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Year of the Rat. The Strategic Consequences of the Coronavirus Crisis

It was to be the world of *Blade Runner* (1982), which is supposed to take place in 2019, or that of *Soylent Green* (1973), which happens in 2022. But it is the world of *Contagion* (2011) that we are now living in.

SARS-CoV-2 is certainly less dangerous than the one described in that movie, but it is nevertheless diabolical because it is rare from an epidemiological standpoint. It is at the same time rather “stealthy” but very infectious (a great “affinity” for human cells, a viremic peak at the end of the incubation period); quite contagious¹; and requiring many hospitalizations of long duration. This is why the somewhat overused expression “black swan” is not absurd: while a pandemic on a global scale had been envisaged by all forecasters over the past twenty years, a crisis of such magnitude was not one of the preferred hypotheses. Indeed, it was not unreasonable to bet on the capacity of the contemporary international system to effectively combat a nascent pandemic, as was the case for other coronaviruses (SARS-CoV, MERS-CoV) or for influenza A riboviruses (swine flu H1N1, avian flu H5N1).

¹ Its R0 is probably between 2 et 3.

The butterfly effect

The butterfly effect has been extraordinary, with the outbreak starting – probably – from a wild animals market that the Chinese are fond of as the New Year approaches and spreading around the world in a matter of weeks.

Like the Black Death – albeit the other way around –, the epidemic has travelled along the Silk Road, but much faster and by air. It has spread across the northern hemisphere in a matter of weeks, dramatically affecting the world's older regions (Madrid has the European record for life expectancy at birth). In early April, the map of the pandemic seemed to overlap that of air traffic (Fig. 1). However, it will have a global effect even if on balance it does not directly and profoundly affect all continents. Not unlike the two world wars.



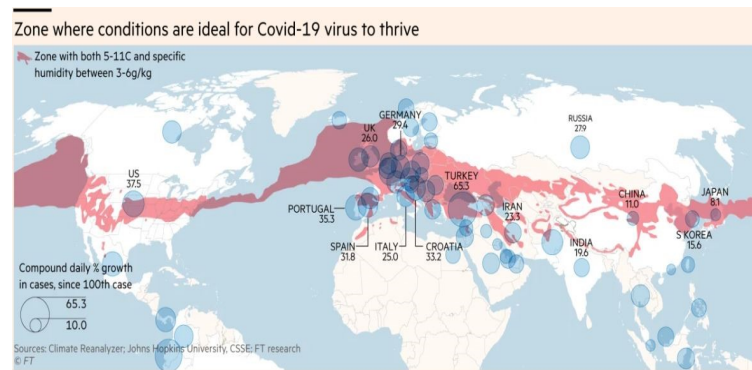
Source : International Civilian Aviation Organization

Nassim Nicholas Taleb, who had warned very early on of the dramatic potential of SARS-Cov2, recalls that *“interconnected complex systems have some attributes that allow some things to cascade out of control, delivering extreme outcomes”*². This pandemic is the perfect stress test for the contemporary global society – and, because of its brutal and massive nature, a real strategic surprise, just like the fall of the Berlin Wall or the financial crisis of 2008.

We are still a long way from the end of the crisis, and many questions remain open – for example, about how India and Russia will cope, or about the future scale of the pandemic in sub-Saharan Africa, which may be more resilient than some predictions suggest if geographical and climatic conditions are important in the spread of SARS-CoV-2 (Fig. 2).

² Nassim Nicholas Taleb & Yaneer Bar-Yam, « [The UK's coronavirus policy may sound scientific. It isn't](#) », The Guardian, March 25, 2020.

Figure 2



Source : *Financial Times*

For the time being, everyone finds in the crisis enough to confirm one's certainties and fears, in the West as well as in the East, on the right as well as on the left. However, with the usual caveats, we can already glimpse some probable trends: the decline of globalization; the decline of populism, but the success of sovereignty and the revenge of borders; the return of public power; the advent of surveillance societies and the multiplication of isolationist behaviors; the risk of opportunistic political or military actions... And we can bet that no major pole of power will emerge from the crisis as a state or as a model.

The retreat of globalization

Major crises are usually trend accelerators, and this one will be no exception. The slowdown in globalization was already underway. The ratio of international trade to gross domestic product (GDP) had already declined (61 % in 2008, 59 % in 2018), as had the ratio of foreign direct investment (FDI) to GDP (3.8 % in 2008, 1.4 % in 2018)³. This was due to the financial crisis, but also to disasters revealing the vulnerability of economies (Japan, 2011), then the rise of nationalism and protectionism, of course, but also technological change (automation allowing the repatriation of certain industries), and environmental concerns.

