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HORIZONS

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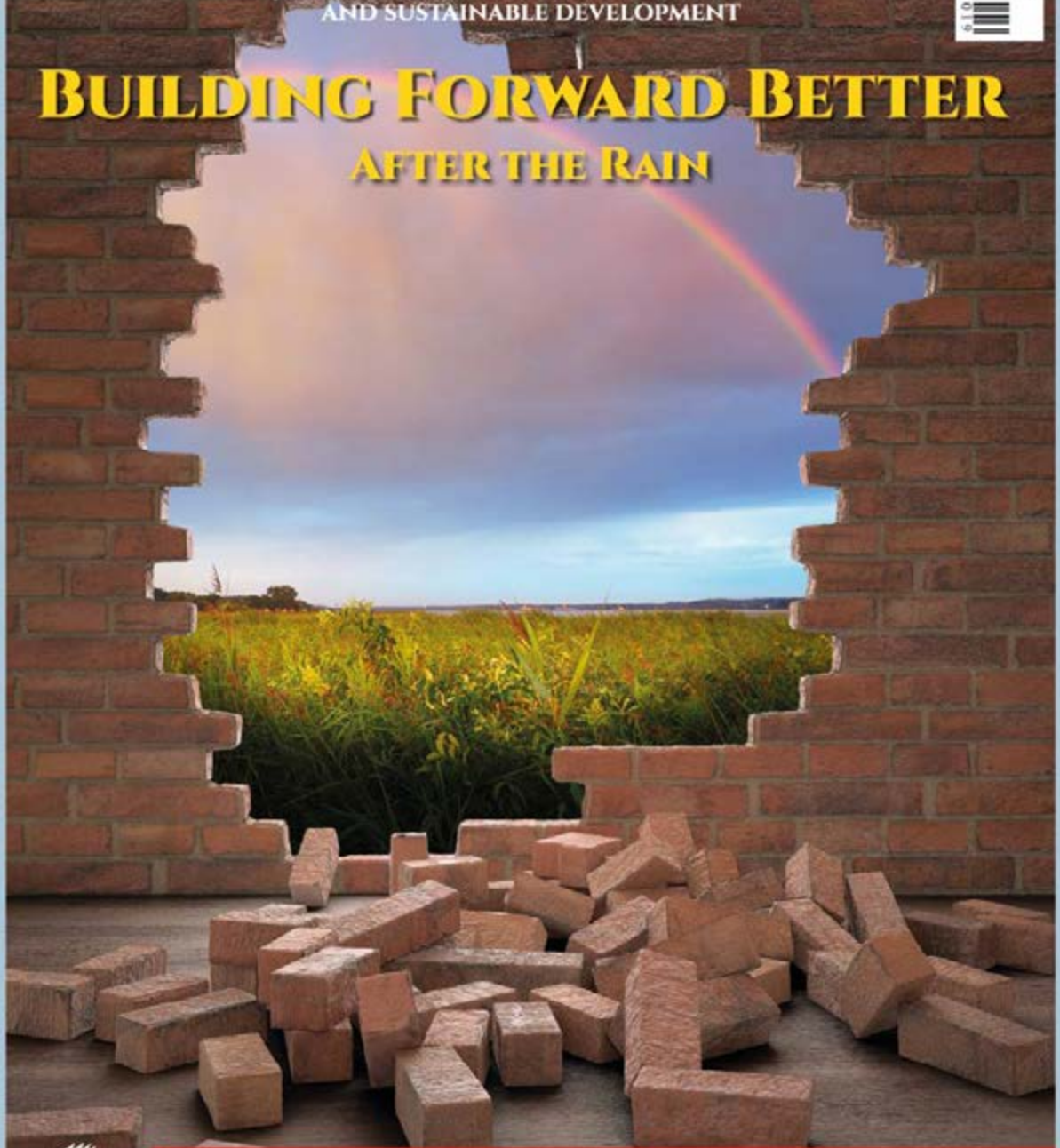
BUILDING FORWARD BETTER

AFTER THE RAIN



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HORIZONS

EDITORIAL

THE LEADERS of the major powers are on the cusp of shifting the thrust of their domestic deliberations away from combating the effects of the COVID-19 pandemic. They have determined that previously adopted emergency measures are bearing enough fruit to warrant concentrating on the day after—perhaps selfishly, since vaccination campaigns have barely gotten off the ground across vast swaths of the globe.

THEY ALSO seem to have concluded that a return to the international status quo ante is undesirable. But they have not yet offered a holistic grand vision, supported with sufficient material wherewithal, required to lead the world in a wholescale transformation to ensure we do not backtrack to the conditions that existed prior to the onset of the pandemic. The outcomes of the recent G7 summit, as one of our contributors explains, speak directly to this point.

THE INSUFFICIENT scope of their ambitions and the policies they are now championing is fittingly illustrated by their commonly preferred slogan to describe the task ahead: "building back better"; the views found in these pages can instead be described as "building forward better." Politicians in power prefer the term "recovery"; a more far-sighted approach would involve a "rescue," as also said herein.

NO-NONSENSE explanations of the inherent instability and danger of the aforementioned conditions—as well as thoughtful proposals about what would truly be required to move decisively beyond them—are provided by an exceptionally distinguished group of Horizons authors. Some focus on the core issues of sustainable development: the 2030 Agenda was already on the ropes before the pandemic; today, it seems almost impossible to imagine that more than a small handful of countries will come even close to achieving the SDGs by the previously announced deadline. More than anything, this change-at-the-margins approach represents an unforgivable failure of the imagination.

THERE IS still time for humanity to come to its senses: after the rain, the sun reemerges from behind the storm-clouds, as it were. But as other views featured here make clear, the rays may be dim and fleeting in the absence of the major powers making a decision to substantially upgrade the present, manifestly inadequate international system—given that starting over is simply not now in the cards. The aim should be to reestablish a semblance of order whilst producing a consensus on some new rules of the game. Right now, misunderstandings between the most important players still abound, particularly in the realm of geopolitics; unfortunately, as chronicled in this edition of Horizons, they show seemingly few signs of abating.

NO REGION, no nation, and no culture can isolate itself from the corrosive effects of all this hesitancy. This includes the Western Balkans, also discussed by various authors in these pages. Here too, a bright future appears beyond reach—at least for the moment—with possibly caustic effects on the central question of national identity. However, thought leaders and public intellectuals have begun to think about how to build forward better, as they observe the storm clouds about to recede.

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PREPARING OURSELVES FOR WHAT'S TO COME

Jacques Attali

THE incredible efforts, undertaken in several countries with the help (in many cases) of both public and philanthropic resources, to develop, test, and manufacture effective vaccines against the COVID-19 disease, caused by the SARS-CoV-2 coronavirus, are to lauded. This series of initial successes is a testament to the awesome potential to advance the human condition even, and perhaps particularly, in times of adversity and crisis. But we are far from having won the day: not just because we still do not know when, perhaps even if, this virus will be eradicated, but because the pandemic is still far from being brought to heel: to speak seriously of herd immunity requires one to speak in planetary terms—and we must acknowledge that the effort to vaccinate the Global South has barely gotten off the ground. At certain stages of the crisis—perhaps still today—we could even say that the developing world had never been more overlooked by the developed.

Moreover, the larger question of the nature of the recovery—the manner in which it will take place (and here again the scope is planetary); whether it will be sustainable; whether it will be put in the service of what I call the "economics of life" —is only now being put on the agenda.

To all this we must add that our internecine quarrels continue unabated.

All told, humanity still appears to be going through a nightmare. And it seems to me that too many of us still have only one desire, one ambition, one plea: that this nightmare ends and that we come back to the world of before.

Jacques Attali *is an economist and columnist for the French magazine* Les Echos. *He was the founder and first President of the European Bank for Reconstruction and Development. He is President of Positive Planet, an international non-profit organization assisting microfinance institutions all over the world, and CEO of A&A, an international consulting firm. Parts of this essay appeared in the French language edition of the author's book,* L'économie de la vie: Se préparer à ce qui vient *(2020). You may follow him on Twitter @jattali.*

Photo: Guliver Image/Getty Images

Jacques Attali

I am enraged in the face of such blindness, because even if this pandemic were to disappear quickly and completely—by itself or thanks to a super vaccine or a wonder drug—we would be unable to return to the way of life of before with the wave of a magic wand.

I am enraged that we have not yet sufficiently understood that the current crisis has shown that a global recession—negative growth in virtually every country—is not enough to solve the environmental problem; and, moreover, that trying to solve ecological problems without solving social and democratic one at the same time will get us nowhere.

I am enraged to see so many governments around the world, including those of Europe, preferring to follow, in a panic, the model of Chinese dictatorship, that had failed when it really mattered, at the beginning; and to put their economies at half-mast rather than taking, say, South Korean democracy as their model, which, like several others, knew as early as January 2020 how to define a strategy, persuade its public opinion, and mobilize its companies to make them produce masks and tests in a timely manner—without putting its social fabric in the temporary grave in which too many other countries, in imitation of the Chinese, decided to lock themselves up.

I am enraged to see that so many countries failed to understand, for so many years, that healthcare is an asset and not a burden. I am enraged that so many countries, for so many years, cut the budgets of hospitals and other healthcare facilities.

I am enraged to see the world put itself on pause, as if it had understood that everything needed to be changed, but without daring to do so.

I am enraged to see the world put itself on pause, as if it had understood that everything needed to be changed, but without daring to do so.

I am enraged to see all governments—or nearly all governments—move from bewilderment to denial, and then from denial to procrastination; and then to just stop there for much too long. I am enraged that no country truly shifted to a war economy footing. I am enraged to see the criminal economy profit from the misfortune of ordinary people.

I am enraged to see the implementation of needlessly liberticidal, falsely temporary measures. I am enraged to see the poorest, and their children, having to pay with their lives for the neglect of leaders. I am enraged to see so many people dream of returning to the world of before—the world that produced this crisis. I am enraged to see so many others striking such lovely poses before the cameras whilst expounding on what sort of new society will be necessary without even a scintilla of an idea of how to get us there.

I am enraged to see those who lead—or aspire to lead, like those who advise or opine—offer next to nothing about how to adapt to the exhilarating times to come, and how to meet the fantastic needs of the world.

Pandemics and War

Like previous major pandemics in history, today's is first and foremost an accelerator of developments already in the making. Disastrous developments. Positive developments.

A very brutal accelerator.

Many wanted to question the comparison of a pandemic—particularly of this pandemic—with a war. And yet, the comparison is apt—and easier to embrace by countries that have won a war than in those, like France, that lost all their recent conflicts or even collaborated with the enemy during, say, World War II.

When this pandemic started, as when a war starts, the world turned upside down in a matter of hours; and as when a war starts, hardly anyone in almost any country had a real strategy.

As in August 1914 and September 1939, it was initially thought that the pandemic would only last a few months.

As in a war, fundamental freedoms have been abused; many have died and are still dying; many leaders are being swept away; a ruthless battle is being fought between those who want to return to the world of before and those who have understood that this is impossible—impossible socially, impossible politically, impossible economically, and impossible ecologically.

Like previous major pandemics in history, today's is first and foremost an accelerator of developments already in the making. A very brutal accelerator.

As in a war, everything will depend on the relationship to death. A collective death, not an individual one. A visible death, not an intimate one. A multiple death: creeping, present; a death that loses its uniqueness, and also makes everyone lose it.

Everything will therefore be played out in relation to time. Because in a pandemic, only time is valuable—as in a war. Everyone's time. And not just that of those who, come what may, will benefit from this crisis.

As in a war, the victors will be those who were the first to display courage and have recourse to arms. And to have both one and the other in the time ahead, an unfailing mobilization around a new, radical project will be required. This is the meaning of the title of my book: *The Economics of Life* (2020), from which this essay is extracted.

An untold number of past generations, also having faced major crises, chose to play the part of an ostrich. Then, seized with childish conceit, they had believed that the evil was conquered and that they were done with it. They then abandoned all caution too quickly to return to the world of before. And they lost everything.

Conversely, others were able to identify what was in the process of being born; and they were able to refashion their troubled era and transform it into a moment of overtaking, of paradigm shift.

Will we be able to make this pandemic into such a moment—into *the* moment—for humankind?

Afterwards?

I repeat: plenty of people will come out of this pandemic armed with a frantic desire to return to the world of before. And we can understand them: many wish to return to a world

in which they were neither surveilled nor infantilized. Those who have lost their jobs, their businesses, and their workshops will dream of regaining their previous way of life and previous standard of living. They will want to buy the car of their dreams. Those who love to travel will want to rediscover their passion and visit all the world's places. Many captains of industry, believing they are done with the panic that dictated all their essential decisions, will want to return to previous levels of production and profit, without however recruiting new employees, or producing anything new, or anything similar. Many political leaders will want to regain their former popularity, all the while attempting to retain the supposedly temporary powers that the emergency allowed them to obtain.

Many democracies will have been so profoundly damaged by this ordeal that they could disappear, unless we move from the economics of survival to the "economics of life"—unless we move from a "democracy of abandonment" to a "combative democracy."

Conversely, a few people will emerge from the still-ongoing confinement with a feeling of nostalgia: those who worked at their own pace, embraced their loneliness, or enjoying this break to a precipitous life. The privilege of such people—whether due to their high remuneration or retirement pension—has not been brought into question.

Many others, having lived through their confinement in a hellish state, will want to rediscover other conversations, other friends, other spaces, other loves. Many occupations will no longer have a *raison d'être* and tens of millions of people, brutally thrown out of work, will have to reinvent themselves.

Many nations will have been too affected to hope to quickly regain their previous standard of living—unless they are able to change profoundly how they organize themselves. Many democracies will have been so profoundly damaged by this ordeal that they could disappear, unless we move from the economics of survival to the "economics of life"—unless we move from a "democracy of abandonment" to a "combative democracy."

What then is this "economics of life"? This crisis revealed that our economic and social system was not prepared for a huge yet predictable event. It has likewise revealed that this pandemic has been greatly aggravated, if not even provoked, by our lifestyles and our deleterious impact on ecosystems.

So it becomes obvious: we have to call into question very deeply our modes

of organization, consumption, and production. Our societies must reorient their economies towards sectors in which production has been sorely lacking yet has been found to be vital. First, the sectors needed to win the battle against the pandemic. Then, those for which pandemic has revealed a need. Together, they form what I call the "economy of life," which must be promoted.

The economy of life brings together all the companies that, in one way or another, directly or indirectly, make it their mission to allow everyone to live well.

The economy of life brings together all the companies that, in one way or another, directly or indirectly, make it their mission to allow everyone to live well.

They are very numerous: healthcare, prevention, hygiene, sport, culture, urban infrastructure, housing, food, agriculture, territorial protection; but also: the functioning of democracy, security, defense, waste management, recycling, water supply, clean energy, ecology and the protection of biodiversity, education, research, innovation, digital technology, trade, logistics, freight transport, public transport, information and media, insurance, savings, and credit.

Today, these sectors represent, depending on the country, between 40 and 70 percent of GDP; and between 40 and 70 percent of employment. They represent around 58 percent of GDP in the United States, 56 percent in the European Union and 51 percent in Japan. It is these ratios that must be changed to reach 80 percent. The development of these sectors will be the best and fastest means of securing a durable and sustainable exit from our global recession.

It is also towards this economy of life that companies in other sectors must be reoriented—companies that today, in vain in my opinion, await the chimerical return of their markets to the status quo ante: automotive companies, aeronautics, machine tools, fashion, chemicals, plastics, hydrocarbons, sugar, luxury goods, tourism; none of these will see their previous markets in the same way again.

These companies are not, however, condemned: their leaders, and their unions, must also mobilize to find other ways of providing the same service, or to render others, in the sectors of the economy of the life. All have the wherewithal to achieve this, if they are willing to dare to rethink completely.

The "combative democracy" of which I speak is just as necessary to securing our future as is the economics of life, and it should be based on five basic principles:

One, combative democracy must be *representative*. Its elected officials and leaders must reflect all of a country's social classes.

Two, it must *protect life*. And, for that, it must reorient itself towards the economics of life.

Three, it must be *modest*. The current crisis has shown that no power can claim to know everything. That even the greatest power must confess its ignorance. That it must share both its questions and doubts with its citizenry, especially with regards to the future. That it must allow both criticism and conflicting proposals to flourish, and for these to be permitted to be debated freely. Such requirements are also valid for opposition parties, journalists, commentators, and specialists (and those who claim to be specialists).

Combative democracy should be based on five basic principles: it must be representative, protect life, be modest, be just, and take into account the interests of future generations.

Four, it must be *just*. Any crisis most affects the most vulnerable. And politicians must admit at the onset the imperative of social justice in order to make bearable that which is now and that which is still to come. A fair system of taxation needs to be put at the very top of the pile. Democracy in particular will not survive a refusal to tax the great fortunes operating within its midst at a much higher rate—some of these, as we know, have grown even more affluent during this crisis.

Five, it must finally take into account, democratically, the *interests of future generations*. Since they cannot have the right to vote, it will be necessary to measure how the current generations take into account the interests of future generations and to organize debates around these measures, of a duration proportionate to the urgency of the decisions to be taken.

The five principles of combative democracy should be applied differently in different countries, of course, and it would take us too far off course to get into the details here. But this does not mean it is not of critical importance.

Wanting to return to how it was before is to condemn oneself to suffer even more seriously during the next major incident that will affect humanity. This is not solely about preparations for the next pandemic or the next climate tragedy. It is also about preventing the definite condemnation of democracy, which will be unable to recover from a new attack on its principles and practices if we allow ourselves to return to the pre-pandemic business-as-usual approach.

Because there will be other pandemics, other shocks of a different nature yet of the same magnitude. And worse ones still; many others. Any one of these could lead to the collapse of our economies, our liberties, our civilizations.

To foresee and counter them, it will be necessary to use all the weapons of the imagination, much more than those of forecasting.

To speak seriously of herd immunity requires one to speak in planetary terms—and we must acknowledge that the effort to vaccinate the Global South has barely gotten off the ground.

One will need not only to draw lessons from the past and be prepared for its return; one must also be prepared for the unexpected, for the unknown. And for that, an analysis of what are called the "forms of madness" will be much more important than those of the accountants: science fiction will be more useful than economics textbooks.

For a long time, thousands of science fiction books and films have spoken to us about what threatens humanity, providing us with the means to predict our own future. Here we can refer only to a few that evoke a pandemic: Mary Shelley's *The Last Man* (1826); Jean-Pierre Andrevon's *Le monde enfin* (2006); Danny Boyle's film "28 Days Later" (2002); Marc Forster's film "World War Z" (2002); Deon Meyer's *Fever* (2016); Russell T Davies' mini-series for television "Years and Years" (2019); and Steven Soderbergh's film "Contagion" (2011). And there are so many others that portray other threats to the survival of humanity, like Richard Matheson's great classic *I Am Legend* (1954); Bernard Wolfe's lesser-known *Limbo* (1952); and Liu Cixin's extraordinary *The Three-Body Problem* (2006)—the first volume of a trilogy, the subject of which is humanity's reactions to an extraterrestrial announcement that our race will be destroyed four centuries hence. And there are so many others that have also fed and still feed my imagination.

I learned much more from reading such books and watching such movies and shows than from any economics or political science article. With these works I have learned to think outside the box—to explore roads of light and darkened paths in unexpected places. I also discovered that the best way to avoid the worst is to prepare for it. And to love.

Even video games have a lot to teach us. So with "World of Warcraft," which a bug transformed for a week into a place of an uncontrollable pandemic, a pandemic so complex, although limited to the interior of a video game, that

no one could predict its course—until, that is, the moment its creators choose to reinitialize completely the game's servers to end it.

The thing is this: in the face of the present pandemic or in the face of future threats—unforeseeable or foreseeable—we will not be able to pull the cord out of the wall and reset humanity. We will have to deal with ourselves as we are at the moment when the next calamity hits. And we can hope that by then humanity becomes more sagacious, more just, more free, and, at long last, mindful of the fate of future generations.

For this to stand a chance of happening, we will have to start by predicting the worst that may await us. To prepare for it and to avoid it.

FUTURE PANDEMICS

No one yet knows how the current pandemic will evolve or when it will come to an end. It all depends on the effectiveness of deconfinement measures, in addition of course to the development and deployment of vaccines to counter not only the original virus but the growing number of mutations—vaccines that need to be distributed not simply across the developed world but also as rapidly as humanly possible in the developing as well. Additional waves are still possible, and we must be prepared to organize and introduce new lockdowns, at random intervals, when the situation calls for it.

As we know quite well already, each new confinement has constituted a new economic, social, and political shock that added new misfortunes to existing tragedies. In particular, exhausted and decimated (in the literal sense of the word) hospital staff faced the initial onslaught of the pandemic with great courage, dedication, and competence. And we know that they have had increasing difficulty in coping with successive waves. Should these continue—or get worse—worn-out and exhausted democracies would accept to slide towards dictatorship even more quickly, in the event that the exigencies of surveillance would impose themselves and supersede upon all laws. With the media more concerned with reporting on scandal than telling the truth. Without exception. Until they are gagged by the dictatorships they helped create.

Beyond the current pandemic, others are possible. Even probable. On indiscernible dates. And it would be criminal to prepare for it as badly as we did for the one that we continue to experience today.

First, another variant of the H5N1 avian influenza virus is almost inevitable. Its place of origin is likely once again to be China if live animals come again to be sold in markets without concern for the dangers emanating from microbial excreta. This was the case during the H3N2 influenza pandemic in 1969, which came from pigs, and during the H7N9 virus in 2013, which came from birds—it was also perhaps the case with regards to our present virus. We can nevertheless hope that this one will lead to changes in practices with respect to large animal husbandry in both Asia and Europe, and that it will also lead to better monitoring mechanisms for emerging contagious diseases.

This would require coming to an agreement on a universal standard as well as equipping ourselves with the means to enforce it. Such rules exist with respect to other threats; but they are only really effective if they benefit from global means of control. This is only the case with respect to the proliferation of nuclear and chemical weapons.

Neither is a large part of humanity protected from a return of cholera, a highly contagious disease that spreads both through the environment (water) and by people-to-people contact. No one is really prepared for it.

We are also at the mercy of an edible plant that is believed to be the carrier of a deadly microorganism. More than 200 diseases can be caused by eating foods containing pathogenic microorganisms. Each year, 600 million people fall ill after consuming contaminated food; 420,000 die from it. In 2011, the sudden emergence in France and Germany of an epidemic associated with the contamination of plant products affected more than 3,500 people. Episodes of contamination of plant products have also occurred in England and the United States in the past ten years. Others of the same kind but much more massive in scope are possible. There again, to avoid them, it would take planetary standards to impose a flawless hygiene regime concerning fields, vegetable gardens, systems of transport, storage, conservation, preparation, and sale. And of course the means to effectively enforce them.

We can also imagine an act of bioterrorism, by which a microbe or a virus would be deliberately spread by terrorists, criminals, or madmen. The most dangerous and most likely agents are anthrax, botulism, smallpox, and hemorrhagic fever viruses. Such an act, committed without an immediate claim of responsibility, would give the scourge time to run undetected through airports, trains, and subways, which would make it almost impossible for the authorities to react in a timely manner in containing the deadly outbreak.

One cannot rule out that some stocks of deadly microbes may have been recovered by various terrorist groups following the collapse of the Soviet Union. And agents of this sort are not that difficult to make.

In anticipation of this type of attack, many countries, including the United States, have developed specific detection methods and early warning systems.

While an international treaty—the Biological Weapons Convention, as it is now known, which currently has 183 states parties and four signatory states—prohibits these weapons. But it does not provide for any compliance monitoring regime. In other words, it is totally useless.

Finally, cyberattacks can destroy economies; this category represents one of the main threats of the future. They can also directly attack increasingly smart-wired human beings, not only through pacemakers but through many other digital prostheses to come (e.g. implants, batteries, nanobots regulating blood flow). Such prostheses are being developing as we speak: a company called Cyberkinetics is working on a system of neural implants whose signals could be decoded in real time. The chipmaker Intel plans soon to market electronic brain chips capable of controlling computers without a keyboard or mouse. And so on.

Experiments and simulations of attacks against such digital prostheses have already taken place: in 2010, for example, a British doctor named Mark Gasson intentionally attacked an RFID chip grafted into his left hand.

A terrorist (or an intelligence service, for that matter) could remotely empty the batteries of a pacemaker or send it a fatal shock. One could also hack into neurostimulators implanted in the brains of patients with Parkinson's disease or those suffering from epilepsy. Or others to come. Body implants could be diverted from their mission and used, for example, to inject devastating hormones. And many other acts of madness.

Ecological Issues

In the same way as with these pandemics, which are predictable and must be anticipated, we must prepare for future ecological disasters. Especially since, unlike pandemics, they have been already predicted with precision and we know full well what should be done to avoid them.

These disasters are already here: nine out of ten people breathe polluted air. According to the WHO, each year more than 12 million people die from causes related to environmental problems like air quality, water quality, exposure to chemicals, and climate change.

We know everything about the growth to be feared from non-biodegradable waste, the decline of coral reefs, and the disappearance of diversity in nature; we know that, at the current rate, there will be more plastic by volume than fish in the waters of the Earth by 2050.

Each year, more than 8 million tons of plastic are released into the oceans. By 2050, all species of seabirds will ingest plastic regularly. In addition, the current health crisis seems to be causing the greater consumption of single-use plastics, perhaps putting an end to the trend towards their reduction. In France, for example, 50 percent of manufacturers in the plastics sector have seen their activity increase since the start of the pandemic crisis. And global production is expected to increase threefold within five years, and fivefold by 2050.

By 2050, soil degradation could reduce agricultural yields by 10 percent on average and up to 50 percent in some regions, particularly in Africa.

In addition, as land (especially forests) is degraded, natural carbon deposits essential to the Earth's balance will disappear.

In addition, climate change is accelerating.

We must fear an increase in the temperature of the Earth's surface of more than 4°C in 2100. Since the beginning of 2020, the average temperature in France has increased by more than 2°C higher than that of the average for the years 1980-2020, and this temperature is the highest since it began to be measured at the beginning of the twentieth century. If ecological transition efforts are not accelerated, the average temperature could increase by 7°C by the end of the century. In this case, 300 million people could face flooding at least once a year in 2050, and by 2100 the sea level would rise by at least 1,1 meters, or even by 2 meters in the most pessimistic scenarios.

If we do not act, natural disasters will also increase in frequency and intensity; rainfall will increase in humid regions, resulting in more frequent storms, and decrease in dry regions, causing severe droughts. By 2100, 75 percent of the population will be exposed to deadly heat waves.

Such climate change would further exacerbate land degradation and put pressure on global food security.

The pollution of fresh water threatens drinking water resources, exacerbating the risks of water stress and scarcity of drinking water in the most vulnerable regions.

So many other ecological issues are involved; in particular the threat of biodiversity. Many fear—or hope—that an increase in this threat will cause a collapse of our civilizations and even result in the disappearance of the human species: a new mass extinction.

In any case, all this will very quickly have major economic consequences.

Many analyses show that global warming alone could lead to a 3 percent drop in global GDP by 2030.

NOTHING SERIOUS

Faced with all this, what are we doing? Not much. We know that the use of carbon energies should be massively reduced. This requires immense efforts and the 2015 Paris Climate Accords—which aimed to reduce greenhouse gas emissions—is absolutely not in a position to be respected. Its goal was to contain the rise in average temperature by 2100 to well below 2°C above the pre-industrial level, by setting a target of 1.5°C.

Many analyses show that global warming alone could lead to a 3 percent drop in global GDP by 2030.

To have any chance of achieving this, nearly 75 percent of primary energy production would need to come from non-fossil fuels by 2040. This will notably require a much greater use of carbon-free electricity. However, in 2020, the share of fossil fuels in energy consumption was still around 80 percent, while carbon-free electricity represented only 12 percent of the total energy consumed in the world.

According to the United Nations Environment Program, the commitments made so far by the signatories of the Paris Climate Accords put the planet on a warming trajectory of 3.2°C by the end of the century.

Another striking example of the defection of the vast majority of states: the signatories had, according to the principles set by the Paris Climate Accords, until early February 2020 to submit to the United Nations a list of their national contributions to the fight against global warming. Only three countries met this deadline, representing less than 0.1 percent of global greenhouse gas emissions: the Marshall Islands, Surinam, and Norway!

And nothing serious is being done to limit the use of plastic, to organize the reduction of waste and its recycling, to protect the corals, to expand the marine protected areas, and to reduce the use of certain harmful chemicals in agriculture.

Ecological change is not just an issue in itself. One of its consequences would be to increase the risk of pandemics: many infectious diseases will be aggravated by the rise in temperature and humidity as well as by the increase in waste and pollution of the sea.

A warmer climate could decrease human beings' immune responses and make us more vulnerable to influenza epidemics. With global warming, the flu could indeed extend throughout the year, giving it more time to mutate.

Mosquitoes, whose habits will be disrupted by global warming, could easily cause new kinds of pandemics; in particular mosquitoes of the Aedes family, carriers of dengue, chikungunya, and Zika. Originally from Africa and Southeast Asia, they could settle permanently much further north. In addition, anopheles could cause a return of malaria to Europe, after a century of respite. This is already the case for the tiger mosquito, which, before 2004, was not present in France, whereas it is now found in 51 out of France's 101 départements.

Their danger is established: one million people in the world already die each year from diseases transmitted by mosquitoes, particularly in Asia and Africa. And this number will increase—especially since the area of rice paddies, which are excellent breeding sites for anopheline larvae, must double for basic food security reasons. If temperatures rise by 4°C by 2100, these mosquitoes could threaten the lives of nearly one billion people. In particular, the number of Europeans exposed to viruses transmitted by mosquitoes could double.

Finally, due to the rise in temperatures, permafrost (ground frozen continuously for at least two years) could lose 70 percent of its surface by 2100. However, the viruses and bacteria it contains are not all inactive, which could bring back diseases that were thought to have disappeared completely—and about which we know nothing.

And again, nothing serious is being done. We are even witnessing the introduction of yet another new form of carelessness, similar to what we experienced a few years ago with regard to masks: the production of mosquito nets, so essential to curb pandemics carried by mosquitoes, has been interrupted in India and greatly reduced in Vietnam. And the fight against stagnant water, which is the other critical way to protect oneself from mosquitoes, is not progressing as quickly as it needs to.

THE DARK PANDEMIC

Faced with this, we can fear a "final pandemic," as it were: a dark political wave in which, in an End-of-Days sort of political climate, dictatorships increasingly prevail, with slogans openly advocating xenophobia and a firm hand. The proponents of these regimes will say, against the evidence, that democracies had not been able to resolve previous crises; that border closures are necessary; that foreigners, whoever they are, are a threat; that we have to produce everything at home and not rely on any outsiders; that we must arm ourselves against all those, at home and abroad, who will be identified as the enemies. They will want a society in which everyone will be watched

for everything—where we will know everything about everyone's health and behavior. A society that will ignore democracy and one in which the media will become nothing more than a conduit for entertainment and propaganda for those in power.

This already exists in many countries. And this would be expanded in the event of further pandemics. Such a state of affairs would be accepted in many places and by many people: because the pandemic leads to distrust of others—to accept being watched, so that others may too be watched. Because fear always pushes people to prioritize security over freedom. And because social distancing and mask-wearing push people to dehumanize the Other, which can lead in turn to an indifference towards the destiny of the Other...

Even in many European countries, democracy is already being brought into question. One can feel its fragility; and one can hear views expressed to the effect that democracy in its current form is simply not up to meeting the challenges of the world.

These threats are not unrealistic. Even in many European countries, democracy is already being brought into question. One can feel its fragility; and one can hear views expressed to the effect that democracy in its current form is simply not up to meeting the challenges of the world.

In the same way that the temperature rises slowly, without realizing it, totalitarianism will advance continuously, sometimes without a dictator taking over, without a regime break, without any particular announcement, and served by politicians who will still believe themselves to be democrats but who will in truth no longer be so. They will put themselves in the service of interest groups that will remain discreet at first.

We will then discover a new form of dictatorship within our midst: one that will continue to be called "democracy" and to which no one, or almost no one, will contest the right to be called such. What is also called today, too loosely, "democratorship"—a combination of the words 'democracy' and 'dictatorship.'

Much worse still: one can fear that the desire to end the human race will arise, for it will have done too much harm to nature and to itself. A bit like in "World of Warcraft," where players have found pleasure in infecting others, to see what ensued. Or like a terminally ill patient, who would choose suicide, so as not to have to suffer too much from his own death...

SEMPITERNAL FUTURE

To continue like this is to go straight towards a revolution, of which the middle classes will be the engines, before they too, in the end, together with the poorest, become the victims: for more than 70 years of ultra-liberal drugs have killed all will and all means for the democratic state to act firmly and with sufficient resolve to conceive and execute truly grand projects.

To continue like this is to play into the hands of dictatorships, which are preparing for the future. Two examples will suffice.

To think not just about tomorrow but the day after tomorrow and all the days that follow is really to think broadly—it is to think about life plentifully and the human condition holistically.

One, China recently announced the launch of a program focused on seven skillfully chosen sectors: 5G, the internet, rapid transit between cities, data centers, artificial intelligence, high voltage energy, and charging stations electric vehicles. All are sectors that will make it possible to strengthen the surveillance of the citizenry—and to do so without having to import hydrocarbons.

Two, the United Arab Emirates also recently announced a project focusing on six sectors: health, education, economy, food hygiene, social life, and public administration.

It is up to the democracies to do better. As quickly as possible.

To think not just about tomorrow but the day after tomorrow and all the days that follow is really to think broadly—it is to think about life plentifully and the human condition holistically. It is to really think about what we want to do with our life—so short, so fragile, so full of surprises; and so rare, too.

It is to think about the lives of others: of humanity and of the living.

It is to think not with a fear of dying, but in the jubilation of living. To live every moment, happily. With the smile of the condemned that we all are. In gratitude to those who make the future possible and the desire to create a world in which the disasters discussed in this essay, although undoubtedly inevitable, would be so well prepared that no one would have to worry about them—neither before nor during. For ourselves, our children, our children's children, and so on into sempiternity.

So many beautiful, exhilarating things await the generations to come, but only if today we make a choice to take care of them and their future. Properly, with sagacity and forethought.

TECHNOLOGY FAST-TRACKING A MULTIFACETED EUROPEAN INTEGRATION

Stephane Klecha, Brunello Rosa, and Nouriel Roubini

AS the European Union, together with the rest of the world, begins to emerge from the COVID-19 pandemic, it seems opportune to examine how European integration has progressed in the last few years, in spite of Brexit, on various fronts: economic, military/security, and technological.

In this respect, technology is the issue and the solution at the same time. *It is the issue* because Europe still needs to catch up with United States and China in terms of the size of its digital giants and the presence of a unified regulatory and technological landscape that is able to harmonize its various national standards. *It is the solution* because technology can help break the physical barriers that prevent a complete integration of the continent and the establishment of proper EU sovereignty. Data sovereignty is the first building block towards establishing a well-rounded EU digital sovereignty, as a stepping-stone towards a complete integration of the continent.

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REACTING TO SETBACKS

The EU integration process has been characterized by a series of setbacks, which have then been followed by important advances. Recent ones include the migrant crisis of 2015, the Brexit referendum in 2016, resurfacing euro re-denomination risks in 2018-2019, and finally the COVID-induced crisis that began in 2020. All these events occurred while internationalism was deteriorating, amid the victory of an isolationist American president, mounting trade and geopolitical tensions between major economies, the ongoing balkanization of global supply and value chains, and an underlying technological conflict between the United States and China (in which Russia and the EU were inevitably engaged). The resulting polarization of the world into spheres of influence dominated by the United States and China amounts to what has been labelled Cold War 2.0.

Data sovereignty is the first building block towards establishing a well-rounded EU digital sovereignty, as a stepping-stone towards a complete integration of the continent.

Given this context, the EU—while implementing Brexit—has been confronted with yet another existential crisis, reinforced and brought forward by the COVID-induced crisis. EU leaders had to decide, in just a few months, whether to give up the project imagined by the block's founding fathers, or else re-launch it, and so pass it to the next generation of leaders, who would eventually decide its fate.

The decision to react to the coronavirus-induced crisis by launching a comprehensive pan-European plan, based on the EU's Multiannual Financial Framework (MFF)—significantly dubbed "NextGenerationEU"—signifies that current EU leaders have chosen the latter course: they took the decision to push integration to new levels, in spite of the ongoing implementation issues. Unfortunately, the bad management by the EU on the procurement and distribution of anti-COVID-19 vaccines shows that there is still a lot of work to do to make the EU a more efficient and effective, less bureaucratic operator.

The novelty represented by an anti-European American president during the period 2016-2020 had several implications for the European Union. Donald Trump was not just isolationist and lukewarm regarding the EU integration process, he was openly hostile to it. He was in favor of further exits from the EU. And he was also in favor of diminishing the presence of NATO in the region, announcing a decision to withdraw many of America's

troops from Germany (a decision his successor has frozen). All this had induced even the most prudent politician of her generation, German Chancellor Angela Merkel, to declare that the Europeans are on their own and need to grasp their destiny with their own hands, without relying any longer on the external influence, pressures, and financial and military subsidies from the United States. As we discuss later in this essay, the presence of Joe Biden at the White House will only change this state of affairs at the margins.

In parallel, the way the COVID-19 pandemic hit the EU plainly demonstrated the essential role played by the technology sector in ensuring the continuity of social life, businesses and government activities, and accelerating the need for sovereign digital technologies. Technology ranging from AI and 5G to Cloud computing—the new battlefields for China and the U.S. to assert their global supremacy—has already started to transform every industry, and within a generation will have done so completely.

This new paradigm represents a huge additional threat to each EU member state separately and the Union as a whole; at the same time, it also represents a once-in-a-lifetime opportunity for the EU, should it manage to position itself well in the new global chessboard. We will discuss further in this essay the initiatives that have been launched in the field of technology and innovation (as well as financial and capital markets, and defense). The NextGenerationEU plans explicitly requires national recovery and resilience plans to dedicate a large amount of resources to the technological transition.

Completing Economic and Financial Integration

To its critics, the decision by the EU's founding fathers to begin any form of collaboration from the economic and financial domain is the existential flaw in the entire integration process. In reality, this was a very precise design choice: the generation of the founding fathers still remembered how futile political agreements were in the absence of shared economic interests. The memory of the 1938 Munich Agreement was still vivid in their minds when they decided that the first step of European cooperation had to be centered on the basic economic needs of post-war western European countries: *coal and steel*. The European Coal and Steel Community (the precursor to all subsequent European Communities) was formally established in 1951 by the Treaty of Paris, signed by Belgium, France, Italy, Luxembourg, the Netherlands, and West Germany—the "inner six."

Fast forward a few decades—after the European Economic Community and, eventually, the European Union were created—the principle underlying any further integration process remained the same: rooting any agreement on shared economic interests, because doing so will, eventually, lead to the political union that, for Europhiles, represents the ultimate goal of the process.

This new paradigm represents a huge additional threat to each EU member state separately and the Union as a whole; at the same time, it also represents a once-in-a-lifetime opportunity for the EU, should it manage to position itself well in the new global chessboard.

The single currency was launched in 1999 and became the EU's common currency in January 2001. The original design flaws of this project became apparent during the global financial crisis of 2007-2009 and, even more so, upon the onset of the Greek/euro/sovereign crisis of 2010-2012. The lack of resolution and solidarity mechanism beyond the antiquated Growth and Stability Pact meant that the euro was on the verge of collapse in 2012, until European Central Bank president Mario Draghi's celebrated "whatever it takes" speech in London in July of that year. Since then, the euro-area (a large portion of the EU), has launched a series of communitarian and intergovernmental initiatives that have stabilized the EU's monetary union and re-launched the economic and financial integration process.

The most notable of the inter-governmental initiatives of that period was the establishment of the Luxembourg-based European Stability Mechanism (ESM), an institution that was endowed with massive financial firepower by the adhering governments in order to stave off any future sovereign debt crisis. It has been allowed to extend loans with stringent conditionality to troubled countries—in that respect, it could be seen as a sort of "European IMF." The ESM has been tasked with leading the fast-response mechanism during the pandemic through the establishment of a new enhanced credit line, called Pandemic Crisis Support. The ESM is currently undergoing a reform process that will make it more integrated in the official mechanisms and treaties of the European Union.

Among the communitarian responses it is worth citing the launch of the banking union and the Capital Markets Union (CMU). The banking union has three pillars: *one*, the establishment of a single supervisory authority for large financial institution (this is the so-called Single Supervisory Mechanisms, an independent body within the European Central Bank);

two, the establishment of a Single Resolution Fund, to be used in case of distress in the banking system (and which will use the ESM as a backstop); and *three*, the establishment of an European Deposit Insurance Scheme (EDIS), which will substitute—or at the very least complement—existing national schemes.

The first two steps towards the establishment of an EU banking union have now been completed, and the third is in the process of being discussed—the successful conclusion of this third pillar should not be taken for granted. As any deposit-insurance scheme inevitably entails the use of taxpayer money (sooner or later, directly or indirectly), the stronger, creditor countries, such as Germany and the Netherlands, are trying to slow down the establishment of EDIS until the weaker, debtor countries, such as Italy and Spain, have completed a process of risk reduction.

In the minds of the northern EU countries, this process of risk reduction, in which banks better provide against non-performing loans (NPLs) or reduce their exposure to sovereign debt, must precede that of risk-sharing, considering that taxpayer money is at stake. While debtor countries seem committed to some form of risk *control*, if not necessarily risk reduction (for example, through the mechanism of the so-called "calendar provisioning" for NPLs), the COVID-induced crisis has largely stopped the de-risking process, which has become unfeasible at a time when all countries face multiple bankruptcies. Recently, it seems that creditor and debtor countries have agreed that the two processes of risk reduction and risk sharing should proceed in parallel. This might allow the EDIS project to advance further, however slowly, in the coming years.

The final step in financial integration (together with the Monetary Union and the Banking Union) is the so-called Capital Markets Union (CMU). This project aims at creating a single capital market framework, for example for the issuance of equities or corporate bonds—the same way the U.S. has done—as an instrument to enable private-sector risk sharing. More intertwined European banks within a CMU—imagine, for example, a Dutch bank based in France, packaging Spanish mortgage loans in products sold mostly to Italians—would make the EU integration process de facto irreversible, like the euro currently is, at least de jure.

Even if it is strategically important, the process towards the creation of a CMU seems to be stalling, partially as a result of Brexit. Prior to Brexit, any CMU project could not be conceived without considering the special role of London as one of the key global financial centers. For this reason, the EU commissioner in charge was British. Now, before making any further progress, it is likely that the EU will have to wait for the eventual outcome of the COVID-induced crisis, which will leave plenty of scars in the continent.

The completion of these three pillars of the EU's economic and financial integration is considered by Europhiles as prerequisites for the achievement of two additional steps they champion a fiscal union and a political union.

The completion of these three pillars of the EU's economic and financial integration is considered by Europhiles as prerequisites for the achievement of two additional steps they champion a fiscal union and a political union. In a fiscal union, some or all fiscal resources would be shared. The extreme version of a fiscal union would be a transfer union, in which the "stronger and richer" components of the union would subsidize the "weaker and poorer" ones, at least for a time. Germany's reluctance to form a fiscal union can be read in part as its fear of it becoming the underwriter of a transfer union.

But some timid steps towards a fiscal union have nevertheless been made. There is now a coordination of the budget process during the annual so-called European Semester, with all EU member states sending their Draft Budgetary Plans (DBPs) to Brussels by every October 15th for comments and revision by the EU Commission. This is part of a larger fiscal surveillance process that the EU undertakes every year—a process that creditor countries consider to be too politicized, and for this reason would like to see it undertaken by a more technocratic body instead, such as the ESM.

In spite of this, the process of a fiscal union seems to be proceeding very slowly. At the EU level, some movement is taking place, however. France has finally managed to introduce a Euro-budget (however small) as part of the regular MFF. It is France's ambition that this should have some function as a stabilization mechanism and serve as a counter-cyclical stimulus. Germany has agreed to the creation of the fund, as long as it remains endowed with resources in the "low, double-digit figure" of less than €20 billion and remains without a stabilization and counter-cyclical function. The pessimists would say that, with such a limited remit and endowment, this renders it effectively useless. The optimists would say that once the legal entity has been created, scaling it up and enlarging its role (for example to respond to another future crisis) will be much easier.

Finally, the implementation of the NextGenerationEU plan requires the increase of the EU Commission's so-called

"own resources." These are not just the "membership fees" that each EU member state pays to be "part of the club," but represent the creation of new EU taxes, levied and managed by directly by the EU Commission, which establishes a supra-national taxing power that so far has been considered an exclusive competence of the member states. These new taxes (on carbon emissions, financial transactions, and digital business) might well constitute the core of any future fiscal union, which might in fact progress top-down (from Brussels to the capitals of the EU member states) rather than bottom-up—or at least run in parallel to one another.

Additionally, another top-down way of pushing for a fiscal union has been enhancing the borrowing abilities of the EU Commission, which will finance the NextGenerationEU plan by issuing its own bonds (which, however, will not enjoy a "joint and several guarantee"), in what some could see an embryonic form of future eurobonds. The re-insurance schemes introduced by the Support to Mitigate Unemployment Risks in an Emergency (SURE) plan (for unemployment) and by the European Investment Bank (EIB) could also be read as a step in the same direction.

Once trade and competition rules, currency, banks, capital markets, and fiscal resources will be integrated, the need for a political union to emerge should come naturally, the architects of the EU would argue. How could these existential decisions—involving several aspects of national sovereignty—be made without a common political authority in place? For the time being, these decisions are made as a result of long negotiations between various EU institutional actors (Council, Commission, Parliament, Eurogroup, etc.) and the national capitals of the member states. In the future, a more federal governance system might emerge, perhaps including the direct election of the EU President.

Military And Security Integration

The question of the European Union's military and security integration is seen by some as the "new frontier" of what is called the "European project." Today, the defense of the European continent (and, less broadly, the European Union and its member states) is basically provided by NATO—and in particular by the United States. However, the situation is currently evolving.

In fact, despite U.S. President Donald Trump' statements on the lack of adequate financing by the Atlantic Alliance's European member states, the United States does not provide "90 percent" of the NATO budget, but "only" 22 percent. The other two main contributors are Germany (14.7 percent) and France (10.5 percent). In 2020, the United States dedicated 3.5 percent of its GDP to defense ($676 billion), which is equal to two-thirds of the military expenditure of all NATO countries combined, and about one-third of the worldwide total for all military budgets. Recent American increases in defense spending (+$44 billion) were equivalent to Germany's entire defense budget. Within this budget, American spending specifically dedicated to the defense of Europe is estimated at $35.8 billion in 2018, or 6 percent of the total, which is almost as much as the entire defense budget of France (€35.9 billion in 2019).

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The "strategic pivot" to Asia first defined by U.S. President Barack Obama and subsequently pushed forward by his successor represents a permanent change to the European defense paradigm. China is America's main strategic competitor, and Southeast Asia is the new area of focus. The European continent is not the strategic priority anymore. So far, there is nothing to indicate that the Biden Administration will undertake policies to reverse this change.

At the same time, new threats for the continent have emerged for the EU. Here we can mention two. First, *the increasingly interventionist attitude of Russia*. It became apparent with the war in Georgia in 2008, then came closer to the borders of the EU with the intervention in eastern Ukraine and the annexation of Crimea in 2014. But the use of Russian force has also been apparent in Syria, with the rescue of Bashar al-Assad's regime. Such behavior, together with a continuous show of force on EU borders and the use of disinformation, cyber-attack and espionage activities, are reinforcing the conviction of many EU member states that the threat on the EU's eastern flank remains a reality.

Second, *the development of threats on the southern front*. EU member states have and are still experiencing a series of jihadist attacks. The onset of civil war in Iraq and Syria, accelerated by the emergence of the caliphate of the Islamic State (IS), generated a considerable flow of migrants towards Europe in general and the EU in particular. Likewise, the collapse of Libya following the Western military intervention has facilitated the establishment of criminal networks. Finally, the weakening of the states in the Sahel-Saha-

ran strip has made that area a base for jihadist networks and organized crime. The situation in the Near and Middle East and in Africa has direct consequences for the security of the EU, its member states, and others countries belonging to the European geography (e.g. the Western Balkan countries, Moldova, Switzerland, Norway, the United Kingdom). From this perspective, the issue of European defense is a short-term practical matter with a concrete impact.

