ones. There are conflicts between countries, and internal conflicts, between citizens, and often it is simply impossible to separate them.

Characteristically, the pandemic did absolutely nothing to ease the tensions; moreover, it seems to have led to the escalation of many of them. Even more significant is the fact that 2020 played a role (that has not yet been fully assessed) in the destruction of ideas about world solidarity and about the shared future of humanity.

Of course, the most striking example here is the fate of vaccination against COVID. This is simply an astonishing story of how extraordinary advances in biology have led to disunity and the growth of hatred. It would seem that the path is obvious — the creation of some kind of supranational

bodies for the certification, production and distribution of vaccines, at least for the duration of the pandemic. But instead, we see an information storm that only serves to discredit, in the eyes of billions of people, the very idea of vaccination, amid endless attempts to undermine the credibility of certain manufacturers, and the undisguised selfishness of many governments thinking only about their electoral prospects. In general, we have almost succeeded in making vaccines a political weapon for both internal and external use. There are countless examples of this.

So, if the pandemic were more serious, then there would be little chance of human survival. No more than, for example, in the 11th century during the plague pandemic.

Moreover, the case is not limited to vaccines or drugs against COVID. Before our eyes, there is an obvious aggravation of old conflicts, and the emergence of new ones.

Only in the spring, Ethiopia and Eritrea celebrated the resolution of their long-standing conflict. But less than a few months later, hostilities resumed in the Ethiopian province of Tigray, which to a certain extent affects a significant part of East Africa. But in the west of the continent, too, the violence hasn't stopped. The conflict in Nagorno-Karabakh seems to be over, but the cost of this truce is very high, and its prospects for the future are uncertain. This is taking into account the multiple problems in the Middle East. Indian and Chinese soldiers didn't kill each other with bullets at first, they preferred cold steel. Even Britain and France are exchanging explicit threats to use military force over Brexit and its implications for fisheries.

All of the above are just a few examples of a general and growing conflict. It's no wonder that arms purchases will rise soon, as it turns out that countries need to rely on themselves in present and future conflicts. This is just one result of the pandemic-catalysed crash of the world order. In general, one gets the impression that something is growing in the world that could be called mutual irritation, anger and intolerance.

This is also noticeable in the internal affairs of many countries. We see a significant increase in what is often called civic engagement. This would be quite acceptable, and even useful, if it were not for such an intensity of hatred and unwillingness to even admit the existence of other points of view.

Social protest in history has often turned into horrific upheavals and even the complete destruction of the civilised order. In Russia, the memory of this is quite fresh.

Actually, the problem is not that there are conflicts. No development is possible without them. Contradictions, competition, striving for success, power, wealth, and superiority are in our blood as humans. It would be strange if a writer, for example, did not seek to write a better book, or an athlete did not strive to win the Olympic Games. The question, I repeat, is not this, but how conflicts are regulated, and how cooperation, solidarity, tolerance, altruism and mutual assistance are combined with competition.

It seems to me that the balance between competition and cooperation either does not exist anymore, or it is melting right before our eyes.

This is, of course, partly the result of globalism, the great connectedness of mankind, the development of a new information and communication environment; it is also partly due to the erosion of what can be called a common narrative, common ideas about what the future should be like. There are probably many other reasons — the clash of values, colossal inequality and the obvious injustice of many things in the modern world.

But whatever the reasons are, we are faced with the threat of a kind of "war of all against all", a global, world civil war, a multidimensional matrix of conflicts of different origins.

Moreover, there is a suspicion that the ability of the world's elites to settle, and resolve even the most acute conflicts will not be enough to achieve a positive result. It turns out that the cyclopean, complex, unusually interconnected body of modern mankind is bypassed by the dwarf brain of the modern elite. The fact that some politicians are quite a cut above others, alas, does not change the matter. Elite work in the modern world is a mass profession, with all its costs — prejudices, professional limitations, clannishness, and fierce competition of its own kind.

As a result, those who have to think for many, and should do it quickly and accurately, instead produce an incredible amount of intellectual junk that only confuses others.

Incompetence is one of the biggest problems of our time. And it often leads to what one might call malignant oversimplifications. This happens

when the mind is not able to comprehend a situation in its entirety and tries to simplify it. At the same time, essential elements are not reflected upon, and as a result, we fail to analyse accurately; accordingly, correct actions are rendered impossible. COVID is the clearest confirmation of this. The ability to be confused by minor quandaries, apparently, is an integral quality of humanity.

In general, the future is alarming. Of course, people once lived in more difficult conditions, there have always been bloody feuds. Somehow humanity was coping. Maybe this time it will be enough. But this is not a certainty.