In the short term, companies will want to restore their margins and thus will continue to build in or buy from Asia. In the medium term, however, value chains are likely to be shortened and just-in-time production will decline. The concept of strategic stocks will be applied to healthcare (today, 80 % of active ingredients for medicines are manufactured in India and China). Resilience to international shocks will be a watchword for economic policies. In Washington and Beijing, advocates of "decoupling" the economies of the two countries are already finding their positions strengthened. If we take up the three possible futures proposed by the US intelligence community in 2017 (*Global Trends 2035*), that of "Islands" (a fragmented world) seems more likely than those of "Orbits" (a competition of powers) or "Communities" (prevalence of cooperation in a hyper-connected world). And it is no coincidence that the "Islands" scenario stems, among other factors, from the "Great Pandemic of 2023".

But just as the Black Death did not lead to the end of trade by sea, the Covid-19 crisis will not put an end to globalization, and it will probably have only a limited effect on air travel. An interconnected society offers more advantages than disadvantages for the management of

³ World Bank.

epidemics: monitoring and alerting; sanitary repatriation; international assistance; scientific cooperation... On the other hand, the trafficking and consumption of wild animals will certainly be repressed much more severely. This is the third time in twenty years that a new beta-type coronavirus (with species jump) has emerged: there will certainly be others.

The decline of populism and the rise of sovereignism

The rise of government populism could come to a halt. Firstly because one of its characteristics is the distrust of expertise and institutions. Such distrust had certainly not disappeared at the beginning of April (as the chloroquine controversy, for example, showed). But its possible human and financial costs will certainly be pointed out in the end. Secondly, because most populist leaders – first and foremost Donald Trump – have so far shown a certain inability to be receptive to the immediate concerns of their fellow citizens, and to express the necessary empathy.

Of course, this could change if for instance the economic management of the post-crisis period was characterized by a return of hyperinflation, via monetary creation and the increase in the prices of goods now manufactured on the national territory: this could generate social disorders likely to favor the emergence of a “second wave” of populism.

On the other hand, sovereignism should logically be one of the great winners of the crisis, helped by what Ivan Krastev has called the “mystique of borders”. Like the health sector, agriculture will benefit from relocation. Enlightened by the crises of the 2000s and 2010s, national societies will tend to retreat and demand greater protection in the face of external threats in the broadest sense of the term – terrorism, financial crises, illegal immigration, trade competition... In asserting that “we must take back control” of French public health, Emmanuel Macron borrowed, no doubt unconsciously, a phrase associated with Brexit. *R.I.P.* the “world without borders”, 1990-2020? These borders could well become even more hermetic to African immigration if, as some epidemiologists thought in early April, the continent becomes a major «reservoir» for SARS-CoV-2.

The revenge of the State

As in any security crisis – war, terrorism, epidemics... – one should expect the strengthening of the State, whose role will be enhanced both in terms of population control and economic intervention. In addition to supporting the economy, the priorities of governments in the coming years will obviously be health and security; all other things being equal, sectors such as education and the environment are likely to suffer.

Even the most liberal democracies – such as the United Kingdom, the Netherlands – which were tempted for a moment by *laissez-faire* and betting on the resulting herd immunity after a few months have retreated due to the frightening figures of the likely lethality of such a strategy according to the Imperial College model (250,000 deaths for the United Kingdom). Are we going to enter an era of digital authoritarianism (surveillance, detection, repression...) and sacrifice individual liberties? Dictatorships have dreamed of it: will democracies implement it? In any case, it is likely that, as in the aftermath of September 11, the majority of the population will accept significant infringements of their freedoms. And in the event of a parallel resurgence of jihadism, will a kind of “permanent state of emergency” be established – as has been the case, from a legal standpoint, in Israel since 1948? Will we become “all Israelis”?

The increase in the State's involvement in the economy does not necessarily mean the defeat of the major private players, especially those in the digital sector – as the current success of the products offered by the GAFAMs (Google, Apple, Facebook, Amazon, Microsoft) testifies to. And the likely success of sovereignism will not mechanically lead to a decrease in international cooperation. While global institutions have not always been up to the task (one has in mind the case of the World Health Organization, whose reaction was unanimously considered too slow), the G20 and the European Union (the European Central Bank) have shown a capacity to take up economic issues that is infinitely superior to what international cooperation had been, for example, during the 1929 crisis. It remains to be seen whether the national selfish reactions of the first few weeks of the crisis – with a new oil war, a lack of intra-EU solidarity, the abrupt decisions by the Trump administration... – will leave their mark. And on balance, it would be risky to bet on a revival of multilateralism.