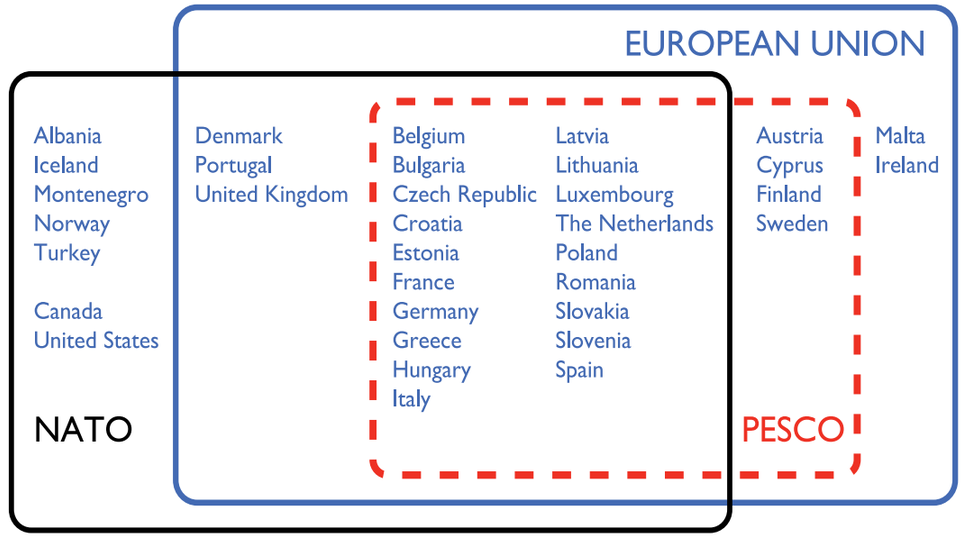
EU member states have reached a conclusion that they need to start building their destiny with their own hands from a military and security perspective, without relying too much on the help of their American ally.

As a result of all these events and factors, EU member states have reached a conclusion that they need to start building their destiny with their own hands from a military and security perspective, without relying too much on the help of their American ally, which has meanwhile become quite unreliable. So, after Brexit, a lot of emphasis has been put on further military and security integration between EU member states. This has progressed along two possible paths: a communitarian approach and inter-governmental agreements.

Regarding the communitarian approach, the former EU Vice President and High Representative of the Union for Foreign Affairs and Security Policy, Federica Mogherini, launched the EU Global Strategy for Foreign and Security Policy in 2016—the first attempt to redefine the EU's strategic position since Javier Solana's plan of 2004. Additionally, a new Permanent Structured Cooperation (PESCO) among EU member states on security and military issues has been launched (see Figure 1), to enhance coordination, increase investment and foster cooperation in developing defense capabilities among EU countries.

Regarding inter-governmental agreements, we can mention that France has offered to share its nuclear umbrella with all EU member states. The future of this proposal will depend crucially on Germany's position. Meanwhile, Germany has agreed with the Netherlands to effectively create unified commands for some of its military regiments—a clear sign of inter-governmental military integration.

As is typical of the EU, most likely the communitarian and inter-governmental approaches will be pushed forward in parallel, rather than one type of approach outpacing the other.



Source: Valentin Kreilinger, Jacques Delors Institut, Berlin, November 2017.

Figure 1: How PESCO, NATO, and the EU Memberships Compare

TECHNOLOGICAL TRANSITION AND INTEGRATION

As EU Commissioner Thierry Breton said in September 2020,

> Faced with the 'technological war' between the United States and China, [the EU] is laying the foundations of its sovereignty for the next 20 years. It is not a question of giving in to the temptation of isolation or withdrawal into oneself, which is contrary to our interests, our values, and our culture. It is a question of making choices that will be decisive for the future of our fellow citizens by developing European technologies and alternatives, without which there can be neither autonomy nor sovereignty. Mobilized around major projects developed in partnership, [the EU] has demonstrated in the past that it has the capacity to play a leading role on the world stage. The time has come to take back the common initiative.

Both the United States and China have key tech "superstar" companies: the FAANG (Facebook, Apple, Amazon, Netflix, Google) in America, also including Microsoft, and the BAT (Baidu, Alibaba, and Tencent) in China. There are no equivalent of such big tech companies in the European Union. This is seen as a core weakness, as these tech giants are the basis of innovation in many IT sectors. In order to have leadership in Big Data you need first to canvass those large swaths of data.

Cloud computing and the storage and use of such data and applications also requires leadership in Big Tech, something that the United States and China do but the EU does not.

But *the European Union is also the world's number one industrial continent*. The EU has every asset needed to win the Big Data race. When it comes to industrial data, the rules of the game are different. Most of the current platforms, mainly built for B2C, are not ready to meet the technical, security, and service requirements required by industry or public authorities. The EU is not lagging behind technologically in the field of industrial data. However, in order to capture the value of the European Union's industrial market, an EU-level infrastructure has to be built allowing for the storage, use, and creation of data-based applications or Artificial Intelligence services.

In this context the EU Commission plans to launch a European Alliance for Industrial Data and Clouds in order to develop EU alternatives and properly position the EU in the race for the data economy. Such an alliance would be a natural evolution of the Franco-German initiative, the Gaia-X project (France and Germany announced Gaia-X, a federated data infrastructure at the EU level, the objective of which is to build an EU data framework to facilitate data collection, data processing and sharing, especially in the B2B and B2G domains), with a public pillar for common platforms for services of general interest, and a EU industrial alliance around cloud-to-edge platforms.

Another aspect is *asserting the EU technology sector's identity as compared to American and Chinese companies*. Despite being the place where global technology leaders were born (such as those of Skype and Spotify), the EU lags behind the United States and China in terms of the number of technology giants it has produced. The EU common market is more fragmented, and capital flows at a different speed in the U.S. or China.

The coronavirus crisis has accelerated some major trends. It has uncovered some of the EU's overreliance on critical areas—both geopolitically and economically. The EU's data economy is a pillar of its industrial strategy. Yet what may be the most fundamental difference between the U.S. and Chinese digital spaces (sometimes described as "Technology for Money" or "Technology for Social Control," respectively), on the one hand, and the EU's digital space, on the other, may not be capital or market positioning, but rather ethics. One of the key 2019-2024 priorities as defined by the EU Commission is to empower *people*, rather than just companies or governments, with a new generation of technologies.

The objectives stated by the EU Commission for Europe's Digital Future is the following:

> The digital transition should work for all, putting people first and opening new opportunities for business. Digital solutions are also key to fighting climate change and achieving the green transition. [...] The European Commission is working on a digital transformation that will benefit everyone. Digital solutions that put people first are intended to open up new opportunities for businesses; encourage the development of trustworthy technology; foster an open and democratic society; enable a vibrant and sustainable economy; and help fight climate change and achieve the green transition.

The European Union and its member states have their own history, are attached to human rights, have a more regulated structure than the United States, have a specific political culture, and a specific way citizens live their citizenship including in their interaction with social services. EU institutions are working toward developing a competitive, secure, inclusive and ethical digital economy, which is coherent to its principles, sometimes described as "Technology for Good."

The next aspect to consider is the EU's *focus on Security*. The EU Security Union Strategy for 2020 to 2025, which succeeds the European Agenda on Security (2015-2020), focuses on priority areas in which the EU can bring value to support member states in fostering security for all those living in the Union, notably including cybersecurity.

Among other things, the EU Commission recently completed its review of the Network and Information Systems Directive, proposed ideas for a Joint Cyber Unit, and adopted a new Cybersecurity Strategy. Cybersecurity, together with data control and online platforms' behavior, represent major concerns at the EU level. Three stand out: *first*, the overreliance on foreign equipment suppliers for 5G deployment has been identified as a critical weakness; *second*, the lack of control over data (in a market that is largely dominated by American and Chinese companies), which is subject to extra-territorial laws (such as 2018 U.S. Cloud Act); and *third*, the dominance of non-EU online platforms is representing a significant threat to EU members' sovereignty in areas such as taxation, data protection, and copyright.

In this context a number of initiatives have been launched and instruments adopted:

- the 2016 Network and Information Security Directive improves EU member states' cybersecurity capabilities and cooperation, and imposes measures to prevent and report cyberattacks in key sectors (financial markets, banking, energy, transport, etc.);

- the 2018 European Cybersecurity Act strengthened the European Agency for Cybersecurity by the grant of a permanent mandate, reinforcing its financial and human resources and enhancing its role in supporting the EU to achieve a common and high-level cybersecurity. It also establishes the first EU-wide cybersecurity certification framework to ensure a common cybersecurity certification approach in the EU internal market and ultimately improve cybersecurity in a broad range of digital products (e.g. the Internet of Things) and services.
- the March 2019 approval by EU member states of a EU common toolbox on 5G cybersecurity;
- the Digital Europe Programme for the period 2021-2027 is an ambitious €1.9 billion investment scheme into cybersecurity capacity and the wide deployment of cybersecurity infrastructure and tools across the EU for public administration, businesses, and individuals.
- cybersecurity is also a part of InvestEU, a general program that brings together many financial instruments and uses public investment to leverage further investment from the private sector. Its Strategic Investment Facility is intended to support strategic "value chains" in cybersecurity and is an important part of the recovery package in response to the coronavirus crisis.

This brings to the fore the issue of *private sector leverage*. Private initiatives at the EU level are crucial to the development of such an ecosystem. In this context, we can highlight the initiative launched by the European Cyber Security Organisation for the creation of a €1 billion cybersecurity investment platform.

Such initiatives will, if successful, have a significant impact on the ecosystem and, as a result, on the cyber capabilities of the European Union.

Standard-setting

The final issue concerns the importance of *setting EU standards*, which represents a global business opportunity. Standardization has played a leading role in creating the EU single market. Standards support market-based competition and help ensure the interoperability of complementary products and services. They reduce costs, improve safety, and enhance competition. Due to their role in protecting health, safety, security, and the environment, standards are important to the public. The EU has an active standardization policy that promotes standards as a way to better regulation and enhance the global competitiveness of EU-based industry. All in all, standardization is one of the European Union's most important soft power tools.

In the digital markets, where non-EU companies have acquired a leading market position, the setting of standards has multiple benefits. Three examples of virtuous standard setting that have become (or are in the process of becoming) global standards rise to the mind.

The EU has an active standardization policy that promotes standards as a way to better regulation and enhance the global competitiveness of EU-based industry.

First, the *General Data Protection Regulation* (GDPR). The EU has adopted a very stringent framework for privacy and data protection, which has introduced a "right to be forgotten" and a "data portability right" to enhance individuals' control of their own data. The EU is seen as a standard-setter for privacy and data protection, resulting in numerous countries having incorporated GDPR provisions in their national legislation. Some multinationals have also adopted GDPR as their internal global standard.

Second, *digital identity*. This scheme, launched in 2018 by the EU, enables all its citizens to open a bank account and access e-health records across the Union. The market opportunity deriving from this in terms of authentication and authorization will be worth over €2 billion by 2022, according to the EU's own estimates. Many countries outside of the EU are adopting the electronic identification and trust services eIDAS scheme in their national legislation.

Third, *Artificial Intelligence*. The EU has adopted an approach for developing AI technologies that adhere to high ethical standards, with the aim of becoming global leader in promoting responsible and trustworthy AI. In doing so, developers and manufacturers based in the EU will have a competitive advantage, as consumers and users will favor EU-compliant products. Taking leadership on setting global standards in the digital space is certainly (as described above) a global public good that the EU can increasingly provide.

In addition, a plethora of other complementary strategies for ensuring technological leadership has been introduced in the EU. On top of providing global standards in the technological and digital space, the EU can also adopt a wide range of policies that ensure that it will remain a key global player—together with the United States and China—in the technological/digital frontier.

Specifically, combining in a smart way new pan-EU industrial policies, innovative competition policies, more robust and assertive approaches to fair trade and market access, and proper anti-trust actions against non-EU big tech firms that try to monopolize markets, will ensure that the EU remains a key global technological leader.

First of all, as argued by many in the EU, Brussels should change its competition policies to foster the establishment of large, EU-based global players in technology and industry. Some, however, worry about the oligopolistic power of such companies. Certainly, strengthening trade policy to address the unfair trade, investment, technological, and IP practices of foreign powers is a useful approach to take. The consensus seems to be shifting in the EU to the former approach—change competition policy—but one can combine the two—trade policy and competition policies—as they are complementary rather than opposite to each other.

In order to have leadership in Big Data you need first to canvass those large swaths of data. Cloud computing and the storage and use of such data and applications also requires leadership in Big Tech, something that the United States and China do but the EU does not.

The EU may also need and want to change state aid rules to allow subsidies and the development of EU-wide global champions.

There are some interesting national approaches, like Berlin's German Industry 4.0 scheme that is aimed at keeping the country's lead in manufacturing intact, and some pan-EU ones, such as plans hatched in Brussels to develop an European AI ecosystem, the "New Industrial Strategy For Europe," and the "Digital Single Market" plan.

The EU can also take a more robust approach regarding anti-trust laws, in order to crack down on anti-competitive practices of big tech firms. Finally, some greater degree of cooperation between the EU and the United States under the Biden presidency may be feasible on some matters.

All these approaches can be complementary with each other. For example, in cooperation with EU Commission Vice President Margarethe Vestager, the Commissioner for the Internal Market Thierry Breton is working on a new comprehensive legislative package: the Digital Market Act, which will merge provisions concerning the digital market in the new Digital Services Act, and the New Competition Tool aimed at strengthening competition enforcement. Under the Digital Market Act, the EU Commission will have the necessary legislative resources to fight anti-trust violations, impose new content moderation requirements to online platforms (regarding hate speech, for example), and restrict other anti-competitive behavior.

IMPLICATIONS FOR THE WESTERN BALKANS

The EU needs to complete its integration process, but perhaps also its enlargement process with the Western Balkan countries in the forefront. There are at least three main sets of reasons for this. From a *geographical* standpoint, the proximity of the Western Balkans to EU member states, which surrounded them, make each of them natural candidates for EU membership. From a *historical* perspective, the inclusion of the Western Balkans in the EU would mean closing (hopefully once and for all) the page that began with the Balkan Wars of 1911-1912 and led to start of World War I. From a *geopolitical* perspective, integrating the Western Balkans into the EU would mean subtracting them from the growing spheres of influence of Russia and, to a lesser extent, of Turkey. To this we could add a fourth, which speaks to the issue of *credibility*, namely keeping the promise made way back in June 2003 at the Thessaloniki Summit that the "future of the Balkans is within the European Union."

Despite being the place where global technology leaders were born (such as those of Skype and Spotify), the EU lags behind the United States and China in terms of the number of technology giants it has produced.

The European Union tries to reinvent itself while facing new challenges, and for this reason a Conference on the future of the Union has just been launched. The Conference will likely move from the five scenarios EU Commission president Jean Claude Juncker outlined in the White Paper for EU27 issued in March 2017, which did not consider enlargement as a key element to be taken into account when it comes to envisaging the Union in 2025. At the same time, in his 2017 State of the Union address, Juncker outlined a "roadmap" identifying Serbia and Montenegro as the first two Balkan countries in the EU enlargement priority list for 2025. But other EU officials did not completely rule out the plan to integrate the entire region *as a whole*.

In this context, it would seem that the Western Balkans are not a top priority for the EU at the present moment; nor are they for NATO, which after the accession of Montenegro in June 2017 is trying to resolve internal disputes fostered by the stance of Podgorica's new leadership (it seems to have been brought under control). The enlargement of NATO to include a new member state in the Adriatic Sea has toppled Russia's hopes of having strategic access to the last potential and realistic Mediterranean seaport coveted by the Kremlin.

To sum up, it is well possible that EU enlargement and the integration of the Western Balkans will never take place. If further enlargement fails to materialize,

however, the region will continue to serve as a buffer zone and chessboard for major powers. With the EU potentially undertaking no enlargement until 2025, hopes that the region's countries will intensify their economic cooperation with the European Union during the pre-accession phase remain vague. This is going to make the integration route even bumpier.

It is well possible that EU enlargement and the integration of the Western Balkans will never take place.

Under present conditions, it is likely that the economic interests of the Western Balkan countries in relation to their major economic partners will prevail over pro-EU sentiments in the medium-term. The trade and economic relations of the Western Balkans countries with Russia, Turkey, and China are expected to grow as a result of the increased economic interest of these major countries for the economies of Southeast Europe. In particular, leading with its flagship Belt and Road Initiative, China is making a concerted efforts to increase its influence in the region.

In this context—where the EU remains unable to finish its integration and enlargement process—the role of non-EU international organizations, such as the EBRD, will be crucial in continuing to promote economic and social development in the region, in order to prevent its countries from drifting towards the spheres of influence of Russia, Turkey, or China.

No More Stand-alone

This essay has discussed how EU integration has progressed in the last few years—in spite of Brexit—on various fronts: economic, military/security, and technological.

In the traditional *economic and financial* field, the completion of the banking union and the implementation of the capital markets union are the key milestones. But short-term crisis solutions might have opened the gate to a much wider-ranging perspective: the bonds that the EU Commission will issue to finance the NextGenerationEU scheme could eventually lead to the establishment of a permanent, pan-EU debt instrument that could serve as the long-awaited eurozone safety asset. At the same time, plenty of skepticism remains in core-eurozone countries around the idea of risk-sharing before any risk reduction has occurred in eurozone-peripheral countries. A case in point is EDIS, without which the banking union cannot be completed.

In the field of *defense*, the historical retreat of NATO has meant a greater sense of responsibility being taken by the European countries with regards to their own defense. In this respect, the relationship with the UK after leaving the EU will be key, considering that Great Britain is the only European nuclear country besides France. For the EU, it will be crucial to maintain a solid engagement with the UK on defense and security matters. PESCO will be the cornerstone of what we may call the Defense Union, and key next steps will consist of the Coordinated Annual Review on Defence, the launch of the 2021-2027 space budget, and the EU cyber and defense security framework. COVID-19 may have provided the impetus for a coordinated EU response via a dedicated military task force.

The trade and economic relations of the Western Balkans countries with Russia, Turkey, and China are expected to grow as a result of the increased economic interest of these major countries for the economies of Southeast Europe.

In a related field, the EU Commission last year launched its new EU Security Union Strategy for the period from 2020 to 2025, as discussed above. It contains a specific focus on cyber-security. EU partners will have to find a path to rely less on American (and, *a fortiori*, Chinese) technology, and take increased control over their data. In this respect, the launch of the Gaia-X project for the European cloud represents a breakthrough for the EU to start asserting its digital sovereignty. Data Sovereignty (availability, quality, governance, and security) and AI are central to this new paradigm.

In *the tech sphere*, the European ecosystem—although unequally distributed across the continent—is increasingly sparkling, with EU tech companies ready to affirm their identity in the global arena. European tech companies have to compete with American and Chinese giants, which have been promoting "Technology for Money" and "Technology for Social Control," respectively. The EU could attempt to develop an ecosystem aimed instead at fostering "Technology for Good." The EU Commission has made the digital transformation one of the key priorities for the EU in the next five to seven years. The COVID-19 pandemic may have provided a further boost to this attempt, given the widespread use of digital products during the repeated lockdown episodes.

In short, the EU member states seem to be realising that in the new, post-pandemic world, national and supranational institutions, as well as public and private sector providers of public goods, will all have to work together to make a difference. EU institutions are working toward enabling the emergence of technological leaders on a global scale. There is still a long way ahead, but the direction of travel seems to be the right one. The bottom line is that the scale of investments required, together with the pervasiveness of technology, means that EU member states cannot manage their interests on a stand-alone basis anymore.

THE WORLD AFTER THE CORONAVIRUS

Ian Goldin

COVID-19 has transformed the world. At the beginning of 2020, economists were forecasting around 3,5 percent global growth; by the end of the year, the global economy had contracted by about 3,5 percent—notwithstanding unprecedently large stimulus programs, adding up to some 10 to 15 percent of GDP—implemented by governments around the world. More than 100 million people were pushed back into poverty; almost 4 million have lost their lives to the pandemic; and few people anywhere have been left untouched by its consequences.

And yet this is not the whole story. Globalization's resilience has not been broken—either by the pandemic or by other any other factors. Quite the contrary, in fact: globalization as a process continues to accelerate, permeating more than ever before virtually every aspect of every human life on our planet.

This essay will examine three basic questions in the evolution of globalization: How has the pandemic changed things? What might be happening in the coming years? And what might be the implications of all this evolution?

Informing my answers to these questions is my belief that humanity is truly at a crossroads. The choices decision-makers make in the coming months—how they define the lessons learned and go on to apply these in practice—will have an inordinate impact on the future of the world. Will COVID-19 come to be seen as the pandemic to end all pandemics? Will, in other words, we learn to cooperate better, and thereby precipitate the onset of a better world in which, together, we can equip ourselves better to deal with climate change and other crises we will face collectively? Or will their choices lead us into a world of growing protectionism, nationalism, and a general downwards spiral—which inevitably would mean more pandemics (perhaps more severe than this one), growing inequality, lower global growth, and a less stable and more unpredictable world.

This essay will examine three basic questions in the evolution of globalization: How has the pandemic changed things? What might be happening in the coming years? And what might be the implications of all this evolution?

It may seem paradoxical at first glance, but in my view the radical change that must be undertaken in the time ahead will, in the end, result in a far more predictable and stable world. In other words, by changing our ways of doing things and by learning from the pandemic, we can create a more inclusive and a more sustainable form of globalization.

The key question is how we exit the pandemic, and how we get there. When I think about this time in history, I think very much about the comparison between World War I and World War II. As we all know, World War I was an absolutely ghastly war. H.G. Wells believed it was the "war to end all wars," and of course we know that was not to be.

LOOKING BACK

The Great War was followed shortly by the Spanish Flu—misnamed, as it happens, because it in fact came from Texas—and in turn by the Roaring Twenties. The question now is whether we are about to enter another Roaring Twenties one century later (a topic that various authors covered in the previous edition of *Horizons*). I believe we are because of the pent-up demand for spending the savings that we accumulated. The stimulus packages adopted by various governments at the height of the pandemic will lead to very rapid growth in the coming years. But if these focus on consumption—as did the Roaring Twenties a century ago—rather than investment and growth, our global spend spree will be unsustainable.

Indeed, it could lead, amongst other things, to a spike in greenhouse gas emissions. What we know from previous fiscal stimulus programs—such as those came in the wake of the 2008 global financial crisis—is that when you spend money on cement, steel, infrastructure, and the like, you get a

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very big increase in carbon emissions and other greenhouse gases. Thus, the design of this stimulus really matters: how and on what we spend our money, whether we adopt some version of what in the United States is called the "Green New Deal," the EU calls the "European Green Deal," and Chinese leaders have called a "green recovery of the world economy in the post-COVID era."

The radical change that must be undertaken in the time ahead will, in the end, result in a far more predictable and stable world.

The other lesson from the Roaring Twenties is recrimination. Although the League of Nations aimed to stop wars, what happened was the onset of a series of blame games. The Great War's losing states—notably Germany—were made to pay reparations. They were made poorer, and within countries inequality grew too. The unsustainable nature of the recovery led to the Great Depression: huge policy errors, the rise in inequality, and with that, the onset of protectionism, the rise of nationalism, and the manifestation of popular anger in some countries whose populations felt that they were not respected any longer; and of course the rise of fascism, which precipitated an even worse war. That is a cycle from which we need to learn, again. This is the ultimate lesson of World War II: our leaders at that time had understood because many of them had been scarred by the memory of the Great War.

Thus, in the midst of that war, a new world order was created. Winston Churchill, Franklin D. Roosevelt, and others put forward the Atlantic Charter and they spearheaded the establishment of the United Nations system. And with the support of great thinkers like William Beveridge and John Maynard Keynes, they brought into being the Bretton Woods Institutions, built the foundation of the welfare state, and introduced the European Recovery Program (known colloquially as the Marshall Plan). The United States emerged from the war as the world's largest economy, and it earmarked a full 3 percent of its GDP to overseas aid and instituted a policy of massive debt write-offs—in stark contrast to the policies adopted by the victors of World War I, when enormous debts had to be repaid by vanquished states whose economies were in complete disarray.

Everyone knows was followed: the "Golden Age of Capitalism," as historians have come to call it. A period of unprecedented progress that in France, for example, remains known as "*Les Trentes Glorieuses*" and the corresponding one in Germany and Austria as "*Wirtschaftswunder*." This was a period when governments took the lead and, yes, a period when tax rates at the margin were extremely high: 70 percent in the U.S. through both Republican and Democrat administrations. Similar rates existed in the UK, under both Conservative and Labour governments.

The question, of course, is whether such policies come down to the vision of individual leaders: if genuine leaders fail to emerge, do we become damned by history? The answer is no. The example of Churchill rises to the mind: within six weeks of the end of World War II, this great British war hero who delivered the Allies from defeat in the eyes of many was dumped by the electorate in a landslide victory for Labour leader Clement Attlee, a virtual unknown.

On average, 90 percent of citizens across the world believe that we should not go back to "business as usual." After all, it's the business-as-usual approach that got us to where we are today.

Hunger for Change

Why am I focusing on this? The answer is that in the end it was the mood of the world's population, particularly of Europeans and people in North America, that did not want the cycle of instability to continue. Those that had sacrificed so much during the war needed to be paid back, so that the lives that were lost in the suffering did not turn out to have been in vain.

And I believe we are again at a period like that in human history. When you look at the public opinion polls around the world—not just in the West but in many other countries, both developed and developing—there is a palpable hunger for change. On average, 90 percent of citizens across the world believe that we should not go back to "business as usual."

After all, it's the business-as-usual approach that got us to where we are today. It's the cause of the pandemic, it's the cause of rising inequality, of climate change, and of many other bad things in our lives that will get worse. In the words of the Editorial of a previous issue of *Horizons*, "the COVID-19 pandemic has assiduously exposed numerous weaknesses of an international system tormented by dysfunctional governance, hastening rivalries, economic alarm, social disconnect, and environmental deterioration. Multilateral institutions grown frail from age or neglect are seen to be unfit for purpose, whilst diplomacy is likened to cowardice in too many corners of the planet." What people from around the world are saying is, effectively, "let's learn from this pandemic, let's ensure that it leads to a better world."

Now, of course, the question is, "how do we do that?" My own view is that there are multiple dimen-

sions in which the pandemic is likely to change things. The pandemic has brought forward changes that would have otherwise taken many years, or even decades, to emerge. COVID-19 has been the great accelerator. It has compressed into the period of a year or two developments that would have taken 10 or 20 years to emerge. And as things happen more quickly, we need to change our views, we need to learn more quickly, and we need to evolve our ideas more quickly.

The pandemic has brought forward changes that would have otherwise taken many years, or even decades, to emerge. COVID-19 has been the great accelerator.

This is true across the board: globalization has evolved more quickly. What we have seen is not only the acceleration of digital technologies, but the acceleration of the center of the economic gravity of the world moving to East Asia, focused over China, but including other countries in that region as well. And that's because East Asia has had a more rapid recovery, governments there were better prepared—and they more effectively engaged with the fight against COVID-19: the economies of China, Taiwan, Singapore, Indonesia, South Korea, Vietnam and others have for the most part managed the pandemic better than the rest.

This has accelerated the growth in the region's share of global GDP, and trade. Not only within the region, but between the region and other regions. When you look at the container rate prices across the Pacific routes or the Asia-European routes, you see record container prices. Indeed, despite the attempt by the Trump Administration to isolate the United States, particularly from China, the contrary has happened. We see the big ports on the American Pacific coast having record levels of traffic, whether it's Long Beach, Los Angeles, San Diego, or others. There has never been a period of more intense trade and we see this in private investment flows as well. Just as the draft to this essay was being finalized, another new large deal was struck by another big U.S. financial services firm for investments in China.

The cardinal point is that the rhetoric of deglobalization simply has not been matched by the fact of deglobalization. When we look at many of the trade dimensions and many of the financial dimensions, we see much higher levels of globalization than on the past. Certainly, we have seen an overall decline in global trade, but this in part is due to structural changes, in a greater share of economies and trade being in services, and because the pandemic has accelerated the growth in virtual services; but this also is due to cyclical factors, notably the slowdown in global growth, which will recover following the pandemic.

Is this trend likely to continue in the period of recovery to come? I believe it will. In fact, I think we are about to enter a period of record financial flows. There are many dimensions to this, one of which is that mergers and acquisitions are likely to increase, because there's been a repricing of asset values not only within countries and between sectors, but also around the world.

The rhetoric of deglobalization simply has not been matched by the fact of deglobalization. When we look at many of the trade dimensions and many of the financial dimensions, we see much higher levels of globalization than on the past.

As always, capital will flow to where the returns are likely to be most profitable, which brings us to another way that COVID-19 is likely to go down in history as the great accelerator of globalization. There is going to be a need for massive public investment flows: some countries may even need to be bailed out. This massive endeavor has only just started and much more will need to be done.

While the developed countries have already found $17 trillion for themselves in various fiscal stimulus schemes designed to support their firms and their workers in response to COVID-19, less than $100 billion has been found for developing countries. This is less than 1 percent of what the rich countries have allocated to their recovery—it's close to 0.5 percent. There is no doubt that this represents a great failure of global leadership—and it was unfortunately not reversed at the June 2021 G7 Summit in England and will need to be addressed at the October 2021 G20 Summit in Rome.

The problem is that the G20 cannot be effective if the G7 is not effective, because the G20 is essentially the "G7 plus." So, if the G7 can't get its act together, the G20 can never get its act together. Once again in June 2021 we saw that the G7 leaders were extraordinarily strong on making positive sounding statements to the media and extraordinarily poor on action and delivery.

This is not to say that there were no positive outcomes. We should all be encouraged by a number of things that arose from the summit. One is the tax agreement, the principle of which is to compel multinationals to pay a minimum tax of 15 percent in each country in which they operate. But it is much too little and came much too late. It has

been talked about for decades, but it seems to be happening largely because of a groundswell of discontent about tax arbitrage and offshoring by individuals and companies. The fact that it is so low and only includes a small share of companies, so the agreement only captures a very small part of the problem. But at least it's on the table. Similarly on vaccines, another crucial area, we began to see progress. Much more needs to be done, such as proper manufacturing capacity to roll out mass distribution in poor countries. In this as in other areas there is much talking, but too little action.

Once again in June 2021 we saw that the G7 leaders were extraordinarily strong on making positive sounding statements to the media and extraordinarily poor on action and delivery.

The additional problem is the ineffectiveness of the G20, which is made up of countries with vastly different interests. For example, Saudi Arabia's interests on climate change are not the same as many others' countries. It points to a larger problem: the G20 is really ad hoc group. Certainly, it does account for something—its membership represents approximately 80 percent of global GDP and population—but when it comes to problem-solving, the G20 is hardly the ideal constituency. For instance, tackling the very important issue of antimicrobial resistance should have a completely different constituency of actors, including pharmaceutical companies and a few big countries like China, the United States, India, and the EU. But the UK, for instance, does not really have to be there, because in terms of global antimicrobial consumption it's really not that important.

The bottom line is to focus on key actors whilst at the same time embracing a more variable geometry system. I believe that applying the subsidiarity rule, where we resolve locally whatever we can resolve locally, along with the Pareto principle, which is to get the smallest possible group of actors in the room that can make the biggest possible difference and build widening circles of cohesion (while not assuming those actors are governments only), represents the key to problem-solving in the future.

Otherwise, we set ourselves up too easily for failure. This failure reflects not only a failure of leadership, but a failure to understand from where the threats will almost certainly come in the future. Unlike after the 2008 global financial crisis—or even during the financial crisis, when George W. Bush was able to take the lead, call his fellow heads of state (including China, which was the engine that pulled the world out of the global financial crisis) and create a global stimulus package that offset the impact of the crisis to a considerable extent, including for developing countries—there was and still has not been a comparable response to the present crisis.

Indeed, the rising tensions between the U.S. and China constitutes the greatest threat we now face. Whether the issue is pandemics, climate change, or assistance for development, no serious global problem can be solved without, at a minimum, an understanding between great powers like the United States, the European Union, China, Russia, and India on what U.S. President Joe Biden recently called "some basic rules of the road that we can all abide by."

The numbers are clear and striking: far, far more people are likely to die of starvation than have died of COVID-19. The fact that developed countries are reducing aid budgets at this time is a massive failure on their part.

Consider the fact that development aid has gone down at a time of record need: well over a 100 million people have been pushed into absolute poverty by the pandemic, with World Food Programme Executive Director David Beasley saying that "270 million people worldwide are marching towards starvation." The numbers are clear and striking: far, far more people are likely to die of starvation than have died of COVID-19. The fact that developed countries are reducing aid budgets at this time is a massive failure on their part.

Frankly, nothing has ever derailed development in the way that has the pandemic. The SDGs have been completely derailed by the pandemic, so in certain respects the pandemic has been even bigger than wars in derailing global development.

Accelerated Trends

But other aspects of globalization have been rather robust. Not only digital technologies and financial markets, but the very nature of the transformation itself has been largely a success story. I believe that the pandemic has accelerated pre-pandemic trends because many of these things were happening before, including supply chain and value chain transformation.

Here we can examine four trends, of which only one can be somewhat related to the pandemic.

The *first* is technological change: robotics, automation, AI, and machine learning are leading to a complete transformation of the way production systems work, whether it's in manufacturing, services, or agriculture. That transformation is

leading to dramatic shifts in comparative advantage. These need to be deeply understood to understand the future of growth prospects for different regions. Anything that is repetitive and does not require empathy, dexterity, creativity, or intuition could be done by machines in the future. This means that everything from garments to manufacturing processes in other areas, but also services like call centers and back-offices of global firms (on which, for example, 1.6 million people in the Philippines rely on) are vulnerable to be automated and put into a cloud and re-shored over the coming 10 to 15 years. Many of these processes have been accelerated, machines do not get sick and they do not ask for higher wages. Moreover, the price of capital—which is required for capital intensive production systems using robots and automation—is lower in the advanced economies and near the big markets than it is in developing countries. This means that the drive of globalization to lower-cost locations is no longer a factor in determining the location of semi-skilled and unskilled production processes.

The *second* big trend that has been accelerated by the pandemic is customization—the immediacy of product development for individuals. For example, there is a big factory that produces BMW Mini cars up the road from me in Oxford, largely using robotics. It employs less than 800 people in a shift. When I was a student there were 22,000 people employed in that factory. There are over one million different varieties of these cars from which consumers can choose, and this can only be done thanks to the automated production line. Human beings cannot create that capacity to interchange and differentiate at the speed and efficiency done by machines. In other words, customization—ranging from products like genetically differentiated drugs to t-shirts with our names on them—require automated processes at scale.

The *third* trend is immediacy. What the pandemic has accelerated is our desire to have things delivered to our front door this afternoon or tomorrow at latest, but not in three weeks' time, coming in a container from the other side of the world. And that requires production nearer to home.

The *fourth* is that the pandemic has accelerated concerns of a political nature that are not, by and large, financially sensible. In the United States and some other Western countries, protectionist and nationalist tendencies have accelerated the desire to do more things at home under the rubric of resilience, which I believe is a false rubric. In fact, the pandemic has shown that the globalization supply chains are remarkably resilient: even at the height of the lockdown, we still bought in our supermarkets fruit that came from all over the world. Apart from some supply constraints that would have occurred equally had production been at home, we have seen remarkable resilience in the production of products like masks and computers, but also genomic sequencing and vaccines, that come from globalization. Yes, there are occasional blockages in the Suez Canal—the nodes and networks of globalization need to be managed more effectively. But this does not require production to be shifted back home; rather, it requires a more sophisticated use of global supply chains.

Butterfly Defect

Globalization, by which I mean the flows of goods, services, finance, people, and ideas over national borders, has been the most progressive force for progress in human history. At the same time, we need to recognize that globalization could be the source of its own undoing. Globalization does not only spread "goods," it also spreads "bads." I call this the "butterfly defect" of globalization.

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We are in a complex and dynamic system that is very unstable. We saw this with the cascading risks that came through financial centers being connected, which led to the global financial crisis; we see it now with cyber risk: our cyber connectivity can lead to increasingly dangerous cyber-attacks. And we have seen this through the spread of bad ideas, as well as good ideas, during the pandemic. The good ideas that have spread include learning about the importance of wearing masks and about what to do to stay healthy, and of course the development of vaccines. This last would never have been possible without globalization in general and the globalization of science in particular. At the same time, fake news, anti-vaccination movements, jihadism, and other dangerous ideas spread through the internet like wildfire. And of course, the pandemic itself.

Globalization's super-connectors are also the super-spreaders of the bads, whether it's an airport hub, a cyber hub, a financial hub, or another type of hub. The answer does not lie in closing down the hubs but in how they are managed going forward. This is absolutely critical.

We need to work out how better to manage the super-spreaders. I believe this is absolutely possible—whether it is in finance, cyber, or pandemics. We should also understand that something good can lead to something

bad. It is great that in the past 40 years 2 billion more people in the world received electricity for the first time, but this achievement is part of the plethora of factors that have led to escalating climate change. It is wonderful that over 1 billion people now have access to antibiotics for the first time, which hugely improves their life expectancy and health; but at the same time, this is leading to rise in anti-microbial resistance.

The greatest threat we face is too little globalization, not too much—particularly too little globalization in the realm of ideas and in politics.

How we manage the externalities—the spillovers of our success—becomes increasingly critical. As more and more people have access to the goods of globalization, the spillovers get greater and greater. The richer we get, the more connected we are, and the more our individual lives and choices impact upon the rest of the world. Taking responsibility for our choices at both the individual and national level becomes more and more important; and doing so inevitably requires more coordination.

Cabins on An Ocean Liner

There is no wall high enough that will keep out the threats we face in the future, be they climate change, pandemics, or others. But what high walls do do—even for the strongest of major powers like the United States or China—is keep out the opportunities to manage these threats: the people, the ideas, the technologies, and, most of all, the will to cooperate. So, the greatest threat we face is too little globalization, not too much—particularly too little globalization in the realm of ideas and in politics.

It is politics that needs to be more globalized: that we are all in this together is perhaps the most important lesson we need to learn from the pandemic. As Kishore Mahbubani eloquently wrote in *The Great Convergence* (2013), "people no longer live in more than 100 separate boats. Instead they all live in 193 separate cabins on the same boat. But this boat has a problem. It has 193 captains and crews, each claiming exclusive responsibility for one cabin. However, it has no captain or crew to take care of the boat as a whole." The ocean is beset with storms, and we need to cooperate. There is simply no other viable option. We cannot forge an individual future without the world becoming a healthier place. How we do this is going to require the great powers and many others to come together.

Not everything requires global unanimity or collective action. When it comes to climate change, for example, a dozen or so countries account for around 80 percent of emissions. With respect to finance, again, about a dozen countries are systemically important, and the rest are not. Anti-microbial resistance? New York State consumes more antibiotics than the whole of Sub-Saharan Africa: 48 independent states are less important in terms of antimicrobial resistance than is New York State. Space debris? Just a few countries have created and can solve that problem.

Far from the pandemic being a great equalizer, it has led to very rapidly rising inequalities—both within and between countries.

But pandemics are different. What pandemics teach us is that threats can come from everywhere—the smallest, poorest country is a threat, as is the richest. Everyone is in it together and we seem truly to be recognizing the fact that for the first time in the history of humanity we are facing a common threat. And by learning about it, we learn what we need to do, which is to work together to solve this shared problem for humanity.

The Future of Work

There are many dimensions of the pandemic that will also accelerate other dimensions of our life—work, for example. How is the way we work likely to affect national economies or the various activities of our everyday lives? Far from the pandemic being a great equalizer, it has led to very rapidly rising inequalities—both within and between countries. Within countries, because some people can work remotely and others can't, because some people are more vulnerable health-wise, and mortality rates are hugely differentiated. In the UK, for instance, Black, Asian, and minority ethnic groups are four times as likely to die from the coronavirus than the rest of the population. Young people are also differently affected than older people. In many cases, young people have made sacrifices in their social lives, education, job prospects, and debt burdens.

We need to think differently about the consequences of this type of inequality, which stems from the work issue. For example, the future of cities can be at risk. If office workers flee and nothing replaces them, then the income base of cities is undermined, which in turn would further increase the public indebtedness of public transportation systems, which would in turn threaten the dynamics of the ecosystems of cities. If this is combined with a curtailment on migration, then because migrants are a major source of dynamism in many cities, it could add to the factors that lead to a degeneration of cities. We are already seeing signs that a combination of these factors may already be providing major challenges for global metropolises like London, New York, Singapore, Mumbai, Shanghai, and other global hubs.

Major cities are hubs of innovation and creativity not by accident but by design, because they bring together diverse people with capital, leading to new ideas. When I interviewed numerous CEOs for my latest book *Rescue: From Global Crisis to A Better World* (2021), I asked each of them to describe how the pandemic was affecting them, and because my target group were in technology, online retail distribution of food, or other services (law firms made record profits working remotely) that were doing well in the pandemic, they more or less answered as expected, namely that the pandemic had not been very negative for them.

We should be particularly concerned about how we recalibrate and think about work in cities and ensuring that we have dynamic employment ecosystems.

But when I asked them: "have you had any creative ideas," their answers amounted to some version of "no." And their answers to "how have you done with bringing young people in," their answers amounted to "it's not easy." And the basic reason for these types of answers is that most jobs are apprenticeships. We learn not by reading a book or watching a video, but by watching people and engaging, often informally. We engage and we challenge. Unless we are able to have those informal interactions, we are unlikely to be able to pose the difficult questions that challenge organizations and force them to continue to learn and thrive.

So, as we think about the future we need to think about a combination of virtual engagements and not forget the physical sort of engagement—particularly with regards to young people. We also need to ensure that we invest in those categories of people that cannot work remotely—either because they do not have the circumstances at home (many are sitting at the end of their beds with poor Wi-Fi or with children or elderly dependents to take care of); or because they don't have the privacy or home equipment; or because they are simply in jobs that cannot be done remote. And that is true for all essential workers, like those that do online deliveries, or collect our garbage, or the care workers—the doctors and nurses for whom we clap and celebrate publicly but have not rewarded adequately.

We need to recalibrate, and we need to invest in the way that we do things. We should be particularly concerned about how we recalibrate and think about work in cities and ensuring that we have dynamic employment ecosystems.

There are many other aspects of the pandemic which are significant. For instance, as we accelerate the move to remote work, we are also going to change the opportunities for professional services work: if we can work from home, why do we need to be in the same country? Therefore, some places will benefit. Why should we pay a lawyer $1000 an hour because he or she is sitting in New York, London, or some other expensive city, when we can get the same job done for $50 an hour by hiring an excellent lawyer sitting in some remote location with a low cost of living? The globalization of professional services is going to be greatly accelerated by the effects of the pandemic. As that happens, new opportunities will arise for skilled people around the world to do professional services in new ways. I believe we also will see an unbundling of many of these.

This raises big questions about the future of work—and not only for skilled people, and the related question of where they will be located, but also for the semi-skilled and the unskilled. What are the 100 million people who are coming into the workforce over the next 10 years in Africa going to do? What jobs will they do, if the opportunities for repetitive rules-based jobs in manufacturing or in services are disappearing? Are we going to have to revert development models to a more primitive one focusing on tourism and commodities exports in a world of accelerated artificial intelligence, robotics automation, and remote work? These are deep questions that were being posed anyway—before the pandemic—but now have been accelerated because what we thought would emerge over a period of 10 years or more, is now likely to emerge much sooner.

IMPLICATIONS

The implications arising out of the pandemic for various regions across the globe are numerous and profound—and in some cases different. In East Asia, for example, best practices adopted from past health crises make a tremendous difference. The wearing of masks, the bowing and not touching of hands, and other deep patterns of behavior have been embedded in populations' cultures. And of course, the ability to understand very quickly what is in the public interest.

The difference between I and We—between Me and Us—is better understood in many Asian societies than in those where individualism has run rampant, particularly in Europe and North America—especially in the UK and the U.S. in the past 50 years of so. In the West, we have seen a swing to individualism becoming dominant. This has led both to a much greater difficulty in accepting restrictions that the pandemic has imposed upon us and to the reluctance of governments to do the right thing, which is to follow WHO guidelines quickly and effectively.

It is no accident that the UK and the U.S. were laggards and had some of the highest mortality rates per capita. At bottom I believe this is due to governments' prioritizing individuals over society and by being very reluctant to place any restrictions on social gatherings and mobility. That, of course, led to a very late response to the pandemic, with tragic consequences for millions of people. So, one big difference that I am seeing is a better ability to understand norms and behavior changes.

The second implication arising out of the pandemic for East Asia is its ability to benefit economically from having had the wherewithal to emerge from its effects sooner: higher rates of growth, a much higher focus in R&D investment in many countries, and, with that a different balance between the government and the private sector. As the center of economic gravity moves to East Asia, as their skill levels relative to other regions build, I believe we will see this tendency being further reinforced. The question now becomes: what is the political response going to be and how will it impact on global cooperation? Relations between Australia and China, for example, are critical in this respect, as well as its interaction with the United States and the rest of the world.

My hope is that we can take away from this pandemic an understanding of the urgent need to recalibrate relations as well as how to think deeply about how globalization works and leads to benefits, but also threatens us through the superspreading of dangers. It would be a tragedy if we were to choose to manage these threats by retreating into a cocoon, for this would lead to slow growth and slower problem-solving for all of us. Even worse, I fear: it would lead to a more unstable and a less predictable world: we would all find ourselves in a much more dangerous place.

My hope is that we can take away from this pandemic an understanding of the urgent need to recalibrate relations as well as how to think deeply about how globalization works and leads to benefits, but also threatens us through the superspreading of dangers.

We have to take from this pandemic the lessons of World War II, not World War I. The ability, in the midst of this pandemic, to recognize that bouncing back to business as usual keeps us on a path which is leading us over a precipice—keeps us doing the wrong things. This is not about "bouncing back" or even "resetting." The latter implies going back to the operating system that's locked into the system: when I reset my computer, I go back to the factory settings.

We need to do things qualitatively differently. Can we do this? I think the evidence accumulated during the pandemic demonstrates that we certainly can.

We are doing many things differently today that would have been unimaginable in January 2020. If someone had told me that the government would tell us all when we would be allowed to hug our friends, when we could fly, how far we could circulate in our own neighborhoods, I would have thought that was impossible: my first instinct would be to point to North Korea as a place where that sort of thing happens. And yet, I embrace it today. The vast majority of us do.

There are no critical debt thresholds. Of course, we need to worry about debt, but as long it's invested in growth it appears to be sustainable.

If someone had said to me that a Conservative government in the UK—and right-of-center governments in many other places—would run a fiscal deficit of 10 percent or more of GDP, embrace record debts, pay workers not to go to work, and support firms not to go bankrupt, I would have thought that to be impossible. Not even the most left-wing governments in Europe would have dreamt of that. And yet, that is what governments of all stripes are doing today across the globe.

We have seen changes in the behavior of individuals, societies, and governments in ways that were unimaginable less than two years ago. We know beyond a shadow of a doubt that we can change, and we know that the old orthodoxies need no longer apply.

There are no critical debt thresholds. Of course, we need to worry about debt, but as long it's invested in growth it appears to be sustainable. The lesson from the Roaring Twenties is not to spend on consumption: rather, we need to invest sensibly, and I believe that needs to be aligned with growth, which improves livelihoods and leads to lower carbon emissions.

The other lesson is that great powers need to cooperate. We need to show solidarity, we need to be giving more to other countries, and we need to focus on problem-solving. We must never forget that the moment in history in which the Bretton Woods institutions were established represents the moment in which victors came together primarily to finance the reconstruction of their enemies (Japan and Germany) and others that had suffered so terribly in the war. This is the spirit that we need to embrace again. The spirit that understands that we can only be as good as others are; the spirit that understands

that global growth requires global cooperation; the spirit that understands that good things can emerge from these tragedies—if, that is, they teach us to work together and not repeat the mistakes of the past.

The opportunity is now. If we wait until after the pandemic, we will become complacent again; we will enjoy ourselves and we will get on with things thinking the worst is now behind us. The sense of urgency will pass.

The other lesson of World War II is that in the midst of the war leaders and society created a vision for a better future. This happened while the bombs were dropping and while Churchill and Roosevelt and the other Allies were fighting battles on five fronts. In the UK there was a real danger of being invaded—elderly people were being put to work to build block houses to stop the German invasion. At that time of peak crisis and existential risk, a new world was created: the Atlantic Charter, the United Nations, the welfare state, the Bretton Woods institutions, and the world of global solidarity.

Our time to create a better world is now, not tomorrow. My hope is that we can learn from this terrible pandemic and that from this crisis we will create a more stable, a more predictable, and a more prosperous world.

