

# The Global Bearings of Corona

How the Pandemic is Changing the World

Jochen Hippler



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# Preface

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The Corona Pandemic is seriously effecting Pakistan, after it has hit many other countries around the World. Up to the middle of July 2020, nearly 600,000 people have died in connection to the Corona Virus, as far as we know, though the number might be considerably bigger because of incomplete data. Corona triggered a crisis of public health, but it is much more. It led to a grave, global economic crisis, it led to a deepening gap between rich and poor, and it hits minorities, poor, less educated people, and people of color much more than others, in most countries where we have the relevant information. And the pandemic also led to conspiracy theories, to quacks suggesting silly “remedies”, and to political demagogues trying to use the Corona crisis for political gain.

FES Pakistan – the Pakistan office of the German-based Friedrich Ebert Stiftung – has commissioned a series of studies on the impact of the Corona pandemic on Pakistani society. They will cover the effects on journalism and media in Pakistan, on poor people and workers, and on the long-range effect of the crisis for overall society. The first one is on the different meanings of Corona for our global society, and not specifically on Pakistan. But if we want to appreciate what Corona means for all of us, individually and collectively, we should be aware of the Global relevance as well. We are glad to present this first paper today. It was written by Dr. Jochen Hippler, Country Director of FES in Pakistan, who is a Political Scientist specialized in International Relations.

FES Pakistan hopes that this series of studies will provide fruitful information and analysis for constructively discussing the pandemic in Pakistan, and to contribute to strengthening the response to the Corona crisis by Pakistani society and politics.

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Disease, epidemics, and pandemics are nothing new to humanity. Archeologists have discovered proofs of illnesses, many of them serious, in the bodies of mummies, thousands of years old. And even in the remains of people dead much longer, scientists have found indications not just of interpersonal violence, but also of disease. The genetic development of the plague bacteria could be traced back for thousands of years. In the 6th century CE, a plague pandemic killed more than 100 million people, in a world that was much less crowded than it is today. For millennia, diseases, epidemics and pandemics were mystifying and beyond human understanding. Often, they were seen as a punishment by God or by other supernatural forces, for human transgression or sins. Relief was therefore sought by religious practices like praying, fasting, sacrifices, and by collective religious activities in holy places. We have no indication this ever worked. Actually, large religious gatherings contributed to spreading infections even more.

In many regards, we are beyond such helplessness today. We have learned about bacteria, about viruses, about specific ways of infection, and even about scientific – medical – ways of



healing. The plague today is close to extinction. While diseases still claim many lives and cause tremendous suffering, we do not feel the helplessness of gone-by centuries any longer. A few frightening exceptions – like Ebola – were successfully contained in effected regions. Some diseases can be prevented altogether, e.g. by better hygienic standards or by vaccination, others ameliorated, and further others treated and cured. Modern medicine, firmly based on scientific research, has been responsible for this huge change.

Today, the Coronavirus (technically: SARS-CoV-2) and the resulting disease (COVID-19) are very different, in many regards. This does not just pertain to the medical aspects of the crisis, but also to its effects on our societies, and to the way we think and feel. As we have learned over just a few weeks, the Corona crisis is not only a health crisis, but also an economic, political, social, and psychological one. And it is quite possible that some of those effects on our societies will stay with us long after the health crisis is over.

Let us just briefly discuss some of the different aspects of the Corona crisis which makes it special, both globally and nationally.

## **THE KEY ROLE OF SCIENCE**

The new Corona virus has demonstrated quite convincingly that science in the early 21st century might be very advanced, but that it does not guarantee immunity from new illnesses or pandemics, or from all human problems and catastrophes. Actually, our view on science might change, and probably it should. However, not all ways of such a change of perceptions are necessarily positive. Scientists know a lot about disease and about different modes of their transmission. But they have to concede that they still know very little about this specific disease, the new Corona virus and the illness it causes. They are researching and learning about it every day, but they are advising and have to advise governments and the public today, long before all results are in and the virus is fully understood. This proves to be a psychological challenge to many citizens. They are supposed to trust the same scientists who have to admit their lack of information and inability to fully understand the virus. This opens the door to self-appointed advisors, who know even much, much less but still propagate silly “cures”. The degree of ideocracy in this regard is shocking. It even reaches a level where some people have suggested the injection of disinfectant into the human body, or some cure by introducing UV light into it. In Iran, hundreds of people have died because they drank industrial alcohol to kill the virus, which most of them might never have had at all. And one Mullah in the same country suggested to drink the urine of camels as a cure. Human stupidity in times of crisis knows no limit.

