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### New Vocabulary of Pandemic Era

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#### New Vocabulary of Pandemic Era<sup>1</sup>

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#### Abstract

Totally unexpected and surprising coronavirus, known as COVID-19, has brought about a new pandemic and simultaneously a new dynamic on the international arena. Humankind has been challenged by a new disease, with unknown consequences: not only in medical, but also political, economic, and social sense. New global power relations are also moving on dynamically, without a final result on the horizon yet, however with the visible duel of two major global economic powers: the US and China on the top of it. In those circumstances we, all of us individually and in every particular country, need to adjust ourselves to a new environment, and search not only for masks, equipment, or medicine (starting from vaccines), but also stress some new priorities on our daily agenda. Time has come to search for a new philosophy and a new vocabulary. In the text below the author is trying to give his individual approach and proposal to start such a new way of thinking and opening of our minds. Of course, he is not pretending to be exclusive and right in his own, as this is just an attempt, an exercise to define the new, dynamic realities. It is a venture and effort worth to rise especially that, as it is more and more widely accepted in academic circles, after a pandemic two other Big Swans, that is the climate change and the environmental pressure, are also looming on the horizon. *Time to have a pause for reflection, as the world after COVID-19 will be different from the one* we have known prior to it. This is probably the only one universal truth we can define for sure in those uncertain times.

*Key Words:* Pandemic, COVID-19, Global Powers, New Global Order, Security, US, China, the EU

#### 1. Introduction

Looking from European perspective, as it is in this particular case, relations between countries of the European Union (EU) and People's Republic of China (PRC or China), at the end of 2019 they were looking bright and optimistic. Unusually, two summit meetings were

<sup>&</sup>lt;sup>1</sup> A preliminary assessment and conclusions of the pandemic situation, as initially presented during CASS webinar/conference on September 22, 2020

<sup>&</sup>lt;sup>2</sup> Professor, former Director and Ambassador at the Centre for Europe, University of Warsaw. Available at: b.goralczyk@uw.edu.pl

scheduled for the year 2020, one regular in April, and a second, unprecedented, in Leipzig during a German Presidency in the EU in September, when negotiations had been ongoing since 2012 and the long-awaited EU-China Comprehensive Agreement on Investment was scheduled to be signed.

There were also bold plans on bilateral cooperation on climate change, and many plans of joint cooperation of development, in Africa for instance. A number of regional and international issues were also on the common agenda, including Joint Comprehensive Plan of Action in the nuclear deal with Iran, as well as the situation in Afghanistan and on the Korean Peninsula. The EU still pursued realistic, effective and coherent engagement with China, based on our values and interests.<sup>1</sup> Both sides were looking into the future with optimism and seemed to be not bothered by the trade wars, transactional approach to foreign policy, unilateralism and protectionist course initiated by the Donald Trump administration in the US.

Of course, some problems and obstacles were detected in the implementation of the Chinese vision of Belt and Road Initiative (BRI). Both sides recognized the meaning of the term "systemic competitor", as China was labeled for the first time in the official document of the European Commission in March 2019,<sup>2</sup> which was later confirmed. Everyone involved or engaged in mutual Europe - China cooperation knew it quite well, that it is - and will stay – relationship complicated, not without roughs, obstacles or even bottle-necks. The EU-China relations never were a one-way road.

And then, suddenly, at the beginning of 2020 a typical Black Swan, something completely unexpected and unpredicted, has appeared on our mutual relations agenda: a new pandemic known as COVID-19, which changed and determined all our life, programs, schedules and behavior considerably. To such an extent, that - as it is argued in this text - we have a completely new individual, social and political agenda in front of us, with some new terms and words on the top of it, where many of the terms used until now has changed the content or its meaning, while some emerged as a completely new phenomenon. Thus, our task of deeper and well thought elaboration of a new realities is still undergoing dynamic changes.

#### 2. Vaccine

Surprisingly, the terms "pandemic" and "vaccine" have jumped into the top of our daily agenda, both in private and public life and all around the globe. Immediately after the first

<sup>&</sup>lt;sup>1</sup> https://eeas.europa.eu/headquarters/headquarters-Homepage/34728/eu-china-relations-factsheet\_en (entered: Oct.5, .2020 -later only a date)

<sup>&</sup>lt;sup>2</sup> European Commission, "EU - China - A strategic outlook", Brussels, March 12, 2019: https://ec.europa.eu/commission/sites/beta-political/files/communication-eu-china-a-strategicoutlook.pdf (Oct. 5, 2020)

lockdowns in Wuhan, China, is has become obvious that there will be no end of the danger and disease until coronavirus vaccine will be developed.