FROM SHOCK TO AWE

How the Pandemic Crisis has Opened Up the Dialogue for A True Reinvention of Education

David L. Shrier

As COVID-19 spread like wildfire across the world, public health response was swift. Within weeks, we entered a global lockdown. Most nations sequestered their citizens behind closed doors, with people fearfully accepting food delivery where they could afford it, or reluctantly venturing out to grab what they could out of a set of dwindling supplies, before retreating for the safety of their homes.

Weeks turned to months, as it became clear that the pandemic was not going to be over quickly. Educational institutions—from primary schools to universities—attempted to resume operations virtually. Overnight, technology platforms and teaching models that were originally designed for in-person instruction were hastily applied to digital learning environments—most often, in the form of Zoom and other video conferences.

AT THE GATES

This may be a lost year or two for students. One engineering professor estimated that students finishing their first half semester of "zoominar" learning were only retaining 20 percent of the knowledge they should be gaining, versus what a student would absorb in a regular classroom setting.

For anyone with primary school aged children, this was also a lost year of work. In the United States, a staggering number of parents had to cope with job losses, lack of childcare, immense burnout, and home-schooling pressures—sometimes all at once. Essential service workers were forced to choose between going to their jobs and staying at home to watch their children. Supply chains ground to a halt. Even in domiciles with better social safety nets than the United States (e.g., the EU member states, the UK) the work-at-home environment proved challenging for parents and children alike.

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The COVID-19 crisis exposed policy gaps in not only how we have trained teachers and collectively constructed entire pedagogical journeys; but also in how educational environments serve a vital social services role, especially for lower income families.

The COVID-19 crisis exposed policy gaps in not only how we have trained teachers and collectively constructed entire pedagogical journeys; but also in how educational environments serve a vital social services role.

As vaccination programs roll out and nations sluggishly begin to reopen (India and Brazil are still grappling with slow vaccine adoption, coupled with new, resistant strains of the virus) educational institutions are now attempting hybrid or mixed mode classroom models. These 'mixed mode' models are often worse than purely virtual or 100 percent in person learning environments. In the mixed-mode model, some students are seated in a socially distant fashion in a classroom with a professor, while other students participate through video conference platforms.

This approach has several notable flaws.

First and foremost, there's teacher safety. Many professors are in COVID-vulnerable age brackets. Asking them to deliver in person instruction while allowing safety-minded students to participate virtually still poses a health risk and fails basic epidemiological science.

Second, the sparse and interrupted nature of these new, hybrid in-person learning environments defeats the multitude of benefits of in-person learning environments.

One of the top benefits of in-person instruction is the ability to facilitate small group interactions at distances of less than two meters. Decades of research on group collaboration revealed that at short distances, individuals are able to communicate critical social cues to each other that facilitate understanding and reciprocal trust. The best learning environments create the opportunity for nonverbal communication and social signaling, which have been proven to increase knowledge retention as well as create a sense of psychological safety necessary for the exchange and acceptance of new ideas

In a mixed-mode classroom, students are deliberately situated in ways where these critical psychological

cues cannot be so readily exchanged. Even worse, the classroom flow is constantly interrupted to allow for student participation from video screens scattered around the room.

For the distance learners and the distance educator, mixed-mode instruction removes the control and digital capabilities that can be offered in a virtual learning environment. In a purely virtual experience, digital environments—if well-designed and well-architected—can offer learning experiences that are, in some ways, superior to the in-classroom world. Brief, well-illustrated points from the instructor can lead to prompts or breakout group conversations, which can then be woven back into the main discussion, as insights from small virtual breakout groups are recaptured into the larger seminar. Interactive media, such as high-quality video and audio, can be easily interspersed into the presentation, and students who are already sitting at keyboards can jump into interactive elements such as hallways, chats, word clouds, and even more elaborate engagements (digital simulations).

Global policymakers should be thinking ahead on how to mandate emergency response planning, including long-term, alternative options for learning.

In contrast, students in a physical classroom can't really experience this immersive, media augmentation in the same way, unless they participate with a laptop open in front of them at all times—lessening the cognitive benefits of in-person attendance. It's a Catch-22 Joseph Heller would have appreciated.

Or perhaps Jean-Jacques Rousseau is a better touchstone for us, since in *Emile* he speaks to the importance and centrality of the learner in pedagogy, rather than the pedagogue. Rousseau anticipated a more flexible approach to curriculum that even today edtech companies struggle to deliver. Universities, unfortunately, remain largely mired in 'sage on the stage' scale models where the professor lectures and the students transcribe lecture notes. COVID-19 expediencies have laid bare the deficiencies of the incumbent system, and mixed-mode instruction highlights further how far we have deviated from the Rousseauean ideal.

Policy Opportunity

While COVID-19 is the first major global pandemic we've had in a century, epidemiologists believe many more are expected in the coming years. With the effects of climate change accelerating and becoming more pronounced, we may see widespread environmental disruptions (i.e. superstorms, extreme heat and cold spells) of schooling. Global policymakers should be thinking ahead on how to mandate emergency response planning, including long-term, alternative options for learning. Contingency plans will not be enough—we'll need to train and resource organizations and leaders in how to support rapid transitions to digital-only models of learning delivery. We must better prepare the world's educational systems for the next widespread, global crisis.

The forced march to all-digital learning was mitigated, somewhat, by 30 or more years of experimentation by higher educational institutions with remote digital learning.

Deficiencies in teacher training became apparent under COVID-19. Although a select few educators are familiar and comfortable with digital delivery (and are able to provide rich classroom experiences in a purely virtual platform), the vast majority of educators confronted with the prospect of converting their classrooms from fully in-person to virtual environments stumbled badly. Some educators at some institutions—such as my colleagues and collaborators at University of Oxford—quickly convened peer-mediated pedagogical workshops where tenured and adjunct instructional staff could trade tips and techniques on how to deliver the ultimate remote virtual instructional experience. Many simply dumped their faculty into the deep part of the ocean and left them to sink or swim.

National mandates around providing high-quality teacher training on how to offer virtual delivery of classes, and ultimately knowledge, will ensure greater classroom flexibility as well as solve for wider access to learning—even during non-pandemic eras. These would require investment in the future, but one that has a 'force multiplier' effect; each teacher has the potential to touch hundreds or thousands of students a year, and appropriately-directed and planned investment in professional training for instructors could yield a renewable array of benefits by improving downstream learner outcomes.

Standards bodies and accreditation authorities have a role to play here. Just as organizations like the International Accreditors for Continuing Education and Training (IACET), which issues Continuing Education Unit accreditation, as well as the international and national degree-accreditation bodies that evaluate and approve programs of instruction, it would be possible to also provide accreditation for the instructors themselves. Best practices can be distilled into a meta-training of trainers, and standardized levels of excellence adopted.

BEFORE THE DELUGE

The forced march to all-digital learning was mitigated, somewhat, by 30 or more years of experimentation by higher educational institutions with remote digital learning. Success, when measured in total learner impact and results, remained modest during those three decades, and only a handful of professors had exposure or experience with all-digital delivery going into the lockdown.

Many of these prior experiments were in the realm of Massively Open Online Courses (MOOCs), such as those offered by edX or Coursera. The former firm has recently been in the headlines with the late June 2021 announcement that course purveyer 2U, Inc. will purchase their commercial assets for $800 million.

In some respects, the MOOC experiment has been a tremendous success—hundreds of millions of learners have been exposed to classes, including from such exclusive universities as MIT or Harvard or Oxford or Cambridge. People from almost every country on the planet were able to 'dial in' to the world's top professors at its most elite institutions, for free. We were introduced to heartwarming stories, such as the young herder's child from Outer Mongolia who was able to gain acceptance to MIT on the basis of having excelled in a free MIT MOOC.

In other important regards, MOOCs have been a colossal failure. The average edX completion rate, according to a 2019 MIT study by Justin *Reich and* José A. *Ruipérez-Valiente* published in the journal *Science* was a dismal 3 percent—part of a declining trend of the 5 percent from only a few years earlier. This means that out of 100 students who start a MOOC, only 3 of them finish it. As well, the many promises of learning research on MOOC platforms—to use all of that learner data to improve pedagogy globally—have only partially been fulfilled.

In the past six years or so a new kind of concierge learning has emerged, where students were organized in cohorts and teams, primarily for professional education-oriented noncredit online classes.

In the past six years or so, however, a new kind of concierge learning has emerged, where students were organized in cohorts and teams, primarily for professional education-oriented noncredit online classes. First pioneered on a global scale by Alex 'Sandy' Pentland and I at MIT in 2015—with the original MIT fintech course delivered to over 150 countries, and eventually propagated to Oxford and soon other universities—the small private online course (SPOC) offered a better way forward: completion rates approached or exceeded 90 percent, instead of 3 percent, and learner satisfaction was much higher.

The SPOC model relied on new models of pedagogical design and a high-touch, human-mediated support infrastructure to ensure learners were engaging with the material. Colleagues and I also created another novel online delivery model with Boeing and NASA around systems engineering that remains a significant portion of MIT's digital revenue even in 2021.

The MIT fintech class—and its successor at Oxford—was so successful that some finance ministries in Asia were willing to accept proof of completion of this class in lieu of work experience in fintech, for employment purposes. One of the leading fintech companies in Brazil, which recently completed an initial public offering, designed a key component of its growth plan using the class as a stimulus. One of the largest banks in Switzerland sent 50 executive a year through the class, to 'mass produce' organizational innovation. The Commonwealth of Nations funded dozens of central bankers to take Oxford Fintech to build regulatory capacity around fintech policy across 53 countries around the world. Routinely, people from countries around the world would come up to me on the promenade at Davos to tell me how the class changed the courses of their lives.

Despite these anecdotal successes, scale has remained small for SPOCs: hundreds of thousands of students, perhaps, in aggregate, across all classes and institutions. However, impact has been notable, ranging from career progression and corporate innovation, to a global wave of startup activity. Analogous providers emerged in the K12 market providing primarily technology-related online classes and summer camps, but those efforts, pre-pandemic, were modest.

Another, related domain has been the rise of digital outside program management (OPM) companies, which run degree-granting programs on behalf of universities, and noncredit 'boot camp' providers, that run longer, more intensive skills-focused activities. Companies such as Noodle and Academic Partnerships help academic institutions navigate the transition to digital without distracting the core business; accelerated bootcamp providers such as HackerU and Kingsland Academy deliver tangible career benefits and jobs placement to learners for 9-month 'degree-like' programs that offer measurable skills development for adults around areas like cybersecurity or blockchain.

Institutions like Imperial College London even funded the creation of their own learning management system (LMS) called Insendi, joining a small club of other university-derived LMS platforms like open edX. While not the subject matter itself, these next-generation technology solutions

made the process of bringing a quality class online easier, providing a notable improvement over prior systems like Blackboard or Canvas.

In aggregate, the revenues from all of these digital delivery providers and systems, partnered with established institutions or offering programs independently, perhaps entered into the billions of U.S. dollars per year, but remained dwarfed by the on-campus, in-person tuition-bearing activities and focus of educational institutions.

The COVID-19 pandemic forced upon the $7 trillion global education industry a new perspective. Instead of optional 'extras' around online, it now became the only way to deliver instruction. In the words of one top business school dean, digital went from "nice to have" to "core competency" in a matter of months. This rapid a reorientation of a multi-trillion-dollar enterprise was not without its frictions.

Student, Interrupted

Let us return to the question of the broken journey of learning. The COVID-19 lockdowns occurred roughly in the middle of semesters or school years. People who have been navigating an accredited learning path, working in a certain format or style of class delivery, were thrust into a virtual classroom—a completely different model of learning. They were often ill-prepared to the different learning style and discipline required to acquire knowledge in this manner, and the course curricula they encountered were likewise ill-constructed to serve this new digital need.

Some educators were advised to simply lecture for three hours in the exact same way online, as they typically do in person. Unfortunately, it's not that simple. The in-classroom environment creates and facilitates a cognitive bubble of focus. Even social cues from peers and instructors lend themselves to helping create a more focused environment in-person versus on video. Online, our attention spans are much shorter—and have only been diminishing in the last 18 months. One of the top thought leadership video streaming platforms in the world reported an 80 percent decrease in average video view length. In this environment, a three-hour lecture simply will not be sufficient.

But with no time and no curricular flexibility, students and professors attempted to make do, and the results have been predictably awful. Expensive graduate programs such as MBAs have been facing a glut of students demanding refunds due to the loss of social collaboration and a "full and complete" learning experiences on campus.

Indeed, the pandemic has laid bare the greatest failure in online learning: the lack of effective collaboration spaces, present in in-person learning

environments, where students can come together to generate new ideas and think through solutions to complex problems. The face-to-face experience of instructor to student is diminished. Innovation suffers when there is a loss of serendipity—the possibilities of running into an old friend with a new idea, or meeting a key individual who might be a catalyst for a new company, are now absent. The learner is left in isolation, perhaps hopeful for scraps of connectivity or information to be found on a poorly-curated online discussion forum.

The pandemic has laid bare the greatest failure in online learning: the lack of effective collaboration spaces, present in in-person learning environments, where students can come together to generate new ideas and think through solutions to complex problems.

There has been more scholarly research of late centered around the value of university campuses as innovation clusters. Most think of universities as drivers of research, and perhaps institutions where the best teaching methods are developed and refined. Universities are actually concentrated nodes of stakeholders, students, professors, advocates, government officials, and industry leaders who come together in structured and unstructured ways to spur new ideas, approaches, and even entire ecosystems. The ideas that emerge out of these interactions are the most important product of these institutions, along equally with the people that they train to create, refine, and understand these ideas through their instructional vehicles of classes and degree programs. Students who have spent months in isolation, staring into the glow of Zooms, have missed out on these key benefits of in-person collaboration.

The loss of serendipity and idea-flow can be seen and felt beyond academia. We'll be seeing the effects of decreased innovation stemming from cancelled conferences, festivals, and business gatherings over the next few years. Research has shown that three quarters of a conference's value is derived from networking and accidental encounters versus formal panels and presentations. Collaboration research pioneered by MIT Professor Thomas J. Allen in the 1970s backs this up. His research revealed that people more than 50 meters apart fail to collaborate, and the farther apart workspaces are, the less communication there is between them, in a power law curve of declining performance. Later elaborations on this work in the digital age show that teams even forget to email people they don't physically sit near or run into at the water cooler. Extensive research on the disconnectedness induced by the all-remote COVID-19 workforce has yet to be published, but

past work suggests that there has been a meaningful long term innovation decrease (perhaps offset by the productivity increases of eliminating commute time, and conscious/intentional adoption of remote digital collaboration tools that previously workers had resisted).

Policy Opportunity

There are several opportunities for policymakers to address the issues raised in these disrupted learning journeys.

First and foremost, funding is required to further research the benefits of in-person collaboration, and to develop technology solutions that might expand or extend these types of collaborative interactions in purely digital learning environments. Support needs to be provided for educators who need to adapt physical classroom environments to better engage in effective hybrid or completely digital learning. The pedagogical theory and evidence advocating for collaborative learning approaches have been around for decades, but for reasons ranging from lethargy to cost, they have not been as widely adopted in institutions of primary or higher education.

Second, it is essential to provide educators with teaching methods and instruction on how to create more dynamic classroom environments. But in fact, the three-hour lecture referenced earlier is also a suboptimal approach to classroom teaching. The ideal classroom environment is an interwoven experience, with brief, stimulating lectures punctuated by small group discussions, table exercises, and dynamic question and answer sessions. Policy mandates can help with greater adoption of these effective learning approaches.

Lost Connection

The interim, and even long-term solutions, discussed in this article rely on a connected world. In fact, these solutions hinge upon the success of student-teacher interaction mediated seamlessly through computer screens. However, large proportions of the world's population, primarily in developing countries, lack access to a simple mobile phone, let alone much more sophisticated technologies.

UN Deputy-Secretary-General Amina Mohammed noted in April 2021 that 3.7 billion people—a majority of whom are women—lack digital access. She called this digital divide the "new face of inequality." Without digital access for all or even a super majority of the world, we cannot begin to ponder, or even implement, successful solutions for digital learning and education.

Global connectivity remains a critical imperative for ensuring that educational inequalities do not become exacerbated in the near future. Loan-and-subsidy programs hold the potential to support greater digital access by increasing the supply of digital devices to underserved populations.

However, technology alone cannot solve this problem; digital literacy also is a prerequisite to successfully bridging the digital divide, and proper training must be integral to any solution pathway.

Phoenix Rising

Humanity has time and time again demonstrated an ability to overcome crises and turn these challenging eras into opportunities to inspire hope and to propel society forward. The United Nations was born out of the horrors of World War II and the failures of the League of Nations. The art of Michelangelo and Rembrandt burst into expression in the shadow of the Black Death. The recent COVID-19 crisis has unlocked an array of new biotechnology advances and spurred multiple pharmaceutical companies to create safe, effective vaccines in only a matter of months. There are now indications that the same technologies leveraged in the vaccines will cure cancer, HIV, and an array of other diseases.

The failures of online education, now being made ever-more apparent in the mass adoption mandated by COVID-19, may perversely stimulate a new willingness to experiment with and subsequently adopt solutions that actually work. MIT spinout Esme Learning (which I co-founded and lead) uses artificial intelligence systems to help people learn faster, better, and with greater applicability to work, while at the same time addressing the punishing isolation that is the usual experience surrounding digital learning.

Policymakers hold a singular moment of time in their hands due to the exigencies of recovering from COVID-19 disruption. Fiscal policies in countries around the world are orienting to stimulus versus constraint; and with this comes the opportunity to advance policy initiatives that align scope, span, and outcome. Holistic or 'ecosystem' approaches can be supported, bringing together fundamental enablement, such as digital access with the means to capitalize on this access through training, work placement, innovation stimulus, and other interventions. No longer is resource constraint the guiding principle: with the acceptance of greater deficit and debt levels, the opportunity emerges to create optimal solutions, not the expedient or compromise pathways so often required by competing interests.

"The future is already here," as science fiction author William Gibson famously wrote, "it's just unevenly distributed." The catastrophe of COVID-19 may perversely enable governments to address widespread inequalities, improve competition, and foster greater innovation, both in the education arena and in the interconnected realms of work and society more broadly.

MAKE ROOM(S) FOR CHANGE

A NEW APPROACH TO HUMANITY-WIDE COOPERATION FOR THE 2020S

John W. McArthur

ONE of the many global casualties of the COVID-19 pandemic has been a halt in progress, if not worse, on the UN Sustainable Development Goals (SDGs). Over the past year and a half, virtually every country has faced new roadblocks on its path toward achieving the goals.

The reason is actually very simple: every country in the world is grappling with three foundational challenges of sustainable development. These were present prior to the onset of the novel coronavirus and have only grown in importance since. *One*, how to promote prosperity in a manner that ensures gains in income align with gains in human wellbeing? *Two*, how to create jobs and economic progress without plundering the Earth's natural resources? And *three*, how to ensure all people have equal access to opportunities, in a manner that leaves no one behind? No national government has yet figured out durable solutions to any of these problems, let alone all three at once.

For country-level policymakers, the huge importance of these challenges is twinned with the huge complexity embedded in finding solutions. The underlying problems are interconnected within any geography. They seep quickly across political borders; and they evoke countless stakeholder perspectives regarding the way forward. For international policymakers, any attempt to find global solutions can feel like swimming in molasses—because it's both so hard to make progress and so hard to escape the need for ongoing conversations. The strains on international institutions are palpable.

The problems are compounded by the evolution of interests, both between and within societies. A rising global middle class, especially in Asia, has upended the influence structures that underpinned the design of so many 20th-century institutions. For the most part, these legacy structures have not been able to update themselves to reflect a new balance of interests across a new balance of power. Moreover, the same legacy structures have done too little to help—and in some cases might well have exacerbated—the evolving balance of interests within countries. Even among the most privileged countries in the world, too many people feel ignored by self-interested international elites. The ongoing strains of a global pandemic have not fostered widespread confidence either.

Fortunately, new approaches to global cooperation can help drive new forms of global progress, but they require a new mindset around the nature of global cooperation itself. Too often, the challenges

The 17 Rooms initiative is a partnership of the Center for Sustainable Development at the Brookings Institution and The Rockefeller Foundation.

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of sustainable development—and the SDGs, in particular—focus on the formalities of shared institutions. But there is also much to be gained through the power of shared approaches.

When it comes to the SDGs, it's important to start with clarity on what they represent. In many circles, the goals are interpreted as a broad and ambitious agenda that the United Nations has told the world to care about. The deeper truth is the opposite. The SDGs frame 17 different sets of issues that the world told the UN not to forget about, as the repository of the world's political interests. Amid the vast spectrums of opinion embedded across soon 8 billion people, everyone has their own view on the most important problem for the world to solve, anchored in their own life experience and outlook.

New approaches to global cooperation can help drive new forms of global progress, but they require a new mindset around the nature of global cooperation itself.

Each of the 17 goals and constituent targets adopted in the formal UN agenda had sufficient numbers of people and countries backing it to ensure their issue could not be left off a global priority list for 15 years. Oceans, for example, are often overlooked as a global policy priority, even though they cover 70 percent of the planet. Goal 14 for "life below water" earned a slot on the SDG cover page because a big enough constituency fought for it to be included. For anyone who thinks that, say, jobs, health, or inequality is the most important issue in the world, Goal 14 serves as a reminder that oceans always need high-level attention, too. In the same vein, a major set of constituencies fought hard enough to ensure each of the other 16 goals earned a spot on the same reminder page as well.

As much as the SDGs represent a de facto shorthand for the diversity of the world's own declared policy interests, their global scale and long-term ambition out to 2030 can still make them hard for many people to engage with. The SDGs are sometimes described rhetorically as "the world's plan." In practice they are anything but. They are a set of ambitions, and it's for each community and country to figure out what practical steps it will take to achieve them. However, for many people around the world, the SDGs can feel inspiring at a moral level but disempowering at a practical level—too big to wrap one's arms around, too long-term to be actionable today, and too technical for the average person to make a dent. The goals are often perceived as something meant for the handful of specialists who travel to meet at UN headquarters.

This need not be the case. The SDGs can be a device for tackling practical, near-term, local concerns. They can be used to bring diverse people together around common issues of interest. And they can be leveraged to foster increased respect and connectivity among people who have different views on which issues are most important. In turn, they offer ingredients for a new path to global cooperation. It's not that formal institutions don't matter—far from it; they certainly do. But a social media-soaked world comprised of nearly 8 billion people needs new norms of individual- and community-level SDG cooperation to complement government-level action.

A one-word shift in emphasis offers the seeds of a new approach to cooperation—from 17 goals to 17 rooms.

From 17 Goals to 17 Rooms

A one-word shift in emphasis offers the seeds of a new approach to cooperation—from 17 goals to 17 rooms. In 2018, my colleague Matthew Bishop and I co-convened the first ever "17 Rooms" meeting in New York City, at The Rockefeller Foundation's headquarters, on the sidelines of the UN General Assembly. The core idea was to convene expert groups, across all 17 SDG issue domains, for informal conversations on opportunities for practical cooperation over the subsequent calendar year, followed by report-outs in plenary. Each Room—or SDG-linked group—was thereby able to focus on advancing its own substantive priorities while also learning about other groups' priorities.

Over the past few years—through a partnership I now co-chair on behalf of the Brookings Center for Sustainable Development in collaboration with my colleague Zia Khan, Senior Vice President of Innovation at The Rockefeller Foundation—this international-scale experiment has evolved quickly. As of 2021, it entails a curated annual series of 17 short-term, virtually convened working groups, all still anchored in a 12-to-18-month action horizon. The initiative offers a rare opportunity for specialists from each SDG issue domain to gather in the same Room—or Zoom—to focus on near-term horizons for bending policy curves toward longer-term success. It also offers a fruitful vehicle for cross-Room explorations. Instead of providing top-down directives on which groups "should" develop joint efforts, 17 Rooms encourages each Room to identify highly targeted issues for progress within their goal domain, and then helps to identify which opportunities for collaboration bubble up across Rooms. The upshot is a demand-driven approach to cross-SDG cooperation.

As the annual flagship process has gathered momentum, so too has another layer of offshoot efforts, which we call "17 Rooms-X." Universities, communities, and other multi-stakeholder types of organizations have shown interest in deploying 17 Rooms techniques to organize their own local conversations for SDG action. In Canada, Mexico, Spain, the United States, and a growing range of other geographies, 17 Rooms has offered an efficient tool to promote local cooperation. The emphasis on gathering people in Rooms to focus on common possibilities for action seems to resonate beyond the realm of SDG aficionados steeped in UN policy jargon. People already working on localized issues of poverty, environmental management, or discrimination do not need the SDG vocabulary to make progress on their existing life's work. But the SDGs do offer a common framework for the same people to come together with others around a neutral set of goals, in a way that promotes cooperation rather than competition among disparate interests struggling to make gains.

Some Key Ingredients

In a recent stock-taking of the early years of 17 Rooms experimentation, we identified three design principles that help define the effort. First, all SDGs have a seat at the table. We respect all SDGs equally, and the same applies to the constituencies focused on each respective goal. Second, Rooms focus on a next step, not the perfect step. 17 Rooms aims to avoid theoretical discussions on potentially abstract topics like long-term "transformation." Instead, participants are prompted to think about the 12-to-18-month horizon to identify actions that are "big enough to matter, but small enough to get done." Third, the initiative is anchored in conversations, not presentations. Each Room's discussion is structured around collaboration and peer-learning; and each Room's discussion focuses on what's best for an issue rather than any individual organization.

With adequate curation, these design ingredients seem to offer three core value propositions. The first is a bias toward action itself. In the global flagship process, Room actions have varied from serving as an accelerant for emerging policy initiatives to sparking fresh alliances on communications, advocacy, research, or implementation efforts. In the 17 Rooms-X experiments, actions have varied from informing strategic plans to forging new local partnership strategies for the goals.

A second value proposition is the generation of insight. One layer of this is a product of interpersonal connections. Post-event surveys have shown comments akin to, "I have always thought my SDG was the most important, but now I respect how others also think their SDG is most important too." Another substantive layer can be found in the common themes emergent across Rooms. When considering the conversations taking shape across all 17 working groups in the 2020 global flagship process, for example, our secretariat identified four common themes of change being described across the Rooms. These themes, described as "great transitions," each represented some incipient trend requiring a doubling down of effort in order to succeed: toward a union of economic and social justice for all; toward a blue-green replenishment of aquatic and terrestrial ecosystems; toward technology platforms that promote both equitable access and trust; and toward generational transition, in a manner that promotes intergenerational partnerships and invests in young people as near-term agents of change.

A third value proposition is the most abstract but perhaps also the most profound amid recent global political dynamics: an expanded sense of community. In every 17 Rooms process, both at the global flagship and local levels, whether among international policy practitioners or university-level researchers, we have seen people report back with a sense of appreciation for the range of people who are working on adjacent problems, even if not directly collaborating. 17 Rooms seems to cultivate a spirit of "we're all in this together," even when each person is highly focused on a specific piece of the overall global puzzle. The approach offers a chance to learn about the shape of other puzzle pieces and even expedite connections between some of them.

We are continuing to experiment with methodologies on an ongoing basis. This year, in the 2021 global flagship, we are testing different approaches to each Room's working group process—varying from "campfire" strategies to forge a fresh consensus on a sticky problem, to "trial balloons" on partially formed ideas, and "direct ascents" on issues that simply need multiple actors to act.

Through our 17 Rooms-X community of practice, we will soon begin testing these same ideas with partners, while also experimenting with different permutations of the 17 Rooms approach, ranging from flash convenings with open-door participation to deep dives with curated working groups.

We plan to issue a new assessment of collective findings and insights every year.

Where Next?

The 17 Rooms initiative is starting to gain momentum during a precarious time for the SDGs. In 2020, campaigners had planned to launch a "decade of action" for the goals, but

a global pandemic put everything on hold. The crises triggered and revealed by the COVID-19 pandemic have prompted many people to question first principles of how their societies are organized, and also to ask whether the SDGs are even still relevant, in light of their ambitious targets and the ever-closer 2030 deadline. Amid a time of such widespread policy uncertainty and political fragility, the best answer seems to be to treat the SDGs as an apolitical "north star" to help guide the world out of its current mess—a focal point for great transitions toward a more just, inclusive, and sustainable planet.

One way to navigate the turbulence toward sustainable development outcomes is to avoid excessive reliance on high-level international institutions.

One way to navigate the turbulence toward sustainable development outcomes is to avoid excessive reliance on high-level international institutions. They will contribute what they can, but any true hope of achieving SDG outcomes hinges on a decade of *decentralized* action, within and across all countries. Multilateral cooperation on issues like peace, taxation, and global public goods (such as pandemic avoidance and protecting the atmosphere) have major consequences for all countries, but most of the innovations for SDG achievement will be bottom-up—in developing new technologies, in finding new ways to reach and empower marginalized communities, and in brokering evolving differences of viewpoint well enough to permit each society to succeed.

In the SDG context, this requires a concerted multilateral effort to promote common action-oriented processes of all scales, within and across societies—from countries to community centers, union halls to universities. 17 Rooms can offer a vehicle for such an effort, as a widely accessible approach to tackling the broad range of societal interests embedded in the goals, and one that encourages each community to map out its own next steps in line with its own preferred scope of cooperation. Over time, a global secretariat function can amass and evaluate the collection of bottom-up actions to identify opportunities for larger scale cooperation.

This aggregation role frames a new opportunity for the United Nations. On the occasion of the UN's recent 75th anniversary, in September 2020, the General Assembly commissioned Secretary-General António Guterres to make high-level recommendations on the future of multilateralism that will "advance our common agenda" in the spirit of "We the peoples." The Secretary-General will report back with his ideas this upcoming September.

In considering the future of multilateral cooperation, it's a worthwhile exercise to start even with the adjective and noun in the United Nations' own name. For the adjective, the world's disparate interests hardly seem "united" right now. A peak global organization needs to be defined by productive action, and hence a verb tense like "unit*ing*" would be more pertinent. On the noun, "nations" and sovereign states might form the bedrock of international law, but many of the greatest sustainable development challenges will boil down to the extent to which people in communities around the world can contribute their own distinct actions to humanity's common agenda.

The spirit of uniting people around the world to think practically about cooperative next steps could help renovate the traditional approach to UN gatherings. A new vision could crystallize through a single annual event.

If starting with a blank slate, a more apt name for an action-oriented geopolitical body might be "Uniting Communities" or even "Uniting People." Recognizing that the simplest way to unite people is to bring them together in the same room (or locally equivalent meeting space), such an organization could tackle a mandate of promoting decentralized, room-level conversation and cooperation for sustainable development in every community around the world. Whether or not the UN could change its formal name or Charter any time soon, the Secretary-General could certainly make this a hallmark of his forthcoming second term: *Uniting all people toward sustainable development for all.*

This spirit of uniting people around the world to think practically about cooperative next steps could help renovate the traditional approach to UN gatherings. A new vision could crystallize through a single annual event. For instance, "Giving Tuesday" was created in 2012, as an annual day that encourages people to donate and do good. Nine years later, it now extends across 70 countries. In a similar spirit, a common day could be set aside for the world's local communities to gather in their own rooms to map out their own cooperative actions for the SDGs over the following calendar year. This could be a day of the week—17 Rooms Sunday, anyone?—or equally a date in the calendar—say September 17th—in the run-up to the annual gathering of heads of state and government at UN

headquarters for the General Debate held in late September every year. Giving Tuesday has shown how fast a collaborative global undertaking can grow in nine years. There's no reason why a 17 Rooms day, with all its starting advantages, couldn't be far bigger nine years from now, in 2030.

A humanity-wide day for local groups to deliberate and cooperate across all the SDGs would leverage the goals in their purest form—as a common language to drive cross-constituency collaboration, anchored in premises of action and mutual respect. Over the coming decade, new forms of technology and social media will only expand communities' abilities to self-organize toward common goals. Whether implemented globally on a common day or not, the beauty of a 17 Rooms approach would be its ability to translate the SDGs into a practical tool to help everyday people advance economic, social, and environmental priorities through cooperation on their own terms, measured against neutral benchmarks of long-term progress. As a new form of global cooperation, the message to political elites would be clear: Here's what we're doing together to drive sustainable development forward—how about you?

The SDGs are sometimes described rhetorically as "the world's plan." In practice they are anything but. They are a set of ambitions, and it's for each community and country to figure out what practical steps it will take to achieve them.

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America's New Three-Body Problem

From COVID War to Cold War

Niall Ferguson

IN Liu Cixin's extraordinary science fiction novel *The Three-Body Problem* (2006), China recklessly creates, then ingeniously solves, an existential threat to humanity. During the chaos of Mao Zedong's Cultural Revolution, Ye Wenjie, an astrophysicist, discovers the possibility of amplifying radio waves by bouncing them off the sun and in this way beams a message to the universe. When, years later, she receives a response from the highly unstable and authoritarian planet Trisolaris, it takes the form of a stark warning not to send further messages. Deeply disillusioned with humanity, she does so anyway, betraying the location of Earth to the Trisolarans, who are seeking a new planet because their own is subject to the chaotic gravitational forces exerted by three suns (hence the book's title). So misanthropic that she welcomes an alien invasion, Ye co-founds the Earth-Trisolaris Organization as a kind of fifth column, in partnership with a radical American environmentalist. Yet their conspiracy to help the Trisolarans conquer Earth and eradicate humankind is ingeniously foiled by the dynamic duo of Wang Miao, a nanotechnology professor, and Shi Qiang, a coarse but canny Beijing cop.

The nonfictional threat to humanity we confront today is not, of course, an alien invasion. The coronavirus SARS-CoV-2 does not come from outer space, though it shares with the Trisolarans an impulse to colonize us. The fact, however, is that the first case of COVID-19—the disease the virus causes—was in China, just as the first messages to Trisolaris were sent from China. Similar to *The Three-Body Problem*, the Communist Party of China (CPC) caused this disaster—first by covering up how dangerous SARS-CoV-2 was, then by delaying measures that might have prevented its worldwide spread. Yet within a few months—again, as in Liu Cixin's novel—China sought to claim credit for saving the world from it. Liberally exporting testing kits, face masks, and ventilators, the Chinese government sought to snatch victory from the jaws of a defeat it inflicted. Not only that, but the deputy director of the Chinese Foreign Ministry's Information Department went so far as to endorse a conspiracy theory that the coronavirus originated in the United States. In mid-March 2020, Zhao Lijian tweeted: "It might be [the] U.S. army who brought the epidemic to Wuhan." Zhao also retweeted an article claiming that an American team had brought the virus with them when they participated in the World Military Games in Wuhan in October 2019. And Beijing went on to export more than 200 million doses of its four homegrown vaccines to 90 countries—a bold attempt to engage in what used to be a mainly Western game of vaccine diplomacy.

It was already obvious early in 2019 that a new cold war—Cold War II, between the United States and China—

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Photo: Private collection

Niall Ferguson

had begun. What started out in early 2018 as a trade war—a tit for tat over tariffs while the two sides argued about the American trade deficit and Chinese intellectual property theft—had by the end of that year metamorphosed into a technology war over the global dominance of the Chinese company Huawei in 5G (fifth generation) network telecommunications; an ideological confrontation, in response to Beijing's treatment of the Uyghur minority in China's Xinjiang region and the pro-democracy protesters in Hong Kong; and an escalation of old frictions over Taiwan and the South China Sea. Henry Kissinger himself acknowledged in November 2019 that we are "in the foothills of a Cold War."

It was already obvious early in 2019 that a new cold war—Cold War II, between the United States and China—had begun.

The COVID-19 pandemic has merely intensified Cold War II, at the same time revealing its existence to those who less than just two years ago doubted it was happening. Chinese scholars such as Yao Yang, a professor at the China Center for Economic Research and Dean of the National School of Development at Peking University, now openly discuss it. Proponents of the era of U.S.-China "engagement" since 1972 are now writing engagement's obituary, ruefully conceding (in Orville Schell's words) that it foundered "because of the CPC's deep ambivalence about the way engaging in a truly meaningful way might lead to demands for more reform and change and its ultimate demise." Critics of engagement are eager to dance on its grave, urging instead that the People's Republic be economically "quarantined," with its role in global supply chains drastically reduced. To quote Daniel Blumenthal and Nicholas Eberstadt, "The maglev from 'Cultural Revolution' to 'Chinese Dream' does not make stops at Locke Junction or Tocqueville Town, and it has no connections to Planet Davos."

Moves in the direction of economic quarantine are already happening. The European Chamber of Commerce in China said last year that more than half its member companies were considering moving supply chains out of China. Japan has earmarked 240 billion yen ($2.2 billion) to help manufacturers leave China. "People are worried about our supply chains," Prime Minister Shinzo Abe said in April 2020. "We should try to relocate high added value items to Japan. And for everything else, we should diversify to countries like those in ASEAN." In the words of Senator Josh Hawley of Missouri, a Republican: "The international order as we have known it for thirty years is breaking. Now imperialist China seeks to remake the world in its own image, and to bend the global economy to its own will. [...] [W]e must recognize that the economic system designed by Western policymakers at the end of the Cold War does not serve our purposes in this new era." In early May 2020, Missouri's attorney general, Eric Schmitt, filed a lawsuit in federal court seeking to hold Beijing responsible for the outbreak. The election of a new president has not significantly changed the trajectory of the superpower relationship. At his meeting with China's Yang Jiechi in Alaska in March 2020, Secretary of State Antony Blinken stated: "The United States' relationship with China will be competitive where it should be, collaborative where it can be, adversarial where it must be."

It is stating the obvious to say that Cold War II will be the biggest challenge to world order for most of President Joe Biden's term in office.

To be sure, many voices have been raised to argue against Cold War II. Yao Yang has urged China to take a more conciliatory line toward Washington, by acknowledging what went wrong in Wuhan in December 2019 and January 2020 and eschewing nationalistic "wolf warrior" diplomacy. A similar argument for reconciliation to avoid the "Thucydides Trap" has been made by Yu Yongding and Kevin Gallagher. Eminent architects of the strategy of engagement, notably Hank Paulson and Robert Zoellick, have argued for its resurrection. Wall Street remains as addicted as ever to the financial symbiosis that Moritz Schularick and I christened "Chimerica" in 2007, and Beijing's efforts to attract big U.S. financial firms such as American Express, Mastercard, J. P. Morgan, Goldman Sachs, and BlackRock into the Chinese market are proving successful.

Nevertheless, the political trend is quite clearly in the other direction. In the United States, public sentiment toward China has become markedly more hawkish since 2017, especially among older voters. There are few subjects these days about which there is a genuine bipartisan consensus in the United States. China is one of them.

It is therefore stating the obvious to say that Cold War II will be the biggest challenge to world order for most of President Joe Biden's term in office. Thanks to revelations contained in John Bolton's memoir, *The Room Where It Happened*—which revealed President Donald J. Trump to have been privately a good deal more conciliatory toward his Chinese counterpart, Xi Jinping, than he was in public—the Biden campaign was able to claim that their man would be tougher on China than Trump. Indeed, statements made during the race by people who were in the running for cabinet-level appointees in a Biden

Administration (Michèle Flournoy's June 2020 *Foreign Affairs* article, for instance) were so tough in places as to be indistinguishable from those of Trump's Secretary of State Mike Pompeo. Biden's key foreign policy appointments—Secretary of State Antony Blinken and National Security Adviser Jake Sullivan—have also been notable for the combative nature of their statements about China. In his April 2021 address to a Joint Session of Congress, Biden himself said that Xi Jinping was "deadly earnest about becoming the most significant, consequential nation in the world" and that America and China were in "competition" to "win the twenty-first century."

BIG PLAYER WEAKNESSES

Commentators (and there are many) who doubt the capacity of the United States to reinvigorate and reassert itself imply, or state explicitly, that this is a cold war the Communist power can win. "Superpowers expect others to follow them," Kishore Mahbubani told *Der Spiegel* in August 2020. "The United States has that expectation, and China will too, as it continues to get stronger." In a April 2020 interview with the *Economist*, he went further: "History has turned a corner. The era of Western domination is ending." This view has long had its supporters among left-leaning or sinophile Western intellectuals, such as Martin Jacques and Daniel Bell.

The COVID-19 crisis made it more mainstream. Yes, the argument runs, the fatal virus may have originated in Wuhan, whether in one of the local "wet markets" where live wild animals are sold for their meat or (as seems increasingly plausible) in one of two biological research laboratories located in the city. Nevertheless, after an initially disastrous sequence of events, the Chinese government was able to get the contagion under control with remarkable speed, illustrating the strengths of the "China model," and then to bend the global narrative in its favor, recasting itself as the savior rather than scourge of humankind.

By contrast, the United States under Trump badly bungled its pandemic response. "America is first in the world in deaths, first in the world in infections and we stand out as an emblem of global incompetence," then retired U.S. diplomat and now CIA Director William Burns told the *Financial Times* in May 2020. "The damage to America's influence and reputation will be very hard to undo." The editor-in-chief at *Bloomberg*, John Micklethwait, and his co-author Adrian Wooldridge wrote in a similar vein in April 2020. "If the twenty-first century turns out to be an Asian century as the twentieth was an American one," wrote Lawrence Summers in May 2020, "the pandemic may well be remembered as the turning point." Nathalie Tocci, who advises the EU's High Representative, Josep Borrell, has likened this moment to the 1956 Suez Crisis. The American journalist and historian Anne Applebaum has written: "there is no American leadership in the world. [...] [T]he outline of a very different, post-American, post-coronavirus world is already taking shape. [...] A vacuum has opened up, and the Chinese regime is leading the race to fill it." Those who take the other side of this argument—notably Gideon Rachman and Joseph Nye—are in a distinct minority. Even Richard Haass, who argues that "the world following the pandemic is unlikely to be radically different from the one that preceded it," sees a dispiriting future of "waning American leadership, faltering global cooperation, great-power discord."

As Henry Kissinger argued in an April 2020 Wall Street Journal *essay, the pandemic "will forever alter the world order. The world will never be the same after the coronavirus."*

Meanwhile, those who believe in historical cycles, such as hedge-fund-manager-turned-financial-historian Ray Dalio, are already writing the obituary for a dollar-dominated world economy. The historian Peter Turchin has made a similar argument on the basis of "structural demographic theory," predicting in 2012 in a *Journal of Peace Research* article that the year 2020 would be "the next instability peak [of violence] in the United States."

As Henry Kissinger argued in an April 2020 *Wall Street Journal* essay, the pandemic "will forever alter the world order. [...] The world will never be the same after the coronavirus." But how exactly will the international system change? One possible answer is that COVID-19 has reminded many countries of the benefits of self-reliance. In Kissinger's words: "Nations cohere and flourish on the belief that their institutions can foresee calamity, arrest its impact and restore stability. When the COVID-19 pandemic is over, many countries' institutions will be perceived as having failed. Whether this judgment is objectively fair is irrelevant."

Not everyone shares Daniel Bell's ecstatic assessment of the performance of the Chinese Communist Party. True, the Chinese response to the pandemic is not going to be remembered as Xi Jinping's Chernobyl. Unlike its Soviet counterpart in 1986, the Communist Party of China had the ability to weather the storm of a disaster and to restart the industrial core of its economy. True, Xi did not meet his goal of having China's 2020 gross domestic product be double that of 2010: COVID-19 necessitated the abandonment of the growth target that was necessary to achieve

that, although China was still the only major economy to post gains last year. But Premier Li Keqiang was able to announce in March 2021 a "target over 6 percent" growth for this year.

Nevertheless, Xi should not be regarded as unassailable, notwithstanding ceremonial events such as the centenary of the Communist Party of China celebrated in Tiananmen Square in early July 2021. Sentiment towards China generally, and Xi in particular, has become markedly more negative because of the pandemic, as international survey data published by the Pew Group has shown. All told, it was always a little naïve to have assumed that China was likely to be *the* net beneficiary of the pandemic.

However, that is not to say that the United States is somehow emerging from the pandemic panic with its global primacy intact—even with a new president who likes to say that "America is back." The ineffective U.S. response to the pandemic was not simply a product of Trump's bungling—and bungle he did, with tragically avoidable consequences. Much more troubling was the realization that the parts of the U.S. federal government that are responsible for handling a crisis such as this also bungled it. The U.S. Department of Health and Human Services is a mansion with many houses, but the ones that were charged with pandemic preparedness appear to have failed abjectly: not only the Centers for Disease Control and Prevention but also the Food and Drug Administration, the Public Health Service, as well as the National Disaster Medical System. This was not for want of legislation. In 2006, the U.S. Congress passed a Pandemic and All-Hazards Preparedness Act, in 2013 a reauthorization act of the same name, and in June 2019 a Pandemic and All-Hazards Preparedness and Advanced Innovations Act. In October 2015, the bipartisan Blue Ribbon Study Panel on Biodefense, cochaired by Joe Lieberman and Tom Ridge, published its first report, calling for better integration of the agencies responsible for biodefense. In 2019 it was renamed the Bipartisan Commission on Biodefense "to more accurately reflect its work and the urgency of its mission."

During the Trump Administration, Robert Kadlec, a career U.S. Air Force doctor, was Assistant Secretary of Health and Human Services for preparedness and response. In October 2018, Kadlec gave a lecture at the University of Texas's Strauss Center on the evolution of biodefense policy in which he quoted from Nassim Taleb's *Black Swan* (2010) as part of his argument for an insurance policy against a pandemic. "If we don't build this," concluded Kadlec, "we're gonna be 'SOL' [shit out of luck] should we ever be confronted with it. [...] We're whistling in the dark, a little bit." The previous month, the Trump Administration had published a thirty-six-page report, *National Biodefense Strategy* (2018). Its implementation plan included as one of its five goals: "Assess the risks posed by research, such as with potential pandemic pathogens, where biosafety lapses could have very high consequences."

The truth is that this crisis has exposed the weaknesses of all the big players on the world stage: not only the United States but also China and, for that matter, the European Union.

As a consequence of the failure of the public health bureaucracy during the pandemic, the United States fell back on the 1918-1919 playbook of pandemic pluralism (states do their own thing; in some states a lot of people die) but combined it with the 2009-2010 playbook of financial crisis management. A significant part of the national economy was shut down by state governors in March and April 2020; meanwhile the national debt exploded, along with the Federal Reserve system's balance sheet. By May 2020, lockdowns had become intolerable for most Republicans, but state governments were nowhere near having the integrated systems of testing and contact tracing necessary for economic reopening to be anything other than "dumb," in the formulation of "grumpy economist" John Cochrane. As this debacle played out, it was like watching all my earlier visions of the endgame of American empire—in the trilogy *Colossus* (2004), *Civilization* (2011), and *The Great Degeneration* (2012)—but speeded up.

Admittedly, things have improved since the inauguration of Biden. For example, the country easily met the goal of achieving 100 million vaccinations in the first 100 days of the new administration. This was, in fact, a success partly inherited from the Trump Administration, which had done a surprisingly good job of supporting and expediting the development of vaccines (Operation Warp Speed). Yet only a few months later, the White House had to admit it would not meet its ambitious COVID-19 vaccination goal of administering at least one jab to 70 percent of adults by its July 4th Independence Day holiday.

The truth is that this crisis has exposed the weaknesses of all the big players on the world stage: not only the United States but also China and, for that matter, the European Union. This should not surprise us. History shows that plagues are generally bad for big empires, especially those with porous frontiers (witness the reigns of the Roman emperors Marcus Aurelius and Justinian); city-states have tended to be better at limiting the spread of pathogens. In 2019 the new Global Health

Security Index ranked the United States first and the United Kingdom second in the world in terms of their "global health security capabilities." It proved otherwise.

A league table of coronavirus health safety published in early April 2020 by the Deep Knowledge Group put Israel, Singapore, New Zealand, Hong Kong, and Taiwan at the top. (Iceland deserved an honorable mention, too. And some second-tier great powers—notably Germany and Japan—also did relatively well, minimizing infections and deaths without inflicting severe damage on their economies.) Taiwan belatedly had a COVID-19 outbreak in May-June 2021 but swiftly brought it under control. The key point is that there are diseconomies of scale when a new pathogen is on the loose. Four of those countries, in their different ways, had reasons to be paranoid in general as well as focused on the specific danger of a new coronavirus. Israel, Singapore, Hong Kong, and Taiwan had learned the lessons of SARS and MERS. By contrast, the big global players—China, the United States, and the EU—all did quite badly in 2020, each in its own distinctive way. The winners in the short run were none of the above empires. The winners were today's equivalents of city-states.