On the other hand, the current situation can help us to clarify the role of science in society. We can learn, if this is still necessary, that we should not “believe” in science or scientists, nor



assume they know everything. Well, they do not. They are not God. Science is not a fixed set of limitless wisdom. It is a process, undertaken by human beings, for systematically learning things unknown or not understood before. This process can be cumbersome, it can lead to results which will not stand the test of time (or better research), it might produce mistakes. Blindly trusting researchers, academics, and scientists would be foolish, because science is not a matter of trust or belief, but of logic, of evaluating facts, when and if available, and of drawing conclusions. And sometimes, as today, we would wish for relevant results to come in faster. But, on the other hand, the fact that research and science are just human activities of systematically and seriously trying to understand highly complex phenomena, and not a pool of available, unquestionable truths about everything, does not mean we should shun or distrust science. Just the opposite; it is all we have, in regard to many problems and challenges like the virus. Therefore, our relationship to science should be positive, but not blind; critical, but not ideological; questioning, but supportive. Accepting the need for serious research and science as a base of political decisions and individual behavior, even when the scientists' knowledge is not full and complete, is the grown-up way to relate. Anything else would be wrong and even silly. And it would empower the demagogues and people who know much less, but pretend to be omniscient. Then we might as well inject disinfectants into our body and drink the urine of camels. Trust me: It will not help. Science is not perfect, not without its limitations, but it is all we have.

## OLD AND NEW HELPLESSNESS

The Corona virus has reintroduced a feeling of helplessness in our societies. Or, to be more precise, it is reminding us of it. While on the societal level most people like to cultivate the feeling that we – our respective society, or societies as a whole – more or less are “in control” of our destiny, many people do not feel this way in regard to their own lives. The assumption, wish, or illusion that our political, social and economic elites know quite well what they



are doing and that they can and do control our fate, are quite common. However, most citizens and employees do not share such optimism in regard to their own lives. The threat of unemployment originates from others, generally out of our control. They might be our own employer, his competitor, or anonymous market forces, which all can decide over our individual jobs, and the ability to feed our families. Being in control of one's own life is an illusion for most, a privilege for well-connected, powerful, and very rich people. And even those can lose control: Saddam Hussein even lost his life, while Richard Nixon or Pervez Musharraf their jobs, and innumerable business empires have been swallowed up by bigger fish. Things being "under control" is what most people like; and governments tend to project such an image, even if untrue. At the same time, being aggressive or a bully does not equate control, it equals bad manners, egotism, and just aggressiveness. It might also signify the lack of a functioning strategy to deal with a problem, as the behavior of Donald Trump during the Corona crisis has demonstrated so colorfully. When the new virus hit, there was no cure, no vaccination. Only a self-imposed, partial paralysis of society could help reduce the speed of its spreading, demonstrating the helplessness of politics, science, religion, and all our societies. We were not in control, not at all.

## SOCIAL DISTANCING AS CULTURE

A strange cultural expression of this helplessness is the wearing of facemasks, and what we now call "social distancing". Since there is no protection from or medical therapy of the virus and the illness it can cause, we are asked not to get too close to other people, who are not part of our household. We are supposed to keep a distance of at least 2 meters from others, to reduce the threat of infection, and of infecting others. Given the circumstances this is reasonable



and necessary, without any doubt. But an effect of this requirement is that we approach each other with masks, hiding our faces, and making it impossible to see each other's smiles, grimaces, and other facial expressions. In a way it takes away part of our individuality. At the same time, the distance to keep symbolizes that we see the others as a potential threat, not as friends, partners, or co-humans. We are self-isolating or being forced to isolate or quarantine. And when

we meet others at a supermarket or somewhere else, we can feel quite uncomfortable if they are getting too close to us. Even friends, relatives, or colleagues are not just friends, relatives, or colleagues any longer, but also potential dangers, who might transmit the virus to us, without even knowing themselves. This is culturally changing social relationships, to some degree. Now we have the choice to either be irresponsible, or to distance us from everybody else. Besides a medical need and a social practice, it is also a change in our culture, hopefully of temporary nature. Before, being close to others was seen as positive, as long as we were not overstepping social boundaries. It was an expression of sympathy, of being in a group, of cooperation, or friendship. Now, it can be seen as lack of responsibility, as carelessness, or as a disregard of others' health. And with a good reason. The problem with face masks and social distancing is that they are necessary, but they also lead to a culture of social distance, of individualizing society and ourselves. Currently, we still have reason to believe this effect will vanish quickly after the end of the corona crisis. But will this still be true if we have to keep these precautions for longer, maybe for another year or even two?

## **THE NEXT CRISES MIGHT JUST BE AROUND THE CORNER**

The threat of the new virus is personal, to some degree. We might get infected by a relative, by a neighbor, at a wedding or a place of worship. And we might personally spread the virus, even without knowing we carry it in our body. At the same time, Corona is very abstract. We cannot see it, cannot touch it, cannot smell or taste it. It might or might not be present in a room right now, but we have no way of knowing. It is invisible, and though we can protect ourselves personally – in theory – by burying ourselves at home for a couple of months, currently there is no way to actually defeat this invisible threat. We might just hope it will recede, we try to make it spread more slowly (by washing our hands more often, and by social distancing), so that our medical system will not break down. This is quite an unusual threat, as mentioned above.