While the crisis could strengthen strong states by increasing the role of the public authorities, it could on the contrary weaken fragile states. One thinks in particular of those African countries whose economies are essentially based on the export of resources. All the more so that a crisis within the crisis has developed in the oil markets, a “double oil counter-shock” triggered by Saudi Arabia and Russia. Riyadh and Moscow have large foreign exchange reserves to compensate for the ensuing drop in their revenues, but they also have their weaknesses due to the importance of the oil sector for their economies. In this game, Russia can probably hold out a little longer, its budget being based on a barrel at around 40 dollars, while it is almost double that figure for Saudi Arabia – except perhaps in the case of popular discontent requiring public investment.

The consequences for other countries may be more severe, especially if they themselves suffer significantly from the coronavirus crisis. One thinks of the energy producing countries of Central Asia, East Asia, Africa and South America, and even more of the Middle East: what will be the consequences for fragile states (Iraq), weakened states (Iran) or states that are in the midst of a political upheaval (Algeria)?

A success of semi-authoritarian democracy?

Very quickly after the outbreak of the epidemic, a debate began on what political models are the best suited to managing such crises, with Chinese authoritarianism appearing to some to be more capable of implementing effective societal control than Western democracies.

This view is not convincing. It is the East Asian democracies – South Korea, Taiwan, Japan, plus the Hong Kong region – that have fared best. It is tempting to apply cultural explanations: discipline and a sense of community reign there, including about health (cf. the tradition of wearing a mask in winter time). And the same states had learned quite well from the lessons of the viral epidemics of the last fifteen years. But the democratic character of these countries has allowed them to be at least as efficient as China (albeit with smaller populations and a few more weeks of experience).

There is another question: which state model will be perceived, post hoc, to have been the most efficient: centralized countries, or on the contrary those conferring a large degree of autonomy on their components (regions, federated states)? The regionalization of health competences, for example, does not always allow for rapid decision-making and policy homogeneity at national level. Will the United States see the return of the demand for “big

government” so decried in recent decades? Nothing is less certain: states and cities have often proved able to make decisions that sometimes compensate for the shortcomings of the federal level – denial, slowness, inconsistency.

Covid-19 will thus be a test of legitimacy for all modes of state governance. Will that mean that it could be the indirect cause of new revolts or revolutions? Probably not in the short term, as societies will be, for several months, too weakened and preoccupied with a possible «return to normal life».

Towards an age of digital individualism

After the pandemic, while individuals will naturally want to take full advantage of their regained freedom, two groups of populations will, on the contrary, see their life choices and ideological preferences confirmed and will no doubt attract new followers: on the one hand, the “survivalists” and, on the other hand, the “collapsists”. The former are characterized by paranoia. Arms and ammunition sales in the United States had tripled by the beginning of April 2020. The same is likely to be true of individual shelters in the years to come... The latter emphasize the risk of the global collapse of modern society and advocate individual or community self-sufficiency. Many of them will also see in the protection and surveillance measures taken by states in the coming years a validation of the “shock strategy” theorized by Naomi Klein, who claims that major disasters are an opportunity for capitalism to impose new constraints or new social norms. A third group, more diffuse, will also be successful: the adepts of gated communities for privileged populations. Finally, for the whole population of modern countries, working from a distance, telemedicine, education by electronic means will become much more familiar tools, and home deliveries will develop further. Emerging and less developed countries could experience at least a temporary brake on galloping urbanization – cf. the considerable number of “returns to the village” in South Asia and sub-Saharan Africa, in particular.

A crisis of the Anthropocene

In ancient times (and still today in some communities), pandemics were considered a punishment from God. Today, it is allegedly an “ultimatum from Nature” (French former minister Nicolas Hulot). Many activists hope that the fight against climate change can finally be taken seriously after the current pandemic, as governments have shown an unprecedented capacity to mobilize to fight it. But this will not be the case: if SARS-CoV-2 mobilizes so many efforts, it is because its effects are immediate, visible and tragic for individuals and for states. It is even possible that environmental concerns may for a time become relatively secondary to the imperative of reviving production and trade. All the more so in times of very low oil prices.