Today, the choice between Washington and Beijing looks to many Europeans like a choice between the frying pan and the fire or, at best, the kettle and the pot.

The question is: Who gains from this demonstration in Israel, Singapore, and Taiwan that, in a public health crisis, small can be beautiful? On balance, I would say that the centrifugal forces unleashed by the pandemic are a much bigger threat to a monolithic one-party state than to a federal system that was already in need of some decentralization. And to which of the three empires do the successful city-states feel most loyalty? That is the real question.

Trump's Actions & Objectives

As Kissinger observed last year, "No country [...] can in a purely national effort overcome the virus. [...] The pandemic has prompted an anachronism, a revival of the walled city in an age when prosperity depends on global trade and movement of people." Ultimately, Taiwan cannot prosper in isolation; no more can South Korea. "Addressing the necessities of the moment," Kissinger writes, "must ultimately be coupled with a global collaborative vision and program. Drawing lessons from the development of the Marshall Plan and the Manhattan Project, the U.S. is obliged to undertake a major effort [...] [to] safeguard the principles of the liberal world order."

After the Trump Administration's ignominious political end—capped by a second impeachment for inciting a domestic insurrection on January 6th, 2021—its reputation unsurprisingly remains at rock bottom in the eyes of most scholars of international relations. Trump continues to be seen as a wrecking ball who took wild swings at the very institutions on which the liberal world order supposedly depends, notably the World Trade Organization and the World Health Organization, to say nothing of the Joint Plan of Action on Iran's nuclear program and the Paris Agreement on the climate. Yet reasonable questions may be asked about the efficacy of all of these institutions and agreements with respect to the Trump Administration's core strategy of engaging in "strategic competition" with China, as defined by the 2017 National Security Strategy of the United States. If an administration is judged by its actions in relation to its objectives, rather than by presidential tweets in relation to some largely mythical liberal international order, a rather different picture emerges. In four distinct areas, the Trump Administration achieved, or stood within striking distance of achieving, meaningful success in its competition with China. The fact that the Biden Administration largely continued Trump's China strategy was the ultimate testament to this success.

In four distinct areas, the Trump Administration achieved, or stood within striking distance of achieving, meaningful success in its competition with China. The fact that the Biden Administration largely continued Trump's China strategy was the ultimate testament to this success.

The first was financial. For many years, China toyed with the idea of making its currency convertible. This proved to be impossible because of the pent-up demand of China's wealth owners for assets outside China. More recently, Beijing sought to increase its financial influence through large-scale lending to developing countries, some of it (not all) through its Belt and Road Initiative.

The crisis unleashed by the COVID-19 pandemic presented the United States with an opportunity to reassert its financial leadership in the world. In response to the severe global liquidity crisis unleashed in March 2020, the Federal Reserve created two new channels—swap lines and a repo facility for foreign international monetary authorities—by which other central banks could access dollars. The first already applied to Europe, the United Kingdom, Canada, Japan, and Switzerland and was extended to nine more countries, including Brazil, Mexico, and South Korea. At its peak, the amount of swaps

outstanding was $449 billion. In addition, the new repo facility made dollars available on a short-term basis to 170 foreign central banks. At the same time, the International Monetary Fund—an institution the Trump Administration showed little inclination to undermine—stepped in to manage a spate of requests for assistance from around 100 countries, canceling six months of debt payments due from twenty-five low-income countries such as Afghanistan, Haiti, Rwanda, and Yemen, while the G20 countries had agreed to freeze the bilateral debts of 76 poorer developing countries. As international creditors braced themselves for a succession of defaults by countries such as Argentina, Ecuador, Lebanon, Rwanda, and Zambia, the United States found itself in a much stronger position than China. Since 2013, total announced lending by Chinese financial institutions to Belt and Road Initiative projects amounted to $461 billion, making China the single biggest creditor to emerging markets. The lack of transparency that characterized these loans long ago aroused the suspicions of Western scholars, notably Carmen Reinhart, now chief economist at the World Bank.

It is one thing to lament the dominance of the dollar in the international payments system; it is another to devise a way to reduce it. Unlike in the 1940s, when the U.S. dollar stood ready to supplant the British pound as the international reserve currency, the Chinese renminbi still remains far from being a convertible currency, as Hank Paulson and others have pointed out. Chinese and European experiments with central bank digital currencies pose no greater threat to dollar dominance. As for Facebook's grand design for a digital currency, Libra, it "has about as much chance of displacing the dollar," one wit observed, "as Esperanto has of replacing English."

The most that could be said is that the United States lags worryingly behind Asia, Europe, and even Latin America when it comes to innovations in financial technology. But it is hard to see how even the most ambitious scheme—the projected East Asian digital currency consisting of the Chinese yuan, Japanese yen, South Korean won, and Hong Kong dollar—will come to fruition, in view of the profound suspicions many in Tokyo feel toward the financial ambitions of Beijing. The most plausible threat to the dominance of the dollar would be if China's new central bank digital currency (e-CNY or e-yuan) begins to be used for significant cross-border transactions, but that still seems a distant prospect.

The second area where U.S. dominance was reasserted in 2020 was in the race to find a vaccine against SARS-CoV-2. Starting in May 2020, leading private vaccine research projects received U.S. government funding as part of the Trump Administration's Operation Warp Speed, the White House program for accelerating vaccine development. These included AZD1222, first developed by researchers at Oxford and Vaccitech, and six others. True, at the time there were also five vaccines in clinical trials in China, but four of them are inactivated whole-virus vaccines—an earlier generation of medical science than Moderna's mRNA-1273 or BioNTech's mRNA vaccine, developed in partnership with Pfizer. An early April 2020 survey in *Nature* noted that "most COVID-19 vaccine development activity is in North America, with 36 (46 percent) developers of the confirmed active vaccine candidates compared with 14 (18 percent) in China, 14 (18 percent) in Asia (excluding China) and Australia, and 14 (18 percent) in Europe."

It was also worth remembering the recurrent problems the People's Republic has had in recent years with vaccine safety and regulation, most recently in January 2019, when children in the province of Jiangsu received out-of-date polio shots, and before that in July 2018, when 250,000 doses of vaccine for diphtheria, tetanus, and whooping cough were found to be defective. It was only less than 15 years ago that Zheng Xiaoyu, the former head of the Chinese State Food and Drug Administration, was sentenced to death for taking bribes from eight domestic drug companies.

True, at least two of the Chinese contenders beat the odds and produced COVID-19 vaccines: Sinovac Biotech brought CoronaVac to market and Sinopharm's Beijing Institute of Biological Products produced two other vaccines. But even China's most successful vaccines have underperformed the leading Western ones. Recent outbreaks in Mongolia, Bahrain, Chile, and the Seychelles—even after majorities of their populations have been vaccinated—have raised hard questions about how well the Chinese vaccines work.

Third, in important ways the United States pulled ahead of China in the "tech war." The Trump Administration's pressure on allied countries not to use 5G hardware produced by Huawei yielded rather impressive results. In Germany, Norbert Röttgen, a prominent member of Chancellor Angela Merkel's Christian Democratic Union, helped draft a bill that would bar any "untrustworthy" company from "both the core and peripheral networks." In Britain, Neil O'Brien, Conservative member of Parliament and founder of the China Research Group, and a group of thirty-eight rebel Tory backbenchers succeeded in changing Prime Minister Boris Johnson's mind about Huawei, much to the fury of the editors of *China Daily*. Perhaps more significant were the U.S. Commerce Department rules announced in May 2020 that cut Huawei off from using advanced semiconductors produced anywhere

in the world using U.S. technology or intellectual property. This includes the chips produced in Taiwan by the Taiwan Semiconductor Manufacturing Company, or TSMC, the world's most advanced manufacturer. These restrictions posed a potentially mortal threat to Huawei's semiconductor affiliate HiSilicon.

Finally, the United States' lead in artificial intelligence research, as well as in quantum computing, would appear still to be commanding. One recent study showed that, while "China is the largest source of top-tier AI researchers, [...] a majority of these Chinese researchers leave China to study, work, and live in the United States." Writing in *Foreign Affairs*, Carl Benedikt Frey and Michael Osborne concluded their June 2020 survey of the tech war as follows: "If we look at the 100 most cited patents since 2003, not a single one comes from China. [...] A surveillance state with a censored Internet, together with a social credit system that promotes conformity and obedience, seems unlikely to foster creativity." If Yan Xuetong, Dean of the Institute of International Relations at Tsinghua University, is correct in contending that Cold War II will be a purely technological competition—without the nuclear brinkmanship and proxy wars that made the first one so risky and so costly—then the United States is the favorite to win it.

At the end of the day, no one in the Trump Administration wanted to claim that it was, in Kissinger's words, "safeguard[ing] the principles of the liberal world order." It would nevertheless be fair to say that, in practice, that the Trump Administration was quite effective in at least some of the steps it took to execute its stated goal of competing strategically with China. This policy and its achievements have been inherited by the Biden Administration, which appears in important respects to wish to continue to implement it.

Less Success Ahead?

The great achievement of the various strategies of containment pursued by the United States during the Cold War was to limit and ultimately reverse the expansion of Soviet power without precipitating a World War III.

Might strategic competition with China prove less successful in that regard? It is possible. First, there is a clear and present danger that information warfare and cyberwarfare operations, honed by the Russian government and now being adopted and enacted by China, could cause severe disruption to the U.S. political and economic system.

Second, as Christian Brose has argued, the United States could find itself at a disadvantage in the event of a conventional war in the South China Sea or the Taiwan Strait, because U.S. aircraft carrier groups, with their F-35 fighters, are now highly vulnerable to new Chinese weapons such as the DF-21D, the world's first operational anti-ship ballistic missile ("the carrier killer").

Third, the United States already finds it difficult to back up words with actions. China imposed new national-security laws on Hong Kong, dealing a blow to the territory's autonomy and surely violating the terms of the 1984 Sino-British Joint Declaration, which guarantees a "one country, two systems" model until 2047. Adding various Chinese agencies and institutions to the U.S. Commerce Department's entity list did not deter Beijing from going ahead. Nor have similar economic sanctions threatened by indignant U.S. senators.

The case of Taiwan is different, because the island is de facto an autonomous democratic polity, even if Beijing insists that it is a province of the People's Republic. U.S. Secretary of State Pompeo went out of his way to show friendliness toward the Taiwanese government in 2020, publicly congratulating President Tsai Ing-Wen on her reelection in January 2020. The April 2021 visit to Taipei by former U.S. Senator Chris Dodd and two former Deputy Secretaries of State, James Steinberg and Richard Armitage, was a further sign of continuity with the Trump era. Indeed, in some ways, Biden has gone farther than Trump. For instance, for the first time in four decades, a serving U.S. ambassador has visited Taiwan. Right after the inauguration, Blinken's State Department issued a clear statement of support for Taiwan in response to a large incursion by Chinese military aircraft. Subsequently, the U.S. Navy conducted several rounds of patrols in the Taiwan Strait and even signed a coastguard agreement with Taipei. Moreover, U.S. arms sales to Taiwan are on track to increase in 2021.

Yet how effectively could the United States react if Beijing decided to launch a surprise amphibious invasion of the island? Such a step is openly proposed by nationalist writers on Chinese social media as a solution to the threat that Huawei will be cut off from TSMC. One lengthy post on this subject, published in 2020, was headlined "Reunification of the two sides, take TSMC!"

The reunification of Taiwan and the mainland is Xi Jinping's most cherished ambition and is one of the justifications for his removal of term limits. During his early July 2020 Tiananmen Square address, Xi Jinping was unambiguous. China, he said, maintained an "unshakable commitment" to reunification with Taiwan. In what appeared to be a clear signal to the United States, he added that "no one should underestimate the resolve, the will, and the ability of the Chinese people to defend their national sovereignty and

territorial integrity." While the Pentagon remains skeptical of China's ability to execute a successful invasion, the People's Liberation Army is rapidly increasing its amphibious capabilities. With good reason, Graham Allison warned in a 2020 essay in *The National Interest* that America's ambition to "kill Huawei" could end up playing a role similar to the sanctions imposed on Japan between 1939 and 1941, culminating in the August 1941 oil embargo. It was economic pressure that ultimately drove the imperial government to gamble on a war that began with a surprise attack on Pearl Harbor.

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Cold wars can deescalate in a process we remember as détente. But they can also escalate: a recurrent feature of the period from the late 1950s until the early 1980s was fear that brinkmanship might lead to Armageddon. At times, as John Bolton has shown in his aforementioned memoir, Trump inclined to a very crude form of détente, and important members of his administration leaned in that direction, too. We even heard occasional melodious mood music about the phase one trade deal announced in late 2019, despite abundant evidence that it was being honored by Beijing mainly in the breach.

Yet the language of Trump's Secretary of State remained consistently combative. For instance, his meeting with Yang Jiechi, China's most senior foreign policy official, in Hawaii in June 2020 was notable for the uncompromising harshness of the language used in the official Chinese communiqué released afterward. So far, as we have seen, the Biden Administration has continued this approach. If anything, the tone was even worse in March during the meetings in Anchorage, Alaska, between Yang Jiechi and Chinese foreign minister Wang Yi, on the one hand, and Blinken and Sullivan, on the other.

Persuading Allies

It is generally agreed by scholars that in Cold War I allies played a crucial role in ensuring that the United States prevailed over the Soviet Union. It mattered a great deal that the North Atlantic Treaty Organization was formed and endured as a deterrent against Soviet aggression in western Europe. How likely is the same thing to be achieved if this is indeed Cold War II? Can Americans appeal to Europeans as they did in the 1950s and 1960s?

In some quarters, the answer is clearly no. The Italian foreign minister, Luigi Di Maio, was one of a number of Italian politicians all too ready to swallow Beijing's aid and propaganda back in March 2020, when the COVID-19 crisis in northern Italy was especially bad. "Those who scoffed at our participation in the Belt and Road Initiative now have to admit that investing in that friendship allowed us to save lives in Italy," Di Maio declared in an interview. The Hungarian prime minister, Viktor Orbán, was equally enthusiastic. "In the West, there is a shortage of basically everything," he said in an interview with Chinese state television. "The help we are able to get is from the East," he continued. "China is the only friend who can help us," gushed the Serbian president, Aleksandar Vučić, who actually kissed a Chinese flag when a team of doctors flew from Beijing to Belgrade.

However, other European attitudes, especially in Germany and France, have been very different. "Over these months China has lost Europe," Reinhard Bütikofer, a German Green Party member of the Bundestag, declared in an interview in April 2020. "The atmosphere in Europe is rather toxic when it comes to China," said Jörg Wuttke, president of the EU Chamber of Commerce in China. In April 2020, the Editor-in-chief of Germany's biggest tabloid, *Bild*, published an open letter to Xi Jinping titled "You are endangering the world." In France, too, Chinese "wolf warrior diplomacy" was a failure.

One reason for this failure is that, after an initial breakdown in early March 2021, when *sauve qui peut* was the order of the day, EU institutions rose to the challenge posed by COVID-19. In a remarkable interview published in April 2020, the French president declared that the EU faced a "moment of truth" in deciding whether it was more than just a single economic market. "You cannot have a single market where some are sacrificed," he told the *Financial Times*. "It is no longer possible [...] to have financing that is not mutualized for the spending we are undertaking in the battle against COVID-19 and that we will have for the economic recovery." He continued: "If we can't do this today, I tell you the populists will win—today, tomorrow, the day after, in Italy, in Spain, perhaps in France and elsewhere." His German counterpart agreed. Europe, declared Angela Merkel, was a "community of fate" (*Schicksalsgemeinschaft*).

To the surprise of skeptical commentators, the result was very different from the cheese-paring that characterized the German response to the global financial crisis. The NextGenerationEU plan, presented by the European Commission on May 27, proposed 750 billion euros of additional EU spending, to be financed through bonds issued by the EU and to be allocated to the regions hardest hit by the pandemic. Perhaps even more significantly, the German federal government adopted a supplementary budget of 156 billion euros (4.9 percent of gross domestic product) followed by a second

fiscal stimulus package worth 130 billion euros (or 3.8 percent of gross domestic product), which—along with large-scale guarantees from a new economic stabilization fund—was intended to ignite recovery with a "ka-boom," in the words of Finance Minister Olaf Scholz. Such fiscal measures, combined with large-scale asset purchases by the European Central Bank, did much to dampen support for the populist right in most EU member states. European politics shifted back towards the middle ground—a change personified by former ECB president Mario Draghi's appointment as prime minister of Italy.

Yet this successful step down the federalist road within the EU—made easier by the departure of the United Kingdom from the intra-EU negotiating table—has had an unexpected consequence from the vantage point of Washington. Europeans, especially young Europeans and especially Germans, have never since 1945 been more disenchanted with the transatlantic relationship. In one pan-European survey conducted in mid-March 2020, 53 percent of young men and women from EU countries said they had more confidence in authoritarian states than democracies when it came to addressing the climate crisis. In a German poll published by the Körber Foundation in May 2020, 73 percent of Germans said that their opinion of the United States had deteriorated—more than double the number of respondents who felt that way toward China. Just 10 percent of Germans considered the United States to be their country's closest partner in foreign policy. And the proportion of Germans who prioritized close relations with Washington over close relations with Beijing went down to 37 percent—roughly the same share as those who preferred China to the United States (36 percent). These numbers have improved slightly better since Joe Biden took office, but they remain worse than they were before the Trump presidency.

In the Cold War with the Soviets, it is sometimes forgotten that there was a Non-Aligned Movement (NAM), which had its origins in the 1955 Bandung Conference hosted by Indonesian president Sukarno and attended by the Indian prime minister Jawaharlal Nehru, the Egyptian president Gamal Abdel Nasser, his Yugoslav counterpart Josip Broz Tito, and the Ghanaian president Kwame Nkrumah, as well as the North Vietnamese president Ho Chi Minh, the Chinese premier Zhou Enlai, and the Cambodian prime minister Norodom Sihanouk. Formally constituted in 1956 by Tito, Nehru, and Nasser, NAM's goal was (in the words of one of Nehru's advisers) to enable the newly independent countries of the Third World to preserve their independence in the "face of [a] complex international situation demanding allegiance to either of the two warring superpowers." For most Western Europeans and many East and Southeast Asians, however, nonalignment was not an attractive option. That was partly because the choice between Washington and Moscow was a fairly easy one—unless the Red Army's tanks were rolling into a country's capital city. It was also because NAM's geopolitical nonalignment was not matched by a comparable ideological nonalignment, a feature that became more prominent with the ascendancy of the Cuban dictator Fidel Castro in the 1970s, finally leading to a near breakup of the movement over the Soviet invasion of Afghanistan.

Today, by contrast, the choice between Washington and Beijing looks to many Europeans like a choice between the frying pan and the fire or, at best, the kettle and the pot. As the Körber poll mentioned above strongly suggests, "the [German] public is leaning toward a position of equidistance between Washington and Beijing." Even the government of Singapore has made it clear that it "fervently hope[s] not to be forced to choose between the United States and China." Moreover, "Asian countries see the United States as a resident power that has vital interests in the region," the prime minister of Singapore, Lee Hsien Loong, wrote in the July/August 2020 issue of *Foreign Affairs*. "At the same time, China is a reality on the doorstep. Asian countries do not want to be forced to choose between the two. And if either attempts to force such a choice—if Washington tries to contain China's rise or Beijing seeks to build an exclusive sphere of influence in Asia—they will begin a course of confrontation that will last decades and put the long-heralded Asian century in jeopardy. [...] Any confrontation between these two great powers is unlikely to end as the Cold War did, in one country's peaceful collapse."

Lee Hsien Loong is right in one respect at least. The fact that both world wars of the twentieth century had the same outcome—the defeat of Germany and its allies by Britain and its allies—does not mean that Cold War II will have the same outcome as it predecessor: the victory of the United States and its allies. Cold wars are usually regarded as bipolar; in truth, though, they are always three-body problems, with two superpower alliances and a third nonaligned network in between. This may indeed be a general truth about war itself: that it is seldom simply a Clausewitzian contest between two opposing forces, each bent on the other's subjugation, but more often a three-body problem—reminiscent of Liu Cixin's book—in which two large bodies with strong gravitational pulls complete to attract potentially neutral third parties.

The biggest geopolitical problem facing the President of the United States of America today—and for years to come—is that many erstwhile American allies are seriously contemplating nonalignment in Cold War II. And without a sufficiency of allies, to say nothing of sympathetic neutrals, Washington may well find Cold War II to be unwinnable.

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The Triangle As Metaphor

Russia, America, China

Andrey Sushentsov

Why, with all the hopeful possibilities engendered by the end of the Cold War, should East-West relations become centered on the question of who would be allied with whom and, by implication, against whom in some fanciful, totally unforeseeable, and most improbable future military conflict?

– George F. Kennan

INTERNATIONAL politics experts seek to determine the nature of contemporary relations between Russia, the United States, and China. To understand them, we need take a brief dive into conflict theory.

There are two types of competition: strategic (aggressive, hostile) and natural. Strategic competition is distinguished by the fact that it is an active program of action, supported by resources, and aimed at significant favorable changes in the existing balance. Strategic competition is revolutionary: it happens quickly, over a short period of time, and gravely threatens opponents' interests.

Natural competition, on the other hand, is evolutionary. It is reactive, opportunistic, and relatively slow. Noticeable changes in the international system, resulting from its course, can take a very long time. As such, natural competition is not life-threatening for opponents.

During the first two decades after the Cold War, the world saw two successive stages of U.S. strategic competition in Eurasia. In the 1990s, it was a strategy to expand the liberal world order in Europe. Its concrete results were NATO expansion, the creation and development of the European Union, and the inclusion of some post-Soviet states in the orbit of the West's influence. This policy, while not aimed directly against Russia, affected its vital interests.

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Drawing the contours of Angles A and B at the recent Geneva Summit.

The 2000s saw the beginning of the second stage of U.S. strategic competition in Eurasia. The focus of America's attention shifted to the Middle East. George W. Bush's Republican sidekicks pursued a campaign for regime change and the "spread of democracy" in the region. In the Middle East, Central Asia, and the Caucasus, they backed radical changes and did not hesitate to use force. Although these policies were not directed exactly against Russia either, they also affected Russia's strategic interests.

When Barack Obama entered the White House, the United States began to retreat from conducting its strategic activities in Eurasia. To a large extent, this happened under the influence of heavy expenditures and the significant economic and domestic political repercussions of these campaigns for the United States itself.

In the 2010s, American policy in Eurasia began to shift towards natural competition. It became more opportunistic and reactive. Responding to the Arab Spring, which undermined the legitimacy of many American allies in the Middle East, the United States had

to act amid conditions of uncertainty, often contradicting itself and worsening the environment for pursuing its own interests. This was the case, for example, in Egypt, where the United States was forced to betray its ally Hosni Mubarak and put up with Islamist rule, albeit for a short time, before offering the local military its blessing to carry out a military coup. In Libya and Syria, America has consistently avoided a strategy that would resemble its invasions of Iraq or Afghanistan, given how costly and ineffective they were.

Obviously, there is a conflict in the relations between Russia and the West—but of what kind?

In relations with Russia, the competition was also natural. However, it was during Obama's presidency that Ukraine faced its most significant internal political crisis, which quickly became internationalized. The United States played an essential role in it, and this led to an unprecedented clash with Russia. However, the fact that the United States did not take advantage of the situation in order to form a military alliance with Ukraine—in other words, to deploy its military forces on the territory of that country—shows the limits of American strategic intentions regarding that country.

When Donald Trump was sworn in as President of the United States, the next stage of American strategic competition began—this time, against China. In pursuing this strategy, the United States imposed disciplinary sanctions on its allies and unleashed a wide range of trade wars against not only opponents but also its own allies. This indirectly affected Russian interests, as, for example, in relation to the Nord Stream 2 pipeline. The anti-Russian sanctions were adopted rather against Trump's wishes and were caused by the shock experienced by the American political establishment after an unwanted president was elected in 2016.

Since then, the United States has been in a deep political crisis that has sharply shifted its national priorities from those relating to foreign policy to those concerning domestic stability. Public support for increased military spending and military interventions abroad has nosedived, with analysts noting that newly developed hypersonic weapons can make the U.S. Navy useless or highly vulnerable.

Apart from that, while the shale gas revolution has given the United States a decisive advantage in the energy market, its energy self-sufficiency has enabled it to concentrate much more on its own problems, since American security no longer depends on developments in the Middle East. Now that the United States has become a leading oil exporter and a major gas producer, the world has barely noticed the sharp decline in oil supplies from Iran and Venezuela and the temporary lulls in supplies from Saudi Arabia after the attack on its oil facilities.

As for Russia, it has not been voluntarily engaged in strategic competition against the United States since the end of the Cold War. If this were the case, Russia would now be actively present in Latin America, for example, expanding its zone of influence and striving to change the balance of power in this region in its favor. Russia's actions in most episodes were reactive in nature and were implemented in response to political processes initiated or backed by the United States, primarily near Russian borders.

Two decades of consistent pressure have instilled in Russian elites a notion that only through strategic competition and, if necessary, through force and pressure can foreign policy be conducted.

Drawing the Contours of a Triangle: Angles A and B

Obviously, there is a conflict in the relations between Russia and the West—but of what kind? Some experts draw parallels with the early Cold War: the period of the Korean War and the Cuban missile crisis; others focus on the later period of the Cold War, which was accompanied by agreements on the limitation of strategic arms and the Helsinki process.

In fact, both analogies are wrong. For example, although today we are witnessing the destruction of the arms limitation regimes, Russian and American troops simultaneously engage in military operations in Syria without fighting against each other.

Yet, there is a conflict afoot, as Russia and the United States are vying for influence and status globally, clashing for valuable resources in Eurasia. This confrontation is particularly acute along Russia's borders because it affects the vital interests of this country. Two decades of consistent pressure have instilled in Russian elites a notion that only through strategic competition and, if necessary, through force and pressure can foreign policy be conducted.

Nevertheless, it would be unfair to define this confrontation in historical terms. We are witnessing a new type of relations between Russia and the United States: a new point on the spectrum which encompasses different varieties of conflict. The core objective of this rivalry is to define new rules for organizing a common international system. The term "competition," which first appeared in Russia's 2008 Foreign Policy Concept, is suitable for describing this new type of relationship.

During a competition, states determine how exactly the world will be structured: who will be the enforcer of the rules under which it operates and who will become the principal beneficiary of their implementation.

In this new type of confrontation, the United States has made use of a broad application of sanctions. It was during Trump's presidency that a whole range of sanctions were imposed on Russia. Although Trump did not initiate the process that led to them, he may have caused them indirectly; and since then, sanctions have been imposed on Russia up to this day.

Discussions between leading politicians and intellectuals in the NATO countries show that the West is beset with strategic discord and confusion. This strategic confusion is increasingly resuscitating ideas that seemed impossible only a decade ago.

There is widespread opinion in Russia that the Western countries have a common and effective strategy aimed at deterring and destroying it. However, there is increasing evidence that the collective West finds it difficult to maintain unity. Discussions between leading politicians and intellectuals in the NATO countries show that the West is beset with strategic discord and confusion. This strategic confusion is increasingly resuscitating ideas that seemed impossible only a decade ago. In a recent series of statements, the French President urged a revision of containment priorities vis-à-vis Russia and suggested starting a dialogue with it. The German chancellor has made similar statements. These and others like it are based on the premise that the West needs Russia to maintain its place in the world leadership.

Nevertheless, this strategic priority—even if formulated as a strategic goal in the doctrines of the leading NATO countries—is clouded by a number of contradictory statements by their governments and, most importantly, by attempts to interfere in Russia's internal affairs. The line between the systematic sanctions regime and preparing for a color revolution is thin. There is no guarantee that sanctions will become redundant as a tool of Western policies regarding Russia in the foreseeable future.

This can be illustrated by the experience of 2012 when the Obama Administration persuaded the U.S. Congress to cancel the Jackson-Vanik Amendment (1974) and adopt on the same day the Magnitsky Act that imposed sanctions on a number of senior Russian executives. Russian analysts believe that anti-Russia sanctions will be extended in the future following the same pattern, even if some sort of settlement of the conflict in Ukraine is reached. America's policy regarding the Iran nuclear deal does not persuade Russian leaders that the West is a reliable partner either: Washington first supported this deal but later withdrew from it, and even threatened to impose secondary sanctions on any country that adheres to it.

The issue of whether the West needs Russia raises the following questions: is this need long-term? In other words, isn't Russia just a tool for the West in its confrontation with China?

Unless the Western countries realize that for Russia any interference in its domestic affairs is unacceptable, no progress in the relations between Russia and the West is to be expected.

If the answer is "yes," such strategy has no future. A key test of its viability would be the West's reaction should an internal crisis in Russia break out. Judging from recent developments, the West will be very unlikely to resist the temptation to use such an internal conflict to support social protest so as to eventually turn it into a color revolution similar to the one in Ukraine.

All in all, unless the Western countries realize that for Russia any interference in its domestic affairs is unacceptable, no progress in the relations between Russia and the West is to be expected.In fact, non-interference is one of the main pillars of Russia-China relations, which have risen to a level of strategic partnership—some that can hardly be reached in Russia-West relations.

Angle C Will Determine the Type of Triangle

Soon after Trump assumed office, China was declared the main competitor of the United States. His administration will go down in history for its long series of grotesque statements of this kind, such as a number of senior U.S. government officials delivering keynote speeches criticizing China.

This culminated in a speech by U.S. Secretary of State Mike Pompeo delivered in July 2020 at the Richard Nixon Presidential Library and Museum that explored the results of half a century of U.S.-China rapprochement. In his speech, he summarized the key messages of his colleagues: National Security Advisor Robert O'Brien, FBI Director Chris Wray, and Attorney General William Barr. Pompeo's key points of criticism of China were centered on the imbalances in bilateral relations and Beijing's alleged focus on global hegemony. Pompeo vigorously criticized former U.S. administrations for their "blind trust approach" to cooperation and put forward a new principle regarding relations with China—one

based on the reliable verification of its actions and a careful analysis of possible consequences.

After this series of speeches given by American politicians, experts started talking about the beginning of a new 'Cold War' between the United States and China.

The current standoff between the United States and China is rather about leadership in formulating the rules of interaction within a common global system framework—it is not about hegemony.

However, contemporary U.S.-China relations lack a number of significant features that characterized the Cold War between the Soviet Union and the United States, namely a struggle for global military and political domination, a fundamental ideological confrontation, and a clash between different world views. At the core of the Cold War stood a global geopolitical confrontation, which manifested itself in acute military and political crises that played out in various regions of the world as well as in the form of an arms race. At the same time, the economic interdependence of different parts of the world was extremely low, which made it possible to conduct politics in the zero-sum game mode.

In the current situation, we are witnessing a different picture. The current standoff between the United States and China is rather about leadership in formulating the rules of interaction within a common global system framework—it is not about hegemony. The element that illustrates the scale of the U.S.-China crisis quite well was the then-U.S. Secretary of State's remark that among Chinese transgressions was the demand that companies like Marriott, American Airlines, Delta, and United remove the name "Taiwan" from their websites "so as not to anger Beijing." Is this what a "new Cold War" is all about?

Yet, current trends remind us of one aspect of the bipolar system, namely that power remains an important factor in international relations, which leads to a new regionalization of markets and exacerbates competition for control over them in the West.

In fact, the United States is trying to maintain its leadership in the current global system, while China is explicitly seeking to expand its influence. There is a "decoupling" of their economic mechanisms as they are widening the distance from each other, but there is not a complete rupture of ties. This process is hindered by the close economic interdependence that has developed over half a century, when even a one percentage point slowdown in the Chinese economy has large-scale socio-economic consequences around the world, including in the United States. After all, modern China does not pose an ideological challenge to the United States and behaves somewhat conciliatory in the face of American pressure.

The anti-Chinese theses of the Trump Administration had a significant domestic political dimension. The argument about China's "unfair behavior" had been developed by Donald Trump for decades: it had been featured in his earliest interviews as a businessman. However, as a profitable electoral program, the anti-Chinese strategy was put forward by the headquarters of Trump's advisers only in 2019. Yet, it was assumed that this strategy would have been implemented while the American economy would be successfully developing. Trump could boast of high growth rates right until the outbreak of the coronavirus pandemic.

China's world order metaphor is consonant with the concepts of its philosophy in which a benevolent ruler should not be noticed.

In these conditions, the Republicans were struggling to achieve internal political mobilization in order to pursue the thesis of a "Chinese threat" among both the elites and society. The pandemic did mix up all the cards and removed from the table the most significant asset Trump accumulated during his presidency: his economic achievements.

Today the fundamental goals of Washington's strategy towards Beijing include correcting trade, economic, and technological imbalances; preventing China's attempts to establish hegemony in East Asia and beyond; and preserving American leadership in the twenty-first century.

Such pressure on China is not the best approach for many reasons, mainly because it compels Beijing to make a choice. This is exactly what China wants to avoid. China's world order metaphor is consonant with the concepts of its philosophy in which a benevolent ruler should not be noticed. China is not after a confrontation and considers globalization a major ally. Moreover, Beijing does not have the experience of expansion compared to the European colonial empires, including Russia. China will have to acquire this strategic experience before we are able to describe what its power politics look like. But for now, China is avoiding confrontation. Washington's alarmism may lead to a situation in which Beijing will have no alternative, forcing it to break decades-long ties at a moment's notice.

Thus, irritation, anxiety, and rejection of the U.S.-proposed items comprising the basis of its global strategy for the twenty-first century are

unlikely to serve as an effective strategic program. To bring domestic elites and allies around to this program, the United States had to put forward a vision that would appeal to everyone. However, the version of the program proposed by Pompeo resembled a poorly-developed strategy that did not rely on the broad support of domestic elites and foreign allies, which the U.S. will need unless it wants to find itself alone in standing up to China.

The United States keeps trying hard to keep China at bay, but this objective is not shared by its European allies who want to cooperate with Beijing on technological progress and see an economic opportunity in China's rise. This idea prevails over the few appeals to see China's threat as common to all Western countries.

Many analysts think that this strategic discord in the West—which manifested itself during Trump's presidency—was due to his extravagant behavior; but they also tend to believe that his successor, Joe Biden, will fail to smooth it over. Even assuming Trump's political instincts were right, the consequences of his moves dealt a crushing blow to the Western solidarity: the United States withdrew from the Trans-Pacific Partnership even though it could have been an effective economic tool for containing China in Asia. And while Trump should have tried to break up the political link between Russia and China, his administration viewed both of them as equal threats to the United States.

Lines Between the Angles

In this highly volatile situation, Moscow has made a strategic choice in favor of increasing its multidimensional cooperation with Beijing.

At the 2019 Annual Meeting of the Valdai Discussion Club, the President of the Russian Federation, Vladimir Putin, officially confirmed that Moscow was helping China develop a missile attack early warning system. Until now, such systems have been operated only by Russia and the United States. This new level of Russian-Chinese military cooperation will have truly global implications.

Moscow's decision to establish an early warning system in China is strategic in nature, as it is aimed at consolidating China's sovereignty and Beijing's ability to resist American pressure—which Russia views as running counter to its international and domestic interests, and is trying to oppose.

Moscow believes that a system of checks and balances is more stable and democratic than a unipolar world. The way to build such a system consists in the consolidation of the sovereignty and power of those countries that want to play an independent role in the world arena.

That is why relations with China occupy a special place in Russia's strategy. Metaphorically, these countries stand back-to-back, looking in opposite directions: Russia, toward Europe, and China, toward the Pacific. This is only natural, since 75 percent of Russia's GDP and population are located in its European part, while about 80 percent of China's GDP and population are concentrated in a broad band along the Pacific.

Their efforts may face opposite directions, but this community of strategic cultures explains the absence of the key irritant in their own relations: the security frontier. Russia and China are not competing for Kazakhstan or Mongolia like Russia competes with the West for Ukraine, where every political cycle ends with a crisis. This is partly due to the fact that the border between Russia and China is located in their respective peripheral territories: China's most advanced areas are far from the Russian border and its demographic pressure in the north is minimal. Moreover, the Chinese are careful in the areas where the interests of the two countries could clash. As its ultimate goal, Russia would like to establish this kind of relationship with its partners in the West by proposing a treaty on European security, taking into account mutual interests, and renouncing the bloc principle in ensuring security in Europe.

The Russia-China *entente* is based on the realistic understanding that military power is still a valid component of international relations and that stability in central Eurasia can only be guaranteed through a consensus between the militarily strongest countries. Russia considers this type of relationship to be a prototype for establishing a stable security framework along its borders and on the rest of the continent. Russia's peace initiative for the Middle East, its security proposal for the Asia-Pacific Region, and its European security treaty idea all bear this out.

Against the backdrop of the Washington-Beijing confrontation, Moscow is striving to play an independent role and avoid creating a tough bipolar system. At this point, it does not want to strike a military alliance with Beijing, although many of its steps could be interpreted that way. Russia pursues an independent policy in Eurasia, with its resources allowing it to do so. However, should American pressure on China make Beijing engage in confrontation and resort to power politics, this would lead to a new reconfiguration of the international order and leave Russia with complex issues.

Of course, this scenario is not the only alternative, and judging by Moscow's assistance in developing a missile warning system, Russian leaders believe that Beijing really needs a shield to contain an American onslaught.

THREE RIVALRIES

POWER, IDEOLOGY, MULTILATERALISM

Thierry de Montbrial

GLOBALIZATION is a recurring phenomenon in Universal History. Our modern era traces its origins to two successive periods of globalization: the Age of Discovery, which was in turn followed by the nineteenth century's Age of Imperialism—led mostly by the European powers as well as by the United States. In both cases, it is a relatively straightforward procedure to link both of these to economic revolutions.

The third period of globalization stems from the revolution in communication and information technologies. It began in the 1970s in the military domain, expanded in the 1980s into the realm of finance, before then spreading into the rest of the economy and throughout society.

The rise in competition that resulted from this third period culminated in the downfall of the Soviet Union and the apparent ideological victory of liberal democracy and the American empire.

POWER

But this is hardly sufficient. We must immediately bring some contrasts to the surface. In the first period of globalization, the exclusive beneficiaries were the Europeans and their descendants (the founding colonists of the United States). In the second, it was Europe again, but also a booming post-Civil War America; yet both only managed to effloresce the large countries belonging to the civilizational area that was called the Far East and is now referred to as East Asia: Japan and China. In other words, both Americans and Europeans only touched the surface of these two nations. And, as a result, these two nations went about setting themselves the task of endeavoring to catch up with those that had failed to conquer them.

Japan took off a century ahead of China. The Meiji Restoration benefited from the fruits of a fully-formed political unity led by a strong and well-disciplined party of reform. The history of Japan between 1868 and 1945 forms a coherent whole, notwithstanding its deviations and excesses. In China, the reformers failed to establish themselves under the declining Qing dynasty. They had to wait more than one century, coming together coherently only after the national reunification achieved by Mao's regime.

Illustration: CIRSD

"The other major powers—such as India, the EU and its constituent countries, and the ASEAN member states—do not wish to be forced to choose between the two camps."

But East Asia is not a community. Although Japan did manage to catch up with the West during the Meiji period, its dream of domination was shattered by its own hubris and, ultimately, by Hiroshima and Nagasaki. As a result, it entered into the American order that arose from the ashes of World War II. In the Deng Xiaoping period, China at first tread softly with the West on which it was dependent—as too did Japan at the onset of the Meiji period. But today, the regime that emanates from the New Forbidden City increasingly displays its aspiration for power whilst refraining from excesses. As a result, unlike Japan, China's independence is today only hampered by certain technological shortcomings or by a dearth of natural resources, all of which Beijing is keen to overcome at any cost in the coming years.

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China's goal is to be recognized as the world's leading power on the centenary of Mao's victory in 2049. The Chinese plan on taking revenge on the West, and they are not hiding it. One cannot help but ask the question whether by then their power will have become hegemonic; and whether by then China will be recognized by the United States, India, the Europeans, and others as being responsible for the maintenance of world order in the twenty-first century—as was the case, more or less, for England during the Pax Britannica of the nineteenth century and the United States during the Pax Americana of the twentieth.

One cannot exclude the possibility that China will experience serious internal difficulties in the time to come. Its rivals are tempted to hope for it, while at the same time fearing that it may cease to be the engine of global growth.

In the short term—that is to say, within the horizon of the mandate of the Biden-Harris couple—the common interest of the United States and China is to try to play the card of "cooperative rivalry," to use the euphemism of the great inventor of expressions, Joseph Nye. Instead of hegemony, could such a rivalry lead to a new, structurally stable bipolar equilibrium?

In the medium term, we cannot exclude the risk of an accidental misstep—a risk the probability of which will increase over time. Over this time horizon, the major issue is Taiwan. Hong Kong is already lost to the West. Of course, one also cannot exclude the possibility that China will experience serious internal difficulties in the time to come. Its rivals are tempted to hope for it, while at the same time fearing that it may cease to be the engine of global growth.

IDEOLOGY

On the back of the question of power relations, we see the issue of ideology being increasingly made manifest. Since 1945, the West has tried to impose a model of liberal democracy on the rest of the world. After the collapse of the Soviet Union at the end of 1991, this became the full meaning of the push of what the Americans like to call the "Euro-Atlantic" institutions towards the east—a push that abruptly came to an end point with Russia's refusal to submit to American-style capitalism. Because that was the underlying material issue.

Unfortunately for Russia, Boris Yeltsin and Vladimir Putin were unable to implement reforms that would have enabled their country to enter modernity while remaining independent, as China has been able to do. However, over the long term, legitimacy and efficiency go hand in hand. With the Navalny affair, we see that the legitimacy of the Putin regime is beginning to erode; this trend will intensify, to the benefit of China.

But the legitimacy of liberal democracy is equally tarnished, due to its apparent ineffectiveness in being able to solve its plethora of societal problems, as in the current context of the pandemic. Conversely, we can expect that the regime that is the home of "socialism with Chinese characteristics" will continue to enjoy the support of the vast majority of its population for as long as it continues to meet their aspirations, which are not primarily ideological but rather practical in nature. These can be summed up as follows: a better life for the greatest number.

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For a long time, the ideologues of Westernism believed in the myth of what I have called for thirty years Fukuyama's equation, or better yet, Fukuyama's postulate:

democracy + market economy
$\longleftrightarrow$
peace + prosperity

A chemical equation more than one of logic, the double arrow symbol is understood as indicating that the implications are supposed to work in both directions. Even if we were to admit that the meaning of each of the terms used is deprived of ambiguity, which is not the case, we can observe the following: since neither liberal democracy and the market economy, on the one hand, nor peace and prosperity, on the other, have ever reigned supreme over the totality of our Earth, it is therefore difficult to affirm or indeed to invalidate one or the other of these implications. They are merely pseudo-Hegelian postulates—nothing more. In addition, the emergence of China contradicts the idea that peace and the march towards prosperity precipitates the advent of liberal democracy. We could obviously come back, in this regard, to the comparative history of China and Japan.

To conclude the first part of this essay, we can say that in the time ahead the world will be dominated by a competition between not only two imperial powers but also two ideologies, neither of which ought to be allowed to claim credibly that it (in opposition to the other) will prevail over the entirety of the Earth anytime soon. To this we must add that the other major powers—such as India, the EU and its constituent countries, and the ASEAN member states—do not wish to be forced to

choose between the two camps. This of course further complicates any medium-term forecast.

For the European Union, the priority is to develop technological autonomy, a prerequisite for any sort of successful realization of the ambiguous concept of "strategic autonomy." The EU will have to resist American attempts to transform the Atlantic Alliance into a Holy Alliance of more or less liberal democracies banding together to take on a collective of authoritarian or autocratic states. The EU will thus have to increase its room for maneuver vis-à-vis the United States, but obviously without falling into a dependence on China.

In the time ahead the world will be dominated by a competition between not only two imperial powers but also two ideologies, neither of which ought to be allowed to claim credibly that it (in opposition to the other) will prevail over the entirety of the Earth anytime soon.

MULTILATERALISM

This is the context in which the question of the future of multilateralism arises. First of all, we can say that it consists of the system arising from the Charter of the United Nations. It is sometimes said that its superiority over the League of Nations is mainly due to the institution of the Security Council with its five permanent members (P5), endowed with the right veto. The intrinsic weakness of the UN, however, is that—despite the end of the Cold War 30 years ago—the P5 remains as divided as ever between the three liberal democracies (the United States, France, and the United Kingdom) and the two authoritarian powers (Russia and China, the latter having taken precedence over the former).

With respect to the most important conflicts, the great powers, starting with the United States, pay only episodic attention to international law, depending exclusively on their national interest of the moment, more or less narrowly conceived. The United Nations nevertheless retains a certain legitimacy on the international level, for it increases the influence of middle powers and constitutes a sounding board available to small states. In the General Assembly, the majority of UN member states plead for a reform in which the Security Council would become more representative of the hierarchy of power as it has evolved over time—whether directly or, more realistically, through the strengthening of regional organizations. This last point is essential, because in the realities of the balance of power, no reform would currently have a chance of succeeding.

The problem is hence transferred to regional organizations—some of which, like the African Union, have consolidated themselves over time—at a historic moment when the image of multilateralism blurs with that of a very geopolitical multipolarity. The major powers tend, according to their rank, to constitute zones of influence, as in the style of the nineteenth century. The OSCE remains paralyzed by the lingering shadow of the Cold War-era East-West conflict. Showing on another screen, as it were, has been the image of Erdogan's Turkey. Has not this middle power NATO member been attempting to take advantage of America's distraction—under the Trump presidency—to impose itself not only in the Middle East but also in the Eastern Mediterranean and the Caucasus?

The idea, excellent on paper, of a democratic international organization of nesting doll multilateralism strikes me as unlikely to prosper in the foreseeable future.

The idea, excellent on paper, of a democratic international organization of nesting doll multilateralism strikes me as unlikely to prosper in the foreseeable future. In the short to medium term, I think it is more realistic to expect the United Nations to continue playing its role as a brake on the destabilizing shocks that are sure to arise here and there. And even that would be something to write home about.

For the high stakes issues, however, bilateralism or minilateralism will continue to prevail. Minilateralism is obviously in the interests of the Europeans, particularly for France, which has never given up on elaborating and defending its own vision of the international system as a whole. Still on the subject of high stakes issues, one can regret the retreat of the arms control regime—one of the great diplomatic achievements of the Cold War. Its rise in the wake of the resolution of the 1962 Cuban Missile Crisis made it possible to reduce the risk of World War III.

A return to the principles and methods of arms control, both nuclear and conventional, seems to me to be a more promising prospect for peace than the formal transposition of democratic principles to the UN General Assembly, which is in no way whatsoever a parliament of supposedly equal states.

But security is not just a politico-military issue. Good economic governance will remain in the interest of the international system as a whole as long as states do not reorganize themselves into blocks loosely coupled amongst themselves. Such a configuration could arise if everyone's desire to reduce the strategic vulnerability of their respective supply chains takes an

extreme turn, but this is not an immediate risk.

Such a common interest is critical, for the experience of the 1930s suggests that the shortest route to the explosion of an international system and the onset of war is through the instauration of a great economic crisis. We have known since at least 2008 that if international cooperation is insufficient, then the contemporary world is not immune from the return of such a calamity. Such cooperation (even if sufficient) necessarily goes through the intermediacy of institutions that must constantly adapt. This is not just an intellectual or doctrinal matter; it is also a question of balance of power, because if the forecasts outlined above materialize, the weight of China in these institutions will gradually become preponderant.

The great slippages of international relations have their origin in acts that we want to hide.

Added to this is another, essential consideration: as in arms control agreements, good governance requires reciprocal rights of scrutiny into each other's affairs—a discipline that the Americans and the Soviets did not easily resolve. The great slippages of international relations have their origin in acts that we want to hide.

However, culturally, the Chinese open their vaults even less easily than do the Americans. I see no simple solution to this type of problem other than a shared desire to establish confidence-building measures. This can only happen if the parties concerned feel it is absolutely necessary. And we are just not there yet. The Europeans can and must act vigorously to push the Americans, the Russians, and now the Chinese in this direction, which presupposes ideological restraint on the part of the Europeans.

These remarks lead me to evoke the COVID-19 pandemic, an additional signal of the return to historical normality since the beginning of the twenty-first century. This tragedy is a warning. Other pandemics could arise as a result of globalization. This is an area where the need for a strong international organization should be evident.