Well, we should not forget there are other threats as well, out there, which could make us as helpless. Some of them have similarities, others are very different. The world might be hit by an asteroid or another major object from outer space. Statistically, this is quite unlikely in the next decades, but its potentially disastrous impact still renders it irresponsible to ignore. Based on such statistics, the dinosaurs should still be with us, today. Global warming and climate change are other major threats, potentially rendering growing parts of the world uninhabitable, reducing the potential for food production, and raising the sea-level dangerously high. These dangers are opposite to that of an asteroid: They are not only likely, but already underway; but instead of one sudden, disastrous catastrophe they are a slow process, taking decades or even centuries to produce their full devastation. There might be other threats to consider, for instance a nuclear disaster, either of military or civilian character. The invisible danger of radiation, the threat of nuclear accidents (like Chernobyl or Fukushima, but on a much larger scale), or the

threat of nuclear weapons killing many millions of people and potentially making the world uninhabitable because of a “Nuclear Winter” and other unintended effects might be cited as examples. And finally, there always remains the danger of another pandemic following the Corona. We do not know whether it will arrive in a few decades, or tomorrow, but we can be sure it will arrive. And if such a pandemic would be more infectious and more deadly than the current one, which is not unlikely, we can imagine the suffering and mass fatalities it could produce. There have been quite a few examples of such disasters in human history before, like the “Spanish Flue”, which struck the world at the end of the first World War and killed maybe 50 million people, perhaps many more.

Compared to the Corona virus and COVID-19 future disasters might have similarities and differences. In many cases, the possibility of such catastrophes is known to us in principle. We know they can happen. But in some cases, their actual arrival would still be surprising and suddenly, like in the case of Corona. Only few weeks were available from the local outbreak in Wuhan to the global pandemic. A quick or immediate response might decide whether such an event would be noted as a local problem, or a global disaster. In other cases, like climate change, we had years or decades to react. The bad news is, though, that we have already wasted and are likely to waste more of all those years and decades because of lazily closing our eyes and of wishful thinking, because of selfish interests of mayor actors, and because of judging a distant future less important than short term economic gain. In any case, we have to recognize that global disasters are and remain a distinct possibility of human existence, despite all our technological advances. And that generally any effective way to protect ourselves and the human community would depend on acting early; if possible, even before the disaster strikes. We should also be aware that any such defense will not be for free, but will come at a price, often quite high. Not paying it, though, might be suicidal.

## **DO WE NOW UNDERSTAND GLOBALIZATION?**

A further point of relevance we can learn from Corona is about the character and quality of Globalization. The last decade has witnessed a massive rise of nationalism and jingoism, in many countries North and South, East and West. Demagogues and irresponsible politicians refuse and aggressively undercut international cooperation, try to destroy cooperative multilateralism, and pretend to put their own country first. Instead of jointly working to solve common problems, selfishness was and is propagated, and national egotism presented as a guiding principle. While such propagandists are not willing to learn, any open-minded person could recognize two important things about the Corona crisis: Firstly, and no matter whether we like it or not, all societies, all countries, and even all people are depending on each other, and on the others’ welfare. When a new virus spreads from some irrelevant local animal-market in China to the whole world in just a matter of weeks, it forcefully demonstrates the interdependence of all.

Corona did not just hit China, not just East Asia, but everybody. The countries worst effected were from the Middle East (Iran), from Europe (Great Britain, Italy, Spain, then Russia), and America, North (the USA, Mexico) and South (Brazil, Peru). Many people expect that poor regions in Africa or South Asia might get hit very hard, soon. That is a side of globalization that we all would prefer not to experience. Not just technology, money, pop-songs, commodities or airplanes have acquired global reach, but also violence and disease. It is illustrative that one key response to the crisis has been to undo Globalization, e.g. by closing borders or ending air travel. Even the European Union member countries closed their borders to their neighbors. This dovetails well with the current trend of re-nationalization of politics in many countries, and the strange idea that problems and crises are made by outsiders, and are not really related to ourselves. Most people, though, understand very well that the pandemic is of a global character, and the fight against it needs global cooperation, besides local shutdowns. At the same time, measures of cutting linkages and practicing lockdowns can only be for a short-time – if implemented fully and kept in place for too long, they would destroy the world economy, which is truly global.