The first phenomenon, observed immediately after the virus has appeared, took a form of action to defend ourselves against the danger. Responsibility on how to count with it were taken and given foremost by the national governments and the states, instead of institutions or organizations, starting from the World Health Organization (WHO). The latter, of course, was and remained helpful, but seemed to be a secondary, not the first player, as it should be in those circumstances. Fortunately, the determination and activity of this organization remains crucial. And its voice and major message is clear-cut and openly stipulated by the President of the WHO: we just cannot give-up, it's never too late to fight back.<sup>1</sup> And it is exactly the WHO which could play a crucial role yet in – hopefully – delivery of eventual vaccine, in whatever form and the place of its origin, for a global public use.

The same situation was detected also in Europe, where the EU institutions immediately after the outbreak of the pandemic were visibly late with the answer, came out with some bold projects, announced delivery and support for the victims, in health, economic or social terms with some delay. The fact is, that the first tenders for medical equipment (like gloves, goggles, face protectors, surgical masks and special epidemic clothing) were announced by the governments, not the Commission in Brussels.<sup>2</sup>

Later on, initial "mask diplomacy" was very quickly replaced by an unprecedented - and very promising - great plan to help pandemic-hit economies in the EU to recover. At last in July the EU leaders agreed to adopt a special Recovery and Resilience Facility, to help the EU countries to come out of coronavirus stronger.<sup>3</sup> It was agreed on the EU level to borrow  $\notin$ 750 billion (\$876 billion) to finance  $\notin$ 390 billion in grants and  $\notin$ 360 billion in loans to the bloc's member states. The unprecedented program, both in scale and amount of money engaged, called Next Generation EU, was rightly hailed as a major breakthrough: never before had the EU borrowed to finance expenditures, let alone transfers to member states such an enormous bailout or stimulus package.

This way, even if not suddenly, the initial mask and respirators and later vaccine search, combined with a new competition among the major medical players to get it, was, at least

<sup>&</sup>lt;sup>1</sup> T. A. Ghebreyesus, "As coronavirus death crosses 1 million, the key lesson is that it's never too late to fight back": https://www.scmp.com/comment/opinion/ article/3103495/ coronavirus-deaths-cross-1-million-key-lesson-its-never-too-late (Oct. 4, 2020)

<sup>&</sup>lt;sup>2</sup> See on it: B. Góralczyk, "Coronavirus in Poland: domestic solutions, international impact.

Preliminary Report", China-CEE Institute *Working Paper*, 2020 No. 10, Budapest 4 April, 2020. <sup>3</sup> Communique: https://ec.europa.eu/info/sites/info/files/2020mff\_covid\_recovery\_factsheet.pdf (Oct. 4, 2020)

partially, replaced by the common EU strategy for COVID-19 vaccines which was finally accepted on 17 of June, putting stress on the thesis, that" the deployment of a vaccine will save many lives, many jobs and many billions of euros".<sup>1</sup>

As a part of it a special project of financial support was announced to support a joint effort German company BioNTech and American Medical Giant Pfizer, which combined their efforts with the Chinese medical supplier and healthcare group Fosun Pharma. They started their common efforts already in March 2020<sup>2</sup>, were supported also by the WHO and in early September has announced a vaccine development is already at late-stage, or Phase Three trials (that is delivery to the humans).

According to participant of this international effort, Dr. Chen Ling, head of Chinese vaccine maker Guangzhou nBiomed Medicine Technology: "Never before in mankind's history have we had so much technology, so many scientists, so many companies, so many countries, and so much money focused on one single infectious disease."<sup>3</sup> This joint effort of BioNTech, Pfizer and Fosun is definitely the most important among them and, what is more important, truly international, outside of visible competition of many other companies engaged in those efforts. Hopefully, and they say, the COVID-19 vaccine will be available to the public by the end of 2020 or early 2021 and then will be widespread around the globe, according to demand.

