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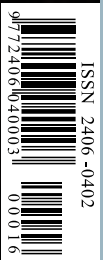
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THE CORONAVIRUS CRISIS AND GEOPOLITICAL IMPACT

George Friedman

THE WORLD is under enormous pressure. The nature of the particular pressure is unique in that virtually all systems are seeking to cope with the problem, both in defining and responding to it. This is largely true of all countries, but each responds to it differently, based on their institutional and cultural frameworks that existed before the coronavirus outbreak. Much of what we say about the virus is universal, and there are commonalities in the response, but ultimately each nation's response must be understood on its own terms.

FOUR SYSTEMS

Take the United States. At the moment, there are four distinct systems operating in America: the medical, the economic, the social, and the geopolitical. Controlling these, and in turn

being controlled by them, is the political structure. This obviously includes the U.S. President, on whom attention is always focused, but let's not forget the rest of the executive branch and the vast and distinct bureaucracies operating within it, the judiciary, the U.S. Congress, and every state government. Already we have seen that, in times of crisis, the individual states are the most decisive actors in the short run.

At the moment, the crisis has been defined by the medical system, the overriding goal of which is to limit the disease, infections, and deaths. The medical system has developed no cures or preventatives. A vaccine is at least a year and a half away, and there is no obvious medication available yet. The medical system is thus asking for what it needs—supplies and equipment such

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Photo: Guiliver Image/Getty Images

Scenes like this one in Paris, unimaginable until recently, have now become commonplace

as ventilators, masks, and tests—which necessarily pressures the economic and political systems to produce them.

The best countermeasure, then, is social. The disease appears to spread primarily by human contact, so the emphasis of the medical system has been to limit human interaction. It's a minimally intrusive and (for now) viable strategy to mitigate infection.

But this strategy has a significant and immediate effect on the economic system. In other words, the best available medical solution creates massive economic dislocation. Much of the economy

cannot be sustained with social distancing. Social distancing reduces economic activity and could lead to economic failure. The danger of the social distancing strategy in all of its dimensions is not only the immediate decline of the economy but its systemic destruction. The destruction of current business activity can result in permanent destruction.

The solution is to mitigate the effects of the medical system by using political means to dramatically support the economy on a short-term basis. There is a serious question of the long-term effects on the economy of a solution that involves infusions that will

equal between 5 and 10 percent of our gross domestic product. But the risks of absorbing the cost of the medical solution are too high not to take this step.

We remain, at the stage, where the primary concern of the social system is avoiding being infected by the disease, and surviving it if it strikes. The extreme measures imposed by many states are, broadly speaking, being accepted. But they are not sustainable, at least not for the amount of time the medical system

needs to resolve the problem. Short-term measures such as prohibiting foreclosure for a month or two may help people ignore the fact that they are isolated and, in some cases, jobless, but at some point it will create a material crisis.

Add to this the fact that isolation can only be a short-term solution because humans are social animals. Creating a system in which all other human beings are seen as potential threats will have unfortunate effects. But to be simplistic about this, there is the concept of cabin fever. People confined to their homes, however comfortable, will rebel. And people's understanding of risk will change as the risk of going mad in a small apartment with two children competes with the fear of the virus. Breaking

quarantine and incurring the risk of disease seems irrational only if you regard the risk of disease as a paramount consideration; mental health and finding a job can rationally take precedence.

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The longer-term outcome of the medical solution and the damage to the economy could be a depression neither the government nor society can cope with. If the short-term solution costs 5 to 10 percent of GDP, then long-term solutions will soak up wealth at a fantastic rate, undermin-

ing all aspects of the economy.

In sum, the medical system's only solution to an unprecedented event has stunned an economic system that the political system is trying to stabilize. Together they will lead to a breakdown in the radical quarantine systems and a massive social disturbance. This will, in turn, generate political instability and sow distrust in social institutions. This is all avoidable in the short term, but the longer this drags out, the less the time frames are in sync.

No single system is at fault. Everyone now knows what should have been done, and undoubtedly there are some who argued for it. But societies are complex machines, and the response to a hypo-

thetical threat that would cause this kind of instability will not be action, and few of us would have accepted the regime imposed on us to deal with the hypothetical. In America, for instance, by and large the system operated as well as a system involving 300 million people could. And it has crafted solutions driven by short-term considerations. Improvisation on this scale is most effective in hindsight.

Still, there is a mismatch in the timeframe of systems. It will take time for the medical system to develop a vaccine. The economic system cannot withstand social distancing for that long without consequence. The social system cannot withstand the stress of isolation coupled with fear of poverty. The stresses snowball. And no one is to blame as it appears that there is no solution.

To the extent that there is a solution, it is in releasing people from isolation without risking their lives. The medical system is the only one that can do that. It is a system built on the avoidance of all risk possible in the introduction of medicines and vaccines. This is not only a practical consideration but a deep ethical principle of medicine. But given both the damage wrought by the disease and the damage caused in combatting the disease, including the very real risk of economic and social havoc, I wonder whether the medical

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ethic of first doing no harm can be extended to the economic and social reality.