The WHO has been criticized. But today its problem is not its strength, but its weakness. Access to health services is spoken of as a "global public good." Yes indeed, for example, immunizing an individual anywhere is in the interest of the world's population as a whole. But, having said that, who will decide on how to gather and then distribute the resources needed for the development of vaccines, for their production, for their distribution, and so on? Where will these resources come from? Too often, in this particular case as in so many others concerning international relations, the debt is paid with words because there no world government exists. While waiting to make access to health services a truly global public good, the EU can and must give it consistency as a public good on its own scale.

I see the EU as a reduced and still fledgling model of what global political organization could become in the coming centuries.

When it comes to global warming, we are barely starting to develop effective responses, less thanks to treaties or direct political pressure than because of technological progress and the conviction among manufacturers that demand will inevitably go in the direction of the green economy. Logical connections exist between the different approaches, but they are subtle.

A Model for Centuries Hence

Finally, I will add a few words on the ongoing construction of Europe, omnipresent in the background of what has been said in this essay to date. I see the EU as a reduced and still fledgling model of what global political organization could become in the coming centuries.

True multilateralism is built in the image of the neural system, in the face of the necessities imposed by action, in the broad sense. International relations theorists speak of "institutional gears." This is how the organization that allows for survival is gradually developed.

For Europe, survival is first and foremost about a civilization that has not yet spoken its last word. Little inclined to abstraction, the founding fathers of the Community that became a Union instinctively grasped that the nations of Europe had to interconnect with each other in order for unity in diversity to emerge. In this sense, despite all its difficulties, Europe continues to present itself as an example to the world: Europe aspires to show the world a third way, somewhere between a naive legal order and the law of the strongest.

One can hope that France will come to understand ever more than it does at present that the construction of Europe must remain *the* center of gravity of its foreign policy in the even more turbulent times that lie ahead.

THE ORIGINS OF COVID-19 AND THE URGENT CASE FOR U.S.-SINO COOPERATION

Jeffrey D. Sachs

AS of mid-2021 the world reached nearly 4 million confirmed deaths from COVID-19. By any standard, the global response to the pandemic has been awful. From the very start, there was a dire shortfall of global cooperation. If there is one lesson from the coronavirus pandemic, it is that our very survival depends on cooperation among the major world powers. When they fight over COVID-19, or climate change, or cybersecurity, or other crucial challenges, the entire world loses.

Throughout the pandemic, countries have acted on their own, often selfishly and shortsightedly. They have set their own COVID-19 strategies, scrambled for their own supplies (masks, ventilators, vaccines—you name it), decided on their own pandemic priorities, set their own rules for international travel, and generally failed to learn from each other about best practices—much less to come to each other's urgent assistance. While a global mechanism for vaccine distribution (known as COVAX) was established early in the pandemic, it failed in practice to deliver vaccines to the developing countries. The vaccine-producing countries used most of their vaccine production during the first half of 2021 for themselves, leaving the rest of the world waiting in line for half a year to receive immunizations.

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Photo: Guliver Image/Getty Images

Xi Jinping responding to criticism at Tinanmen during the CPC's centenary ceremony.

To make matters worse, throughout the period of the pandemic, the United States has engaged in heated criticism of China. Former President Donald Trump accused China of countless offenses and the new Biden Administration has continued Trump's harsh rhetoric vis-à-vis China. This has stymied cooperation on vital steps to end the pandemic, such as a global plan for sending vaccines to the developing nations in the second half of 2021.

One of the areas of greatest contention between the United States and China has involved the origin of the pandemic. Many American politicians—especially from the right wing—have accused China of causing the pandemic as the result of some kind of research-related incident that they believe started the pandemic. Yet these American criticisms are misplaced. If by some chance the virus did arise in the course of scientific research, it is likely that the research in question actually involved a joint program involving American and Chinese scientists working together. Rather than pointing fingers at each other, the United States and China should be cooperating with each other, not only to determine the origin of the pandemic, but in the steps urgently needed to end the pandemic and to recover from it.

POSSIBLE ORIGINS

There are two main hypotheses regarding the possible origin of SARS-CoV-2, the virus that causes COVID-19. The first hypothesis is that SARS-CoV-2 arose as a natural occurrence when the virus passed from an infected animal to a human in a natural setting, a farm, or a food market. The ultimate source of the virus is very likely to have been a horseshoe bat. A natural spillover might have involved the transmission of the virus directly from a bat to a human, or indirectly from a bat to an intermediate host (such as a wild animal or farm animal) and from there to a human.

If there is one lesson from the coronavirus pandemic, it is that our very survival depends on cooperation among the major world powers.

The second hypothesis is an infection related to research work that was underway on SARS-like viruses (that is, viruses related to the virus that caused the SARS epidemic in 2002-2004). SARS-like viruses have been under intensive study since the original SARS epidemic. The Wuhan Institute of Virology is one of the leading centers for the study of such viruses, and the possibility arises that the virus might have emerged in the course of research at the Wuhan Institute of Virology.

If we are to prevent future outbreaks, determining the source of the current one must be a high priority.

The two hypotheses also direct our attention to two different sets of concerns and policy measures, both of which require our attention. Diseases that emerge from the transmission of viruses from wildlife to humans (so-called natural zoonoses) call for precautionary measures in human interactions with animal reservoirs of potentially deadly pathogens—for example in land-clearing, farming, consumption of bushmeat, and rearing and trade of livestock. Natural zoonotic events have caused many deadly epidemic diseases in recent decades, including HIV/AIDS, Ebola, SARS, and MERS.

Emerging infectious diseases can also arise in the course of research on viruses and other pathogens. History records cases of scientists and laboratory workers being infected by pathogens they were studying. In the case of SARS-CoV-2, a research-related infection could have occurred in many ways. A researcher might have become infected while collecting samples of viruses and viral particles in natural habitats of horseshoe bats or other animals that may have harbored the virus. Or an infection may have occurred in a laboratory where scientists were working with previously collected virus-containing samples or virus isolates.

Another, related scenario involves infection of laboratory personnel with viruses collected from a natural source and subsequently genetically manipulated in the laboratory, including changes that might make a bat-origin virus more likely to infect humans.

If by some chance the virus did arise in the course of scientific research, it is likely that the research in question actually involved a joint program involving American and Chinese scientists working together.

Both hypotheses—natural zoonosis and research-related infection—are viable at this stage of the investigation. Those who have claimed that a natural origin is the only viable hypothesis overlook the extensive research activity that was underway in the field and in laboratories on SARS-like viruses, including in Wuhan, China, where the first outbreak was identified, and in the United States. Those who claim that a research-related infection is the only viable hypothesis overlook the frequency of natural zoonotic transmissions of viruses, such as the SARS outbreak, and the many ways that a natural event could have occurred with SARS-CoV-2 somewhere in China and then been brought to Wuhan by an infected individual or an animal brought to market. Much confusion has resulted from conflating a research-origin hypothesis with a particular version of this hypothesis, in which the infection occurred following targeted manipulation of the virus to enhance its human adaptation.

Since the start of the pandemic, proponents of each hypothesis have made exaggerated, premature, and unjustified claims for their preferred hypothesis. Early in the epidemic, several scientists declared that there was overwhelming evidence that SARS-CoV-2 originated in wildlife and that alternative theories of a research-related release of the virus amounted to "conspiracy theories." Other early observers, followed by several American politicians including President Donald Trump, U.S. Secretary of State Mike Pompeo, and members of the U.S. Congress, claimed that there was enormous evidence of a laboratory release of the virus, pointing to the research activities underway in laboratories in Wuhan.

CURRENT STATE OF THE DEBATE

Some scientists noted early on that both hypotheses were plausible. The subsequent research to date into the origin of COVID-19 has so far proved to be inconclusive, not only keeping both major hypotheses alive, but also undermining strident claims by some representatives of the two main camps.

Originally, there was some hope that the SARS-CoV-2 genome itself would quickly reveal the origin of the virus, either by finding a nearly identical virus in nature (such as in a horseshoe bat or in an intermediate host such as a pangolin) or by proving definitively that the virus had undergone genetic manipulation in a laboratory setting.

Those hopes for a clear and quick resolution of the debate have so far not materialized. The SARS-CoV-2 genome is consistent with either a natural occurrence or a research-related occurrence. This is clearly the case if a researcher was infected while collecting virus samples in the field, because the virus would have arisen directly from nature, but the origin would still be research-related. To add to the complexity, the field researcher might have had a mild or asymptomatic case, so that even the researcher and his or her colleagues were unaware of the infection from the field, and that it was now being transmitted directly to other human beings.

The SARS-CoV-2 genome is consistent with either a natural occurrence or a research-related occurrence.

On the other hand, the SARS-CoV-2 genome displays no conclusive "genomic fingerprint" of artificial manipulation, such as a clear recombination of genetic material that would have been impossible in a natural setting.

For their part, proponents of the view that SARS-CoV-2 arose from a natural zoonotic event hoped that the animal harboring SARS-CoV-2 might be quickly identified—for example, on farms or in wet markets—or that the virus would be found directly in horseshoe bats. This hope, too, has so far failed to materialize, though of course it may still happen. Such discoveries often occur many years after an initial outbreak. Still, scientists are yet to identify a bat reservoir or intermediate mammalian host that may have served as the natural reservoir of the virus.

Nonetheless, there are some very important and concerning facts that have arisen during the first year and a half of the epidemic that bear heavily on the origin of the epidemic. The general public and the policy community have become increasingly aware of the intensive research on SARS-like viruses that was underway in the United States, China, and elsewhere—both in collecting viral samples from the field and in studying their infectivity and pathogenicity (ability to cause disease) in the laboratory.

We have learned that much of this work can be classified as "gain of function" (GoF) research. This generic term involves modifying viruses to acquire new biological functions, and particular attention has been focused on so-called GoF Research of Concern (GOFROC)—a category that includes research that may enhance the human transmissibility and/or pathogenicity of potential pandemic pathogens. Experiments at the Wuhan Institute of Virology involving the modification of bat-origin coronaviruses to express proteins that are likely to enhance entry into human cells are viewed by many scientists as falling squarely into the category of GOFROC.

Rather than pointing fingers at each other, the United States and China should be cooperating with each other, not only to determine the origin of the pandemic, but in the steps urgently needed to end the pandemic and to recover from it.

Many biosafety experts have long argued that such work—used to reveal target hosts more quickly, improve prediction of outbreaks, and develop vaccines and therapeutic drugs—requires much greater oversight, control, and scrutiny, including a transparent account to the public of the research activities. In the United States, the latest National Institutes of Health (NIH) guidelines—dated January 9th, 2017 and entitled *Recommended Policy Guidance for Departmental Development of Review Mechanisms for Potential Pandemic Pathogen Care and Oversight (P2CO)*—include the proviso that, "to the maximum extent possible, agencies' enhanced PPP [potential pandemic pathogen] review mechanisms should provide transparency to the public regarding funded projects involving the creation, transfer, or use of enhanced PPPs."

We have also learned that the NIH funded American and Chinese scientists to work collaboratively on collecting samples of SARS-like viruses in the field, and bringing them back to the Wuhan Institute of Virology for advanced genetic analysis. Within the research work that took place there, studies have included the creation of chimeric genetic recombinants of SARS-like viruses to study their capacity to infect human cells and to cause disease. We have also learned that some of the viral clone work done at the Wuhan Institute of Virology took place in Biosafety Level 2 (BSL2) facilities, which many scientists consider to offer inadequate protection against a laboratory release of viruses, even if the NIH seems to approve such work in BSL2 facilities.

THE NEED FOR U.S.-CHINA COOPERATION

Neither American nor Chinese authorities have yet been sufficiently forthcoming to date to enable researchers to advance our understanding of the origin of SARS-CoV-2. In mid-May 2021, the NIH declared that it did

not support GoF research that could have led to the COVID-19 pandemic, saying that it had never "approved any grant that would have supported 'gain-of-function' research on coronaviruses that would have increased their transmissibility or lethality for humans."

Neither American nor Chinese authorities have yet been sufficiently forthcoming to date to enable researchers to advance our understanding of the origin of SARS-CoV-2.

Unfortunately, the NIH has not yet revealed the actual research that it *has* financed and supported. It is in fact common knowledge in the American scientific community that the NIH has indeed supported genetic recombinant research on SARS-like viruses that many scientists describe as GOFROC. The peer-reviewed scientific literature reports the results of such NIH-supported recombinant genetic research on SARS-like viruses. But the process for reviewing the biosafety of possible GOFROC studies is opaque, revealing to the public neither the names nor qualifications of the individuals involved in the review process, nor the substance of the discussions, nor even the investigators or projects being reviewed.

More specifically, it is clear that the NIH co-funded research at the Wuhan Institute of Virology that deserves scrutiny under the hypothesis of a laboratory-related release of the virus. This research has involved the collection in natural settings of potentially dangerous SARS-like viruses and then infection experiments on these viruses, such as a November 2017 peer-reviewed article that appeared in the journal *PLOS Pathogens* entitled "Discovery of A Rich Gene Pool of Bat SARS-related Coronaviruses Provides New Insights into the Origin of SARS Coronavirus."

A recent NIH grant to co-fund work at the Wuhan Institute of Virology describes "Aim 1" and "Aim 3" of the research project as follows (excerpted from the Abstract):

"Aim 1. Characterize the diversity and distribution of high spillover-risk SARSr-CoVs in bats in southern China. We will use phylogeographic and viral discovery curve analyses to target additional bat sample collection and molecular CoV screening to fill in gaps in our previous sampling and fully characterize natural SARSr-CoV diversity in southern China. We will sequence receptor binding domains (spike proteins) to identify viruses with the highest potential for spillover which we will include in our experimental investigations (Aim 3)."

"Aim 3. In vitro and in vivo characterization of SARSr-CoV spillover risk, coupled with spatial and phylogenetic analyses to identify the regions and viruses of public health concern. We will use S protein sequence data, infectious clone technology, in vitro and in vivo infection experiments and analysis of receptor binding to test the hypothesis that % divergence thresholds in S protein sequences predict spillover potential."

(Aim 2 involves surveillance of high-risk populations that have contact with bats.)

The question about origins is not about one government or another; it is even less a geopolitical issue or a matter of blaming China and exonerating the United States.

It is also clear that NIH-supported Chinese and American scientists have much more to share about the nature of this work. This includes records of trips to horseshoe bats' natural habitats and other settings to collect specimens of SARS-like viruses; safety precautions taken or not taken during such visits; and the repository of viral samples, live viruses, genomic sequences, and other relevant genetic information. It also includes the laboratory records of experiments on SARS-like viruses, including the record of chimeric viruses produced, tested, and cultured in the laboratory; the safety precautions taken or not taken during such research; other laboratory-related data; and a full accounting of potential infections among Wuhan Institute of Virology workers.

Top researchers on Wuhan Institute of Virology projects have stated categorically that they were not dealing with viruses that are close to SARS-CoV-2. All laboratory notebooks and other relevant information should be opened by the Chinese and American scientists working on this project for detailed scrutiny by independent experts.

RIGOROUS INVESTIGATION, NOT FINGER-POINTING

The question about origins is not about one government or another; it is even less a geopolitical issue or a matter of blaming China and exonerating the United States. If there was indeed a laboratory-related release of SARS-Cov-2, it may well have occurred in a project funded by the United States government, using methods developed and championed by American scientists, and as part of an American-led and American-financed program to collect and analyze potentially dangerous viruses, including in China.

To learn as much as possible regarding the origin of SARS-CoV-2, an international and independent investigation to examine the alternative hypotheses is urgently needed, and the American and Chinese governments should cooperate fully and transparently with such

an inquiry. In the meantime, scientists, politicians, pundits, and those weighing in on social media should acknowledge the uncertainties that currently prevail.

They should also acknowledge that the tragedy of the pandemic has already shed light on how to prevent future outbreaks and pandemics. Because natural zoonotic events are inevitable, we must establish much better global surveillance and warning systems, and of course early response systems when outbreaks occur. We need credible communications channels to prevent rapid global transmission of newly emergent zoonotic diseases, and to create institutional mechanisms that enable the speediest search for potential treatments, diagnostic tests, vaccines, and other tools and best practices to contain an outbreak. In short, we must be better prepared to share relevant scientific and technological know-how in a more honest, transparent, and credible manner than has been true during the current pandemic.

China's economic and technological rise has created a dangerous psychological reaction in American politics, according to which China is viewed as an unrelenting threat to the United States rather than as a potential partner in global problem-solving.

But there is also a risk of future research-related outbreaks of pandemic diseases. Governments need to upgrade the transparency, oversight, and biosafety of any projects that actively seek dangerous pathogens in nature and return them to laboratories, recognizing the multiple risks involved. Similarly, the tools of genomic manipulation have advanced so rapidly that the potential to create new deadly pathogens in the laboratory and accidentally or even deliberately release them is a very serious concern. The world currently lacks adequate international and national safeguards and transparency on such dangerous work, and the risks are compounded by the secretive bioweapons research programs several governments sponsor that help to fund this work.

The Lancet COVID-19 Commission, which I chair, will carefully scrutinize these issues in advance of its final report in mid-2022, with the overriding aim of recommending policies to prevent and contain future disease outbreaks. The Commission's technical work will be conducted by independent experts who were not themselves involved directly in the U.S.-China research under scrutiny. The scientists who were involved should explain fully the nature of their work. In the meantime, the Commission will tap experts in biosafety to help assess the relevant hypotheses on the origins of SARS-CoV-2 and to recommend ways and means to prevent and contain future outbreaks, whether resulting from naturally occurring zoonotic events or research-related activities.

Overriding Need for Great Power Cooperation

China's economic and technological rise has created a dangerous psychological reaction in American politics, according to which China is viewed as an unrelenting threat to the United States rather than as a potential partner in global problem-solving. The result is rising acrimony between Beijing and Washington. Yet the acrimony is a dead-end, leading to an inability of the two countries to work together even on challenges of direct and urgent shared concern, such as ending the pandemic.

There are two practical hopes for restoring economic relations and diplomacy between the United States and China. The first is for American and Chinese leaders to recognize their overwhelming mutual interest in cooperating. The second is for the rest of the world to insist on such cooperation.

Either way, the benefits of greater cooperation would be very far reaching, not only speeding the end of the pandemic, but also arriving at shared solutions to climate change and global economic recovery and much else coming over the horizon in the time ahead.

China and Digital Payments

So What If China is Innovating?

Michael Greenwald

THE convergence of a shifting international power balance and the digitalization of the world economy will have tremendous implications for two of the world's great powers—China and the United States—as they grapple with evolving, modernized systems. With its "Digital Currency Electronic Payment" (DCEP) program in its early trial stages and growing presence on every continent through its Belt and Road Initiative (BRI) and Digital Silk Road Initiatives (DSR), China has showed significant interest in taking over as a world leader in the coming years. The rolling impact of new technologies that revolutionize the global economy from automated supply chains to digital currency lead us to believe that the United States has a lot of work to do to adapt to the coming tide.

Though many stand on both sides of the aisle when it comes to determining the potential for a Chinese rise to international prominence, it is certainly difficult to argue the opposite point—that they are *not* relevant as a global power in today's world. China has laid substantial infrastructure across the globe in physical form (aiding the development of emerging economies and interconnecting global trade systems) and in social and political forms (developing long term relationships with global leaders and giving aid on the occasion of world crises). However, those who take the stance of China as a rising global power hypothesize various timeframes for when its true challenge to American prominence will occur.

Though some argue for a rapid change in global influence and a call to arms from the American side, it is incredibly hard to imagine some significant change occurring on the scale of less than five years. China has played the long game

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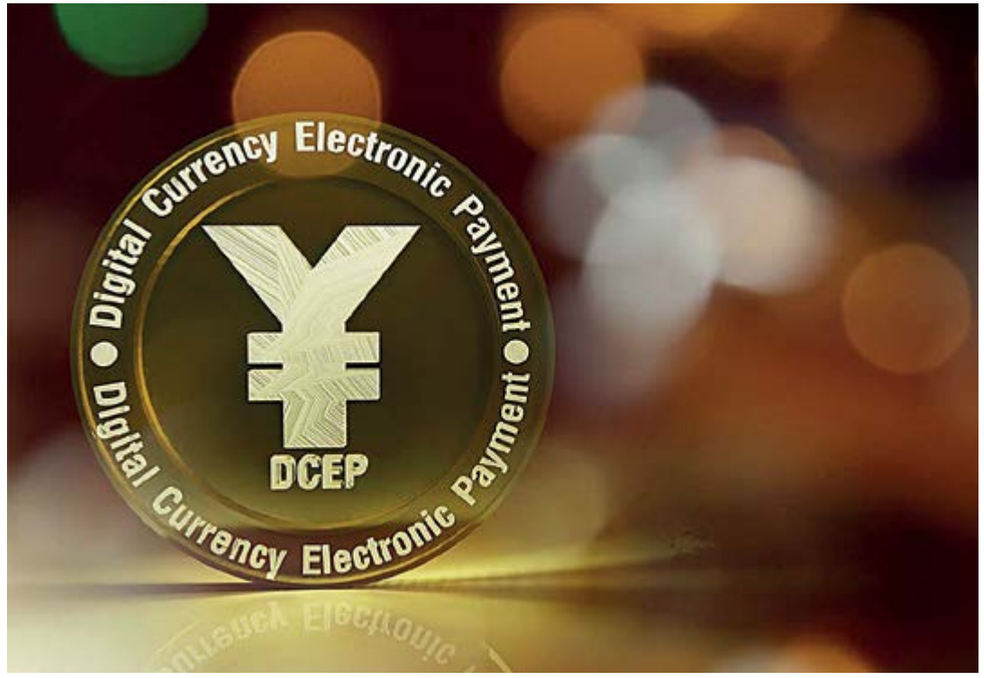

Photo: Wikimedia Commons

in its development, showing patience in seeking global partnerships, negotiating trade, building military presence, and developing technical prowess to become a modernized economy—why would that change now? In reality, China is in no rush to push the United States out of its global spotlight, even though it certainly seems to have high aspirations.

Infrastructure, Influence, and Finance

There have been numerous monographs written on the various ways in which China has grown its influence in the world. However, it is critical to keep one thing in mind that determines all behaviors of an economic-focused entity: money.

The financial system based around the United States that helped it rise to dominance after World War II has been envied by the world's other aspiring powers. It is fairly easy to see that the international system, incentivized by strong international trade and exchange of currencies, has been of tremendous benefit to the United States. As this system has gone through various ebbs and flows, it has shown some of its volatility, which numerous countries from Russia to China to Iran blame on its U.S.-centricity. This has led the call for

a global financial system that no longer relies so heavily on the U.S. dollar as its preferred currency for foreign exchange reserves or cross border trade. America has gained much of its economic prowess and international trust from its long standing as the world's global partner in these everyday financial processes. However, a long-term shifting of the preferred international currency could erode this strength over time.

The importance of being relevant in the modern global economy as an economic power cannot be overstated. As China builds out its physical infrastructure across the world, it is keeping an even gaze on the push for a less centralized global financial system. With the development of its DCEP program, Beijing is showing its ability to adapt to rapidly occurring changes in technology, as well as a desire to lead.

China has played the long game in its development, showing patience in seeking global partnerships, negotiating trade, building military presence, and developing technical prowess to become a modernized economy—why would that change now?

With these things in mind, it is important to focus our approach to the "China problem" on how it can influence the financial system across international groups of which it is a member. While Beijing can certainly affect the way exchange occurs in its bilateral partnerships, its true long-term goals will only be achieved through a large scale changing of the international preference for the U.S. dollar.

As noted by former U.S. Treasury Senior Official Brian O'Toole, "for the digital yuan to truly compete, China needs to take a more hands off approach with its banking sector, especially with regard to foreign banks working in China, and loosen its capital controls. The attraction of the U.S. dollar is how simple it is to use and how deep the market is. That isn't true in China and Beijing doesn't get there without those big money supply questions being answered." This point is echoed by Atlantic Council Geoeconomics Center Senior Fellow JP Schnapper-Casteras, who said that "on the European front, one question is when major retailers or consumer chains start accepting DCEP—either through AliPay / WeChat or through another app or bonus/trial program." He explained that these factors should also be in consideration with whether DCEP is bought, sold, or promoted on exchanges where other stablecoins are listed.

There are certainly roadblocks ahead for the internationalization of the digital yuan, however they are by no means insurmountable over time.

SIX AREAS TO WATCH

Slowly but surely, China is making inroads in its push for a more decentralized global financial system, an important element of which is Beijing's introduction of its DCEP program. There are six geoeconomic areas to watch in determining Chinese success in internationalizing its digital yuan. Each will be addressed in turn.

With the development of its DCEP program, Beijing is showing its ability to adapt to rapidly occurring changes in technology, as well as a desire to lead.

First, *the rise in the Chinese use of the digital yuan*. Tens of millions of people in China are currently using the digital yuan thanks in part to initial giveaways by the People's Bank of China. The Director of the Atlantic Council's Geoeconomics Center, Josh Lipsky, sees a rapid upscaling in the use of the digital yuan, and attributes it to China's push to "reach over 1 billion digital yuan in circulation within 10 months, for the opening ceremonies of the Beijing Winter Olympics."

As of late April 2021, Beijing had injected $23 million worth of digital yuan (150 million RMB) into the Chinese economy. This gradual introduction of the digital currency is accompanied by its new acceptance as a form of payment by well-known retailers like JD.com. This retail giant has already begun using the digital yuan for things like B2C payments on its website, B2B payments to partner firms, cross-bank settlements, and payroll distribution. It is critical to watch how this number grows over the next year leading up to the Winter Olympics, and what other strategic pilot or partnerships programs are developed for its use.

Second, *BRI digital yuan payments*. As China further develops its BRI, we can anticipate that it could begin to call for cross border exchanges and debt payments to occur by way of its DCEP system. To quote Lipsky again: "longer term, the true test of internationalizing is whether the yuan is used to settle bilateral debt between China and borrower countries. Serious progress in this project will be if the People's Bank of China continues to make arrangements with other central banks for digital currency exchange." With the ease of all BRI partners being on the same platform and utilizing the same currency, this shift could feel very natural and be to the benefit of those countries wishing to avoid the U.S. dollar. For reference to the expanding relevance of these relationships, one should keep in mind that around 140 countries have already signed memoranda of understanding with China in the context of the Belt and Road Initiative.

The thought is that if China can convince current trade partners and emerging market economies to utilize its digital yuan, Beijing can reduce the number of transactions that occur in U.S. dollars. According to one recent account, through DCEP China can "harness the market share and technological innovation of private financial firms" and "gain better access to information about the financial activities of [...] consumers." Over time, this technology may facilitate the escalation of China in the global financial regime. If other countries sign on to China's first mover innovation, we will also see the "Communist Party of China exercise greater control over private transactions, as well as wield punitive power over Chinese citizens in tandem with the social credit system." Although this will not be the sole factor in determining the future of a U.S.-led global economy, it highlights China's anticipatory focus on the future and the actions already being taken to dismantle the current system. According to an April 2021 analysis by the Geoeconomics Center at the Atlantic Council, "China has (already) begun cross-border testing a bank-to-bank version of the digital yuan with the UAE, Thailand, and Hong Kong."

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Three, *OPEC turning to the digital yuan*. As it gains increasing influence in trade groups such as OPEC through its partnerships with Iran and Venezuela (among others), we could see China's oil imports start to be purchased utilizing the digital yuan. In 2021, we see a direct linkage between oil prices and the value of the U.S. dollar. Researchers at Mansfield Energy write that massive inflation could be the result of a move away from the U.S. dollar in foreign currency reserves, which would ultimately force the United States to cut government spending and finally get a grip on the ever-growing trade deficit.

Though America has long had the privilege of spending and borrowing without the fear of default, the long-term implications of a shift away from the use of the U.S. dollar in the oil market would play a central role in the reconsideration of domestic economic decisions. The use of a digital yuan in a traditionally U.S. dollar-denominated commodity market would bypass the need for an intermediary, which also has significant impacts on the U.S. sanctions program. Since the U.S. has frequently turned to financial sanctions as a way to reign in the behavior of adversaries China, Iran, and Russia, this is a particularly attractive concept for adversaries of the United States. This analysis is buttressed by the fact that China and Iran just signed a 25-year comprehensive cooperation agreement that details an extended promise of oil for infrastructure development. With this type of agreement in place between two American adversaries, the development of the digital yuan looks particularly threatening.

Massive inflation could be the result of a move away from the U.S. dollar in foreign currency reserves, which would ultimately force the United States to cut government spending and finally get a grip on the ever-growing trade deficit.

Four, *Europe turning to the digital yuan*. As China speeds up its digital yuan development program and begins to see success at a domestic level, the EU may call on it for help in developing their own programs. Since BRI is designed to be extended all the way into the European Union, this idea does not seem so far off. In a modernized world, interconnected technical systems for trade and finance will be deemed critical to development. As we have seen in different areas of the globe from southeast Asia to Africa, emerging economies view the importance of infrastructure development as essential to their success as a country—so essential in fact, that they are willing to open their doors to immediate Chinese investment and a potential future default on their debts which has occurred in Sri Lanka, Zambia, Laos, and Tajikistan (to name a few).

While EU member states are also looking for other partners to expand the EU's own economic markets and infrastructure, there are not many formidable trade partners that offer as comprehensive a development plan as China. The United States has certainly been a long-time economic partner of the United Kingdom and the EU; however, Washington's relatively slow process for passing legislation and its newfound taste for imposing sanctions on other economic partners, at times has made it a thorn in the side of even friendly trade nations. On the other hand, China is able to achieve rapid acceptance in negotiations and development as a result of its authoritarian government structure with few of the pesky democratic oversight processes that America has to manage. China's value as an economic partner to EU member states was made clear by the December 2020 Comprehensive Agreement on Investment (CAI) and the entrance of two-thirds of EU member states into the China-led Asian Infrastructure Investment Bank.

With this kind of economic and financial relationship growing, along with the value that the EU places on a continued relationship with China, it

seems the stage is set for a wider-scale shift to the use of the digital yuan. If the Chinese have a steel grip on infrastructure development and financial investment in the region, they could simply coerce European countries into using the digital yuan for paying their own debts. On top of this, it is important to note that every debt contract China has signed since 2014 "has incorporated a sweeping confidentiality clause that compels the borrowing country to keep confidential its terms or even the loan's existence" and "obligate the borrower to exclude the Chinese debt from any multilateral restructuring process"—as Brahma Chellaney put it in a recent essay he wrote for *The Hill*. Both of these features could have significant implications for undermining the public trust in countries with close economic relationships to China and forcing them to remain dependent on China in times of financial stress.

Washington's relatively slow process for passing legislation and its newfound taste for imposing sanctions on other economic partners, at times has made it a thorn in the side of even friendly trade nations.

Five, *SWIFT expanding its relationship with the digital yuan*. The gradual integration and greater use of the digital yuan would inherently also mean the beginning of deeper assimilation into the Society for Worldwide Interbank Financial Telecommunication (SWIFT) system. Enhanced multilateral trade occurring through the digital yuan will naturally push many large-term projects into motion. Though we will likely not see these changes occurring rapidly across the international financial system, as with everything they do, the Chinese are willing to be patient for influence and economic gains. Notably, in mid-January 2021 SWIFT and the People's Bank of China established a joint venture with its clearing center and digital currency research institute. This is a significant sign of progress toward the strategic geopolitical aims of China.

Sixth, *the wave of momentum striking U.S. dollar denominated foreign reserves*. I have written elsewhere that the long-term impact of adopting Central Bank Digital Currencies (CBDCs) could be a wave of foreign central banks retreating from the use of the U.S. dollar as the preferred reserve currency. According to a statistic found in an April 2021 *Wall Street Journal* article that cited the International Monetary Fund (IMF), "the U.S. dollar's share of global reserves has decreased to its lowest level since 1995. The currency now stands at 59 percent of global reserves as of December 2020." To further highlight this trend, Russian officials issued a statement in early April 2021 that disclosed how a complete launch of that country's own digital ruble could be targeted for 2023. Unsurprisingly—one account informs us—the Russian "CBDC will also have a two-tiered system, akin to China's digital yuan, wherein the central bank distributes the CBDC to third-party firms like commercial banks that then distribute the CBDC to users." This is a great example of the cascading benefits a first mover (China) has in this space, as other countries tack themselves on to its existing infrastructure.

This type of long-term thinking has proved beneficial for the rising global power in the past, requiring substantial creativity and adaptability from the policymaking perspective of the U.S. Treasury Department. At the heart of this geoeconomic battle between the U.S. and China is the question of whether the creation of a digital U.S. dollar will move the needle in competition with China, or whether it will simply put the U.S. at the dawn of a new race in digital currency wars. In the current environment, it seems that America is not going to gain any ground by sitting back and observing China's progress toward a viable CBDC. Instead, it is critical that American policymakers begin taking significant steps to develop a digital U.S. dollar that will allow it to compete in future digital currency arenas.

Again to quote Lipsky: "China will take notice when the U.S. starts actually deploying a digital U.S. dollar—and asking other countries to accept payments that way. Until then, China knows it have a major head start."

TRUE IMPACTS

In the near future, we will not see an unseating of the United States from the center of the financial system. Being at the crux of the global economy for so many years, the United States has entrenched its position. However, as the digital yuan is developed and the international community modernizes its infrastructure, it could present substantial opportunities for growth. In turn, this will provide an alternative to U.S. dollar-based transactions, which will likely transition to a more diversified use of these two currencies in the broad scheme of international trade/cross border transactions.

While some may be tempted to push off the increasing influence of China in the global economy and shrug off the idea of eroding U.S. influence on the international financial system, we must also think about the adaptation and development of norms for emerging technology. As we well know, authoritarian regimes have vastly different terms of agreement for using their technological innovations. A China increasing its global influence means a China more integrated into international decision-

making bodies for standards and regulations when it comes to technology. Currently, the digital yuan is already being used in three cities in China, five years after its initial phases of development. As stated earlier, money is essential to the decisionmaking of every economic body and will always hold vast potential for extending influence. The digital yuan is on its way to being a critical technology of influence abroad.

A China increasing its global influence means a China more integrated into international decisionmaking bodies for standards and regulations when it comes to technology.

There are four essential questions to consider at the moment. First, *how fast can DCEP scale*? In mid-September 2020, the Deputy Governor for the People's Bank of China, Fan Yifei, stated that "in accordance with the renminbi's legal repayment provisions, digital renminbi is used to pay all public and private debts within the territory of our country, and no unit or individual may refuse to accept it if the conditions for acceptance are met." In this statement, he was essentially saying that digital renminbi will have to be accepted as a means of payment in the years to come, signaling the strategic views of this project.

Since its initial rollout and first pilot programs in late 2019, China has done things like file at least 120 patent applications for its CBDC, incorporate seven banks (both public and private) to deploy it, and integrated Alibaba digital markets into its use. Moreover, according to a November 2020 speech by the Governor of the People's Bank of China, Yi Gang, more than RMB 2 billion (nearly $300 million) had been spent using digital yuan in 4 million separate transactions in China. Though initial research and development efforts on the digital yuan had begun as early as 2014 and taken years to get off the ground, the actual implementation effort seems to have been planned well in advance. The scaling of the digital yuan has been rapid and its use has only been accelerated by the Chinese central government, which has required its utilization for the payment of certain government employees, like those in the transportation industry. As we know from broader studies of authoritarian governments and analyzing the efforts of Beijing over the last 70 years, implementing a process through a centralized power structure can be rapid; and it almost always holds the general support of the citizenry.

Second, *can China leverage the DCEP system over countries that are in debt to it*? As discussed above, China's approach to supplying infrastructure development, foreign investment, and debt has been accompanied by an update of its policy in dealing with other economies. From what has been publicly released about debt agreements and BRI memoranda of understanding, we can see that China is increasingly structuring economic relationships to make partner countries reliant on it—especially in times of economic stress.

The digital yuan is on its way to being a critical technology of influence abroad.

Though the coronavirus pandemic has made countries rethink their own supply chains and reliance on individual countries for essential products and services, countries around the world still have a distinct need for the development services China provides. Over time, we have seen numerous examples of this, as countries overlook the long-term implications of a debt agreement to get immediate infrastructure development and modernized technology. Thus, China has the unique ability to utilize what the U.S. previously held as its own economic weapon: a strong financial system that promises economic development in a structured, enduring relationship. This poses large problems and severe shifts to a system that has remained centered around the United States since the Marshall Plan and Bretton Woods Agreements of the post-World War II era.

Third, *what are the true implications for Western countries as China's influence in international regulatory bodies grows*? Whenever a critical inflection point like the present one presents itself to the powers of the world, timing becomes vital. Though it is absolutely necessary to ensure a financial technology is designed correctly to avoid potential vulnerabilities for hackers to exploit and to ensure reliability in its use, first movers in the technology field have proven the importance of speed in releasing new products. In the particular case of CBDCs—a "blue-water" innovation that was untapped until the beginning of 2020—there exists a tremendous opportunity for countries to exert influence on ethics, values, and standards of operation for the new method of digital banking transactions. China has already made substantial strides to get its DCEP pilot program out the door, while the United States has been relatively slow to make a similar commitment.

To truly understand the impacts that China can have on the privacy standards and ethical considerations of a new, widely accepted digital payment system, one only needs to think about two things: its current desire for constant domestic surveillance and transparency, and its ability to export advanced technologies in this field to emerging economies. In Africa, China has already begun to conduct deals with countries that are implementing its enhanced surveillance

technologies, often built (according to reports) directly into telecommunications infrastructure like 4G and 5G cables. In fact, Huawei and other Chinese firms are responsible for over 70 percent of this infrastructure development on the African continent and have long-term relationships with many of the governments there.

The societal and economic model that China offers is the ability to develop rapidly while retaining hold on "baked-in" authoritarian restrictions. The inclusion of a digital financial payments system will only serve to further solidify the grip of authoritarian governments on their respective domestic populations.

Now, necessary with the innovation of any new technology is the need for legal requirements and standards—in this case, for governing the use of a digital currency. The international implementation of a Chinese financial technology like the digital yuan will result in a significantly different system of regulations and standards for tracking, privacy, and surveillance than one structured around Western values of freedom, liberty, and enhanced privacy.

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The American Response

This brings me to the fourth essential question to consider at the moment, namely: *what can the United States do to adapt for the coming tide*? I laid out much of my answer in a March 2021 essay I co-wrote for *The National Interest* and will summarize the finding contained therein in what follows.

Essentially, there are five key considerations that can be outlined for a U.S. response to the Chinese digital yuan. First, *set the course*. The Office of Management and Budget as well as the National Security Council should each issue a guidance on why maintaining an advantage on digital currencies is a national security priority. Although it was overlooked in the interim guidance issued in February 2021, this can still be done by outlining the purposes of the digital U.S. dollar and exploring the potential risks of a digital yuan in the next full National Security Strategy, due later this year.

While the Chinese government is hoping to scrape data from domestic transactions, perform domestic surveillance on its citizens, and maintain expanding control over internal institutions, the structure of a digital U.S. dollar system will be fundamentally different. In contrast to the Digital Yuan, it should be targeted at increasing financial inclusion, speed of service, and global competitiveness for democratic regimes in the financial technology sphere.

Second, *consider stakeholders*. After setting the objectives and guidance for the project, the designated interagency process will need to seek federal government and key private sector stakeholder consultation on privacy and civil liberties. As with any discussion about the implementation of a new technology in a democratic country, the enduring topics of privacy and civil liberties will be at the heart of the effort.

Partnerships between NGOs and the designated task force will be central in these debates to ensure a democratic procedure of developing standards for digital U.S. dollar use. In addition to privacy concerns, there will also need to be substantial cooperation between stakeholders that understand the intricacies of Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT). This work can be done with select groups in the U.S. Department of Treasury, the Financial Action Task Force (FATF), and other AML/CFT groups.

Third, *partner with other lending democratic states*. After developing the basic theoretical and technical framework for the digital U.S. dollar, Washington should use its traditional leadership role in innovation to partner with other democratic states to provide a substantial alternative to what China is offering. This work should be highlighted by a twenty-first-century Digital Bretton Woods convening.

Working group conversations between Chairman Jerome Powell, Christine Lagarde, and Janet Yellen—some which are already happening at the staff level—will help advance interwoven strategies for developing the digital U.S. dollar alongside the digital euro. Washington officials should also collaborate with our long-time transatlantic partners in the United Kingdom to develop a similar framework for the digital UK pound. The newly reenergized Quad—the United States, Japan, Australia, and India—will welcome an alternative to the growing regional influence of the digital yuan.

Fourth, *educate the public*. While a CBDC is similar to digital transactions today, many American citizens will be initially skeptical of using money issued directly from the Federal Reserve. By juxtaposing the differences in the U.S. system that will emphasize privacy and ease of use (think stimulus checks direct to your phone two hours

after a bill is signed) stakeholders can gain the trust of the general public.

This can be done through a series of partnerships with private actors that publicly vouch for the new technology, as well as an open-source training program that is required for U.S. citizens with an account. Since every U.S. citizen will have access to a digital U.S. dollar account, the training can be implemented and run as soon as it is opened for the first time.

Fifth, *set a rollout deadline for before the end of 2022*. As with any project, there needs to be a timeline. Success in competition relies on adding pressure, goals, and guidelines for success. Americans have always thrived when competing in the technical space and this time will be no different.

To have a significant answer for the digital yuan at the 2022 Olympics, the United States needs to launch its program now. Having a viable system—and a counter to China—by the end of 2022 is a real possibility if public-private sector cooperation starts today.

Pay Attention

An important takeaway here is: pay attention to the slowly but surely approach. China's rise may be slow, but it is not without careful consideration and planning. This is made evident through its development of initiatives like the BRI and the DSR. The United States would be wise to weigh the long-term challenges associated with a shifting of global financial power and develop ways to remain the world's the preferred partner in the international economy.

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SERBIAN CULTURAL IDENTITY

Milo Lompar

AS the world recovers from the COVID-19 pandemic, questions concerning the future of national cultural identities risk being subsumed by what is understood in some circles to be more pressing matters. Without getting into the thorny issue of rank-ordering, as Nietzsche would put it, relegating such questions to the margins of contemporary public discourse not only does a great disservice to the future of all nations but in fact may also pose a grave danger to those that, for one reason or another, are not fully masters of their own destiny. And such nations are in the majority: throughout history, the great powers have been few in number. This essay is intended to help us come to grips with such questions through the prism of a particular example—that of the cultural identity of the Serbian nation—at what may very well turn out to be an inflection point in more ways than one.

As in the history of any other nation, for the Serbs there are a certain number of nodal points in the past that have shaped its national identity under different influences and circumstances. In his book *Topographie des Fremden* (1997), German phenomenologist Bernhard Waldenfels explains why: "in the lives of individuals, as in the lives of entire nations and cultures, there are certain events 'that are not forgotten' because they establish a symbolic order, imprint meaning, revive history, demand answers, generate obligations." When we compare how German newspapers wrote about the Serbs in 1914-1918 and how they did in 1990-1995, we can observe a striking similarity in terms of both typology and content. The characteristics of Serbian culture, of the Serbian nation, and of Serbian behavior were presented in virtually the same way, whether in caricatures or satirical and analytical texts. The airplane has changed greatly from 1918 to 2000; so has the automobile. But symbolic and cultural conceptions in people's minds last much longer.

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Unlike technological changes, symbolic and cultural conceptions do not undergo rapid change. Even the uncontrolled circulation of information in the virtual world—or even technological and cybernetic changes that have marginalized artistic and spiritual life—cannot rapidly or easily change the invisible action of cultural factors. For it was such changes that created today's world in which—to quote the Norwegian historian of ideas Trond Berg Eriksen—"symbolic transactions form an important part of social, political and cultural life." For these same symbolic transactions belong to inherited or altered cultural contents. Culture is not only the fruit of an individual's spiritual experience—great spiritual achievements in poetry, art, and architecture. In these fields Serbian culture has achieved significant results, some of which are in fact global results. However, there is also something called "cultural policy" and something called the "cultural contribution to collective self-understanding."

The cultural existence of the Serbian nation, at this moment, is a decisive factor in thinking about and determining our overall national survival, understood as constituting our collective survival.

It is all this that creates the world of culture in the broadest sense, because it provides a roadmap for interpersonal communication and the basis for understanding the widest possible variety of things. It is a decisive factor in shaping both national identity in particular and human identity in general—obviously, national identity does not represent human identity as a whole. The human personality is much broader than any identification—national or religious. However—also obviously—national identity is a component of the totality of human identity. To truncate one's nationality means to truncate something from one's personality.

This refers to coercive acts. However, if an individual acting alone chooses his pattern of existence—including choosing his national identity—such a choice is associated with individual freedom, and not with the nation. But we often find ourselves amidst collective movements on which social and cultural engineering has a decisive impact. Thus, we face a question that concerns itself with understanding Serbia's cultural and national existence as two wholes—as categories of their own. This question is older than the question of a legal or state framework (or other frameworks

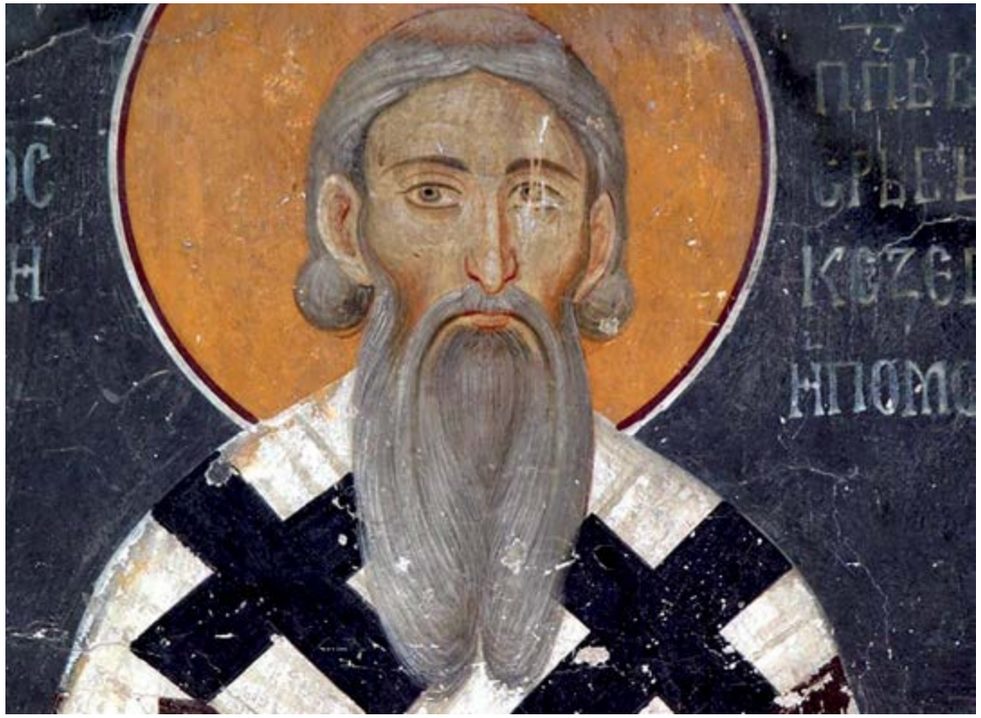

Photo: Wikimedia commons.

Fresco detail of Saint Sava in the King's church at Studenica monastery.

of existence, for that matter); yet at the same time it is not separate from that question. However, the cultural existence of the Serbian nation, at this moment, is a decisive factor in thinking about and determining our overall national survival, understood as constituting our collective survival.

SAINT SAVA

If we were to list the dominant moments of Serbian cultural existence, then we would have to start from what constitutes its founding moment: the enlightening, educating tradition founded by Saint Sava. The distinctive mark left by Saint Sava's personality on the historical existence of the Serbian nation undoubtedly represents the starting point in the education and shaping of our nation's collective self-understanding. The youngest son of Grand Župan Stefan Nemanja—the founder of the Nemanjić dynasty that ruled the medieval Serbian state for over two centuries—Sava became a monk on Mount Athos at a young age. Later, he went on to found and organize the autocephalous Serbian Archbishopric (1219), make a pilgrimage to the Holy Land, and shape the decisive currents in art, language, and literature of the Serbian nation that lasted for centuries thereafter.

We can also see that his personality achieved a status of great predominance in our medieval historical existence by the fact that it embodied two foundational traditions: the sacral and the secular. The medieval tradition of sacral expression made Saint Sava into a representative of the Serbian nation's high art and culture. It is also important to note that he was the founder of the monastic and ascetic tradition of our nation's spiritual expression, which left a clear mark on Serbian frescoes and monasteries. This spiritualism can be found in what has been called the "biblical historicism" of later thinkers. They fulfilled the historical existence of the nation with Christian (Old Testament) pathos and eschatological perspective.