Simultaneously we are witnessing many other efforts. For instance, in China alone, vaccines, which have not completed Phase Three trials, but are already undergoing it, are developed by the state-owned China National Biotec Group Corporation, known as Sinopharm. It was confirmed that Phase Three trials for Sinopharm's vaccines are being conducted, among others, in the United Arab Emirates, Bahrain, Peru, Morocco, and Argentina.<sup>4</sup>

All in all, we are moving forward, but unfortunately both the number of victims<sup>5</sup> and the dangers surrounding the pandemic are growing - and need a quick response as soon as possible: on the global, not only local scale.

<sup>&</sup>lt;sup>1</sup> "EU Strategy for COVID-19 vaccines. Communication from the Commission", Brussels, June 17, 2020: https://eur-lex.europa.eu/legal-

content/EN/TXT/ ?qid=1597339415327&uri=CELEX:52020DC0245 (Oct. 4, 2020)

<sup>&</sup>lt;sup>2</sup> https://www.pharmaceutical-technology.com/news/biontech-pfizer-fosun-covid-19-vaccine/ (Oct. 4, 2020)

<sup>&</sup>lt;sup>3</sup> https://fortune.com/2020/09/11/when-will-covid-vaccine-be-ready-china/ (Oct. 4, 2020)

<sup>&</sup>lt;sup>4</sup> https://edition.cnn.com/2020/09/25/asia/china-vaccine-who-intl/index.html (Oct. 4, 2020)

<sup>&</sup>lt;sup>5</sup> The best available, reliable source and widely accepted data are given by Johns Hopkins University in the USA, at the site: https://coronavirus.jhu.edu/map.html

#### 3. De-globalization

The COVID-19 pandemic, with our isolation on a daily agenda, has produced a lot of question marks surrounding the globalization processes. A new debate has made, as one of the options, a certain amount of de-globalization as a distinctive issue and possibility. It is truth, that the problem was already discussed as an option prior to emergence of the pandemic.<sup>1</sup> What is new, that the coronavirus is driving the world economy to retreat from global economic integration and globalization, which has speed-up since the collapse of the USSR and the Cold War international order.

Right now many countries, starting from the US under the Trump administration, if you like it or not, are searching new concepts and rationales for economic isolationism and protectionism. This phenomenon is even detected in some parts and political movements within the EU, being a unique subject on the international scene seen as an embodiment of multilateral approach.

What has been observed and made a difference under the pandemic until now, and was visibly detected already prior to it, is the new process which confirms, that after decades of increasing globalization in trade, capital flows or even people to people movements and mass tourism, the new dynamics seems to make a U-turn. Everything seems to go back to responsibility of the nation states. What more, we can observe and detect some policies of response to new dangers and challenges, frequently described as populist (in political and economic terms) and equalized with the forces acting against globalization or integration.<sup>2</sup> In effect, the process is moving us towards a (partial?) de-globalization.

It is obvious that the starting point in that process was the Great Recession of 2008–10, which, according to one of the experts of the renowned Peterson Institute for International Economic, marked a historic turning point in the degree of global economic integration. What is new now, however, is that "in response to the current health and economic crisis, policymakers appear poised to take deliberate steps to reinforce the movement toward de-globalization."<sup>3</sup>

<sup>&</sup>lt;sup>1</sup> M. A. Witt, ""De-Globalization: Theories, Predictions, and Opportunities for International Business Research", *Journal of International Business Studies*, August 2019:

https://www.researchgate.net/publication/330289127\_De-Globalization\_Theories\_Predictions\_ and \_Opportunities\_for\_International\_Business\_Research (Oct. 4, 2020)

<sup>&</sup>lt;sup>2</sup> Wu Baiyi, "Rethinking the Driving Forces and Conditions Affecting the Evolution of International Order", *Working Paper* 2020 No. 17, Budapest 30 April, 2020.

<sup>&</sup>lt;sup>3</sup> D. A. Irwin, "The pandemic adds momentum to the deglobalization trend", Peterson Institute for International Economics, https://www.piie.com/blogs/realtime-economic-issues-watch/pandemic-adds-momentum-deglobalization-trend (Oct. 4, 2020)

The assumption that the global value chains will be readjusted and considerably changed due to the pandemic can be taken for granted. We can expect many different pathways and destinations as a result. The Chinese bold Belt and Road Initiative (BRI) must be re-adjusted to those new circumstances as well. The initial win-win strategy of the project needs to be reconsidered deeply. A time has come, for China and for all, to re-think the manufacturing and merchandise operations, as well as to revise the existing supply chains. The decrease in merchandise, capital and, to a lesser extent, people to people flows during the pandemic are the facts statistically confirmed. What will be next depends first of all on the duration of a disease and the pandemic, and the effectiveness of vaccines used for the purpose.