Yaroslav Lissovolik

Leaving the Year of the Pandemic Behind: A Look Ahead to 2021

Publication date: 08.01.2021

As the world economy comes to its senses after a gruesome year of the COVID pandemic, global markets are eagerly exploring the prospects for the new year in search of drivers of a strong global recovery. Indeed, while it may be still too early to call an end to the adverse effects of the pandemic in 2021, there is a sense that the global community is starting to act more collectively in mustering a coordinated response to the crisis. This was reflected in the G20 summit communique in November 2020, which exhibited a greater determination of the global community to jointly counteract the unprecedented crisis facing the world economy.

There are a host of key themes for the 2021 outlook that to a significant degree emerge as derivatives and after-effects of the preceding year. Nonetheless, the drivers for the recovery of the global economy next year are not circumscribed to the proverbial “low base effects” and include such key locomotives of global growth as China and East Asia more broadly as well as continued support and anti-crisis measures across the largest advanced economies:

- Global economic recovery in 2021 — after a 4.4$ decline in 2020 global growth is projected by the IMF to exceed 5% in 2021, with most of the growth coming from India and China — the two giants from the Global South are expected to growth by more than 8%, allowing the global economy to largely compensate for the decline experienced in 2020.

- Discontinuation of the trade war between the US and China: the shift away from protectionism to trade liberalization next year is by no means guaranteed. But a change in the presidential administration in the US, the creation of mega-regionals such as the Regional Comprehensive Economic Partnership (RCEP) and a more benign outlook for the global economy provide scope for greater market openness.

- Further rise of China and the Asia Pacific as key sources of global demand and as rising global economic powers. In case current growth trends were to persist for the next 3-4 years, China could overtake the US in terms of the absolute level of its GDP (based on market exchange rates) by 2024-2025.

- New rounds of stimuli — monetary stimuli will persist in 2021 as the Fed has indicated that it will not raise its key rate earlier than the year 2024. On the fiscal side while most of the largest economies will likely reduce the level of the budget deficits compared to their 2020 peaks, there could well be new rounds of stimuli both in the US as well as in the EU. This is looking increasingly likely given the longer and more severe evolution of the pandemic compared to expectations in 2020.

- Waves of the pandemic and the emergence of new vaccines — the developments in the course of 2020 amply demonstrated the strong effect on financial markets of the newsflow regarding the spreading of the pandemic and testing of new effective vaccines. According to RAND's estimates the creation of a new effective vaccine against COVID-19 can deliver dividends to the world economy equivalent to 3.4 trn dollars, which is more than 4% of global GDP per annum. At the same time the costs of the so-called "vaccine nationalism" are estimated at more than 1 trn dollars per year.

- Development of new technologies: the pandemic has given rise to "new demand" that is concentrated in health-care and digital economy/ telecommunications. One of the priority areas of anti-crisis measures in China is the development of the 5G network, with allocations for digital infrastructure to reach 0.6 trn dollars.

Russia's economic performance next year will be affected to a significant degree by global trends, though the effectiveness of its anti-crisis measures as well as capabilities to weather the onslaught of the pandemic may prove to be no less important. On the monetary policy front the stimulus delivered throughout 2020 (a reduction in the key rate of 200 basis points) may be further reinforced through further reduction of the key policy rate. On the fiscal side, however, in line with the budget projections for next year Russia is preparing to reduce the size of budget outlays as a share of GDP by nearly 3 percentage points in 2021.

Russia's electoral cycle is also likely to lead to a redistribution in fiscal outlays in favour of social spending. In particular, Russia's legislative elections to the Duma, the lower house of the Federal Assembly, are scheduled to take place no later than 19 September. In the past Russia's electoral cycles have been typically accompanied by a redistribution of budgetary funds away from capital spending (infrastructure, investment projects) towards current outlays (supporting the social safety net, incomes and social transfers of the wider strata of the population). This has already been reflected in a re-orientation of outlays away from infrastructure towards social outlays within the revised framework of Russia's National projects.

Last but not the least, given how prominent the "black swan" factor was in 2020 with the raging COVID pandemic, there is every reason to keep an eye open for possible unexpected events in the year 2021. The current economic and political landscape appears to offer a wide range of possible adversities of varying degree of probability. Some of the possible "black swans" for 2021 may include a downturn in US-Russia relations with the coming of the Biden administration, geopolitics in Russia's "near abroad" as well as the extended continuation of the waves of the COVID pandemic. The good news is that while there may be more "black swans" to watch out for, the awareness and preparedness of the global economy may result in a stronger immune response.

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