A principle of calculated risk, with the federal government passing laws to protect error, might shift the medical timeline sufficiently to short-circuit

non-medical risks. I know nothing about the creation of medical solutions and am not speaking with any knowledge of that, but in looking at the problem, the rapid introduction of medicines, even those with some poten-

tially disastrous side effects, might align the timelines to give us a softer landing. Otherwise, we cannot withstand months of isolation and social distancing.

GEOPOLITICS AND BORDERS

I have left the geopolitical for last because it is the longest track of all. For now, many geopolitical issues have been deprioritized. The United States did not respond to Iraqi-Iranian missile attacks that took place in the midst of the virus outbreak in America. The confrontation between Turkey and Russia has disappeared for now.

At the same time, borders are closing as foreigners are seen as potential carriers of the virus. Borders have always mattered, of course, but as international trade intensified, they were in some cases more checkpoints than barriers, and in other cases

more distance markers than checkpoints. By no means was this universal or universally accepted, but the principles of unhindered international trade, what some called globalism, were the eventual goal.

Nowhere was this principle embraced more than in Europe. As Europe recovered from World War II, the notion of economic integration became more powerful and, with it, so too did the idea that borders were not to be barriers. In 1991, the Maastricht Treaty was signed, institutionalizing the idea of open borders. The European Union embraced four freedoms: the free movement of goods, the free movement of capital, freedom to establish and provide services, and the free movement of people. Europe also established the Schengen Zone, which allowed citizens to move between nations as if they were actually a single country. Nations continued to exist, and national governments were elected, but at the same time the borders became markers. That movement has now been interrupted and national borders have once again become barriers.

Each nation is responsible for the well-being of its population. Leaders are selected according to their nation's political process and are responsible to their own public. The EU in Brussels is not responsible for managing the current crisis, nor would publics accept the practical implications of a pan-European solution. Germans were

Germans and Poles were Poles, and in a moment of crisis, national identity and autonomy mattered more. Put differently, economic well-being depends on managing the pandemic. Without success in that, the Europeans feel that the economic issues are trivial. The key decisions are being made by nation-states, not a transnational entity.

The borders have been blocked for the protection of resources and the prevention of movement by those who are infected by the coronavirus. In some ways, the latter imperative makes little sense. Just about every country has coronavirus patients; some have so many that they are overwhelmed. By the time controls were put in place, closing the borders to outsiders had little effect. As for protecting resources, closing borders is not useless, but it is a policy that will have consequences.

Italy has been one of the hardest-hit countries and the first to be staggered by the virus. For a period the willingness of Europeans—particularly Germans, Europe's wealthiest—to come to Italy's material assistance was extremely limited. As the pressure of being bound together by the EU confronted the obligation of states to protect their own, support became more generous. But at no time was "European identity" the governing principle. The assistance was from one nation to another nation, but not from one part of a single entity to another part.

It is not clear what effect this will have on the European Union. I think it will come to realize that *in extremis*, or at least the illusion of *in extremis*, the nation will take precedence over the union. The nature of a marriage is not measured by the good times but the times of sacrifice. In the time of sacrifice in Europe, each nation looked to itself first and then considered others. This is not a surprise. As I have written, we love our own, those who share our language, our history, and our Gods. The EU has sought to transcend that. This pandemic is in many ways another test of the EU.

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All of this is not, of course, unique to the European Union. Russia closed its border with China early on. The closure of borders and the sequestering of supplies along with people is inevitable. There are already some reports of nations hoarding food that would normally be shipped elsewhere.

There are instructive examples from within the United States, too, which has existed for a lot longer than the European Union. For instance, the Governor of Texas has imposed restrictions on some travelers coming from Louisiana, whose infections dwarf those of Texas. But Texas also has many infected, and the numbers will most likely go up, even without Louisiana's help. Still, there is a sense that those

who come from a place where the virus has struck intensely are more infectious than the neighbor who is infected but doesn't know it yet. In times like these, fear runs deep, and those who govern must placate their frightened citizens, if only by gestures since no other solution is yet available.

This is not therefore a European phenomenon, but in Europe there is history, and that history is of war and fear between nations that are now joined in a union. Relations between Louisiana and Texas will likely return to a distrust between University of Texas and Louisiana State University football fans, but, while intense, it pales in comparison to European malice or to the general mistrust in the United States for the rest of the world.

In the meantime, the walls built within America will come down as the pandemic eventually goes away. Whether the European walls will come down is another question. What's clear is that for now Italians are Italians, Germans are Germans, and the European identity that transcends nations is not nearly as solid as hoped.

The institutions might return to what they were, but the trust that has been slowly emerging may seem to have been misplaced. And that will change the world. ●