We will, of course, see warnings about the possible links between the pandemics and climate change: there is indeed a recurring fear of the possible epidemiological consequences of melting permafrost, particularly in the northern part of Russia. However, this fear seems to have little scientific basis, or in any case does not seem to deserve excessive concern: there are hardly any serious studies today showing that a serious health hazard would result from such melting.

On the other hand, ecology in the primary sense of the term could return to the forefront, and in particular the fight against deforestation and the destruction of natural habitats, which we

know, particularly since the appearance of AIDS, to be partly responsible for the emergence of hitherto unknown viruses.

Towards opportunistic strategic actions

UN Secretary-General Antonio Guterres' call for a “general ceasefire” on the planet echoed the “truces of God” of the Middle-Ages. In fact – though probably not for this reason –, we are already seeing a lull in certain theatres of war due to the impacts of the pandemic (reduced availability of personnel, lack of access to care, disruption of supply chains, etc.). And, as is often the case during disasters, we are witnessing signs of (temporary?) regional *détente*, for example between Iran and certain Gulf countries.

But counter-terrorism operations and peace-support missions also suffer, due to local health concerns or the need for personnel for security missions on national territory. So do international mediation or inspections, if only because of logistical difficulties.

We can bet on the strategic opportunism of certain actors (provided, of course, that they themselves have not been weakened by the health crisis) taking advantage of the international community's concentration on the pandemic and the reduction in the intervention capacity of large states, at the risk of creating strategic gaps. We are thinking of terrorist groups of course, as well as religious organizations capable of remedying the shortcomings of public services in fragile countries. But perhaps also of some major powers. Have we not seen debates in the White House on the advisability of taking military action to weaken Iran a little more? As for China and Russia, they are taking full advantage – especially the former – of Europe's dismay to intensify their own propaganda. Having said that, a major and visible military *coup de force* bringing about a real strategic break is more difficult to imagine, for the reasons mentioned above.

Opportunism also manifests itself in domestic politics, and some leaders seem to be tempted to take advantage of the fact that the international community's attention is being monopolized by the health crisis: a constitutional reform in Russia, Mohamed ben Salman's reassertion of control in Saudi Arabia, the concentration of power in Hungary (via the proclamation of a state of emergency *sine die*) – and this is undoubtedly only the beginning.

Major powers: all losers

If American leadership is absent, no other pole of power has played this role and none will grow out of it.

President Trump's re-election now faces two serious obstacles: a clear inability to tackle the crisis head-on; and the emergence of an experienced and empathetic candidate on the Democratic side (Joe Biden). At this stage, however, the rallying effect in times of crisis continues to play itself out, and the current president remains capable of winning. One can bet that he will campaign on issues that are dear to him – accusing China of being at the origin of the crisis (cf. the administration's insistence on talking about a “Chinese virus”) and promising even more protection at the borders, to the point where the hypothesis of true isolationism becomes more credible. In any case, it will be difficult for an America whose reaction – in part because of its federalist nature – has been disordered and which could, according to certain models, experience several hundred thousand deaths – a human catastrophe unprecedented in

the country's modern history, with the exception of the Second World War – to set itself up as a model.

China, for its part, was the problem before it started trying to be part of the solution (via international aid), even though it should have been well prepared. But despite its efforts, it is doubtful whether it will emerge from the crisis in a better position. After the delay in managing the pandemic, the silencing of whistleblowers, shameless diplomatic propaganda (the United States as “responsible for introducing the virus”), unusable masks and tests, only being the first to discover an effective treatment or vaccine could restore its image. For these reasons, Stephen Walt's thesis that *“Covid-19 will also accelerate the shift in power and influence from west to east. The response in Europe and America has been slow and haphazard by comparison [with China, South Korea and Singapore], further tarnishing the aura of the western ‘brand’”*⁴ may leave some doubt.

But Europe's behavior was no better than America's and China's. We know that the Union's competences in health matters are limited. Nevertheless, its reaction was late, as was the solidarity between members. Tomorrow, there is a risk that some of its *acquis* (Schengen, GDPR, etc.) will disappear or at least be put on hold. However, the European Central Bank (ECB) has taken the measure of the economic impact of the pandemic and one can bet that the prophets of doom on the EU's ability to survive will once again be proven wrong -- as they were during the euro crisis or the migrant crisis.

Finally, two major unknowns for the future balance of power remain: how will Russia have coped with the crisis? How will India?

⁴ Stephen M. Walt, « [A World Less Open, Prosperous, and Free](#) », *Foreign Policy*, March 20, 2020.

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