### **NEED FOR INTERNATIONAL COOPERATION, NOT NEO-NATIONALISM**

The global character of the crisis, therefore, is teaching us that remedies cannot be purely local or national. While all countries and cities have to do their homework and fight the pandemic at home, it will not be overcome if not all affected countries and communities do this as well, efficiently and ruthlessly. The new Corona Virus spread to the world from one local market producing few cases of illness at the very beginning. If just a few hot spots remain, we can look forward to a second wave of infections, and a third one. International and global cooperation is of the highest importance now, and rhetorical (and financial) attacks on the World Health Organization (WHO) or shifting the blame to others (like China) are counter-productive and an indication of political immaturity. It is well known that ending the spread of the virus and COVID-19 will only be possible with discovering and producing a vaccination, and by inventing medicines to cure the disease. This will be achieved much faster and more successfully by international cooperation, not by attempts to buy off and monopolize promising research. The European initiative to raise 7.5 billion Euros for such research is a positive step, contrasting sharply from Donald Trump's illusion to deal with the virus in a context of "America First". The virus does not care about borders, or anyone's passport.

## HIGH TIME TO FINALLY BURY MARKET FUNDAMENTALISM AND ANTI-STATE IDEOLOGY

Another key lesson is that the free-market and anti-state ideology, which has poisoned economic and social policy for the last more than three decades, was not just narrow-minded but outright dangerous. This has not been a secret for anyone who was willing to open his or her eyes, but it is hardly possible to ignore any longer. No free market and no corresponding ideology will overcome the Corona crisis, or another pandemic, but only well-functioning and committed political institutions can, which means the state. It is no coincidence that so many powerful businesses are approaching the governments, effectively begging for support, to save themselves. Very few people would argue today not to worry, that the market will take care of everything. What is required is a first class and properly organized and funded health system, and political institutions which are defining and implementing guidelines of behavior that can slow down the rate of infections as much as possible, plus a political and economic strategy of stabilization by our governments and states. When those states and governments are not fulfilling their

role, either because of their institutional weakness, because of incompetence, neglect or for ideological reasons, their societies suffer and pay an enormous price in human lives. Even wealthy countries have neglected or outright undercut their own public healthcare systems, keeping or making it



either underfunded and inefficient, or keeping away poorer people or those without health insurance. The United States and Great Britain are two different examples for governments ruining public health, deliberately, by treating it not like a public service, but as a business, ruled by market forces. It is interesting to note that both countries also have been slow to react to the pandemic, because of ideological blindness, and for quite a while acted indecisive and incompetently – Donald Trump even much worse than Boris Johnson, who might have been brought around, to some degree, by his own Corona infection. When our governments are caught in a web of wishful thinking, are ill-prepared in regard to political will and infrastructure, and display an amazing degree of incompetence – then our societies pay a heavy price in human lives, and, by the way, in economic cost. Only functioning and prepared states, led by grown-up politicians, can protect us from a pandemic or comparable disaster. We all should stop to weaken and delegitimize statehood, which only benefits a small elite, and make it functioning, and force it to behave in a civilized, inclusive, and democratic way. To make this point even more explicit: One of the key factors in fighting the pandemic successfully is functioning and legitimate governan-

ce. A well-organized, well administered, properly funded, and well-led state with the necessary and inclusive infrastructure in place can make a big difference, while weak, fragmented and ill-led governments are at a loss.

## THE COST OF FIGHTING THE VIRUS: SUSPENSION OF CIVIL LIBERTIES

This leads us to a point which is quite unpleasant. The fight against the virus has led to very drastic restrictions of civil liberties and human rights. In very many countries shops and factories were closed down by government order, free movement of citizens was severely restricted, both across international borders, and within towns and cities. A “lockdown” of society prevented people from leaving their homes without a legitimate reason (defined by doctors and the government), and from visiting friends and family, from attending cultural events, from gathering for prayer in churches, synagogues, and mosques.

When personal contact is unavoidable, we have to wear face masks and practice “social distancing”, as discussed above. Most social life in the normal sense came to a standstill, in many countries. Before Corona, this would have been unimaginable. A government bringing most



of the economy to a halt, to force people to stay at home, and to prohibit visiting the own relatives, to participate in meetings of any kind, would have provoked anger and rebellion, and with good reason. But under the new condition of pandemic and with no appropriate medicine or vaccination available, it was the only option to reduce the rate of infection and to avoid an overburdening and collapse of even the most efficient health systems. It was and is terrible, but it was also necessary. There was no other way to not be overwhelmed by the pandemic. And most people understood, and agreed, despite of the inconveniences or even their suffering. Only lately we see first indications of people disagreeing and protesting.

But then, implementation and acceptance of a lock-down were not universal, nor uniform. In some countries, governments tried to keep it as mild as possible, especially when they had indications that people would obey the rules of social distancing even without formal governmental orders. Sweden is a key example. Other countries resisted a lockdown, either at the beginning or permanently, often because of ideological and economic reasons, like

Belarus, or Brazil, where the president called the pandemic a “fantasy” and criticized provincial governments which tried to introduce some forms of lockdown, often relatively mild. Other governments, like Spain and France, introduced quite strict rules, though later than would have been advisable. In both countries, but also elsewhere (e.g. Morocco or South Africa) such rules were enforced by the security services. Elsewhere, lockdowns were declared, often hesitantly, but not seriously enforced. Here, Pakistan is an interesting example. While a lockdown was declared, though late, it was implemented quite unevenly. In some parts of big cities, it was effective, but some social sectors resisted it being applied to them, e.g. Mosques and other religious institutions. Also, some business sectors organized and campaigned for softening or lifting the lockdown, also quite successfully. And in many poorer neighborhoods of the cities or in the countryside, the lockdown was largely ignored, both because of economic desperation, and because of carelessness.