Even during his lifetime, popular or folkloric tradition took over important elements of the description of Saint Sava's character, which produced a rather unique amalgamation. Thus, in the legendary account of the relationship between Saint Sava and the wolf—as historian Vladimir Ćorović has written—we see a merger between the paradigmatic figure of the *wolf*, which represents pre-Christian antiquity, and the paradigmatic figure of the *saint*, which represents the Christian tradition. This means that in the Serbian collective self-understanding, the personality of Saint Sava was chosen as the integrative personality of Serbian culture, as it enabled the merger of different cultural traditions.

But Serbian culture at its onset *emerged* as a culture of contact—if one can put it this way—because the Nemanjić state included both Orthodox and Catholic regions. When we examine the decorative façades and architecture of the Studenica and Dečani monasteries, for example, we find many traces of the artistry of master craftsmen from Kotor and southern Apulia. There is, therefore, evidence of Latinity in our medieval artistic tradition. To this, however, one must add that fresco painting was always a Byzantine tradition and that it was, and remains, the popular bearer of the Orthodox message.

KOSOVO

The second defining moment of our collective existence is certainly the Kosovo tradition. It revolves around the consequences of the Battle of Kosovo in 1389. This battle, which took place on the Kosovo field near Priština, embodied the historical conflict between the Ottoman imperial army and Serbian medieval armies under the command of Prince Lazar. This militarily indecisive battle—the only one in Ottoman history that resulted in the battlefield death of a sultan—exhausted the forces of both the Serbian

Photo: Wikimedia commons.

The Studenica monastery, a UNESCO World Heritage Site.

medieval state and its autochthonous nobility. Thus, the consequences of this battle were easily understood—in both oral and written testimonials—as precipitating the end of independent Serbian statehood to the Ottoman Empire in 1459.

The Kosovo tradition represents a historical verticality of both the spiritual and historical destiny of the Serbian nation, for it instilled the feeling that "established our fourteenth-century national tragedy as *the* predominant spiritual substance of the nation in the centuries that followed," in the words of historian Anica Savić-Rebac. In its sublime and representative forms—both in the works of medieval writers and Serbian epic poetry, as well as in the writings of great talents like the classic poet of Serbian culture, Montenegro's Prince-Bishop Petar II Petrović Njegoš—this literary tradition shaped a "specifically Serbian feeling of autotragedy," as Savić-Rebac has put it. It characteristically appears in the two representative forms of medieval culture.

We find medieval texts about Kosovo as a particular feeling of the world that has both a vertical and a horizontal dimension. The horizontal

Photo: Wikimedia commons.

The Visoki Dečani monastery, a UNESCO World Heritage Site in Danger.

one determines a person in time; the vertical dimension determines a person in spirit. The tradition of Kosovo—sealed with Lazar's covenant—evolved in both directions. Lazar's choice, as something that embodies the Kosovo covenant, is about opting for the eternal, heavenly kingdom over holding onto an earthly one. This choice, which oral tradition tells us was made prior to the battle, points to something often overlooked with respect to the Kosovo covenant: Lazar did not avoid fighting the Ottomans. After choosing the heavenly kingdom, he went into battle, nonetheless. This shows that the Kosovo covenant does not imply a passive acceptance of the inevitable. Rather, it demonstrates the existence of an active or dynamic agent: Lazar is characterized by an inner stratification representing a Christian moment of freedom that justifies his confidence in the promise of the Kingdom of Heaven: "we die with Christ to live forever," the epic tradition tells us he exclaimed to his soldiers as they took communion before taking to the battlefield.

MIGRATIONS

The third important element of Serbian cultural identity is related to the historical destiny of the Serbian nation at the turn of the epochs, that is,

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Monument to the Heroes of the Battle of Kosovo by Aleksandar Deroko.

during the transition from the medieval period to early modern times. It prompted migrations from south to north and from east to west. In the Balkans, migrations were neither rare nor limited to the Serbs. Jovan Cvijić, a Serbian anthropogeographer writing in the early twentieth century, termed these "metanastasic movements." These migrations, he said, represented a historical process lasting centuries—one that culminated for us in the Great Migration of the Serbs under Patriarch Arsenije III Čarnojević. In 1690, fearing Ottoman vengeance, he left his seat in Peć, located in the heart of Metohija, and led a mass exodus of Serbs into the Habsburg Empire at the invitation of Holy Roman Emperor Leopold I.

The situation in the new land was not easy for the Orthodox Serbs. They were subjected to great and constant pressure from an aggressive form of Catholicism. The Primate of Hungary and a leading Counter-Reformation figure in Central Europe, Cardinal Leopold Karl von Kollonitsch, wrote to the Habsburg emperor that the Serbs should not be allowed to remain Orthodox—not only for religious (Catholic) reasons but also because it was in the interest of the empire. This historical assessment has ominously accompanied the destiny

Photo: Wikimedia commons.

"Migration of the Serbs" by Paja Jovanović.

of the Serbian nation through to most recent times. The cardinal's assessment represented a dual historical condemnation: a new wave of migration took parts of the Serbian nation to the territory of the Russian empire.

The greatest Serbian historical novel—Miloš Crnjanski's *Migrations* (1929)—artistically depicted this dimension of national existence. Crnjanski made it universal by tying it to antiquity(Odyssean journey), Christianity (chosenness),and modernity: a national experience interpreted as a constant of humanity, both in its tragic and ironical contexts. All the more reason for interpreting the title of Crnjanski's novel *Migrations* as bearing the name of our collective national destiny.

OVERLAPPING OF EXPERIENCES

All this has enabled the shaping of different models of Serbian culture, which has significantly determined the character of Serbian culture *in toto*, because the cultural form of the existence of the Serbian nation itself began to change and complement itself. An artistic contact between Byzantine (Orthodox) and Central European (Catholic) traditions took place. At the same time, within this historical development, elements of Islamic tradition also

penetrated Serbian culture. Therefore, we have a crossover in the *conception* of Serbian culture, which has only increased over time. If we consider Vuk Karadžić's *Serbian Dictionary* as the representative work of this decisive reformer of the Serbian language—his work enjoyed the support of Goethe, the Brothers Grimm, and leading philologists of his time—then we discover that around 20 percent of the entries contained in its first edition (1818) were Turkish loanwords, many of which were actually derived from Persian. This means that Islamic culture left its mark during its centuries-long presence.

National identity changes in time without succumbing entirely to time. It endures the coercive power of history, symbolically reshaping it and transforming it into the contents of collective self-understanding.

This three-component cultural existence—introduced by migrations to the north and the west—left its traces on both historical and artistic monuments. These traces marked national identity as a dynamic category—not a static one. National identity changes *in* time without succumbing *entirely* to time. It endures the coercive power of history, symbolically reshaping it and transforming it into the contents of collective self-understanding.

The overlapping of experiences is a characteristic component of every culture. Indeed, the overlapping of experiences that appeared in Serbian culture has significantly determined its character. Did this represent a break with the Kosovo tradition or the Saint Sava tradition?

One of the most beautiful buildings in Trieste—a city that perhaps represents the westernmost point of our collective migration—is Spiridon Gopčević's famous palazzo, completed in 1850. With its wave-shaped façade, the building seems to emulate the movement of the sea, located in its vicinity.

How did it appear there?

A small colony of Serbian merchants settled in Trieste in the eighteenth century, when the city came under Austrian rule and became a privileged seaport. The colony in question became very influential and gained considerable wealth through its trading ventures. One of their most prominent descendants was Spiridon Gopčević, who belonged to the third generation of Serbs living in Trieste. It was this highly educated man—a prosperous ship owner and merchant who also corresponded with political figures as varied as Giuseppe Garibaldi and William Gladstone—who built this incredible building in the heart of a very Catholic city. According to one Italian historian's account, "the presence of numerous statues and medallions on the building façade is really unique and unusual, as if it is some kind of manifesto. They depict the tragic Serbian epic about the Battle of Kosovo, which had a decisive impact on the history of the Serbian nation." The battle itself was characteristically *embodied* in stone: "The statue group depicts four main protagonists of the battle: Prince Lazar and Princess Milica are on the left and Duke Miloš Obilić and the 'Kosovo Maiden' on the right side of the entrance," the same account informs us.

In an entirely different environment compared to the one his ancestors had left—an environment with whose demands he himself had to comply—Spiridon Gopčević did not want to renounce the tradition that had shaped both his personal and his collective, symbolic self-understanding: the tradition of Kosovo. At a moment when his personal existence had been reduced to its most basic formulas, he reached for a collective, national identity point that represented the tradition of Kosovo.

That moment is of utmost importance. It demonstrates how right Vuk had been in his explanation of why our oral epics contained with so few pre-Kosovo narratives: the change brought about by the entry into national consciousness of the Kosovo disaster had such a tremendous impact that it overlaid and blocked out memories of previous events.

THE NATION-STATE

The fourth component of the cultural pattern of the Serbian nation is tied to the secular experience of the new century. This had an impact on those Serbs living, since the Middle Ages, north of the Sava and Danube, and west of the Drina, all the way to the eastern coast of the Adriatic Sea—as evidenced by untold numbers of toponyms, monuments, and monasteries.

However, when these Serbs appeared before the astonished eyes of the world of Central Europe—at Leopold I's invitation, and having been granted unique privileges due to their specificity—they were recognized not only as a nation seeking refuge from the Ottoman invaders in 1690, but also as a self-conscious and self-aware nation. This is when the Serbian nation stepped onto the modern historical stage, encountering the Baroque world that had come to them first along the winding road of Russo-Slavic influence but that had really come into its own in the Catholic surroundings of Central Europe in which they found themselves. These Serbs came into contact with the ideas of the Enlightenment, which took on

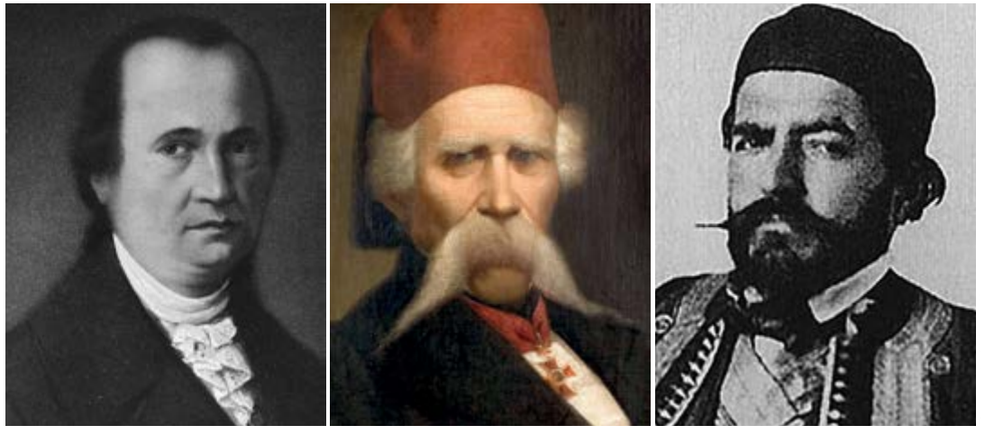

Photo: Wikimedia commons.

Dositej Obradović, Vuk Karadžić, and Petar II Petrović Njegoš

the characteristics of both bourgeois Enlightenment (Zaharije Orfelin) and religious Enlightenment (Jovan Rajić), thanks to the development of urban social classes made up of craftsmen and tradesmen, enriched by various cultural institutions, the establishment of a new military nobility, and encompassing elements of both *petite* and *haute* bourgeoisies.

The idea of a nation-state—which emerged for the Serbs in parallel to the European development of this concept in the early nineteenth century, and to which the most important impetus was given by the French Revolution—was fully adjusted to contemporary rhythms: it represents the fourth component of the Serbian cultural pattern. Heavily relying on the rise of secularism in the 18th and 19th centuries throughout the Old Continent, this component had a distinctly secular character. It was personified by Dositej Obradović, who brought the spirit of the Enlightenment into our cultural horizon. Having abandoned a monastic life, Dositej went on to follow a roadmap to the Protestant universities of Halle and Leipzig, lived in Vienna and Trieste, visited Paris and London, and wrote a refined version of the vernacular. He criticized the church and its institutions in the manner of Voltaire, penned a literary autobiography in the spirit of the Enlightenment, and as a model modern citizen took part in the first-ever uprising that any nation living under the Ottoman yoke in Southeast Europe had ever launched (and successfully executed). That is when the Serbian peasantry came to lay the foundation of the modern Serbian nation-state.

The establishment of the Serbian nation-state spearheaded a movement that did not imply the annulment of either the tradition of Saint Sava or Kosovo. Vuk and Njegoš laid the cultural foundations for an education in the national culture: the Kosovo tradition was always given a privileged place in their works. This is what Serbian statesmen also felt: regardless of whether they were conservatives of national liberals, Russophiles or Westerners, they all shared a political view that most often rose above political particularism and was oriented towards that which leads to the whole.

They understood that in the new (secular) era, Saint Sava's sacral function could not be introduced into secular state institutions. So they emphasized the enlightening aspect of Saint Sava's personality and brought it into the newly-emerging school system. This represents an extraordinary example of how a central moment of an identity can be adjusted to the dictates of time so that it is not lost to time but rather preserved in time. This shows that Serbian cultural existence had the ability to assimilate and amalgamate different traditions. Here it should be noted that a discontinuity with the Saint Sava tradition was only achieved by the communist dictatorship in the years following their seizure of power in 1945. During this period, Saint Sava was erased from the *public* form of our collective existence.

In 1918, Serbia was the only South Slavic state that was on the side of the victors. At the same time, it had a very clearly formulated national idea: the unification of the Serbian nation. We also had a very strongly formulated idea of the state, personified by two independent states: Serbia and Montenegro. And we also had a strongly confirmed military idea, having demonstrated the victorious character of the Serbian Army in both Balkan Wars and World War I. What was necessary—and to a certain extent was lacking—was a cultural idea. By this I mean the idea of a unique cultural framework that would bring together different traditions of Serbian national and cultural existence: Byzantine-Orthodox, Central European, and secular models. At the same time, it was necessary to *culturally* connect very diverse regional consciousnesses within one Serbian national existence.

Before the establishment of Yugoslavia, a Central European (Austro-German) cultural model existed to the north of the Sava and the Danube. A French cultural model, centered on Belgrade, was dominant in southern intellectual circles and was characterized by the established norms of the Serbian cultural and literary language and style, as well as by the newly-endowed University of Belgrade.

Why were both spiritually connected to the French cultural model?

Because the Catholic-Germanic threat, embodied by the Habsburg empire, was a life-threatening one. Hence a model was sought that would lessen this threat, not heighten it. And also because the prevailing opinion around the turn of the twentieth century was that the democratic principle was the principle of the future. Thus, the democratic ideal largely conditioned the adoption of the French cultural model in our public consciousness in the period before the onset of World War I.

The creation of the Yugoslav cultural pattern in 1918 began at a time when the Serbian cultural pattern had not yet been crystallized, consolidated, and entrenched.

YUGOSLAVIA

The existence of different cultural models can undoubtedly help us understand the cause of a certain degree of rivalry with respect to opting for one or another tradition; it can even help explain the polycentric development of Serbian culture. But it cannot be a distinctive fact when it comes to our actual cultural and national existence. Hence it follows that no polycentricity can be translated into a nationally distinctive fact, because such a cultural pattern needs to match our different traditions and neutralize different regional and particular aspirations.

So why did this not happen? The reason lies in the fact that **the** creation of the Yugoslav cultural pattern in 1918 began at a time when the Serbian cultural pattern had not yet been crystallized, consolidated, and entrenched. Our most prominent historian and legal scholar Slobodan Jovanović later wrote something about this arrested development in his old age, living in exile in post-World War II London. He said that with the establishment of Yugoslavia, the Serbs carried out their "national demobilization." This assessment is of great importance because it shows that the movement towards the formation of national identity had not been completed.

In parallel with such a movement, the Russian influence in our country underwent an important change. In the twentieth century, there were two aspects to this problem. Namely, in the interwar period, the Kingdom of Serbs, Croats, and Slovenes had a distinctly anti-Soviet stance. This was due to at least three reasons: adherence to the monarchist principle; the immigration of a large number of White Russians and their high reputation and influence, especially in Serbia; and the Comintern's policies, which had adopted the view of Austro-Marxists with respect to the 'perils of Greater Serbian hegemony' and thus embraced the position that Yugoslavia was an artificial creation that had to be destroyed.

In that anti-Soviet stance, however, there were no elements of Russophobia. It consisted, rather, of the state's caution and anxiety over the possibility that the Western powers might not look favorably upon a hypothetical rapprochement with Soviet Russia. Namely, as early as 1914, Prince Regent Alexander Karadjordjević guaranteed that Serbia did not intend to become a Russian province, as evidenced from a memorandum written by R.W. Seton-Watson (irrespective of the fact that our state did not share a border with Russia).

With respect to the degree of Russian influence, we can observe certain movements in specified periods over the centuries.

After communist Yugoslavia's break with the Cominform in 1948, there followed a very subtle and elaborate accumulation of American and Western influences that went on for decades. At the same time, an *a priori* distrustful attitude toward any Soviet presence was developed. Thus, for example, were citizens of Yugoslavia awarded the largest number of Fulbright fellowships during the Cold War era (even ahead of West Germany)—a fact we can find in the writings of historian John Lampe. So not France, not Italy: countries with much larger populations than Yugoslavia. Due to intense Western (American) indoctrination, which took place within the larger framework of Cold War propaganda efforts, a tense and negative attitude towards the communist tradition was *semantically transferred* to Soviet Russia's presence and influence.

With respect to the degree of Russian influence, we can observe certain movements in specified periods over the centuries. In the eighteenth century, the Russian cultural presence was very strong: through the use of a more or less common liturgical language, an emphasis on various forms of pan-Slavism (or Slavic solidarity), Baroque-style painting and architecture, and the use of sacerdotal vessels and vials in churches and monasteries. Our eighteenth-century political leaders were most often church dignitaries, and they were also oriented towards Russian traditions. A striking example of this last is a 1705 letter written by Patriarch Arsenije III Čarnojević to Count Feodor Golovin, the first Chancellor of the Russian Empire; or the petitions signed by prominent Serbs sent to Peter the Great to help secure the release Count Djordje Branković—the author of the first political manifesto among the Serbs—who was placed under house arrest in the Hapsburg

lands. There exists, therefore, a *parallelism* in our cultural and political orientation in the eighteenth century.

In the nineteenth century, the political orientation that followed Russian interests was important, because that era was Russia's great century in terms of historical momentum. Consider an episode that took place during a critical gathering of Serbian notables at the Vraćevšnica monastery in 1810 during the First Serbian Uprising. On this occasion, Dositej, our greatest Westernizer in the cultural field, suggested that we align with Russia and not Austria, because he realistically assessed the assistance to the war effort provided to Karadjordje's Serbia by both St. Petersburg and Vienna. Here we observe a certain duality: our cultural background was becoming increasingly Westernized, while our political orientation, albeit meandering, remained in a relationship of obligation towards Russia. This took place gradually: most of our intellectuals studied in Vienna and Paris, so that they were even divided into Viennese and Parisian camps, as it were. A smaller number of them also studied in Berlin, Jena, and St. Petersburg.

At the end of the nineteenth century we had a cultural foundation that was essentially Western: most of our intellectuals looked in the direction of the West, influenced most notably by France due to the republican, democratic, and secularist ideas it professed. This was not without reason: the Western world seemed attractive to those endowed with critical means to make, say, political assessments. The trouble was that—as Slobodan Jovanović admitted later in his life—such people looked at the Western world without any critical distance, almost idolatrously. Throughout the twentieth century, our cultural and intellectual establishment was deeply filled with Western (American) influences, whereas the Russian cultural influence was in retreat—although some Russian political influence was felt in certain periods.

Thus, we can observe that over a period of three centuries a gradual change in the content of our cultural framework brought about a significant change in the content of our politics.

Victory and Collapse

These facts had a far-reaching impact: they appeared before our eyes from the moment Yugoslavia collapsed in 1991. We should not, however, confuse the coming to power of Yugoslav communists in 1945 with the support on which the Titoist regime rested. As a direct consequence of the Soviet Union's military victory in World War II, communist regimes seized power in many East-Central European countries; but it was *only* the Yugoslav communist regime that managed to break successfully with the Soviet Union after only a few years. This did not prevent it from remaining both totalitarian and dictatorial, however.

Present-day Russia's attempt to preserve the symbolic significance of the Red Army's victory in World War II meant that Moscow continues to give preference—in the context of furthering the culture of remembrance—to the coming of the communists to power in our country and contributes to the downplaying of the precise historical consciousness of the other antifascist movement led by General Draža Mihailović's Chetniks.

History does not unfold only linearly with time; in the context of the culture of remembrance, one comes also to recognize the circular movement of events and processes.

Guided by its interests and being imperially insensitive, contemporary Russian politics refuses to understand that, in the history of the Serbian nation, the year 1945 is comparable to the year 1918 in the history of the Russian nation: their *communist revolution* resulted in the loss of monarchy, introduced an internal reign of terror, produced violent acts of denationalization, stripped it of territories recognized in the aftermaths of previous wars, significantly reduced the depth of its cultural heritage, and both materially and morally devasted its Orthodox Church. Something similar could be said of the Serbian nation's situation starting in 1945. In short, the respective actions of new regimes ruling over the two nations (the Serbian in 1945 and the Russian in 1918) transformed each from a victor into a defeated victim.

On the other hand, the Serbian triumph of 1918 is comparable to the Soviet one of 1945: each achieved a great victory after an almost unimaginable sacrifice. In the case of the former, the result produced the integration of the Serbian state into a broader Yugoslav one that extended into Central Europe; in the case of the latter, it moved both the *de jure* and *de facto* borders of Soviet Union westward—also into Central Europe. Both entered into broader constellations of relations and territories—and both saw their power and influence increase.

And in both cases, the disastrous consequences of all this became evident only decades later: in the years immediately following the fall of the Berlin Wall. This is when both Yugoslavia and Soviet Union vanished. And then—as if they both experienced some sort of awakening or the overcoming of an epochal interregnum—the traditions, history, and politics of Serbia and Russia met once again in real time. Still here it must be noted that because of

the inherited predestine propaganda of the Soviet view of things, contemporary Russian politics does not wish to observe the *epochal inversion* of the positions of the Serbian and Russian nations in the twentieth century. History does not unfold only linearly with time; in the context of the culture of remembrance, one comes also to recognize the circular movement of events and processes.

JASENOVAC

In the Yugoslav experience itself we can recognize two moments. There is the inter-war Yugoslav experience which, according to foreign cultural historians like Andrew Wachtel, aspired in many ways toward integration—a form of multiculturalism. And then there is the post-World War II Yugoslav experience, which developed national cultural concepts that in the 1980s took on a form that precipitated the cultural disintegration of Yugoslavia.

It is important to understand that the manner in which the communists ruled has prevented sufficient light to be shed on one historical event that played out in the twentieth century in both cultural and symbolic terms. In the past century, the Serbian nation suffered a genocide. In its centuries-old historical movement between two worlds (Orthodox and Catholic) and two empires (Ottoman and Habsburg), there is nothing in the history of the Serbian nation that can be compared to the events symbolized by an invocation of the name Jasenovac. Although the murder of untold numbers of innocent Serbs took place at various sites located throughout the territories controlled by the evil regime known as the Independent State of Croatia, its symbolic nucleus is the Jasenovac concentration camp.

In the past century, the Serbian nation suffered a genocide. In its centuries-old historical movement between two worlds (Orthodox and Catholic) and two empires (Ottoman and Habsburg), there is nothing in the history of the Serbian nation that can be compared to the events symbolized by an invocation of the name Jasenovac.

This is a fact that demands the greatest possible attention. One cannot move beyond it—at least without grave consequence—with one's eyes closed. The Armenian nation, which suffered a genocide in World War I, and the Jewish nation, which suffered a genocide in World War II, are those we need most to emulate, within the scope of a deeper collective understanding of historical destiny.

When we consider the great artistic achievements of writers like Crnjanski and Ivo Andrić, or of painters like Petar Lubarda and Sava Šumanović, our twentieth century experience is rightfully characterized as being in ascendance. But in the processes of shaping Serbian cultural identity it was a time of decline and reversal.

The question that goes to the very heart of the matter is this: in the process of creating a singular Serbian cultural policy, how can we conserve the unquestionable polycentricity of Serbian culture?

In the process of creating a singular Serbian cultural policy, how can we conserve the unquestionable polycentricity of Serbian culture?

The history of the Serbian nation points to its polycentricity in different historical periods. In some periods, when the Serbian state did not exist, certain cities—like Vienna (Austria), Trieste (Italy), Novi Sad (Serbia),or Mostar (Bosnia and Herzegovina)—played the role of cultural centers for the Serbian nation, as did Cetinje (Montenegro) in the past. This polycentricity unquestionably still exists because Serbian culture is culture of contact. However, this sort of experience of polycentricity can have both positive and negative aspects. It depends on how a cultural pattern is shaped. The absence of a Serbian cultural pattern has, over time, hyperatrophied our polycentricity, reducing our cultural roadmap to what amounts to disintegrative movements.

What then does the Serbian cultural pattern mean? In a way it means the establishment of a *public consciousness* about the whole. And it means the establishment of a genuine content to our national consciousness itself, regardless of whether it captures the past or describes the present. A consciousness of the Serbian nation as a whole—as a public consciousness—implies a type of behavior that includes a positive view of polycentricity. Polycentricity as a natural existence of a culture and a nation in various contacts is one thing; its political instrumentalization is quite another. These two facts must always be kept in mind, because it would be neither reasonable nor possible to expect polycentricity to be nullified. From the choice of cultural pattern will depend which tendency shall prevail in the time ahead.

THE BALKANS AND EUROPE

BOTH ARE SITTING FOR THE EUROPEAN EXAMS

Miodrag Lekić

Ignoranti, quem portum petat, nullus suus ventus est.
– Seneca

THE Balkans, especially the region's western part, have been sitting for a series of European exams for quite a long time. It has not been easy. Advances have been made, but exams have also been failed—still, it remains possible to retake an exam. Although the awarding of diplomas is not yet in sight, the candidates have neither given up their studies yet, nor do they express a desire to enroll in other universities. At least they have not done so publicly.

But Europe is also taking its own series of European exams. Sure, those exams are of a different type, although the course of study, in its broadest sense, remains the same: Europe. The European Union has arranged to deliver a *lectio magistralis* next spring. The topic will be the future of Europe. The concluding Conference on the Future of Europe is tentatively scheduled to kick-off on May 9th, 2022—on Europe Day, which marks the anniversary of the Schuman Declaration, pronounced in 1950 by French Foreign Minister Robert Schuman in the Salon de l'Horloge of the Quai d'Orsay.

"WHO DO I CALL?"

This debate is already open: it has already begun and consists of several levels of participation.

Everything has been conceived as a great exercise in democracy. All proposals concerning the most important issues for the European Union, including ideas regarding its qualitatively new functioning, will in the end be discussed in the

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Photo: Gerald R. Ford Presidential Library & Museum

Kissinger's famous question ("Who do I call if I want to call Europe?") is still more relevant than many would like to admit

Conference plenary. This body is to be comprised thusly—here we can quote from the official notification:

> 108 representatives of the European Parliament, 54 from the European Council (two per member state), and 3 from the European Commission. 108 citizens will participate to discuss citizens' ideas stemming from the Citizens' Panels and the Multilingual Digital Platform: 80 representatives from the European Citizens' Panels, of which at least one-third will be younger than 25, and 27 from national Citizens' Panels or Conference events (one per member state), as well as the President of the European Youth Forum. Some 18 representatives from both the Committee of the Regions and the European Economic and Social Committee, and another eight from both social partners and civil society will also take part, while the High Representative of the Union for Foreign Affairs and Security Policy will be invited when the international role of the EU is discussed. Representatives of key stakeholders may also be invited. The Conference Plenary will be gender balanced.

It is evident that everything has been very ambitiously conceived with respect to the method of work and the expected

achievements of this great intra-EU debate. Many topics are envisaged. Even the most sensitive ones, such as the functioning of the European Union (especially its financial and social policies), its foreign and defense policies, and the matter of EU enlargement.

The sensitive issue of reviewing the already adopted treaties and agreements, including the latest one—the Treaty of Lisbon (2009)—will not be omitted from the debate. Its inclusion, however, has already sparked disagreement, because some member states do not agree with the idea of changing the EU's fundamental treaties. But this is the European Union, based on democracy and the right to be different: unity in diversity or diversity in unity; the European Union, with its not infrequent crises but also with an ability to overcome them with intelligent solutions.

Henry Kissinger's famous question is still more relevant than many would like to admit: "Who do I call if I want to call Europe?"

This time, the exercise is about taking stock of the experiences that together represent the road that has been traveled so far. This even includes unexpected experiences such as, for example, the situation that a larger European Union, with more member states, sometimes creates the impression of a weaker Europe. This refers to the frequent blocking of decisions. And in this context as well, the EU also faces one of its most important exams, which we can call the efficiency of its institutional decisionmaking mechanisms.

Despite the proclamation of the existence of the European Union's foreign policy, and the desirable model of greater autonomy and efficiency relating to that segment of the EU's politics, Henry Kissinger's famous question is still more relevant than many would like to admit: "Who do I call if I want to call Europe?"

We know that such a telephone number still does not exist. As of now, in order to receive complete information about foreign policy, one can obtain the number of the central telephone exchange in Brussels, and one's call will automatically be transferred to 27 other telephone numbers.

Examining Achievements

In light of all this, the EU's real achievements in the Balkans can be examined. For example, there remains the indicative fact that five EU member states do not recognize Kosovo's independence. We can point to an even more concrete fact, namely that the two persons most directly in charge of the EU's foreign policy towards the Balkans—the EU's foreign policy chief Josep Borrell and Vladimir Bilčik, a member of the European Parliament and its Rapporteur for Serbia and Montenegro—come from countries that have not recognized Kosovo's independence. Naturally, these facts do not diminish their respective personal competencies.

Bearing in mind the EU's exceptional strengths as well as the limits that hinder the realization of its potential, some believe that today's European construction resembles Italy in the Renaissance period.

Bearing in mind the EU's exceptional strengths as well as the limits that hinder the realization of its potential, some believe that today's European construction resembles Italy in the Renaissance period. The Italian construction of that period was abundant in resources, knowledge, economic potential, culture, and talent; and it was made up of statelets that were divided by their particular interests, often dependent on foreign influences, and had various types of protectorate status.

However that may be, Europe remains a great geopolitical, economic, and cultural stage of the contemporary world. It remains a great subject of international relations, endowed with knowledge, courage, and ability to write new pages both with regards to its development and the role it seeks to play in the world through a reexamination of its historical path. The Old Continent does not want to be relegated to a museum of history, culture, and art. That is why the EU remains relevant—foremost economically, but also geopolitically.

On the other hand, Europe is also viewed, not without reason, as one of America's power centers—after all, it continues to host the headquarters of NATO.

It remains to be seen how much the announced (or hoped for) changes to the EU will result in new modalities—somewhere between autonomy and a traditional union. The Conference on the Future of Europe could demonstrate the EU's strength through the adoption of a potentially new vision and concrete solutions for its more efficient functioning.

For now, it seems that the proclaimed goals of the Conference consist in building "strategic autonomy" and a "strategic compass." One might say that these two ideas also resemble slogans. Perhaps. But new slogans can potentially lead to a new politics and new policies. We shall soon see.

Imaginary and Real Balkans

The fate of the Balkans largely depends on the fate of Europe—more precisely, the fate of the European Union. That is why the year of the great debate about the future of the EU and

its strategic innovations is being followed in the Balkans with great interest.

There is no doubt that the EU's "strategic compass" will reach the Balkans. Everything coincides with the new enlargement methodology that the Western Balkan countries need to adopt in taking further steps toward EU integration.

Everything coincides with the new enlargement methodology that the Western Balkan countries need to adopt in taking further steps toward EU integration.

A separate analysis of the Balkans—bearing in mind the inertia of latent prejudices about the region that, due to its specific past, allegedly lags behind other parts of Europe in both cultural and political terms—contains certain contradictions.

The Balkan region is one that is characterized by various specificities and particularisms. One of these is the indisputable fact that the region is the cradle of European civilization. This primarily refers to the ancient Greek culture, especially its typology of enlightenment.

A Balkanite named Aristotle is the father of various scientific disciplines and the founder of what was called European and is now called Western rationalism. Namely, first Europe became culturally Hellenized and then the world became Europeanized.

Here we come upon complex, even contradictory, concepts about the Balkans. There is no full agreement about even the geographical boundaries of the Balkans, let alone their cultural boundaries. Some countries located more towards the west are trying to "flee" from the Balkans.

The Balkans are usually seen as a region peopled by various ethnic groups and distinctive nations professing different religions. It is a region said to be characterized by fragmentation, the historical dominance of foreign empires and local resistance to them, nationalism, a historical perspective in which the "past has not passed" or at least passes with difficulty, and so on. All this takes place in different historical cycles—that is, in phases of authentic coexistence of different nations or in phases of mutual intolerance and internecine conflicts. And everything happens in specific international contexts that stimulate one or another of these two directionalities.

If one can say that Bulgarian sociologist Maria Todorova has given particularly relevant and precious considerations about the historical complexity of the Balkans in her book *Imagining the Balkans* (1997), one must also add that American political scientist Samuel Huntington has pointed to the spiritual components of the overall Balkan complexity in his bestseller, *The Clash of Civilizations* (1996). Here we can reproduce an important thread of his analysis:

> Differences in material interest can be negotiated and often settled by compromise in a way cultural issues cannot. [...] [W]hat might seem to be a straightforward territorial question between Albanian Muslims and Orthodox Serbs concerning Kosovo or between Jews and Arabs concerning Jerusalem [cannot] be easily settled, since each place has deep historical, cultural, and emotional meaning to both peoples.

From a geopolitical perspective, which is often defined by the current status relationship of the Balkans with the European Union, there are three groups of Balkan countries.

First, Greece became an EU member state in 1981. Even its accession to the European Community did not pass without controversies and polemics among its European partners. Namely, alluding to the great cultural and historical debt of Europe and the rest of the world to Greek civilization during the debate about whether Greece had met the criteria for accession to the EU, French President Valéry Giscard d'Estaing told his European colleagues, in one formulation, that "one does not leave Plato waiting at the door of Europe" and, in another, that "one does not permit Plato to play in the second division."

Second, Romania and Bulgaria joined the European Union in 2007, while Croatia became an EU member state in 2013.

Third, there remained those countries that—notwithstanding differences in the speed towards which they have moved in their respective EU accession processes—were shaken the most (and most directly) by the geopolitical earthquake caused by the wild and ruleless disintegration of Yugoslavia. Albania also joined this group of countries on the road to EU accession, carrying the heavy burden of its previous historical cycle of totalitarian rule.

Hence, this third group includes Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, Serbia, and Kosovo (not recognized as an independent state by all, both in the region and amongst EU member states). Together, they are regarded by Brussels as more or less associated partners.

Here it can be added that on the basis of having so far opened the most chapters in the accession negotiations, Montenegro is the regional leader in the EU integration process; but it has also encountered serious delays over the past years.

When looking at a political map of the Western Balkans, its territory resembles an island—one that is entirely surrounded by EU member states on both land and sea.

It must be pointed out that the total population of those belonging to the aforementioned third category corresponds roughly to the number of people presently living in, say, Romania. This fact can be helpful in perceiving both the substance and the dynamics of the EU integration process of the Western Balkan countries.

The Balkans are like a fleet of very unstable ships sailing on a rough sea. And the port of Brussels is currently undergoing some repairs, which does not particularly encourage their captains to adjust either their respective speeds or the stability of the vessels.

Metaphorically speaking, one could say they are like a fleet of very unstable ships sailing on a rough sea. And the port of Brussels is currently undergoing some repairs, which does not particularly encourage their captains to adjust either their respective speeds or the stability of the vessels.

Certainly, all the countries of the Western Balkans aspire to become member states of the European Union. Truth be told, this shared aspiration is much stronger than the ability of each of the region's countries to carry out the reforms needed to adopt EU standards. This refers specifically to reforms in the areas of judiciary, human rights, media freedom, and the fight against crime and corruption. Not coincidentally, these criteria have been defined as constituting the EU's top priorities or conditions for the countries of the Western Balkans to meet before joining the Union.

It must be noted, however, that the aforementioned criteria were at the bottom of the list of those to be met in the first, historical, phase of the development of European integration. This was the case for one simple reason. Both the founding states of what has become the EU and the countries that were part of the initial waves of enlargement had, by and large, already met these criteria *before* the onset of their respective negotiations to accede. The topics of the negotiations dealt with quite different issues.

At this moment it is rather important to convincingly reject the hypothesis that is pessimistically or cynically used to explain the serious delays in the enlargement of the European Union. This is a "double bluff" theory. This alleged bluff is twofold and is expressed, on the one hand, by the aspirant Western Balkans countries, and, on the other hand, by the EU institutions. It consists of the following: behind the official proclamations by both sides regarding the region's future membership perspectives lies distrust and insincerity—at the end of the day, we're all bluffing together. This is characterized by the view held by one side that the aspiring Balkan countries do not intend to carry out the necessary reforms and by the other that Brussels does not intend to further enlarge the European Union.

Even if we should consider this "theory" more as a joke, we should still note that for all practical purposes the integration process is standing still. In the lexicon of the Brussels institutions this is called "enlargement fatigue."

For all practical purposes the integration process is standing still. In the lexicon of the Brussels institutions this is called "enlargement fatigue."

In other words, the European Union has been worn out from the cumulative efforts of past enlargement processes, which then is translated to mean that further enlargements must cease, or at least be postponed. This is also said to be due to the allegedly negative inclination of EU citizens towards further enlargement processes.

On the other hand, we can note that the Western Balkans are worn out from the lengthy wait at the door of Europe, as Giscard would have said.

As a consequence, we can observe a scene characterized by a double weariness—a double fatigue. And no Plato is coming to anyone's rescue.

No Geopolitical Vacuum

It is not hard to conclude that the status quo framing present-day relations between the Western Balkans and the European Union could result in a stoppage of the latter's geopolitical dynamic in the region. Evidently, such a situation encourages the entry of other players into the same region.

One of the elementary lessons of history is that geopolitics abhors a vacuum. The empty space is quickly filled with one-time traditional, ever latently friendly countries or new alliances. It is, after all, perfectly legitimate to enter into alliances on the basis of demonstrably reciprocal interests and preferences, and to do so without endangering third parties.

The three non-EU countries that gravitate most towards the Western Balkans, each in its own way, are China, Russia, and Turkey. Naturally, American influence in the region is also present, frequently in the form of bilateral cooperation, through NATO, and sometimes in the role of a traditional partner of the EU and its member states.

But each of these powers maintains interest-based relations with the Balkan countries, developing various forms of cooperation.

At the moment, the international players present today in the Balkans do not display—at least not visibly—traces of the historically harmful tradition exercised by certain external influences that treated the region as an experimental laboratory, which ultimately led to new destabilizations. In a way, there remains a not-so-new aspiration towards the measurement of power and influence that is, after all, manifested overall in international relations.

We live in a rapidly changing world, and this includes global changes in the balance of power. It is unlikely that the Balkans, as a traditionally turbulent region, can become an isolated island of stability in the event that international relations move towards a new or recycled form of cold war.

We live in a rapidly changing world, and this includes global changes in the balance of power. It is unlikely that the Balkans, as a traditionally turbulent region, can become an isolated island of stability in the event that international relations move towards a new or recycled form of cold war—without, that is, serious strategies and capabilities to overcome mounting crises, but with the actors' capabilities to "produce" and "manage" crises.

The absence of clearly formulated international strategies coupled with the growing frustration with the status quo in the Balkans resulted, inevitably, in the appearance of new planners: conceivers of new borders and boundaries in the style of the "final solution" masterminds of yesteryear. One such "solution," which has recently come from Slovenia in the form of "non-paper," has considerably stirred the spirits in the Balkans and probably in Brussels, as well.

One thing is for sure: what the Western Balkans needs is not "non-papers" but rather "real papers," which presupposes the drawing up of real strategies. Otherwise, we will face the risk of reverting to some form of "geopolitical Darwinism." In the Balkan way; having recourse to our own resourceful devices; with the possible return to the negative tradition of the Balkans.; the one from which originated the "Balkan powder keg" syntagm.

A Time of Short Telegrams

We live in the time of Twitter, with its 280-character maximum symbolizing the reduction of complicated and complex questions into a certain small number of sentences.

Analogously, "short telegrams" (to remain on a metaphorical plane) cannot replace "long telegrams"—that is to say, serious analyses. And there were telegrams of both sorts in the past; and some exerted a not insignificant degree of influence on the course of history.

Let us recall one such famous telegram: the "Long Telegram," the contents of which was transformed into a grand strategy of global proportions.

In the middle of the last century—more precisely, in 1946—U.S. diplomat George Kennan, Chargé d'Affaires at his country's embassy in Moscow, sent to Washington an exhaustive report on the characteristics of Soviet society. An integral part of his analysis was a proposal for how the United States and its Western allies should "contain" the Soviet totalitarian system, so as to ultimately defeat their rival.

What the Western Balkans needs is not "non-papers" but rather "real papers," which presupposes the drawing up of real strategies. Otherwise, we will face the risk of reverting to some form of "geopolitical Darwinism."

The report largely became the official strategy of the United States in a decades-long rivalry between two great powers—America and the Soviet Union—that dominated the bipolar world. The outcome of the Cold War was such that history confirmed that Kennan's core insight and the resulting American strategy were correct. The telegram had helped to formulate what some subsequently came to call a "policy of criteria."

Kennan's report from Moscow has come to be known in the history of diplomacy under the name, "The Long Telegram." On an actual and symbolic plane, the "Long Telegram" demonstrated a serious and thorough knowledge of material facts. It also put forward a sound analysis of the Soviet political and economic system's causal relationships, its military capabilities, and even the psychological components of its "national idea."

Thanks to the performance of such a complex analysis, Kennan arrived at certain conclusions, from foreseeing the outcomes of various processes to defining the real strategies that would defeat the rival Soviet regime in the long run. In fact, this was a method that had been pioneered much earlier by one of the pioneers of both sociology and positivism, Auguste Comte, according to the following formula: "savoir, prévoir, pouvoir," which means, in essence, "to know, so as to predict, so as to be able to act."

That is why there is a thesis that hidden behind the causes of instability is, precisely, the lack of comprehensive analyses and strategies in the world of today—a contemporary world that fails to constitute itself as a functional system, preferably according to the principles of multilateralism, liberal democracy, criteria of justice, and the norms of international law.

All things considered, we live in a time of short telegrams—by which we mean, to extend the metaphor, the (non-)solidity of analyses and the political and diplomatic initiatives constructed on such an unsolid basis.

After all, it may not be a coincidence that Twitter is today a modern and dominant form of political and even diplomatic public communication. The point here is that complex—sometimes even extremely complex—situations are reduced to a certain number of characters. The result? An illusion that the job has been done; but in reality, all that has been done is to delay its completion.

If geopolitical games require the use of classical means such as the "stick and carrot" approach, it is probably necessary today to add "courage" to the formulation, as well.

A large, unfinished, and delayed job also refers to the Balkans or, more precisely, the Western Balkans.

STICKS, CARROTS, COURAGE

Let us now come back to the subject of the place of the Western Balkans in Europe. It is necessary to abandon stereotypes and come to terms with reality. The well-known "stick and carrot" approach, sometimes understood mechanistically, could not compensate for the lack of a well-conceived strategy.

On the other hand, the constantly repeated warning that "either the Balkans will be Europeanized or Europe will be Balkanized" has remained.

Two facts are certain. *First*, all Balkan countries have a common position, notwithstanding their many disagreements. Probably the only strong consensus in the Balkans today is that the European Union is an absolute priority. *Second*, the European Union has repeatedly expressed that its goal is to complete the process of European integration.

These are two identical, ultimate goals that objectively open up realistic possibilities. There remains the matter of politics being the art of the possible—the art of seeking the modalities of integration.

If geopolitical games require the use of classical means such as the "stick and carrot" approach, it is probably necessary today to add "courage" to the formulation, as well.

A sincere and courageous partnership is an imperative for both sides to achieve success—a genuinely plausible form of success.

Courage will probably also help in producing the appearance of the favorable wind about which Seneca wrote so long ago.

SUSTAINABLE GROWTH IN THE WESTERN BALKANS?

THE NEED FOR A NEW INDUSTRIAL POLICY

Sabina Silajdžić, Jasmina Selimović, and Eldin Mehić

LIKE every other region on the planet, the Western Balkans—our frame of reference here is Bosnia and Herzegovina, North Macedonia, Montenegro, and Serbia—have suffered greatly during the COVID-19 pandemic. As policymakers begin to shift their focus on the day after, so to speak, they would be well-served to bear in mind the assessment that the region has a great potential to embark on the course of sustainable economic growth by transiting to renewable energy production and improving energy efficiency of its industries.

The exploitation of this potential, however, is hindered by a number of issues that go well beyond renewable energy policy perspectives: they require the pursuit of economically viable and environmentally sustainable policy initiatives to successfully transform the region's manufacturing industries. The latter process is, however, tapped by the phenomena of what we can call "early-deindustrialization." The problem of systemic market failures and persistent structural weaknesses of the economy pose a major threat to the successful green transformation of the economies of the Western Balkans countries.

Persistent low levels of technology penetration, as well as labor- and resource-intensive patterns of the region's industrial competitiveness point to the growing wedge between the European Union and the countries of the Western Balkans. This wedge is technological and will not be reduced, much less reversed, unless strong policy initiatives are undertaken in this regard. The Western Balkans' manufacturing sector is still in a stage of infancy in terms of technology content and the value added of its products, in addition to having a remarkably slow pace of productivity growth.

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In light of these circumstances and in view of the growing empirical evidence pointing to the fact that the region has become a "pollution haven" of Europe, an integrated policy approach is needed to foster both a dynamic and sustainable diversification of the industrial and export base of the region's manufacturing sector. The process of technology upgrading and increased energy efficiency of industries is hindered by an underdeveloped market and industry structure along with a hands-off approach by Western Balkans governments to the region's industry transformation.

The region has a great potential to embark on the course of sustainable economic growth by transiting to renewable energy production and improving energy efficiency of its industries.

The unresolved issues of technology backwardness and resource intensity of prevailing industries present a multifaceted policy challenge. The related problems of coordination failures and underinvestment in new technologies require policy actions and concentrated efforts not only to correct for these market failures, but to go beyond a market failure approach in terms of industrial upgrading. An integrated policy approach should focus on building comparative advantage in technologically more sophisticated and less energy intensive industries.

In view of this, the region's transition to a green economy should be based on strategic policy frameworks that integrate manufacturing, environmental, and energy sectors' transition goals. A regional sustainable industrial policy initiative for the countries of the Western Balkans may provide a useful conceptual framework to design and develop effective policy measures for the region. It may thus provide resources necessary for the successful implementation of various policy initiatives, including financial and technical capacity for technology adoption and industrial upgrading in line with the European Green Deal—a strategy aiming to transform the EU into a modern, resource-efficient and competitive economy with no net green-gases emissions by 2050; decouple economic growth from resource use; and "leave no person and no place behind."

Currently, the region lacks such policy initiatives. On the top of this, its industrial and innovation policies seemingly fail to address important aspects of industrial restructuring, including those

associated with the accumulation of imitative capabilities for green technology adoption, compliance with more rigorous environmental regulation and standards, and vast barriers to technology acquisition.

While a number of regional energy sector initiatives has been launched, an integrated approach to green industry transformation has not been at the forefront of recent policy discussions. In this essay we discuss the rationale for a region-wide sustainable industrial policy initiative, discuss possible policy solutions, and propose a policy change that may favor the green transition of industries.

An integrated policy approach should focus on building comparative advantage in technologically more sophisticated and less energy intensive industries.

In sections to follow, we first review the concept of sustainable development by focusing on recent policy initiatives in the region. We then discuss and posit the necessary industrial policy change from the theoretical and environmental perspective, and in the specific context of the Western Balkans' transition. We also offer support to the hypothesis that integrated and substantial policy efforts are needed for the successful transformation of the region's industries. Our last section explores important policy dimensions that may help manufacturing companies based in the Western Balkans acquire the knowledge and capabilities needed to move up the technology ladder and improve environmental management performance. Special emphasis is given to financing green initiatives.

FARCE OR REALITY?