The necessity of the restrictions for public health reasons does not mean that all the restrictions of public and private life were not serious breaches and violations of civil liberties and human rights. They were. People might have accepted them, they might have understood their necessity, and they might also have been willing to go along, at least for some time. But insofar as the governments had decided, decreed and imposed the necessary measures, they still were grave negations of civil liberties. This implies that such restrictions can and should only be in place as long and as severe as absolutely necessary to avoid loss of life and grave human suffering. And it means that they should be evaluated regularly, and that voluntary behavior should be taken into account: The more people are respecting social distancing rules, the less the need to enforce all potential aspects of a complete and mandatory lock-down. But the difficult attempt to balance the protection of life of many versus the liberty of all needs public scrutiny and discussion. Whether this works very much depends on the degree of trust between a government and society.

## **GOVERNMENTS ABUSING THE FIGHT AGAINST THE PANDEMIC**

The importance of this openness and mutual trust can be studied in many countries where governments and especially dictatorships are using the Corona emergency to curtail civil liberties and human rights not because of protecting health, but to expand their power over society. Or, sometimes, governments are easily killing two birds with one stone, using the restrictions of rights to both fight the virus and strengthen their own dictatorial powers. China is a case in point, where – for instance – IT-based real-time tracking of individuals had started long before the virus, but was strengthened and improved to track infections, and will stay in place after the end of the pandemic. In Pakistan, the military intelligence agency, the ISI, helped to track infections by using its tracking system which normally is used to fight terrorism. In Turkey and Hungary, as examples, the governments have assumed tremendous additional powers in the context of



Corona, which were and are used to weaken democracy and strengthen authoritarianism. Many governments, especially authoritarian ones, find this temptation difficult to resist. Accumulating power in times of crisis is easy to justify. But giving it up after the crisis ends is not a given. In this sense the Corona crisis is strengthening a pre-existing trend to undercut and weaken democratic rule and shift to a more authoritarian one.

## SACRIFICING CONSTITUTIONALISM?

We have mentioned the problem of suspending many basic civil rights as a prerequisite to fight the pandemic. Freedom of movement and freedom of association are at the core, but the list is much longer. We have been sacrificing many basic rights to protect life and health of



hundreds of thousands of citizens. While it would be highly problematic to argue to let so many people die to keep our liberties fully in place, the suspension of rights should not be accepted lightly. Firstly, there is the problem of legality. Many of our civil and human rights in many countries are enshrined in the constitutions, while their current sweeping suspensions often are based just on executive orders or ordinances, on hastily made decisions by parliament, pushed through in a rush by an atmosphere of fear, or on pre-existing and often vaguely formulated general legislation, e.g. on health. Three problems arise from this: Firstly, neither executive orders nor regular acts of parliaments can change the constitutional requirements. Currently, we often ignore or contradict the constitutions because of a pressing crisis. Secondly, how can we be sure that all those (and at least partly illegal) necessary (and some not so necessary) measures will be fully withdrawn after the Corona crisis has ended? Remember the notorious “War against Terrorism”? While the number of victims of terrorism in most countries was much smaller compared to the victims (actual and potential) of the pandemic, in many countries civil liberties and human right were narrowed, suspended, or restricted “to fight terrorism”. In very many cases these restrictions became permanent and were never fully abolished. While it is impossible to imagine

that a lockdown will last forever, since its economic costs are just too high, we should make sure that all curtailments of our rights have to be fully lifted after the end of the Corona crisis.

## **NO WRONG PRECEDENTS, PLEASE, AND THE NEED FOR TRUST AND DISTRUST**

In this context, the argument is presented that the drastic limitations or abolishment of civil liberties are only meant for and valid during the current emergency. While this might sound either obvious or reassuring so some, it is not without serious problems.

On the one hand, if this argument is accepted for the current crisis, what about the next ones? Pandemics are always a possibility, and we do not know whether another one will hit us next week or next century. And also, a pandemic can appear in several waves, and might last years, not months. Also, will this argument apply to other kinds of emergencies, like natural disasters, civil disturbances and major violence, terrorism, the effects of global warming and climate change, and all the other potential crises we might have to face? Will or should all future crises be treated like the current one, giving the governments extraordinary powers beyond any limit or legal restriction? Are we

providing our governments a precedence which they can use later at their own choosing? (“We had these powers before, during the Corona crisis, and it worked to some degree. Why not using them again, in the new crisis, even if it is different?”) If we ignore our constitutions now, why not again later?



On the other hand, who will finally decide whether some bad circumstance really is a “crisis”, which has to be treated as ruthlessly as Corona? The power of defining such a new crisis will very likely rest with the political elites of our countries, or with the governments. In many cases we have little reason to trust them, neither their intentions, nor their judgment, and

sometimes not even their competence. Having trust in the governments of Sweden, Germany or the Netherlands might be still acceptable, with a few reservations, but trusting the one of Donald Trump would be outright folly, and trusting his friend Kim Jong-un would be madness. With all the Bolsonaros, Putins, Erdogans, Dutertes, Asads, or Orbans about, placing trust in a government might be a luxury we cannot afford in many cases.

## **CORONA IS NOT COLOR-BLIND, AND DEEPENS THE GAP BETWEEN RICH AND POOR**

The Corona crisis has grave social consequences, far beyond public health. It is gravely deepening the gap between the rich and the poor. While the social and economic elites have ample reserves of cash, access to the best medical facilities, and spacious and comfortable accommodation to spend a time of quarantine or lockdown, the poor do not. This even applies to wealthy nations, but in the developing world the gap is dramatic, and widening in disastrous ways. There, many people have lived at or below the poverty level long before the crisis, without any social security. If, before Corona, a person lived in an overcrowded hut or tiny apartment with a partner, several children, and maybe other relatives, and with little opportunity to keep hygienic rules because clean water is not available, with little food and maybe even malnutrition, with no or hardly any access to the medical system because of cost and lack of health insurance, the effects of the virus and of the lock-down are incomparable worse than for a wealthy or rich person, who has none of these problems. The infection rates in poor and disadvantaged population groups or minorities are much higher than for the well-to-do, as we can see all over the world, including in the United States, France, or Latin America. And for economically marginal groups, minorities, indigenous or people of color, or migrants, the fatality from COVID-19 is much higher, as well. Such groups in many countries are dramatically overrepresented in regard to the threats of Corona, both in regard to infection and death rates. Also, as mentioned, while wealthy people can comfortably stay at home during the pandemic, if they so choose, the poor cannot. An informal worker or day laborer, for instance, has very little savings to live on, and completely depends on his or her daily work. To earn money, he or she has to leave home, often go to crowded places, and compete with many others who are desperately looking for work during the lockdown. While a professor or a bureaucrat in principle can often work from home (“home-office”), a truck driver, street vendor, day laborer, or a beggar cannot. And without meaningful social security, no work means no food. While this obviously has an important economic dimension – to which we will turn very soon – it demonstrates the Corona and the lockdown both effect the rich and poor in very different ways, and deepens the divides in society, which existed before.

## **THE WORLD ECONOMY JUST BEFORE THE PANDEMIC**

Just before the virus struck, the global economy was in a peculiar state. While in the long term expanding over the last centuries, it has always moved in cycles, since capitalism became dominant. Phases of growth are interrupted by recessions, to be followed by further growth, and another recession. And since the current expansion already had lasted more than a decade at the advent of the Corona crisis, in early 2020 the expectation of a downturn was not unreasonable. This, however, was complicated by several factors, among them Donald Trump and his policies, which had and have considerable implications for the world's biggest national economy, and therefore for the global one as well. On the negative side, Trump being Trump guaranteed a high degree of uncertainty and unpredictability for the international political and economic system. His rhetorical and economic confrontations of longstanding US allies in Western Europe and elsewhere, and the European Union in particular, were breeding economic (and political) instability and uncertainty. His economic war against China (though sometimes half-heartedly implemented) and his militant anti-Chinese rhetoric, made things much worse. On the positive side, if we want to call it this, were his fundamentalist pro-business policies, which translated into the abolishment or weakening of many environmental or social regulations, impressive tax cuts for companies and the rich (and to a much lesser degree for the middle class), and other measures. No matter the other surprises Trump was dishing, these things were excellent news for business and the stock market, and probably artificially delayed the recession that was over-due. Easy monetary policies played an additional, important role. As far as we can see, Trump's strategy was to do anything, either smart or silly, to prolong the growth phase of the US economy into the autumn of 2020, when the next presidential election will be held. Economic growth plus ideological confrontation, mobilization and polarization were seen as his ticket back into the White House. The stage was set for the pandemic.