In the Western Balkans, the concept of sustainable development mostly focuses on environmental policy concerns. Significant policy efforts have been put in place to protect the environment and comply with EU environmental standards. National strategies and new laws have been enacted and new environmental institutions have been built or strengthened—with significant efforts invested in effectively implementing environmental policies and monitoring progress thereof. In addition, most of the countries of the Western Balkans have induced financial incentives to private enterprises to enhance enforcement.

Despite these policy efforts, production and consumption patterns are fairly unfavorable, and progressing negatively in recent years. Energy efficiency remains at remarkably low levels compared to the EU average. Many of the countries of the Western Balkans are struggling with the effective implementation of environmental policies. Limited funding and limited coordination among local, regional, and central level authorities have proven difficult. The collection of data also seems particularly worrying, in terms of monitoring progress and improving policy measures.

These policy stances aside, broader socio-economic development initiatives to advance the Sustainable Development Goals (SDGs) have not been integrated into policy frameworks. While most strategic documents target employment growth and poverty reduction, these goals have not been accompanied with appropriate policy measures. Targeting wider socio-economic indicators requires systematic policy efforts to increase employment opportunities via private sector growth and industrial restructuring.

A regional sustainable industrial policy initiative for the countries of the Western Balkans may provide a useful conceptual framework to design and develop effective policy measures for the region.

Recent research on the determinants of income inequality among the countries of the Western Balkans suggests that slow economic growth—particularly in the private sector—has hampered a more equal distribution of income in the region, while redistributive policies have not been effective in minimizing social costs of transition. A limited focus on social issues, including poverty reduction and income inequality, seem problematic given the prevailing circumstances in the region.

Although there has been a slight increase in employment rates across the Western Balkans in recent years (at least, in pre-pandemic times), structural and youth unemployment remain persistently high. Aspirations for emigration, including youth and labor emigration, clearly demonstrate that economic weaknesses are persistent and structural in nature. These trends will continue unless strong policy measures are taken to reverse them. So far, few policymakers understand the importance of the holistic approach to development that is inherent to the SDGs.

Sustainable growth agendas in the region, such as they are, reflect a sectoral rather than an integrated approach. Aside from a focus on environmental protection, efforts have been made to take steps towards the energy transition. Thus, the transition to green growth is predominantly perceived as a transition to green energy.

Policy efforts are concentrated on diversifying the energy production mix, and compliance with EU environmental regulation is made with no or limited

reference to the needs or priorities of the manufacturing industry. The region's regulatory reforms are, however, in line with the EU integration processes of the various countries and seemingly present the sole dimension encompassing green industry initiatives.

However, the imposition of stricter regulations, including rigid environmental standards, is passive in nature. Policy planning is not accompanied with an assessment of industries' needs and possibilities. Support measures for the successful green transition of industries have been mostly left out, including missing regional initiatives to support clean technology transfer and industrial restructuring. This fact is highly relevant, since such a misconceptualization of sustainable development policies may result in the further erosion of the manufacturing sector as well as hampering growth.

Such a misconceptualization of sustainable development policies may result in the further erosion of the manufacturing sector as well as hampering growth.

The focus of the policy agenda on decarbonization and the reduction of fossil fuel dependence is of outmost importance. However, a hands-off approach to manufacturing industries' transition and sustainability issues may deprive the region of opportunities to successfully catch-up by means of technology upgrading and diversification. Particularly worrying in this respect are the recent political commitments made by the countries of the Western Balkans to reduce CO2 emissions and increase CO2 taxes by 2030. This was done as part of efforts to comply with EU sustainability initiatives.

Imposing stricter environmental regulations without assessing the impact of these policy changes on industries' competitiveness could lead to hopeless policy outcomes. This proposition seems of no particularly important relevance to the region's policymakers. But it presents a major concern for the region's manufacturing enterprises, especially given the dominance of resource- and energy-intensive industries, in terms of both output and exports.

This concern is further supported by empirical evidence highlighting the adverse effect of environmental taxes on the competitiveness of manufacturing industries in transition economies like those of the Western Balkans. The results of a panel analysis applied to a sample of dirty industries reveal that CO2 taxes adversely affect the export performance of each industry group. The same results further suggest major shifts in production as well as changing patterns of specialization in line with differences in environmental compliance amongst the countries of the region.

Imposing new rules of the game without plausible predictability to what these new rules will bring about seems highly irresponsible, both from the perspective of sustainable development and good governance. Discouraging or ruling out dirty industries by imposing higher CO2 taxes and integrating other (full) costs of environmental degradation into policy frameworks seems desirable. However, it may lead to enormously high economic and social costs in the specific context of the countries of the Western Balkans. These costs need be carefully considered and weighted against possible policy odds. Breaking away from this one-dimensional approach to sustainable growth is of outmost importance. In line with this, we will discuss both the rationale and possible policy options to ensure broad-based and holistic approach to sustainability in the Western Balkans.

Imposing new rules of the game without plausible predictability to what these new rules will bring about seems highly irresponsible, both from the perspective of sustainable development and good governance.

Changing production patterns and increasing the energy efficiency of industries in the Western Balkans requires a strong and integrated approach. This in turn requires the close cooperation of industry and environment sectors in developing and implementing effective policy measures that would enable the green transformation of industry. These policy efforts have been less in evidence across the region.

Reform and Catching Up

Over the last two decades, the countries of the Western Balkans have made significant progress in terms of transition reforms, including macroeconomic reforms and trade liberalization. However, the convergence of these economies has taken place at a very slow pace. The steady growth rates in the early years of transition were mainly driven by trade openness and a surge in FDI following the liberalization of the financial sector and massive privatization programs. The growth process has been characterized by very limited private sector growth and slow convergence in terms of total factor productivity growth. This has left the countries of the Western Balkans vulnerable to exogenous shocks. The economic recovery following the 2009 financial crisis started only in 2016, indicating that the economies of the Western Balkans are heavily dependent

on external market forces and foreign capital inflows. It thus comes as no surprise that the region has been hard hit by the COVID-19 crisis, which leaves the prospects for growth recovery bleak.

The region's catching-up process has been predominantly hampered by limited progress in terms of industrial restructuring and growth. Trade liberalization and privatization policies have seemingly not been effective in utilizing capacities and the effective allocation of resources. While FDI has been found to significantly contribute to economic and productivity growth of the region's economies, FDI inflows remained at very low levels in the aftermath of the 2009 crisis. The limited progress made by the countries of the region in catching up to the EU average (a recent World Bank study indicates that, at this slow pace of economic growth, Western Balkan countries need about 25 years on average to converge to average EU standards.), coupled with weak growth recovery patterns, seem to point to the structural weakness of the region's economies.

The economic recovery following the 2009 financial crisis started only in 2016, indicating that the economies of the Western Balkans are heavily dependent on external market forces and foreign capital inflows.

This is associated not only with underdeveloped institutions, but foremost with underdeveloped markets reflected in a limited production and export base, disrupted supply-chains, underdeveloped forward and backward linkages, and market failures. These types of market imperfections lead to diseconomies of scale, low productivity rates, and persistent technological backwardness. On top of this, companies based in the region face severe problems related to both market and capital access; this hinders the further expansion of production and the diversification of product mix, which leads to underinvestment in (new) technology.

Market forces alone are not sufficient to spur reindustrialization and the dynamic catching-up of the Western Balkans. Industry level analyses on trade patterns and technological composition of industries based in the Western Balkans clearly reveal that these countries have a comparative advantage within a static economic framework in which labor costs and resource abundance play a key role. Trade specialization in low-technology and low value-added product groups of more capital- and technology-intensive industries seems persistent over the course of a given transition.

This wedge is both structural and technological in nature. Underdeveloped markets like those in the Western Balkans, lead to underutilization of capacities amid complexities, risks, and indivisibilities associated with the process of technological change. The cumulative and dynamic process of learning and acquiring technological capabilities is rifted with imperfections and indivisibilities that demand systematic support through government policies.

Underdeveloped markets like those in the Western Balkans, lead to underutilization of capacities amid complexities, risks, and indivisibilities associated with the process of technological change.

There is no doubt that industrial policy has a key role to play in building and promoting competitiveness. What is important to understand, however, is that industrial policy design and policy mix need be understood in the right theoretical and regional- (and country-) specific context.

In view of this, in what follows, first, we briefly elaborate on the nature and character of industrial policy in the countries of the Western Balkans and point to policy failures. We also discuss the policy factors that pertain to non-utilized capacities and the limited growth performance of the region. Second, we develop arguments that support green industry initiatives in the Western Balkans. Such initiatives have not been initiated, leaving prospects for green growth and transformation of the manufacturing sector bleak. The policy initiatives favoring sustainable industries are then reviewed with a focus on EU policy practices and their relevance for the region.

WHAT WENT WRONG?

The findings of a 2014 study by the LSE's Will Bartlett, a leading economic scholar of the Western Balkans, illustrates the importance of a vertical approach to the industrial restructuring of the countries of the Western Balkans. His paper explains both why and how horizontal industrial policies have left the countries of the Western Balkans vulnerable to exogenous shocks, and he calls for a revision of their respective industrial policies.

These policy failures stem from a too market friendly approach designed to spur private sector growth and innovation, a consequence of which is the absence of active industrial policy measures to support industry competitiveness and growth. The scope and design of such policies mostly include general support to SMEs, business start-ups, and business infrastructure and innovation initiatives.

These policy dimensions are important, but they are insufficient to promote technological upgrading within and across industries. Thus, policy measures are horizontal in nature and executed via competitive calls, which leads to limited policy effectiveness and impact. A 2018 analysis of the industrial and innovation policy mix of Bosnia and Herzegovina conducted by one of the authors of this essay concluded that policy measures are not well-matched with company needs and priorities: minimal support was extended for much-needed capital investments necessary for underpinning the scaling-up of production activities as well as for product and technology diversification.

There is no doubt that industrial policy has a key role to play in building and promoting competitiveness.

Other relevant studies have revealed that critical sources of manufacturing sector growth have to do with enhancing imitative capabilities to foster technology acquisition and successful adoption existing technologies. This type of support measures tends to be fairly limited in size and scope in the region. Furthermore, the policy mix tends to focus on support for R&D, which is mostly irrelevant from the company perspective in view of limited research capabilities and innovation potential of local manufacturing enterprises. Moreover, the development and growth of technologically more sophisticated sectors is hampered by underdeveloped institutional infrastructure and the erosion of the national systems of innovation (NSI) across the Western Balkans over the course of the transitions of the region's countries.

The systematic withdrawal of the state was, in fact, a main characteristic of regional policy approaches to the transition. Recent efforts to rebuild NSI present in some countries of the Western Balkans, such as in Serbia and North Macedonia, including the setting up of innovation funds and scaling up support to innovation, have been encouraging although unfortunately insufficient.

Essentially, a horizontal type of industrial policy has been imposed on the Western Balkans through the conditionality principles embodied in the various Stabilisation and Association Agreements signed between the EU and each of the states under consideration. These policy measures are fairly incompatible with the nature of market failures and are ill-suited to correct for the type of market failures prevalent in the specific context of the region's industrial structure.

A strategic industrial policy would need to be broad-based; it should also exercise selectivity principles in the face of underdeveloped industrial structures and supply chains, with the aim of deliberately creating market distortions and fostering dynamic growth of particular sectors along the technology ladder. Furthermore, industrial policy should incorporate measures of direct government support, given the infant stage of many manufacturing industries, characterized by low productivity levels.

A horizontal type of industrial policy has been imposed on the Western Balkans through the conditionality principles embodied in the various SAAs. These measures are ill-suited to correct for the type of market failures prevalent in the region.

Moreover, ensuring resources for sustainable industrial transition is even more demanding amid necessary policy coordination among different sectors as well as knowledge and skills requirements. Recent sustainable industrial policy experiences indicate that both policy concepts and their scope play fundamental roles in steering this transition.

We know that contemporary EU industrial policies and practices place sustainability issues at their heart. We also know that, as a consequence, these have evolved from vertical to horizontal, and then from horizontal to broad-based, integrative industrial policies that focus on the convergence between economic efficiency and competitiveness, on the one hand, and environmental quality, on the other.

The premise of the EU's sustainable industrial policy is that competitiveness and growth can go hand in hand with environmental concerns: its strategic focus integrates the principles of a low-carbon, knowledge-based, and resource efficient economy. Essentially, the EU sees its sustainable industrial policy as a key resource base for ensuring its competitive advantage along the lines of the green industrial revolution. Both the scope and mix of this policy encompass measures to enforce the needed fundamental innovations and structural developments of the industrial sector by means of direct and indirect support to R&D, networking and collaboration, and procurement and tax policies.

The basic rationale for the wide-ranging policy mix and the concentration of significant financial resources by the EU rests on the premise that environmental and sustainability issues may pose a challenge to the comparative advantage of its industrial use. Going beyond competitiveness to integrate pollution, resource use, and efficiency into policy frameworks seems necessary from the point of view the market imperfections thesis. The need to set up proper framework conditions,

including incentive structures via rigid environmental regulation, may not be sufficient to spur fundamental innovations amid complexities, risks, and indivisibilities accompanying the process of technological change.

How knowledge and technology could be generated and transferred into productive sources of the green economy remains a challenge. Thus there are limitations to these concepts, and they need be addressed. As of now, fostering innovation collaboration and commercialization are at the center stage of this new policy initiatives among the more developed EU member states. This is why less developed EU economies face different policy challenges that need to be further discussed.

The principal concern of the economies of the Western Balkans countries is whether adherence to green industry initiatives imposes limitations to economic growth and hinders the successful restructuring of their respective industrial bases.

Notwithstanding these matters, the principal concern of the economies of the Western Balkans countries is whether adherence to green industry initiatives imposes limitations to economic growth and hinders the successful restructuring of their respective industrial bases. In view of this, industrial policy concepts for Western Balkans economies should focus on and integrate policy measures to foster clean technology transfer, as opposed to fundamental innovation. Thus, environmental technology issues need to be integrated into the industrial policy design of Western Balkans economies.

Designing, financing, and implementing support measures for technology transfer and the adoption of cleaner technologies is a complex and multifaceted process that goes beyond company-level capabilities. It is thus accompanied by number of issues external to a company, relating to technological interdependencies and complementarities that require coordinated investments and joint company efforts. The results of a qualitative study conducted a University of Sarajevo graduate student, Aida Hadžić-Hurem, of 110 manufacturing enterprises from the dirty industries in Bosnia and Herzegovina depict problems and barriers faced by companies in terms of improving environmental management performance. These barriers range from access to capital and skilled workers, to unresolved technology acquisition issues associated with technological complementarities and interdependencies across firms and industries.

Addressing these problems requires systematic government support. In light of this, and in view of well-documented difficulties accompanying the transfer and adoption of cleaner technology across various types of industries, we posit that the Western Balkans countries seemingly lack the requisite institutional capabilities and resources needed to develop and implement such knowledge and resource-intensive policy measures.

Introducing higher CO2 taxes, irrespective of how these increases would impact companies' and industries' competitiveness, does not seem to be a viable policy option.

This important issue can be addressed only with the support of what is called the "international community" and particularly the European Union, and would need to include funding and technical assistance. Acquiring capabilities on the government side would of course be a prerequisite for effective policy adoption and implementation. And yet, regional policy initiatives and the international support to launch such initiatives has been lacking.

Instead, the focus of the EU in terms of green growth agenda for the region, has been primarily related to energy transition and requiring political commitment by Western Balkan governments to phase out CO2-based production, including energy. Strengthening the energy production mix is important so as to be able to progressively phase out fossil fuels, but that is only one side of the coin.

Increasing energy efficiency requires two things that have so far been lacking: a holistic policy framework and immense efforts to lessen energy intensity in the manufacturing sector. A plausible increase in energy efficiency needs to be based on increasing production value-added along the lines of cleaner technology adoption. Introducing higher CO2 taxes, irrespective of how these increases would impact companies' and industries' competitiveness, does not seem to be a viable policy option. Scholarly studies tend to show that environmental taxes undermine the competitiveness of firms in the specific context of less advanced emerging market economies, particularly those affecting trade and production patterns of dirty industries—which happen to be those in which the countries of the Western Balkans specialize. We posit that the process of technological upgrading of industries demands systematic government support to technology transfer and the adoption of cleaner technology. In the next section we discuss possible policy solutions.

SUSTAINABLE POLICY OPTIONS

There are at least eight industrial policy levers that could be pulled so as to foster a more dynamic catching-up process for the countries of the Western Balkans. In particular, to help manufacturing industries transform their production processes by adopting cleaner technologies as well as by fostering more efficient use of resources, including energy efficiency. Each will be briefly addressed in turn.

There are at least eight industrial policy levers that could be pulled so as to foster a more dynamic catching-up process for the countries of the Western Balkans.

First, *mapping the potentials*. Industrial mapping within (and across) the region is of outmost importance for developing effective policy measures to source potential competitive advantages. Comprehending technological complementarities and interdependencies within and across industries seems crucial for the dynamics and success of industrial restructuring and diversification.

Second, *building inter-firm linkages and collaborative networks*. Identifying existing and potential backwards and forwards linkages across companies and industries is crucial for developing effective policy measures targeting cooperation and collaboration among companies. In this respect, identifying technological and innovation collaboration potentials between manufacturing industries within (and across) the region may enhance synergies, economies of scale, and technological upgrading.

Third, *fostering international collaboration*. Collaboration with multinational corporations has been found to be an important determinant of productivity growth among transition economy enterprises. In view of this and growing empirical evidence suggesting that formal cooperation with foreign enterprises—e.g., OEM, subcontracting, licensing, strategic alliances—is an important source of technology transfer, knowledge spillovers, and synergies to encourage formal cooperation between Western Balkans-based companies and foreign enterprises. Policy measures should encompass strategic approach to cross-border collaboration, including diplomatic outreach, to attract the interest of multinationals in developing formal partnerships and linkages with companies from the region.

Fourth, *technology acquisition and adoption*. The manufacturing sector of the Western Balkans is dominated by "supplier-based industries," to use a term pioneered by the late Keith Pavitt. Their technological upgrading rests on process rather than product innovation. Process related innovation requires, however, more complex and sophisticated forms of learning and technology transfer, such as reverse engineering, recruitment of experts and engineers from rival firms, and direct learning from superior technology firm. This is why policy measures need to be carefully designed and based on detailed case-studies to assess policy effects on technological upgrading and higher value-added of industrial development.

We believe that the process of technological upgrading of industries demands systematic government support for both technology transfer and the adoption of cleaner technology.

Fifth, *the adequate provision of capital*. A lack of sufficient access to capital presents an important barrier to business growth and technology acquisition across all industries in the region. Policy measures need be based on providing sufficient and subsidized financial resources in line with best practices. The scaling-up of funds and improving procedures associated with capital provision throughout the region seems particularly important. At present, most capital provisions are implemented via credit lines executed by commercial banks. This, however, is an insufficient means to finance SME technology acquisition and undertake more risky investments. Considering alternative means of capital provision may therefore be necessary to ensure wider policy reach.

Sixth, *support for innovation (imitation)*. Support for innovation needs to be based on a proper matching of demand and supply for new technology. The mix of standard policy instruments—e.g., R&D support schemes—that are prevalent in developed countries needs to be revised and adapted to match the needs of the region's companies so that they may acquire imitative capabilities and adopt existing technologies, rather than innovation per se.

Seventh, *rebuilding the region's science and technology base*. In view of the progressive erosion of NSI—as discussed earlier in this essay—the question of how to rebuild the region's science and technology base need be carefully addressed. Building institutional infrastructure from scratch does not seem a viable policy option. Rather, the policy direction should give careful consideration to optimizing present science and knowledge resources in combination with thinking seriously about the potential for their revival along the lines of supporting industry-specific research centers and institutions, rather than broad-based science and knowledge infrastructure.

And eighth, *integrating environmental concerns*. As noted earlier, the sort

of policy framework under discussion should facilitate the green transformation of industries. This includes measures ranging from dealing with pollution (both air waste and land waste) to increasing energy and resource efficiency. It thus not only relates to traditional technology acquisition industrial policy measures but also encompasses a much wider array of policy instruments for clean technology transfer.

GREEN FINANCE

The financial sector will have to play a central supporting role in the green transformation to come. The financing of sustainable industry transformation and infrastructure projects requires new approaches for mobilizing and intermediating long-term finance in the region. As of now, these policy initiatives have been missing.

The financing of sustainable industry transformation and infrastructure projects requires new approaches for mobilizing and intermediating long-term finance in the region.

The need for greening the financial system and improving financial governance is evident. Ulrich Volz of the University of London's School of Oriental and African Studies defines green finance as a comprehensive system comprising "all forms of investment or lending that consider environmental effect and enhance environmental sustainability." Important aspects of green finance are sustainable investment and banking. Business investment and lending decisions are based on risk assessment and environmental screening in order to meet sustainability standards. In that process, many obstacles can be expected, and government support to promote and foster green projects is well substantiated.

For example, Western Balkans companies can expect to face both a lack capabilities and experience in green landing in the process of seeking to secure a green loan. As a consequence, there is a short supply of green bankable projects as well as high transaction costs and long turnover period in the region. Having said that, it is important to underline that both green banking and sustainable investment is still a niche market in the Western Balkans. The provision of an adequate regulatory requirement is an inevitable precondition in the context of developing a financial market supportive of green investments. Another important consideration is that, by and large, insurance companies based in the Western Balkans do not offer services that cover non-life insurance risks, particularly those related to environmental and climate risks.

Funds for those green investments will need to come from both private and public sectors, sourced both domestically and internationally. This will require the introduction of new concepts and new financial instruments, which should of course be adapted to local circumstances in order to be applied properly. EU support in this respect seems essential. Financial institutions and instruments such as green banks, green bonds, and climate risk insurance, including risk mitigation instruments, should have appropriate regulatory frameworks introduced in a coordinated manner. What is clear is that there needs to be a systematic approach to all this, which is not current the case in any Western Balkans country.

WORRYING IMPLICATIONS

In this essay we have reviewed recent policy initiatives with respect to the sustainable development and the green growth paths of the countries of the Western Balkans. We posited that the current sectoral approach to green growth prevalent in the region is not a viable policy option, since it predominantly focuses on green energy transition and environmental protection—with industrial development seemingly being shut-out from the policy agenda. We argued that with such an approach, the economies of the region will continue to be held back from vertically integrating themselves into EU-based value-added chains of production of more technologically advanced sectors, and that this is likely to have an adverse effect on both costs and resource-based competitiveness following the EU-required compliance with more rigid environmental regulations across the region. The socio-economic impact of such regulatory and policy changes needs be taken into account prior to its (passive) adoption.

We believe that the process of technological upgrading of industries demands systematic government support for both technology transfer and the adoption of cleaner technology. Industrial capacity has been diminished over the course of the transition and horizontal types of industrial policy have not been adequate to foster dynamic industrial restructuring and the technological upgrading of industries. The implications of the current one-dimensional approach to sustainability issues among the countries of the Western Balkans seem worrying—particularly in the face of EU member states' high-technology growth agenda and the limited contribution of the Western Balkans countries to these sectors.

STUCK IN THE EU'S ETERNAL WAITING ROOM

THE WESTERN BALKANS, ORGANIZED CRIME, AND CORRUPTION

Walter Kemp

THE politicians of some EU member states have argued that the countries of the Western Balkans should not be allowed into the EU until they have made comprehensive reforms to more effectively tackle organized crime and corruption. But condemning them to an indefinite period in the waiting room is only going to make the situation worse.

LOCATION IS EVERYTHING

For organized crime, like real estate, location is everything. Unfortunately for the Western Balkans, the region is located along key trafficking routes, particularly for the smuggling of drugs, weapons, and migrants.

It is estimated that close to €1 billion worth of heroin flows through Southeast Europe every year. Significant amounts of cannabis are produced in the region—indoors and out—and trafficked east and west; 18 tons of the drug were seized in the Western Balkans in 2019, which is probably only the tip of the iceberg. Albania has traditionally been the largest producer of cannabis, but cultivation is increasing in other countries in the region including Bosnia and Herzegovina, North Macedonia, and Serbia.

Furthermore, over the past decade criminal groups from the Western Balkans have become key players in the cocaine market, facilitating the delivery of major shipments between Latin America and Western Europe. Balkan criminal groups are also trafficking major shipments of cocaine through Greece, various Black Sea ports, as well as the Adriatic coast. Most of these drugs are headed for EU markets.

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Photo: www.cdm.me

Presidents Aleksandar Vučić of Serbia and Milo Djukanović of Montenegro.

Although EU politicians like to say that the 'Balkan route' for smuggling of migrants was closed in 2016, even fences, FRONTEX, pushbacks and COVID-19 have not stopped tens of thousands of desperate refugees and migrants from moving through the region. A recent report published by the Global Initiative against Transnational Organized Crime conservatively estimates that in 2020 alone, the value of the market for the smuggling of migrants in the Western Balkans was €50 million. Therefore, "closing" the Balkan route may have solved a problem for the countries of central and western Europe (all of which are EU member states), but it created new ones for the Balkans and increased profits for smugglers.

The region is also a crossroads for the smuggling of other goods, including stolen cars, counterfeit products, weapons, and tobacco. This results in a loss of millions of euros of potential tax revenue, and can increase risks to consumers—for example through counterfeit medicines or faulty products. In some cases, goods are moving through free trade or export processing zones. There are just over 40 in the region, mostly in North Macedonia and Serbia. While such zones can increase trade, they are often characterized by less vigilant

customs--something that makes them helpful hubs for illicit trafficking.

This criminal activity deepens instability, undermines governance and development, and generates millions of euros of illicit proceeds which are a lubricant for corruption.

Stabilocracies and Organized Corruption

It would be unfair to label the entire Western Balkans as a zone of organized crime. Rather, the main criminal activities are concentrated in hotspots characterized by socio-economic vulnerability that are close to key infrastructure—like ports, airports, border crossings or highway junctions—and where there is weak governance. It is uncanny how the same locations pop up again and again in police or press reports about organized crime. In such hotspots, criminals can recruit from a pool of unemployed young men, there are sufficient logistics for moving goods and money, and risks are low thanks to weak public institutions and compliant police and politicians.

These hotspots of organized crime in the Western Balkans could only function with some degree of protection. In some cases, criminal groups are the providers. In other cases, corrupt politicians as well as police or border officials enable illicit activities to take place in exchange for a payment.

Corruption not only helps criminals to cross borders, but it also enables thieves to rule. Dominant parties are able to buy loyalty with public money and through the control of public institutions. Elites use patronage networks to dispense favors, provide protection, and profit from procurement and privatization processes.

Corruption not only helps criminals to cross borders, but it also enables thieves to rule. Dominant parties are able to buy loyalty with public money and through the control of public institutions. Elites use patronage networks to dispense favors, provide protection, and profit from procurement and privatization processes. The same report that was referenced above also provides an estimate that the cost of corruption to the region costs hundreds of millions of euros every year. This is grand theft of the public purse.

As pointed out by former senior UN official and Serbian diplomat Uglješa Zvekić and University of Zagreb Law School professor Sunčana Roksandić, the region also suffers from "organized corruption"—a symbiosis of organized crime, criminal methods, and high-level corruption, which creates a crooked ecosystem that enriches and protects those with access to power.

This phenomenon is most obvious and hardest to break where criminal, business, and political elites rub shoulders and grease each other's palms.

Money generated by organized crime, corruption, or tax evasion is being laundered into the licit economy. The UNODC estimates that, globally, between 2 and 5 percent of GDP is laundered. For the six countries of the Western Balkans, this is equivalent to between €1.8 and €4.6 billion annually. Most of this money is being laundered through the banking system, real estate and construction, gambling, luxury assets, and cash-based businesses.

The result sometimes looks like the leaders of the EU member states saying to their counterparts in the Western Balkans: "we'll pretend to let you in if you pretend to reform."

Checks and balances are weak since public officials, like police and magistrates, suffer from low salaries and political interference. There are very few high-level corruption or serious organized crime cases, and criminal proceedings tend to drag on, or get put into a drawer. Even when convicted, many criminals are awarded light sentences and sometimes do not even lose their jobs—let alone their assets.

Moreover, the media and civil society are muzzled by lack of resources, lawfare, or even attacks. In 2020, more than 120 attacks on journalists were recorded in five of the six Western Balkan jurisdictions. A more subtle approach is for ruling parties to establish non-governmental organizations, channel public funds to them in the name of supporting civil society, and thereby reward their friends while ensuring support from what appears to be the civil sector. In many cases, funding to these so-called government-organized non-governmental organizations (GONGOs) is granted without public consultation.

The countries of the region are slipping down democracy and anti-corruption indices. Yet Western governments have turned a blind eye to many of the failings of the system or the crimes of individuals for fear of instability or "losing" the region. They have put up with "stabilocracies"—or what Florian Bieber in a recent issue of *Horizons* described as "stabilitocracies." Whichever term is preferred, the definition is the same: governments that claim to secure stability, pretend to espouse EU integration, and rely on informal, clientelist structures, control of the media, and the regular production of crises to hang on to power. With so many years in the EU waiting room, such regimes have become good at talking the talk of European commitments and values, or reaching out to other potential partners to keep

options open. The result sometimes looks like the leaders of the EU member states saying to their counterparts in the Western Balkans: "we'll pretend to let you in if you pretend to reform."

VOTING WITH THEIR FEET

Mixed signals from Brussels and blockages by some EU member states have caused frustration. The most recent hurdle was created by Bulgaria's refusal to agree to a negotiating framework for opening accession talks with North Macedonia (and Albania).

Unemployment and frustration with corruption have caused many people to vote with their feet and go West. Ask young people in the region what they want to do in the future and many will answer "to leave."

Nevertheless, polling data indicates that the vast majority of people in the Western Balkans are still in favor of EU accession, even if one-fifth think that the day will never come. Even in Serbia, the region's biggest sceptic, 64 percent of the population want to join the EU—according to a recent public opinion poll.

Nevertheless, patience is running out for many citizens—both with Brussels and with their own governments. Unemployment and frustration with corruption have caused many people to vote with their feet and go West. Ask young people in the region what they want to do in the future and many will answer "to leave." They are seeking jobs today rather than waiting for long-promised reforms or EU accession tomorrow.

In some countries, the figures are dramatic. According to recent World Bank data, around 47 percent of the citizens of Bosnia and Herzegovina, 45 percent of the citizens of Montenegro, and 41 percent of the citizens of Albanian live abroad. This is a major brain-drain of the best and brightest. One consequence is that just below 10 percent of GDP is sent annually to the Western Balkans in the form of remittances. Furthermore, populations are declining. Most dramatically, the population of Bosnia and Herzegovina has fallen by more than 11 percent since 2011.

While many people are leaving, new actors are entering the region. This includes migrants and foreign investors.

Despite the "closure" of the Balkan route, thousands of migrants are still moving through the region. Tighter border management along heavily travelled routes has diverted flows towards Albania and via Bosnia and Herzegovina, but the main bottlenecks remain. Most migrants are trying to enter the region from Greece via North Macedonia, and most are trying to exit from the Una-Sana Canton of Bosnia and Herzegovina into Croatia or from Serbia into Hungary or via Romania. Few want to stay in the region; they are trying to enter the European Union. They too are stuck in the waiting room—at the expense of the countries of the Western Balkans. Those who profit are the smugglers—both from the region and abroad—and Balkan politicians who have yet another issue on which to play the 'stability' card. To reduce populism at home, politicians in EU member states have raised the risk of it in their Balkan backyard.

Another argument is that "stabilocrats" need to change their ways. But why would they? The waiting room suits them fine. Since they present themselves as guarantors of stability in a process of transition, they have no incentive for bringing that process to an end.

While some foreigners are perceived as a problem, others are welcomed with open arms. Foreign direct investment in the Western Balkans is becoming more diverse. While the EU (taken as a whole) remains the biggest trade partner, China, Turkey, Russia, and some Gulf Cooperation Council states are becoming increasingly active. Although their carrots may be smaller than those offered by Brussels, so too are their sticks: there are less strings attached to investments. This is pumping badly needed resources into key sectors such as infrastructure development. For example, since 2012 Serbia has received €8 billion worth of investments and funding from China. But such sums are creating financial and political risks. In Montenegro, large infrastructure investments such as road construction have raised the country's debt to 80 percent of GDP, mainly because of loans from China. Through the Belt and Road Initiative, China is quite literally paving the road to the European Union. Such mega-projects create opportunities, but they also increase opportunities for corruption and dangers of dependence.

SELF-INTERESTED ENGAGEMENT

Keeping the Western Balkans in the eternal waiting room may seem convenient for some Western European politicians, but it is not helping the people of the region—and it risks exacerbating the very problems that the EU accession process was supposed to fix.

Critics would say that the types of crime and corruption outlined above are some of the main reasons why the countries of the Western Balkans should not become members of the EU. They would say, in effect, we have enough problems already and do not need any new ones.

But this is short-sighted. Failing to tackle organized crime and corruption in the Western Balkans hurts the interests and security of the European Union. For example, the argument is sometimes made that EU accession would let Balkan criminals into the Union. But they are already there, some of them with EU citizenship. Many of the most powerful and well-organized criminal groups from the Western Balkans are active in EU member states—particularly in the trafficking of cocaine through port cities in Italy, Spain, the Netherlands, and Belgium—as well as in the United Kingdom. Drugs and weapons from the region already supply criminal markets located throughout the EU.

Another argument is that "stabilocrats" need to change their ways and then the states they rule will be let into the club. But why would they? The waiting room suits them fine. Since they present themselves as guarantors of stability in a process of transition, they have no incentive for bringing that process to an end. Having their countries join the EU would impose rules that threaten their vested interests and end a geopolitical game that enables them to jeopardize liberal democracy for the sake of stability. Indeed, "stabilocrats" practice a form of extortion against the EU and their own people by creating a threat against which only they can provide protection.

Therefore, concerned EU countries should engage in the region, not neglect it. They should make it clear what is expected, monitor implementation, and both acknowledge progress or be frank in criticism. Raising the bar, on the one hand, or using wooly diplomatic language, on the other hand, simply does not help.

Take the example of fighting corruption. As part of the Berlin Process—which aims to promote regional cooperation in the Western Balkans and aid its EU accession process—anti-corruption pledges were made at the London Summit in 2018. Western Balkan politicians in power pledged to take concrete measures to prevent and fight corruption across a wide range of topics, from public procurement and whistle blowing to beneficial ownership and asset recovery. These Western Balkan politicians made a high-level commitment that was encouraged and acknowledged by EU member states, and a review mechanism was created by civil society to track implementation. Unfortunately, less than three years later, most countries have lost interest in the process, there is little follow-up, and even the future of the Berlin Process is unclear. But as a business model, such an approach—involving clear and measurable targets harmonized to existing commitments, peer pressure from EU member states, and the active involvement of civil society—should be applied.

Fighting organized crime is an area where the EU and the Western Balkans should have a shared interest to work together. At the moment, cooperation is usually bilateral between Western Balkan capitals and external partners like the United States, the EU, international organizations, and concerned European states. But the transnational nature of the threat requires greater cooperation among the regional jurisdictions as well as with those in EU member states where criminal groups from the Western Balkans are active. In particular, working through Europol and Eurojust would strengthen networks and capacity and enable joint operations.

In terms of governance, some parts of central Europe are starting to resemble the Western Balkans. Instead of the East imitating the West, illiberal tendencies are spreading into the heart of the European Union.

If criminals operate seamlessly across borders, police and prosecutors must do the same. Regional cooperation can enhance capacity to deal with transnational networks, cybercrime and cyber-enabled crime, and more effectively track and seize illicit financial flows. Tackling the smuggling of drugs, migrants, and guns is a shared responsibility—not just a 'Balkan problem.'

Much more must also be done to address the financial and economic aspects of crime and corruption, from more effective financial intelligence, to sharing information and enhancing skills to reduce money laundering (including through cryptocurrencies). If criminals are motivated by money, what hurts the most is to go after their assets. Focusing more on the confiscation, seizure, and re-use of assets would send a strong signal that crime does not pay.

Western Balkan politicians in power will have to work together to deal with such issues, but they cannot do it alone. And the EU needs to show that it is still a club worth waiting to join.

During the COVID-19 crisis, both the EU and its member states were slow to help their neighbors in the Western Balkans. Vaccines came faster from Russia and China than the European Union, yet EU neighbors were quick to close their borders to the Western Balkans. Never mind the missed opportunity to demonstrate soft power and good-neighborly relations instead of 'vaccinationalism'; the EU and its member states should have recognized the self-interest in slowing the spread of the pandemic in their inter-linked and interdependent neighborhood.

The same logic applies to other transnational threats and challenges. Helping the Western Balkans to prevent and fight crime and corruption will enhance security and democracy in the region and reduce the export of criminality to the European Union. It will also empower a new generation of politicians, young people, and civil society in the region who are trying to strengthen integrity, accountability, the rule of law, and social antibodies in their respective nations.

In the past 20 years, many EU member states have operated on the assumption that given enough time, money, and mentoring, the Western Balkans would eventually come to resemble 'the West.' But the opposite has happened. In terms of governance, some parts of central Europe are starting to resemble the Western Balkans. Instead of the East imitating the West, illiberal tendencies are spreading into the heart of the European Union. There are few consequences for current EU member states breaking the EU *acquis communautaire* and contravening its values. Yet EU candidate countries are told to sit and wait, and to be on their best behavior. They can be part of the Eurovision Song Contest or the European football championships, but the rest of the time they remain a white spot on the EU map—surrounded by EU member states including Slovenia, Croatia, Hungary, Romania, Bulgaria, and Greece on land, and Italy across the Adriatic.

Wrangling over migration, Brexit, budgets, and values is creating fissures within the EU that remind some observers of the break-up of the Soviet Union and Yugoslavia. While such comparisons may seem unfair, there is nothing inevitable about the long-term survival of the EU: it is a project that needs constant attention and innovation. Debates about EU accession retain the Union's power of attraction, but they should also stimulate discussion about what kind of club countries are joining. Closer cooperation—and ultimately integration—between the Western Balkan states and the EU could help both of the latter along the road to recovery.

When discussing the future of the Western Balkans and the impact of corruption and organized crime, EU leaders should consider the harm of neglecting the region against the benefits of engagement. Coddling stabilocracies while leaving the people of the Western Balkans in the waiting room risks killing the European dream and perpetuating geopolitical, socio-economic, and criminal instability in the region: this has an impact on the whole of Europe. Therefore, preventing and fighting crime and corruption should be a high priority for both the EU and the Western Balkans rather than an excuse for stalling enlargement.

America's New Censors

Alan M. Dershowitz

FREEDOM of speech in America is facing the greatest threats since the Alien and Sedition acts of 1798, which unconstitutionally punished "false, scandalous, or malicious writing" against the United States. Today's threats are even greater than during McCarthyism. This is true for three important reasons.

First, today's censorship comes, for the most part, from so-called progressives, who are far more influential and credible than the reactionaries who promoted and implemented McCarthyism. The current efforts to censor politically incorrect and "untruthful" views are led by young people, academics, high tech innovators, and writers—yes, writers! These self-righteous and self-appointed Solons of what is and is not permissible speech represent our future, whereas the McCarthyite censors were a throwback to the past—a last gasp of repression from a dying political order.

The new censors are our future leaders. They are quickly gaining influence over the social media, the newsrooms of print and TV, the academy, and other institutions that control the flow of information that impacts all aspects of American political life. These censorial zealots will soon be the CEOs, editors-in-chief, deans, and government officials who run our nation. They are destined to have even more influence over what we can read, see, and hear. If today's attitudes toward freedom of speech by many millennials become tomorrow's rules, our nation will lose much of its freedom of thought, expression, and dissent. Those of us who cherish these freedoms must become more proactive in their defense.

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Photo: Guliver Image/Getty Images

Alan M. Dershowitz

Second, these new progressive censors base their opposition to untrammeled freedom of expression on policies supported by many Americans, especially centrist liberals: anti-racism, anti-sexism, anti-homophobia, anti-hate speech, anti-Holocaust denial, anti-climate denial, and anti-falsehoods. Moreover, these arguments are being offered by people we admire and love. I call them the "good" censors. To paraphrase Pogo: "We have seen the enemy of free speech, and he and she are us!" It is much more difficult to combat us than they.

Third, the current regime of censorship is more dangerous because for the most part it is not prohibited by the First Amendment: it is promulgated and enforced by private parties who have their own First Amendment rights, rather than by government agents who are bound by the Constitution to "make no law [...] abridging the freedom of speech." When the government suppresses speech—as it did during McCarthyism by means of a Congressional Committee and other state actors—such suppressions can be challenged in the courts, as they were during the 1950s. To be sure, some of the McCarthyite suppression came from private media companies, such as Hollywood studios and television networks (blacklists and

"Red Channels"). They, too, were more difficult to challenge than governmental censorship and suppression.

During both McCarthyism and the current attack on free speech, the chilling of speech by self-censorship silenced many voices, fearful of recriminations. This, too, is a growing danger that is more difficult to combat than overt governmental censorship.

During both McCarthyism and the current attack on free speech, the chilling of speech by self-censorship silenced many voices, fearful of recriminations. Nor are these new threats to freedom of speech merely transient reactions to current crises, as McCarthyism proved to be.

Nor are these new threats to freedom of speech merely transient reactions to current crises, as McCarthyism proved to be. Today's progressive repression represents changing attitudes among future leaders that may well have enduring consequences beyond the current divisiveness resulting from the Trump presidency.

The Trump Factor

Donald Trump himself bears some of the responsibility for stimulating the recent censorial over-reaction. Trump pushed the First Amendment to its limits—some believe beyond its limits—with his speech before the attack on the Capitol Building, his remarks following the Charlottesville demonstration, and other provocative statements that many regarded as dog whistles. Although some of what he said was reported out of context and without the qualifications he actually added, his words led many—including the American Civil Liberties Union—to demand limitations on his free speech rights. Once limitations are accepted and imposed on anyone's freedom of expression, a dangerous precedent is established for extending these limitations to unpopular speech by other leaders and ordinary citizens. We are already seeing that happen with efforts to punish members of Congress, lawyers, professors, and ordinary citizens for speeches and statements that were deemed supportive of Trump.

Trump was seen by many on the left, and even some in the center right, as a uniquely dangerous and evil president, whose actions justified extraordinary measures, even measures that compromised constitutional rights and values. The "noble" end of silencing and defeating Trump justified any ignoble means, including denying him and his supporters and enablers the right of free speech, especially on social media.

Some supporters of unconstitutional means seek to justify their censorship and other repressive measures by distorting the Constitution and turning it into a partisan weapon that would have made Thomas Jefferson and James Madison cringe. Others simply ignore the Constitution and civil liberties in what they honestly believe is a higher calling—namely, to rid us now of Trump and prevent him from running again at any cost, and without regard to long-term dangers to our liberty.

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For some of Trump's liberal opponents, this short-term approach posed a conflict with their commitment to civil liberties for everyone, even those whom they despise and fear. Far too few resolved that conflict in favor of our basic liberties. Those of us who did were accused of being Trump enablers, thus deterring many others from incurring that opprobrium. It became dangerous to careers, friendships, and civil discourse to come down on the side of constitutional rights and civil liberties when those rights and liberties happen to support Trump.

Comparisons to McCarthyism

True civil libertarians—even those who despised Communism—opposed the McCarthyite reprisals, arguing that American lawyers, and ordinary citizens, must remain free to criticize all aspects of our system of governance, including our Constitution and our democratic institutions, as many radicals have done throughout history.

The new progressive censors must understand this history if it is not to be turned against them in the future. Precedents established today against the right to free speech will lie about like loaded weapons to be deployed against the left tomorrow. Indeed, repression in the United States has been directed at the left more often than against the right. Past may become prologue when it comes to repression.

In the late 1940s and early 1950s, it was the fear of Communism that fueled the censorship of the McCarthyite right. Over the past four years, it was the fear of Trumpism—and of Trump himself—that escalated and energized a nascent left-wing movement toward censorship and cancelation of many on the right and even in the center. Too few civil libertarians have risen to the challenge of defending the rights of Americans accused of supporting Trump. In some civil liberties circles, it is more acceptable to defend the rights of Neo-Nazis to march through Jewish neighborhoods and hold anti-Semitic signs than it is to defend Trump's freedom of speech.

I came of age during the era of McCarthyism, but I never understood until now how decent people—friends and relatives I admired—could support suppression of free speech and due process and other denials of basic liberties. Some of my professors at Brooklyn College supported McCarthyism. These included such distinguished scholars as Professor Eugene Scalia, father of Justice Scalia, as well as several professors who had emigrated to America from Hungry, Czechoslovakia, and other countries under the thrall of Communism.

The essence of democracy is assuring rights even to those who would deny them to you. The U.S. Constitution is not a suicide pact, but nor is it a license to deny liberty in response to any perceived threat to safety.

In all other respects, these were decent, sensitive, and liberty-loving people who had one significant flaw: their support for repressive McCarthyism. Their experience with Communist oppression gave them a blind spot with regard to the rights of those suspected of Communist affiliation. I simply could not understand it, because I viewed McCarthyism as totally and unequivocally evil—just as I viewed Communism. I could not understand how good people could support such a bad policy. I hated Communism, but I didn't personally fear it. It never occurred to me that Communists could ever get a foothold in the United States. I personally knew no Communists, except for the occasional oddball who would hand out leaflets in the neighborhood. To me Communism was a hollow threat—a straw man—that was being used as an excuse for repression. I simply could not identify with anyone who would suppress the rights of individuals accused of Communism or communist affiliation.

Now that I see good and decent people demanding censorship and denial of due process for those who collaborated with Trump, I have a better understanding of what I grew up with. These modern day McCarthyites of the left were genuinely afraid of Trump and what he stood for. They really believed, as did some of the McCarthyites I knew during the 1950s, that giving free speech rights to those who they feared would bring about catastrophe. For them, both then and now, the noble end of preventing the victory of Communism or Trumpism justified any means, including even the most ignoble and repressive.

I recall being asked by some supporters of McCarthyism as a student at Brooklyn College how I could defend the rights of Communists, who, if they came to power, would deny me my rights of free speech. I was asked similar questions by friends who saw my support for Trump's constitutional rights as enabling a president who would deny those basic rights to others. The similarities are striking and frightening. The essence of democracy is assuring rights even to those who would deny them to you. The U.S. Constitution is not a suicide pact, but nor is it a license to deny liberty in response to any perceived threat to safety.

As Benjamin Franklin cautioned: "Those who would give up essential liberty to purchase a little temporary safety, deserve neither liberty nor safety." We must sometimes compromise safety in the short-term to protect liberty in the long term. In extreme situations, we may even have to compromise some liberties in order to protect ourselves. But freedom of speech—freedom to criticize governments and other institutions—should never be among them.

THE BRANDENBURG PRINCIPLE

As an American constitutional lawyer who has litigated some of the most important First Amendment cases in the last half century—including the Pentagon Papers and Wikileaks—I am relatively confident that the Supreme Court would find Trump's ill-advised and justly condemnable January 6th, 2021, speech to be fully protected under the "Brandenburg principle," derived from the U.S. Supreme Court decision in *Brandenburg v. Ohio* (1969), which distinguishes between advocacy and incitement to violence.

Trump's words were provocative, but they included a plea for his listeners to protest "peacefully and patriotically." Compared to the speech made by Clarence Brandenburg—a neo-Nazi Klansman surrounded by armed men with crosses—Trump's speech was pabulum. It was typical of rousing speeches made by radicals, union leaders, suffragettes, and some Democratic politicians in our nation's capital and elsewhere. It was far less incendiary than the speeches made by anti-war activists during the Democratic national convention of 1968 (the Chicago Seven).

Admittedly, it is certainly possible that Trump's exercise of his freedom of speech may have had an impact, even if unintended, on some who subsequently engaged in violence. It is also possible that some left-wing agitators may have inspired violence among some of their followers. That is a price we pay for freedom of speech, and we should acknowledge its cost and argue that it is worth it.

Freedom of speech should be protected not because the marketplace of ideas *assures* that the good will drive out the bad, but despite the reality that the bad will *sometimes* prevail. The same is true of free elections, which

are the truest marketplace of political choice. Hitler received the most votes in the German free election of 1932, and other terrible candidates have beaten far better candidates in free elections. But ending free elections is not the answer to bad results. Free speech should also be permitted despite its occasional bad results, because the alternative is more dangerous. Any system of censorship must either be pervasive or selective. There can never be just "a little" censorship.