## **DOWN RECESSION ROAD, OR EVEN DEPRESSION?**

Psychologically, the Corona turning into a pandemic increased the degree of insecurity in the global economy. When a key business player like China feels compelled to quarantine a major business center like Wuhan (and later big parts of the whole country), this by itself was very bad news. But when over the next few weeks, the virus spread to other key economic areas (South Korea, Europe, the United States), borders were closed and international air travel came to a near-standstill, many questions arose. With the global economy being so highly integrated and division of labor far developed, what would happen to supply chains? With lockdowns implemented in many countries, how could consumers buy commodities and spend money? With demand in decline, what would happen to exports? The global economy stared into the abyss of a major recession, before it was even there. But very soon it was. With shops and factories closed, both by government order and by lack of demand, unemployment in some key countries

skyrocketed. In the US, it rose from 3.5 to nearly 15 percent over a few weeks, according to official figures. In deed, 20 percent was more realistic. That was the biggest rise since the Great Depression of the 1930s, and its speed was completely unprecedented. The predictions for economic growth in most countries had to be adjusted every few days, mostly downwards. But actually, they were hardly more than guesswork, obsolete when published. There was just nothing in economic history to compare this situation to, so forecasts were based on little of substance. And since nobody knew for how long the pandemic would last and paralyze the economy, predictions on its economic impact were just not possible. Or, they were anyone's guess, and could range from 3 or 4 percent reduction of GDP, to 20 percent for 2020. And, in any case, all projections were based on the assumption that the pandemic would be under control by May, June, or in the summer

the latest. Again, this was based on nothing besides wishful thinking, and it excluded the possibility of a "second wave" of COVID-19 which the medical profession declared quite possible, or even likely (depending on whom you asked). Therefore, we still do not know precisely what the



economic impact of the Corona crisis will be. But, on the other hand, we know very well that it will be extremely serious, and that it might approach the level of the Great Depression of the 1930s. Unemployment, in those times, approached 25 percent of the workforce, e.g. in the United States. We are not very far from this threshold even today. And remember, this depression was not just economic, severe as it was. The economic disaster also led to political turmoil, to the rise of Fascism, and to war. Today, to be sure, the situation is different, in many ways. In many countries, mostly in Europe, the social security system is relatively well developed, though this is not true in all industrialized countries. The United States, again, is lagging far behind, with some 30 million people not even having health insurance, and unemployment benefits being way below Western European standards. Most Third World countries are in a much worse shape. Losing a job there, precarious and underpaid as it might be, can easily spell extreme poverty and hunger. In Bangladesh, for instance, one out of four million textile workers have already lost their jobs and their income.

The economic disaster is affecting the economy quite unevenly. Internet-based companies are hardly affected, or even profiting, while tourism, airlines, the entertainment industry, restaurants and shops selling non-food items are suffering tremendously. Also, big parts of the manufacturing industries are in deep crisis, like car factories, which experience a grave reduction in demand. Taken together, production, investment, and consumption in most business sectors have taken hits like never experienced in history. The effects on employment and demand spell an economic depression.

## **EXPLOSIVE SPENDING BY ALL THE HESITANT SPENDERS**

The response to this economic debacle by governments has been diverse. However, it mostly focused on two goals: To support and protect businesses and economic sectors which are facing mass bankruptcies or outright annihilation; and secondly, to somehow soften the effects on the population, or parts of it. The main instrument generally has been to spend money, tremendous amounts of it. In the industrialized countries we can observe additional and emergency spending of an incredible 10-20 percent of GNP in just a few months, financed by borrowing. Whole economic sectors, but also individual companies big and smaller are receiving support, independent of their field of business. While governments' income is sharply nosediving because of the situation – industries which are not producing or selling and the unemployed cannot pay taxes – public spending reaches astronomical numbers. In some countries public borrowing in 2020 might jump from 2 or 3 percent of GNP to more than 10, unthinkable just a few weeks ago. And the spending and borrowing will probably increase, as far as we can see. At the moment, we still do not know how and when this massive spending will stop, since we do not know when the crisis will be over. We have no idea how much more money the governments can and will make available, if the crisis continues. We also cannot seriously judge whether all this spending will actually achieve its goals and prevent a major depression. But we can be sure that this policy will not be sustainable for long, and that it will limit the policy options of governments in the future.

## **THE BIG SURPRISE: POLITICAL WILL CAN HELP**

One interesting point is the liberal and seemingly limitless way the governments are spending money they do not have, when before the crisis expanding public spending for many was anathema. The British health system, for instance, was nearly ruined by lack of funding and funding cuts insisted on by the Conservative Party. And spending aggressively to solve several basic or urgent needs in society or globally was hardly ever even considered: No comparably sized programs to improve public education, to abolish unemployment, to implement

equality between men and women, to name just a few key areas, were coming about. And to aggressively and seriously tackle the global crisis of climate change with massive financial commitments remained a wish, and a demand of young people. What was lacking, we have learned now, thanks to Corona, was not money but political will. We should keep that in mind for the future. The crises of public education or public health, or global warming were not considered important enough to spend a few hundreds of billions of Dollars. Now, with a virus infecting Prime Ministers, staffers at the White House, members of different parliaments, and – above all - the economy, a couple of trillion Dollars are no problem, even in the shortest of time.

## **CORONA CHANGING THE INTERNATIONAL SYSTEM**

One of the difficult questions in regard to the Corona crisis is, whether and in which way it will change the international system, economically and politically. Specific predictions, again, are still difficult, but a couple of points should be obvious.

Firstly, any degree of gaining or losing economic influence by individual countries will depend on the efficiency and speed in dealing with the health and economic effects of the crisis. Freezing most economic activity by an effective lockdown will probably lead to recession. But if done early and successfully, and if the Corona outbreak is brought under control quickly, an economic recovery can begin soon. This is what seems to have happened in China, despite a well- founded distrust towards Chinese statistics. Also, South Korea, Germany, or South Africa seem to be in this category, if the current information proves correct. On the other hand, Spain, Italy, maybe France, will lose much more, economically. Above all the United States, Britain, Brazil and Iran because of their hesitant and incompetent handling of the crisis will probably be among the top losers. Their over-emphasizing of economic growth over public health led to a situation where both suffered tremendously. This very well might reduce their economic clout internationally, at least for a few years, and compared to more successful countries. Besides that, some countries are already trying to take advantage of others' calamities. India, for instance, is currently trying to lure international businesses away from China and offers preferential treatment. And Germany, for example, has spent huge amounts of money for stabilizing its economy, adding up to slightly more than the rest of the European Union members combined (51 percent of all EU countries emergency spending) – with the second country, France, trailing behind with just 17 percent of such spending. It is very likely that this will further shift the balance of power in the EU towards Germany.

Secondly, politically and psychologically, the Corona crisis produces clear winners and losers, or, actually, the way of handling the crisis does. International power and dominance of the United States historically has not just been based on economic size and technology, not just on military might, but also on “soft power”. The US often has been seen as a role model, as a

desirable and inspiring example of how to be, discreetly even admired by many who objected to US dominance. This strength is more and more disappearing. The world is getting used to the White House being “led by an idiot, surrounded by clowns”, in the words of a former key Trump-advisor. And having to deal with a British Prime Minister who takes himself and his self-interest much more serious than truth has never been fun for anybody but Donald Trump. Still, the choice of a Prime Minister was and still is an internal matter for Great Britain. But, despite that, the permanent and helpless oscillation and outrageous incompetence of both the US and the British (and Iranian, Brazilian, and some other) governments in dealing with the pandemic are weakening the prestige and credibility of these countries globally. How can anyone respect, trust, or even admire governments internationally if they are not willing or able to deal with a serious crisis in their own countries? How can they be role models or inspirations for successful politics any longer? We should not overestimate this factor, obviously. The United States especially, in contrast to Britain, is still the biggest economy, and militarily dominant. The Corona virus will not change that. But US dominance in different fields has been eroding for quite some time. The US could not even win a war against a couple of ten thousand bearded Taliban, despite all the wealth, technology, and military superiority. It displayed an impressive degree of incompetence in handling Iraq. It has no way of stopping the stellar rise of China as a key competitor. It has bungled the old alliances which had contributed to US power for so long. This list could go on and on. It is only in this context that the disastrous mishandling of Corona will further weaken the US’s global standing. But in this context, it will. Global leadership requires reliability, competence, an intelligent strategy, and international cooperation. The current US government has just demonstrated in its dealing with the pandemic, that it does not command any of these requirements. And the world has no choice but to notice. This will contribute to shift the international system from US dominance to a conflictive multi-polar system.





## **THE DISASTER OF THE PANDEMIC, AND THE JOB AHEAD**

As we have seen, the Corona crisis is not just, and maybe not even primarily, a crisis of public health, though this obviously is of key importance. But it has opened the gate to other crises as well, both political, economic, social, and cultural. The Corona crisis now is multi-dimensional, and testing all societies' and all governments' ability to respond to very different challenges and problems at the same time. The seriousness of this multi-dimensional crisis and its character is unprecedented since the last one hundred years, and the potential lessons to draw from the Spanish Flue of 1918-1920 are not always applicable. We are in uncharted waters here, and the Coronavirus is not just testing the quality of our public health systems, but also of our resolve, our decision-making processes, our systems of governance, our creativity, discipline, and our maturity. Our societies and our systems of governance might pass or fail this test, and the results will be measured in human lives, and in economic categories. When we are confronting these challenges, we will need to reform some of our key institutions and behaviors. But in doing this we should not be paralyzed by the virus. There will be other crises to come, like environmental ones and climate change. There also is the permanent challenge to improve our societies, to make them more humane, more just and fairer, and more democratic and participatory. It is urgent to strengthen our governance systems by making them both more effective and more democratic – and therefore more legitimate. The necessary reforms the virus is forcing on us should take these considerations into account. When we have to change our ways of doing things and to reorganize ourselves anyway, we should also consider this an opportunity to improve our political and social systems. We could reform society into a big prison, with each of us in a single cell. This would surely deal successfully with Corona and COVID-19. But it might not be a good place to live. The alternative is that we develop functioning, participatory modes of governance, in which individual responsibility and an active, legitimate state are cooperating in balance, and with other societies internationally. We surely should go for this second alternative.

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