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The choice is between what I call "the taxicab theory of free speech" and a "system of censorship." Just as a taxicab must accept all law-abiding passengers who can pay the fare, without discriminating on the basis of where they were going or why they are going there, so, too, a government or a university should not pick and choose between what speeches, books, or magazines may be offensive. Once it gets into the business of picking and choosing among viewpoints, then it must create a fair and equitable system of censorship based on articulated principles. If it decides that items offensive to some women can be banned, then it will have difficulty rejecting the claims of offensiveness made by African-Americans, Jews, homosexuals, fundamentalist Christians, atheists, vegetarians, anti-fur proponents, and other politically correct and incorrect groups. I call this "-ism equity." Both alternatives—pervasive censorship and -ism equity—produce less freedom of expression.

Social Media Censorship

The social media are facing precisely this dilemma now. In addition to demands for equal treatment, any institution that edits selectively on the basis of the alleged *falsity* of the censored material faces the following conundrum: if Facebook, Twitter, and YouTube take down content which they deem to be *untrue*, then at least some viewers may come to believe that content that is not taken down must have passed the test of *truthfulness*. That is surely misleading at best, since the vast majority of untrue content is *not* taken down. So, when social media get into the business of selectively censoring some untruths, it is *they* who may be promoting false belief in the alleged truth of the untruths they do not censor. It is a no-win situation.

An analogy from governmental regulation of speech may be instructive. There are but two pure models of the role of the state in relation to offensive speech. Under the first—whose paradigm was the former Soviet Union—the state must literally approve everything that is officially published (hence the term samizdat—illegally self-published without approval of the state). Everything that is published thus reflects affirmative government policy. Everything turned down for publication is against governmental policy. There are no neutral publications that are neither approved nor disapproved by the state but merely tolerated. There are no gray zones. No Soviet high official was ever heard to say to an author, "I disagree with what you are saying, but I will defend your right to say it."

The second pure model is one that no nation in history has ever achieved. But ours comes closest to it, at least at times. The model is one of complete content neutrality. The state neither approves nor disapproves of what is published in the newspapers, magazines, TV, or the internet. Indeed, it does not even learn what is being published until after it has hit the streets or the internet (hence the importance of the prohibition against prior restraint). When an offensive item is published, the government can—and should—disclaim all responsibility for its content. The content, simply put, is none of the government's business: the government has neither approved it nor disapproved it.

Once the government gets into the business of disapproving of content on grounds of offensiveness, it has lost its claim to neutrality, and the trouble begins.

Assume that a group of militant feminists argues to a local government that a particular pornographic film—say, "Deep Throat" (1972)—is so offensive to women that it should be banned. Officials view the film, agree with the feminists, and ban it from their city. The next week, a group of blacks argues that the film "The Birth of a Nation" (1915) is at least as offensive to blacks as "Deep Throat" is to women; a group of Jews will argue that the Nazi films of Leni Riefenstahl are at least as offensive as "Birth of a Nation" and "Deep Throat"; a group of gays will make the same claim about the film "Cruising" (1980).

If there is one thing that is clear about offensiveness, it is that there is no objective basis for comparison. If obscenity is in the eye of the beholder—or, as Justice William O. Douglas once quipped, "in the crotch of the beholder"—then offensiveness lies deep in the history and psyche of those who feel it. Can anyone—especially a government—make any comparative assessment of the offensiveness felt by a concentration camp survivor seeing a swastika, a descendant of a slave seeing a burning cross, a woman who has been raped seeing the horrible portrayal of sexual brutalization? If the

government is to ban one, it must ban all. If it is to refuse to ban any, it must refuse to ban all.

Let me tell you a story from my own experience. I once represented Soviet dissidents at a Helsinki Human Rights conference. During a meeting with Soviet officials, I complained about the recent publication of certain blatantly anti-Semitic material. The official responded—quite expectedly—by telling me that worse material was published in the United States. I agreed and took out copies of some horrible anti-Semitic material published here and showed them to him. I also showed him some of the copies of the material published in the Soviet Union. I asked him to look at both and tell me the difference. He understood immediately: The Soviet material bore a stamp signifying that it had been approved by Glavlit, the official censorship agency of the Soviet Union. The American material had been approved by no one except the National Socialist White People's party—whose stamp it bore. The Soviet material was awful; the American material was worse. But the Soviet material carried the imprimatur of its government—a government that will not allow the publication of material deemed offensive by *favored* groups but will encourage the publication of material deemed offensive to *disfavored* groups. Therein lies the difference—and a critical difference it is.

The social media will continue to live in a twilight zone—a gray area—of censorship. Is it possible to live within that gray area and still maintain a considerable amount of freedom and integrity?

What does all this have to do with social media? Social media is not government, but it, too, must have a policy in relation to offensive material. And although there are considerable differences between government and social media, the latter can learn a great deal from the mistakes of governments.

The major social media began with a model of neutrality, but have now largely abandoned, or at least compromised, that model. They have censored content on grounds of offensiveness or untruthfulness. They cannot now claim that they never succumb to pressure from offended groups. The best they can do is point to certain instances where they have resisted pressures. But they must then acknowledge that they have also succumbed and compromised on other occasions.

The social media can point out that they are less monolithic than governments, that their content is neither approved nor disapproved by a single centralized authority. Approval and disapproval decisions are made by groups of individual and algorithms coded by individuals.

But nor can it be said, in fairness, that the social media have come close to the Soviet model of total approval or disapproval. There are gray areas where potential censors have said, "We disagree with your decision, but we will defend your right to stand by it."

The social media will continue to live in a twilight zone—a gray area—of censorship. Is it possible to live within that gray area and still maintain a considerable amount of freedom and integrity? I believe the answer is a qualified yes—if the right steps are taken in advance.

The two starting points —really poles—in any intelligent discussion of censorship based on offensiveness or untruth are, one, the government should not engage in content censorship based on offensiveness or untruth; and two, private individuals and groups are absolutely entitled to express objections to speech that they find offensive or false. Indeed, the open marketplace of ideas presupposes vigorous response—and objection—to offensive or false speech. As William Safire once juxtaposed these two points, "Every American has the right to complain about the trash on TV—except Uncle Sam."

Economic Censorship

But these two poles do not provide answers to the really hard questions, such as: To what extent is it appropriate—put aside legal – for a group that feels strongly about certain speech to express their objections through concerted economic pressures? Economic pressures surely cannot be ignored in any discussion of free speech. For if, to paraphrase George Bernard Shaw, assassination is the ultimate form of censorship, then bankruptcy is surely a penultimate form of censorship in a profit-motivated society. The website Gawker was put out of business by a lawsuit financed by a wealthy critic.

Most people answer the economic question differently, depending on which side of the dispute they happen to fall on. I know many feminists who were adamantly opposed to the McCarthyite Hollywood blacklist, but who strongly favor boycotting general bookstores that include allegedly sexist material (such as Penthouse, Playboy, and Hustler) among their fare.

Are there really any principled distinctions? Would they justify, as an exercise of free speech, an organized boycott by "pro-lifers" against a small-town bookstore that sold books advocating abortion or birth control? Would the African American or Jew who boycotts a general bookstore selling Nazi and Klan material justify the boycott

of a store selling evolutionary or anti-gun-control tracts? What would be left for the bookstore to sell if every group that objected to particular books boycotted the store? We used to be able to say that the store would be selling only books like Mary Poppins or Harry Potter, but even those books have recently been subject to censorial efforts.

Trump's speech that encouraged listeners to march on the Capital "peacefully and patriotically" was constitutionally protected, but reasonable people may conclude that it was morally wrong.

Is it possible to articulate general rules—rules of civility, rules of morality, rules of law, rules of constitutionality—that do not depend on whose ox is being gored or which group is being insulted? I have never seen it done.

What about organized boycotts of advertisers who sponsor content deemed deeply offensive to certain groups? Can we devise neutral rules for when such boycotts for legitimate and when they're illegitimate? Again, we can begin at the extremes. Surely it is more appropriate to boycott an advertiser who plays an active role in determining content than one who plays no role. If, for example, a sponsor was to say, "I'll advertise on this platform only if it puts down gays, or Blacks, or Jews," then the propriety of an economic boycott becomes more obvious. But if the sponsor merely declines to remove his ad from objectionable content, the propriety of a general product boycott becomes more questionable. A boycott against a sponsor because of the nature of that sponsor's own advertisements is easier to justify than a boycott of a sponsor because of the content of what is sponsored. A boycott of a specific video is more justifiable than a boycott of an entire platform.

We must persuade the American public that although most boycotts are constitutionally protected, some of them are morally wrong. There is, of course, no inconsistency between an expression of speech being both constitutionally protected and morally wrong. Hooting down a speaker, hurling racial epithets, and marching through Skokie with Nazi symbols are all examples of constitutionally protected but morally wrong speech. More recently, Trump's speech that encouraged listeners to march on the Capital "peacefully and patriotically" was constitutionally protected, but reasonable people may conclude that it was morally wrong.

It is morally wrong to exercise your freedom of speech—and freedom of purchase—to restrict the freedom of others to speak and learn what they choose. It is morally wrong—and inconsistent with the premises underlying the First Amendment—to try to shut down a stall in the marketplace of ideas because that stall is selling ideas that are objectionable to you. Set up your own stall and sell better ideas. That is what some new social media are doing by creating platforms that do not censor political speech based on content. I applaud that.

DANGEROUS SPEECH

A powerful case for freedom of speech must acknowledge that speech can be dangerous, that it can cause harmful acts, that the marketplace of ideas is not guarantee of safety. There are no guarantees, except that the costs of imposing a regime of censorship outweigh the costs of tolerating dangerous speech and its consequences. Thomas Jefferson famously made a "marketplace of ideas" argument that would have been strengthened if he had said that we have less to fear from the expression of ideas than we do from their suppression, rather than categorically stating that we have nothing to fear, so long as "others are left free to demonstrate their errors."

Freedom of speech, especially on unregulated social media, can be dangerous and harmful, in part because many people believe Jefferson's wrong-headed assumption that the marketplace of ideas is a guarantee of safety.

In an ideal world of rational thinkers, Jefferson may well be right. He lived in a world closer to that ideal than we do today. I'm afraid the world we live in today—a world dominated by shouting talk show hosts, nonsensical tweets, conspiratorial websites, cynical image makers, crass opportunists, political pollsters, and leaders who govern by following the polls—is a far cry from the New England town meetings, the Virginia salons, or the Greek amphitheaters where democracy took root. And even in Athens, the ideas expressed by Socrates were greeted not by immediate acceptance but by hemlock. The marketplace of ideas—limited as it may have been in ancient Greece—did not protect Socrates, although his good ideas, or at least those that survived, have been accepted by the marketplace of history.

Consider, however, how many good ideas died along with their authors—in the Crusades, the Inquisition, the slave trade, as well as in genocides that have occurred since Jefferson wrote, including the Holocaust, the Stalinist purges in the Soviet Union, genocides in Africa, Cambodia, and Armenia, the Chinese "cultural revolution," and other mass slaughters.

Several years ago, during a speech to hundreds of lawyers in Hamburg, I asked the audience how many of them were victims of the Holocaust. A dozen hands were raised. I then asked how many had lost friends or relatives to

cancer, heart attacks, and other illnesses. Every hand went up. I then asked rhetorically, "How can you be sure that the cures for those illnesses did not go up in the smoke of Auschwitz?"

The ideas that survived the skewed marketplace may well constitute but a fraction of those devised by the minds of creative men and women over time. The marketplace of ideas is the best option for a democracy not because it always produces the best ideas, but because like democracy itself, the alternatives are far worse. What Winston Churchill famously said of democracy—"the worst form of government, except for all those other forms that have been tried"—might also be said about the marketplace of ideas. The parallel should not be surprising, since without freedom of speech, democracy cannot survive.

Truth is not a piece of matter or a unit of energy that will survive pummeling and emerge unscathed in one form or another at one time or another. It is a fragile and ethereal aspiration, easily buried, difficult to retrieve, and capable of being lost forever.

Mill's Argument for Freedom of Speech

The great nineteenth century libertarian philosopher John Stuart Mill also made the case for the open marketplace of ideas, while at the same time rejecting Jefferson's naïve view that we have nothing to fear from freedom of speech.

In his ringing defense of free speech, Mill disputes Jefferson's argument that "the marketplace of ideas" will inevitably produce truth: "The dictum that truth always triumphs over persecution, is one of those pleasant falsehoods which men repeat after one another till they pass into commonplaces, but which all experience refutes. History teems with instances of truth put down by persecution."

Mill offers this observation in refutation of the empirical claim that "truth may justifiably be persecuted because persecution cannot possibly do it any harm." Persecution can, in fact, destroy truths, not only in the short run, but forever, as we have seen with the earlier examples I have cited.

Truth is not a piece of matter or a unit of energy that will survive pummeling and emerge unscathed in one form or another at one time or another. It is a fragile and ethereal aspiration, easily buried, difficult to retrieve, and capable of being lost forever. That is why every time an idea is censored, a person with an idea killed, or a culture destroyed, we risk permanent injury to the corpus of human knowledge. And that is why it is always better to err on the side of more speech, more expression, more advocacy—even when the benefits seem distant and the costs immediate. American jurisprudence and Mill's philosophy reach the same conclusion about the benefits of unfettered exchange, though by somewhat different routes.

Mill argued persuasively even for the freedom to err—the right to be wrong. He offered a utilitarian justification for encouraging false arguments against the received wisdom, because "teachers and learners go to sleep at their post, as soon as there is no enemy in the field."

One of Mill's most compelling arguments has particular applications to the debate over social media censorship, speech codes, identity politics, and political correctness – especially on contemporary college and university campuses. Mill understood more than a century ago what many proponents of speech codes seem to ignore today: namely, that censorship is almost never content-neutral. Codes that purport to ban "offensive" or "untruthful" words are inevitably invoked selectively against politically incorrect words. Censorship is a weapon wielded by those in power against those who are not. On college and university campuses, those in power—or those who can influence those in power—may be very different from those in power in the outside world, but Mill's point remains persuasive:

> With regard to what is commonly meant by intemperate discussion, namely invective, sarcasm, personality, and the like the denunciation of these weapons would deserve more sympathy if it were ever proposed to interdict them equally to both sides; but "it is only desired to restrain the employment of them against the prevailing opinion: against the unprevailing they may not only be used without general disapproval, but will be likely to obtain for him who uses them the praise of honest zeal and righteous indignation.

Mill would argue, of course, that even if we could create what I have called "a symmetrical circle of civility" or "-ism equity"—namely, the identical rules of discourse for all, regardless of the content of their views—it would still be wrong to restrict speech based on factors such as offensiveness, incivility, rudeness, or falsity.

The hard question for Mill—indeed, for any utilitarian advocate of free speech – is what should happen when freedom of speech clashes with Mill's other important principle: The authorization of state compulsion "to prevent harm to others." Here Mill is not at his best as a thinker:

> No one pretends that actions should be as free as opinions. On the contrary, even opinions lose their immunity,

> when the circumstances in which they are expressed are such as to constitute their expression a positive instigation to some mischievous act. An opinion that corn-dealers are starvers of the poor or that private property is robbery, ought to be unmolested when simply circulated through the press, but may justly incur punishment when delivered orally to an excited mob assembled before the house of a corn-dealer, or when handed about among the same mob in the form of a placard. Acts, of whatever kind, which, without justifiable cause, do harm to others, may be, and in the more important cases absolutely required to be, controlled by the unfavorable sentiments, and, when needful, by the active interference of mankind. The liberty of the individual must be thus far limited; he must not make himself a nuisance to other people.

Mill's last sentence—that a speaker may not "make himself a nuisance to other people"—contains the seeds of a system of pervasive censorship. Mill probably intended the concept nuisance to be construed in the narrowest possible way, say, by reference to his prior example of inciting an excited mob. But it is surely capable of being applied to almost any manner of offensive speech, ranging from religious proselytization, to hate speech, to pornography, to the dog whistles of a controversial president.

Mill's narrow, utilitarian argument for some censorship is, in my view, shortsighted. A larger view would prefer—as the First Amendment to the United States Constitution prefers and as Mill himself seems to prefer elsewhere—the benefits of relatively unabridged speech over the "inconvenience" of tolerating nuisances, even deeply offensive nuisances. One need not agree with the ditty we all learned on the streets—"Sticks and stone may break my bones, but names will never harm me"—to accept the important distinction between the state regulation of "sticks and stones," on the one hand, and of "names" on the other forms of speech, on the other.

Justice Louis Brandies provided wiser counsel than Mill when he argued, in a case involving socialists who trespassed on private property as part of a protest against capitalism, that a free and open society should tolerate a certain degree of nuisance as a price worth paying for free and untrammeled expression. We should have different rules for regulating non-expressive actions that pose dangers to others and for censoring expressive speech that poses comparable dangers. A single utilitarian calculus simply will not do in a society that values freedom of expression more highly than freedom of action. Our society is committed to the proposition that freedom of expression is the best guarantor of freedom of action. Our First Amendment expresses a far different calculus for regulating speech than for regulating non-expressive conduct, and that is as it should be. Your right to swing your fist should end at the tip of my nose, but your right to express your ideas should not necessarily end at the lobes of my ears.

Our society is committed to the proposition that freedom of expression is the best guarantor of freedom of action.

The marketplace of ideas is a raucous bazaar, in which a bit of discomfort or nuisance is a small price to pay for the benefits of preserving freedom of expression from the voracious and not easily satisfied appetite of the censor.

Benevolent Censorship by the Good Guys

An example of what can happen when the marketplace of ideas is replaced by the stamp of the censor occurred during McCarthyism. But back then brave civil libertarians stood up against the obvious danger to liberty represented by Senator Joseph McCarthy. Back then, the issue was widely seen as one of evil versus good. McCarthyism was evil. McCarthy himself was evil. Those standing against him—like the great lawyer Joseph Welch, who rhetorically asked him: "At long last, have you left no sense of decency?" – were the good guys.

That is not the case with the current attack on free speech that is being supported by many who claim the mantle of civil liberties, including the American Civil liberties Union. Because today's attack on free speech is being urged by progressives—by our friends, children, colleagues and others we respect and admire—many civil libertarians are conflicted and remain silent, or prioritize politics over principles, the liberal agenda over civil liberties.

Some of these new censors act as if they have just invented the wheel. They shout "eureka" as they proclaim that they have just made a remarkable discovery: namely, that hate speech, malicious lies, attacks on democracy and other forms of expression are really dangerous and can cause considerable harm. There is, of course, nothing new about this insight.

Mill said it a century and a half ago. Honest civil libertarians have long acknowledged it. We are seeing it happening in real time today. What is new is the conclusion some of these current censors have drawn from the old insight: namely, that selective censorship is the answer. This, too, is as old as the Sedition Act of 1798, which one of the new censors actually cites as a model response to the "crisis of misinformation and its potential to undermine trust in elected officials.

NON-GOVERNMENTAL CENSORSHIP

Because the current attacks against freedom of speech are coming in large part from powerful non-governmental institutions—such as social and other media, universities, publishers, lawyers, bar associations, and other private "influencers" and shapers of public opinion —they cannot be fought exclusively in the courts of law or in legislative assemblies. They must be fought primarily in the courts of public opinion. Private parties who would deny freedom of speech to others have their own freedom of speech, which includes the right to advocate and even impose censorship, as long as they don't employ state action— governmental assistance— in doing so.

Censorship is a weapon wielded by those in power against those who are not.

That is why the selective censorship currently being imposed by Facebook, Twitter, YouTube, and other giant social and print media is so difficult to combat. The last thing principled supporters of free speech want to see is governmental control over private media companies. We want these companies to remain free to exercise their First Amendment rights and decide what to publish and not publish. We just don't like the way they are exercising their First Amendment rights to selectively censor others. We must oppose them in the marketplace of ideas and persuade them that they are violating the spirit of the First Amendment while hiding behind its legitimate protections.

There are some judicial and legislative initiatives that can be helpful in protecting freedom of speech on social media. There are also private efforts by non-government actors to address the problems faced by internet platforms that are understandably concerned about becoming facilitators of hate speech, dangerous falsehoods, and violence. Recently, Facebook announced that in an effort to create objective, neutral and consistent standards, it would appoint a panel of experts from around the world to assess its criteria for allowing or censoring speech on its platform. The panel includes winners of prestigious awards, former judges, law professors, literary figures, and others with valued reputations. This bevy of platonic guardians would decide whether something could be posted, whether it should be accompanied with a cautionary label, or whether it should be totally banned.

It's an interesting idea, and a potentially constructive component of any approach to addressing the accusations that Facebook and other social media are biased against conservatives and in favor of liberals and progressives. But it is a double-edged sword.

The positive edge is that it places the decisionmaking in the hands of a more diverse, politically balanced, and presumably objective group of wise men and women, who will assure that any censorship is based on neutral standards of general applicability across the political and ideological spectrum—"-ism equity."

The negative edge of the sword is that it legitimates a regime of private censorship, even if benign, by social media platforms. Because it will likely reduce the likelihood of overtly partisan censorship, this process makes subtler forms of nuanced censorship seem acceptable. Moreover, it sets a dangerous precedent. Today's guardians may be neutral—though at least one of them who I know is a zealous anti-Trump partisan. But in the future, these guardians may shift right or left. Or they may have hidden biases based on identity politics and other forms of political correctness. Once the concept of a board of censors is approved and widely accepted, it can become a model for other social media, as well as for a wide array of other institutions. The very idea of platonic guardians telling us what is "truth," what is "falsehood," what we can be trusted to read without commentary, and what is too dangerous for us to be exposed to, is a potential prescription for Big Brother, Big Sister, or at the very least small siblings who may grow into big censors.

The important question is not so much whether one supports freedom of speech in the abstract—most Americans do. The question is whether one prioritizes free speech over other values when they come in conflict, as they often do.

This is not to say that we should discourage innovative private, as well as public, efforts to ameliorate the problems of today's media censorship. It is to say that we should be cautious about approving short-term solutions that pose long term dangers.

THE SPIRIT OF LIBERTY

In the end, the spirit of liberty—as Justice Learned Hand wisely observed – "lies in the hearts of men and women." And when "It dies there, no constitution, no law, no court" can do much to save it. During the past several years, the spirit of liberty has been weakened by a growing acceptance of censorship, especially among young people on the left. It must not be allowed to die, or be killed by men and women "of zeal, well meaning, but without understanding."

The important question is not so much whether one supports freedom of speech in the abstract—most Americans do. The question is whether one prioritizes free speech over other values when they come in conflict, as they often do. The American Civil Liberties

Union used to prioritize free speech, but in recent years, they have placed a higher value on other progressive causes, such as a woman's right to choose, racial, gender, and sexual-orientation equality, immigration, the environment and other progressive values, and especially opposition to Trump (which has increased their contributions dramatically). They fail to understand that if freedom of speech is compromised in the interest of promoting these other values, those values will suffer as well. The open marketplace of ideas is an essential prerequisite to advocating the progressive agenda (as well as the regressive agenda).

The struggle for free speech never stays won. It must be fought every day and against every enemy—right, left, and center—in the court of public opinion.

We must struggle to protect our freedoms by persuading our fellow Americans that censorship against anyone inevitably leads to censorship against everyone. Free speech for me but not for thee is the first step down the road to free speech for neither me nor thee. We must heed the classic message of the anti-Nazi Lutheran Minister Martin Niemöller: "First they came for the socialists, and I did not speak out—because I was not a socialist. Then they came for the trade unionists, and I did not speak out—because I was not a trade unionist. Then they came for the Jews, and I did not speak out because I was not a Jew. Then they came for me, and there was no one left to speak for me."

The great iconoclast H.L. Mencken put it more pithily: "The trouble about fighting for human freedom is that you have to spend much of your life defending sons of bitches: for oppressive laws are always aimed at them originally, and oppression must be stopped in the beginning if it is to be stopped at all."

We must defend the rights of others if we want others to defend our rights—and even if others refuse to defend our rights. Because their rights are our rights!

The struggle for free speech never stays won. It must be fought every day and against every enemy—right, left, and center—in the court of public opinion.

Ever since the rejection of the Sedition Act by President Thomas Jefferson, Americans have shown rhetorical support for freedom of speech pursuant to the First Amendment. Not all Americans have always practiced what they preach with regard to freedom of speech. Over the generations, many have found justifications—excuses—for accepting free speech for me but not for thee. But until the last decade, there have been few attacks on the very concept of free speech itself. Now some on the hard left seek to justify—indeed to proclaim—the virtue of selective censorship in the interest of higher values, such as anti-racism, anti-sexism, and other progressive agendas. The voices of these censors must not be silenced. They, too, must be heard.

The marketplace of ideas is the best option for a democracy not because it always produces the best ideas, but because like democracy itself, the alternatives are far worse.

Those of us who defend free speech must not censor the censors. We must not accept their approach to closing down the marketplace of ideas. Nor should we become disagreeable about our disagreements. They make an important point when they protest against racism, hate, and untruth. We make an even more important point when we defend freedom of speech against their short-sighted zealousness. We must respond to their well-intentioned but dangerous views on their merits and demerits. We must persuade open-minded people of the virtues of free speech and of the vices of selective censorship. We must defeat their ideas in the open marketplace. We must convince doubters that the road to censorship hell is paved with good intentions. We must lead them down a better road—a road with its own pitfalls, dangers, and harmful outcomes, but a road that is far better than the roadblocks of censorship.

We must be prepared to respond to the new arguments of the new censors—the "good" censors—with our own new and better answers, rooted in old and enduring verities. We must enter the marketplace and engage.

Just as every generation has its own music, fashion, and tastes, so, too, does every generation have its own priorities based on its experiences. But the enduring value of freedom of expression—without which there will be no freedom to choose music or fashion—should not be a matter of generational taste or preference. To paraphrase Lillian Hellman's response to McCarthyism: We must not and should not cut our collective "conscience to fit this year's"—or this generation's—"fashions." Ecclesiastes observed that "to everything there is a season," but he also reminded us that some enduring values transcend generations and "abideth forever." Freedom of expression must be among those enduring values.

In the end, our modest goal is to persuade the naysayers that freedom of speech, like democracy itself, is the least worst alternative in a world filled with risks and dangers on all sides. We must accept the burden of proving to a skeptical world that free speech is the lifeblood of democracy—that, without it, democracy cannot survive.

The Future of Democracy in Africa

COVID-19 and Geopolitics

Hassan Khannenje

THE COVID-19 pandemic has hit Africa the worst in the realms of trade, economic growth, employment, public revenue collection, security, and, critically, democratic governance. According to the World Bank, for the first time in 25 years, Africa slid into an economic contraction of up to 5.1 percent in 2020 alone. The resource-rich economies of Nigeria, Angola, and Cameroon in sub-Saharan Africa, for instance, were even worst hit due to attendant shocks in the international oil market. Africa's exports, which depend over 80 percent on global markets—especially in the worst-hit economies in North America, Western Europe, and Asia—have plummeted. This has further compounded increasing income inequalities and unemployment on the continent, thereby pushing millions of people in the region deeper into poverty.

Fundamentally, the coronavirus pandemic has proven to be a boon for authoritarianism in Africa, as democratic governance wilts under the weight of governments' embrace and abuse of emergency powers to muzzle democratic institutions and processes, undertake a convenient clamp down on civil liberties, and aggressively impose limitations on political space for their citizens.

The duality of contracting economies and increased authoritarianism have reversed the positive economic trajectory of Africa's growth decade as well as sullied the democratic dividends of the post-Cold War period.

Pandemic Chaos, Africa's Fate

The apparent lack of global leadership in the current pandemic is, of course, partly a result of America's initial COVID-19 denialism and the isolationist approach favored by Donald Trump, but is also due to the failure to mobilize robust and coordinated international response in the wake of nationalism and protectionism as well as the utter unpreparedness of many countries to deal with the scale and scope of the pandemic.

This lack of leadership has exposed the tragedy of inequalities in the developing world. Consequently, as many countries in western and central Europe, North America, and parts of the Asia-Pacific region begin to enter the recovery phase, Africa is still wallowing in the miasma of economic, social, and political ruins without either the privilege afforded by the social safety-nets of the rich countries or a local capacity to produce vaccines or facilities needed to adequately care for the sick and the vulnerable.

> *The COVID-19 pandemic has hit Africa the worst in the realms of trade, economic growth, employment, public revenue collection, security, and, critically, democratic governance.*

On the one hand, Africa lags behind in mass testing and vaccination primarily due to a dearth in regional capacities and also because of the disruption of global supply chains. As of late June 2021, only about two doses of vaccines have been administered per 100 people, compared with an average of 68 doses per 100 people in high-income countries. Less than 1 percent of Africa's total population has been fully vaccinated. Tanzania, Burundi, and Eritrea have yet to receive any vaccines; others have barely started their vaccination campaigns.

Vaccine geopolitics in the form of vaccine nationalism and geopolitical competition among contending world powers like the United States, the EU, China, and Russia—each all keen on shaping the war against COVID-19 narrative—have further impeded vaccine access and distribution, thereby denying the world a unified global approach to managing the pandemic. All this helps explain the widespread African perception of vaccine apartheid by the global north against the global south.

On the other hand, the economies of Africa are crumbling under the weight of massive foreign debt, partly exacerbated by increased public expenditure and a revenue slump as a result of the onset and consequences of the pandemic. Africa is thus staring at a potential debt crisis. In November 2020 for instance, Zambia—one of Africa's most heavily indebted countries—defaulted on servicing its eurobond debt whilst others such as Namibia, Angola, Kenya, Ethiopia, South Africa, and Nigeria were badly exposed to fiscal pressures, making the necessity of debt restructuring an emerging urgency.

Africa's recovery, together with that of the rest of the developing world, is thus worsened by a conspicuous absence

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of global political leadership on vaccine access and the economic and fiscal stabilization of middle-income and low-income economies. The increased mass vaccination and economic stimulus packages that are allowing for the reopening of the economies of United States, the European Union, China, Japan, and so on, are limited to the world's rich and powerful countries. Much of the developing world is thus still in the containment phase of the pandemic while developed countries are already in the early phase of recovery.

Africa's recovery is worsened by a conspicuous absence of global political leadership on vaccine access and the economic and fiscal stabilization of middle-income and low-income economies.

Cumulatively therefore, the nationalistic vaccine patency protection exercised by developed countries and the absence of a unified global crisis management approach is entrenching multidimensional inequalities on the continent in ways that guarantees a slower recovery, at best, and economic stagnation, at worst.

Emerging Authoritarianism

In a bid to consolidate power, a number of governments in Africa have exploited the international distraction caused by the pandemic and the emergency powers afforded by the need to contain the pandemic to advance patently illiberal measures. For instance, elections in Tanzania, Chad, Congo, Djibouti, Benin, Uganda, and elsewhere have been marred by gross systematic interference by the respective state apparatuses, with allegations of electoral fraud and blatant violations of human rights.

In Tanzania, the opposition was virtually wiped out of parliament with the then President John Pombe Magufuli winning reelection with over 85 percent of the votes. Months later, the president would die from what the opposition claimed were complications related to COVID-19 despite his denialist stance against the virus. Similarly, President Idris Déby of Chad won his sixth term in April 2021 while postponing (for a fifth time) parliamentary elections. Following Déby's sudden death on the battlefield with rebels in April 2021, a transitional military council led by his son Mahmat Déby suspended the country's constitution and assumed power for what it claims to be transitional period of 18 months.

Again, COVID-19 distractions meant that such unconstitutional moves by the military attracted only 'muted' and mild reactions both from regional organizations such as the African Union as well as the international community.

Ethiopia presents perhaps the worst-case example of the impact of COVID-19 on democracy in the region after the decision to postpone elections by the Ethiopian government in June 2020 sparked off an armed conflict in the country's Tigray region. Tigray's ruling party, the Tigray People's Liberation Front (TPLF), went ahead and held regional elections against the federal government's directive, setting in motion a series of events that culminated in the armed conflict that drew in Eritrean forces as proxies of the Ethiopian government and created an internationally deplored humanitarian crisis.

In a bid to consolidate power, a number of governments in Africa have exploited the international distraction caused by the pandemic and the emergency powers afforded by the need to contain the pandemic to advance patently illiberal measures.

While Addis Ababa's actions in Tigray have attracted widespread international condemnation and destroyed the peacemaker and reformer image of prime minister and Nobel Peace Prize winner Abiy Ahmed, it has fundamentally altered the democratic trajectory of the second-most populous country on the continent. With over 110 million people, Ethiopia's potential and imagined future may never be realized in the near term. (In the end, elections took place in June 2021. Boycotted by the opposition (some of whom were detained), the electoral process was marred by irregularities.)

The presidents of Burundi, Guinea, Somalia, and Uganda have equally exploited COVID-19 restrictions and public safety protocols to muzzle the opposition and consolidate power. Notably, the Ugandan government banned in-person gatherings and rallies, and also required presidential candidates to use mainstream and social media (whose access was regularly limited). In fact, President Museveni's government, which has strong influence over the Ugandan media, regularly blacked-out the opposition from the mainstream media and cracked down on the leading opposition figure, musician turned politician Robert Kyagulanyi's campaign activities. Commonly known as Bobi Wine, his in-person gatherings and political rallies were curtailed, with officials citing the risks posed by super-spreader events.

In the lead up to election, the Burundian government, for its part, exploited a 14-day quarantine requirement to lock out regional and international election observation missions, while Guinea's president, Alpha Condé, declared an indefinite ban on political protests in the wake of his controversial re-election.

Elsewhere, Somalia is hanging delicately on the brink of collapse after 30 years of trying to form a viable government and decades of stabilization efforts. This follows sustained protests and violent confrontation between opposition and pro-government forces in the country's capital Mogadishu in April 2021, even as the incumbent president, Mohammed Ahmed Mohammed "Farmaajo," imposed a ban on street protests under the pretext of enforcing COVID-19 safety protocols, following repeated election delays and a parliamentary extension of his term. While parliament has since rescinded the decision on Farmaajo's term extension, political tensions remain high, emanating from the stalemate over elections and fragmentation of the country's military and police forces.

Elusive Security

While security remains a complex concept and an ideal to be pursued by many nations, physical security is critical to the basic functioning of any nation that is not a failed state. This has been at the core of Africa's agenda and the African Union's "Silencing the Guns" initiative had set the year 2020 as the deadline for achieving the end to violent conflicts, prevention of genocide, gender-based violence, civil wars, and all wars in the region.

However, the COVID-19 pandemic has shifted regional governments' focus and seriously undermined efforts at responding to traditional security threats. This came about as a result of at least two factors: first, diminished regional cooperation on security; second, resource and policy divestment from conflict prevention, counter terrorism, and counter-insurgency into the fight against the coronavirus pandemic and its attendant economic and social disruptions.

Africa is thus currently engulfed in a wave of twin strands of violent conflicts: terrorism and militant insurgency. We can see this in one wave from North Africa in Libya down into the Sahel where Mali, Niger, Burkina Faso and Chad are trapped in flare-ups of insurgency and militant Islamist attacks. In the Horn of Africa, Somalia, Ethiopia, Sudan, and Central African Republic (as shown by the rebel siege over the capital, Bangui) are similarly faced with multiple violent conflicts and insurgencies. The region's security is further punctuated by Jihadist spread of groups such as Al Shabaab in Somalia, Jama'at Nasr al-Islam wal Muslimin, the Group to Support Islam and Muslims (JNIM) and the Islamic State in the Greater Sahel (ISGS) in the Sahel, and Boko Haram and Islamic State West Africa Province (ISWAP) in the Lake Chad Basin region.

A second wave stretches from Somalia, through Kenya and Tanzania, to Mozambique and the Democratic Republic of Congo (DRC) in which the Somalia-based al Shabaab continues to carry out terror attacks in Kenya and Somalia, while Ahlu Sunna Wa Jama (ASWJ, also known as Al Shabaab, and having no connection to Somalia) in Mozambique's Cabo Delgado region has killed thousands and displaced over 700,000 people amid ineffective and counterproductive military response by Maputo as well as delays in regional military response through the Southern African Development Community (SADC). On the other hand, eastern DRC, while still an active hotspot for insurgency groups and ethnic conflict, has also fallen victim to Islamist attacks from the Ugandan Allied Democratic Forces (ADF), which have escalated since 2019.

The pandemic has further opened the geopolitical space in Africa to a multiplicity of actors pursuing varying and competing interests, oftentimes at the expense of regional security and stability.

A New Frontier

Already a new frontier of global geopolitics, the pandemic has further opened the geopolitical space in Africa to a multiplicity of actors pursuing varying and competing interests, oftentimes at the expense of regional security and stability. For instance, outside the military basing by major powers in Djibouti, geopolitical rivalry and competition among emerging powers have remained intense in the Horn of Africa and to some extent in the Great Lakes region, with Somalia, Ethiopia, Sudan, and CAR serving as epicenters.

In Somalia, the country's transition has been hijacked by the geopolitical "Gulf Cold War" contestations of Middle Eastern powers that have supported competing parties, with Tukey and Qatar viewed as supporting the federal government in Mogadishu while the UAE and Saudi Arabia are seen to be sympathetic to the periphery and political opposition, contributing to the recent electoral stalemate and threatening a return the country to the warlordism of the 1990s. Meanwhile, the country's international partners, led by the United States, the EU, the UN, Norway, UK, Germany, and Canada have sustained pressure on the incumbent Somali administration to facilitate democratic elections and ensure a smooth and peaceful transition. It remains to be seen whether the incumbent government of President Farmaajo will follow through with recent commitments to hold elections based on the September 2020 agreement.

In Sudan, the transitional government under civilian-military power sharing arrangement formed in 2019, has come under heavy geopoliti-

cal strains with the military wing overreaching its powers and mandate. The Middle Eastern powers (UAE and Saudi Arabia) and Russia have significantly increased strategic support to the military faction of the Sudanese government, against Western powers' push for democratic reforms, peace consolidation and transition to civilian rule. The civilian-military tensions remain the greatest threat to Sudan's transition and to the peace agreements with various rebel groups in the country.

In Central African Republic, Russia and France have been jostling for influence in a country besieged by over 14 rebel groups and held loosely together by a fragile transition and an ever-unraveling peace agreement. Such pervasive competing external influence at a time of weakened institutional development and contracting economies occasioned by the COVID-19 pandemic has exacerbated instabilities across Africa, further dampening the prospects for peace, security, and stability on the continent.

THE PATH TO RECOVERY

For Africa, the path is murky and recovery will require a combination of measures beyond containing the public health crisis and rebuilding economies. The massive health and economic vulnerabilities exposed by the pandemic, while not limited to Africa, have been worse on the continent, owing to chronically limited capacities in healthcare, near complete medical technological dependency on outsiders, and the virtual absence of any social safety nets for its people.

Hence a number of key measures should be considered which, inter alia, must include mass vaccination, economic support and restructuring, enhanced intra-continental trade, the restoration of democratic institutionalism, the establishment of local health infrastructure capacities and resilience systems, and the embrace of both effective multilateralism and meaningful regional coordination and integration. Each of the measures are discussed in more detail below.

First, *mass vaccination*. Ensuring sufficient COVID-19 vaccine roll-out in Africa is important for the continent's recovery. The African Union and the World Health Organization, through its COVID-19 Vaccines Global Access (COVAX) facility, are promising to provide vaccines to cover up to 30 percent of the continent's population by end of 2021, with about 600 million doses to be distributed by end of July 2021. However, even if these happen as projected, this is still short of the projected 60 percent coverage necessary to build resilience against the pandemic in Africa. Global solidarity and support from the international community is critical in ensuring a just and equitable distribution of COVID-19 vaccines to low- and middle-income countries in Africa. One way of achieving this is the need for the relaxation of intellectual property rights to boost vaccine production locally.

So far, the U.S. has signaled strong support for the application of Trade Related Aspects of Intellectual Property Rights (TRIPS) waivers at the World Trade Organization (WTO) to allow for the transfer of the vaccine's intellectual property and related technology to other countries to boost the production of safe and effective vaccines. This is a positive show of goodwill—although it must be further demonstrated by signing an actual TRIPS waiver, if in fact a just and equitable recovery is to be made possible for developing countries. Other vaccine producing countries such as UK, China, and Russia should also support the TRIPS waiver idea. This must be accompanied by an end to vaccine geopolitical rivalry in Africa—particularly ongoing Western pressures on Chinese and Russian vaccines. Africa has become a casualty of vaccine geopolitics, pure and simple.

According to a recent study conducted by the African Union, Africa is set to loose over $500 billion because of COVID-19, with most countries forced to borrow heavily to survive the pandemic.

Second, *economic support and restructuring*. Many African countries will need economic and fiscal assistance as well as internal structural reforms to recover from the double effect of mounting foreign debt pressure and pandemic-related increased public expenditures and revenue loss. For instance, Mozambique was already struggling to repay its $14 billion external debt even before the pandemic struck. With COVID-19, the country's debt-to-GDP ratio ballooned from 100 percent in 2018 to 130 percent in 2020, exacerbating its growing debt crisis.

According to a recent study conducted by the African Union, Africa is set to loose over $500 billion because of COVID-19, with most countries forced to borrow heavily to survive the pandemic. To address the continent's debt crisis, multilateral efforts to cancel, restructure, and/or suspend debt servicing should be intensified by the International Monetary Fund, the World Bank, and the Paris Club of Nations. The COVID-19 Debt Service Suspension Initiative adopted by the G20 and the World Bank in April 2020 was commendable. It failed to reduce the net value of the debt, however, and so another instrument or a set of structural programs should be adopted to help Africa stabilize its debt-ridden economies.

Lastly, efforts at respective bilateral levels should be pursued—especially by the heavily indebted countries to bilateral lenders such as China—to restructure debts either through rescheduling or review of terms.

Third, *enhanced intra-continental trade*. Economic recovery in Africa will to a large extent depend on how African countries deepen intra-regional trade and economic cooperation. Expediting the implementation of the African Continental Free Trade Area will be a good starting point for a "developmental regionalism" approach to integration in the post COVID-19 environment.

This will enable the building and strengthening of continental-wide and intra-continental value chains, promoting fair trade and strengthening economic governance systems for sustainable growth. Overreliance on international markets has dangerously exposed African economies to external shocks, making them hostage to the demand needs of the global north.

Fourth, *restoring democratic institutions*. Complete recovery will be impossible without rebuilding of Africa's democratic institutions, strengthening its democratic processes, and stabilizing governance and the rule of law. The region's development partners should thus begin to robustly engage regional governments on practical steps regarding how to reverse the wave of authoritarian state capture. Programs to enhance the capacity of democratic institutions to perform their core functions and re-establish checks and balances, address corruption, and strengthen the civil societies on the continent should be pursued through development cooperation.

Complete recovery will be impossible without rebuilding of Africa's democratic institutions, strengthening its democratic processes, and stabilizing governance and the rule of law.

Furthermore, robust interventions in the governance sector, security partnerships, and security cooperation will remove pockets of jihadism and extremist ideology that is antithetical to liberal democracy. Such measures hold the promise of transforming existing violent extremist conflicts in parts of the continent to manageable levels. However, a consensus between regional actors and international partners under the auspices of the UN Security Council is needed to strengthen sanctions regimes on spoilers to peace agreements and violators of human rights in various conflict theatres in Africa.

The 2012 African Charter on Democracy, Elections, and Governance and the 1999 Algiers Declaration on Unconstitutional Changes of Government are the continent's main instruments to advance the consolidation of democracy, constitutionalism, good governance, human rights protection, and the right to development. The African Union Commission and the African Union Assembly of Heads of State and Government should develop new mechanisms of safeguarding democratic rule and human rights in the region by looking at democracy as an indispensable aspect of national and regional development. With democratic consolidation, conflict prevention and management as well as positive peace will not merely be aspirational ideals of a renewed Africa, but also will be critical milestones that will form a basis for the African renaissance.

Fifth, *building resilient health systems*. Amidst the negative effects of the COVID-19 pandemic on Africa, the silver lining lies in the realization of the long-term need to invest in resilient systems to shore up Africa's preparedness in future pandemics and crises. These include stronger public health infrastructure, infectious diseases research, and surveillance and control systems. While most African governments and regional bodies such as the African Union have traditionally anticipated military threats and perhaps violent conflicts, and by extension food insecurity, public health crises should demand equal attention in Africa. The post-COVID-19 era should thus be marked by regional and international efforts to build infectious diseases research infrastructure and technical capacity, as well as transfer of vaccine technologies to establish resilient systems to prevent and sustainably manage future pandemics.

African governments, through partnership with Africa's development partners such as the United States, the European Union, and China, should expand the capacity of the Africa Center for Disease Control and mobilize funding for research and development to strengthen Africa's capabilities against public health crises. The United States, for instance, has prioritized combating infectious diseases domestically and abroad as one of its foreign policy objectives, and President Joe Biden has pledged to re-embark on global leadership against infectious diseases. America is already an important partner in Africa's fight against Ebola, HIV/AIDS, Malaria, Tuberculosis, and other non-infectious but malignant diseases.

Decentralization of infectious diseases research as well as development infrastructure and capacities will further help the global community—especially the global south—to develop regional surveillance and early response mechanisms of stopping future pandemics, at the initial outbreak stage or locking down pandemics to regions of origin for effective management.

Sixth, *embracing multilateral solutions*. The COVID-19 pandemic was exacerbated by the lack of a clear and robust multilateral response as well as by the lack of consensus and leadership. This overall lack of coordination was especially the result of extant Sino-American trade wars, American isolationism under Trump, and the attendant rise in nationalism in global capitals.

The only global mechanism of leadership in this pandemic has remained the World Health Organization, which came under heavy criticism, funding cuts, and credibility charges from the United States. African multilateral efforts suffered from a lack of technical capacity, clarity of approach, and dependency on developments in the developed world.

Going forward, the international community should develop a mechanism of prioritizing multilateral approaches to global and regional crises management to prevent and mitigate crises as well as quicken a recovery that is devoid of global geopolitical struggles.

Seventh, *deepening regional integration*. To limit the destabilizing impact of uncertain external markets, geopolitical rivalry, and competition in Africa, but also to develop regional resilience against trade, health, and economic shocks, African governments will need to intensify efforts towards regional integration.

Through the $3 trillion Africa Continental Free Trade Area, the world's largest free trade area, the continent stands to boost regional trade beyond current levels by exploiting the potentialities of the economies of scale.

Through the $3 trillion Africa Continental Free Trade Area, the world's largest free trade area, the continent stands to boost regional trade beyond current levels by exploiting the potentialities of the economies of scale. Efforts towards economic integration should further assist the region to build stronger industrial, labor, and technical capacities to boost its growth and development prospects.

Lastly, regional political integration—but not necessarily vertical integration—will help the region to advance common foreign policy objectives and increase its political bargaining power internationally. This will help to limit malign foreign influence on individual states from competing external powers.

Democracy and Growth

In the final analysis, while the impact of the COVID-19 pandemic has exposed the general state of unpreparedness for much of the world, it has revealed vulnerabilities created by extreme inequalities in access to healthcare between the global north and the global south—especially countries in Africa, Asia, and Latin America. Owing to chronic lack of testing and treatment facilities, we may never know the actual number of deaths as a result of COVID-19 in Africa. Worse still, limitations on vaccine access and mutations in COVID-19 variants means that we cannot project when the continent can start its full recovery. Democratic reversal, insurgent conflicts, and increasing terrorist and extremist threats fundamentally affect the prospects of the immediate recovery by the continent.

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The pandemic has further demonstrated how intricate interdependencies and globalized security issues can worsen in the context of sharp inequality, major geopolitical fall-outs, and a lack of concerted North-South efforts to globalize infectious diseases research infrastructure. Despite Africa being stuck in its second and third waves of the pandemic, its economies are estimated to bounce back with a modest growth rate of between 2.3 percent and 3.4 percent for 2021, according to the World Bank. However, without vaccines and in the wake of apparent instabilities, even these modest projections remain merely optimistic probabilities.

While the initiative by the World Bank to allocate about $12 billion to assist 100 developing countries to boost their testing, treatment, and vaccination programs is laudable (since it helps to build the basis for reopening African economies), robust debt restructuring and economic and financial assistance will further help African economies to record positive growth indices for long-term political and social stability in the region. Similarly, efforts should be made to support the development of local infectious disease infrastructure, loosening of vaccine patency restrictions, strengthening governing institutions, reversing the slide toward authoritarianism in various parts of the continent, and containing insurgencies and terrorist groups.

Such efforts will not only be central to returning Africa back to a trajectory of growth; they are also critical for saving the democratic gains necessary for the continent's long-term prosperity and stability. While not sufficient in guaranteeing Africa's recovery, increased democratization is nonetheless the only viable insurance policy against authoritarian and illiberal pitfalls that have strangled Africa's potentialities for much of its independence period.

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