It is also more than obvious that the strategic competition between the US and China, which visibly has speeded-up during the pandemic, is one of the crucial factors to foster – or not, as it is not decided yet - the de-globalization trend further.<sup>1</sup>

As for now, the US, the EU and China are the greatest trading partners on the globe and it seems to be sure that the political and economic relations between this Strategic Triangle will be decisive for the future of globalization, and eventual diminish of the de-globalization trend observed during the pandemic.

#### 4. New global order

The interconnection or eventual clash of major economic powers on the globe can bring about a new order. Due to the fact that under the pandemic the US - China relations have visibly worsened. Even the observer and expert so seasoned as former prime minister of Australia, Chinese fluent Kevin Ruud is afraid of an open conflict of the two major superpowers.<sup>2</sup> Maybe we will have a bi-polar order again, like during the Cold War (thus the terminology of "Cold War 2.0.", already in wide use)?<sup>3</sup> More probable however, which does not mean more stable, is a new multipolar world order. The former is looming, while the latter brings about an open question - how many "poles" we currently do have on the global scene?

The EU has risen in significance for all its partners, starting from China that re-evaluates its diplomatic priorities in preparation for the worst-case scenario for China-US ties.<sup>4</sup> Especially

<sup>&</sup>lt;sup>1</sup> A. Garcia Herrero, "From Globalization to Deglobalization: Zooming Into Trade":

https://www.bruegel.org/wp-content/uploads/2020/02/Globalization-desglobalization.pdf (Oct. 5, 2020)

<sup>&</sup>lt;sup>2</sup> K. Ruud, "Beware the guns of August- in Asia. How to Keep U.S.-China Relations from Sparking a War" https://www.foreignaffairs.com/articles/united-states/2020-08-03/beware-guns-august-asia (Oct. 5, 2020)

<sup>&</sup>lt;sup>3</sup> See the series of articles on the subject in "Financial Times": https://www.ft.com/content/4fda1b2c-48f5-42e0-9b87-58816adf2a78 (Oct. 5, 2020)

<sup>&</sup>lt;sup>4</sup> https://www.scmp.com/week-asia/opinion/article/3103993/us-china-ties-sour-further-can-beijing-wrap-eu-trade-talks-time (Oct. 5, 2020)

in the time when the US, the chief defender of free markets, capitalist way of life and the champion of a rules-based international system built on liberal values, under the Trump administration has undermined some of them. Meanwhile, those values still remain among the cardinal principles and fundamentals of the whole European integration process and its emanation in the form of the EU. Eventual return to the common "transatlantic" system of values is exactly at stake in the US presidential election of 2020 (see part No. 5).

China, as for now, is an open supporter of the free markets and globalization process. One strong message was given in Davos nearly four years ago,<sup>1</sup> when the Chinese leader was wowing the global business community with a perfectly pitched speech on the virtues of multilateralism, openness, and free trade. The second-string message for the world came during the pandemic, when president Xi Jinping came out with a bold announcement during a video address to the United Nations General Assembly on September 22,<sup>2</sup> with his pledge to make China responsible global stakeholder in the case of climate change. It seems to be a perfect timing, as for now, during the pandemic, not only global open trade and markets are at stake. Even more important is further vision for humankind, including a new agenda of a green deal, supported by the EU<sup>3</sup> and American Democrats (Joe Biden included)<sup>4</sup> and the constantly growing climate change, emerging as one of the greatest challenges facing our entire planet.

The UN speech of the Chinese leader was then another finely tuned geopolitical message. Especially that it takes into account almost one-quarter of the world's carbon emissions. According to the Chinese leader, the PRC is aimed to have carbon dioxide emissions peak before 2030 and achieve carbon neutrality before 2060.<sup>5</sup> The news would likely have heartened and delighted the EU leaders, who last year unveiled plans to create the world's first carbon-neutral continent by 2050 and toughen its medium-term targets, promising to cut emissions by 50-55 per cent in 2030 – up from a current aim of 40 per cent.<sup>6</sup>

The message is strong for Europe, but not necessarily for the US, and especially for the Donald Trump administration which, as is known, has left the Paris Climate Agreement of 2015

<sup>&</sup>lt;sup>1</sup> Full text of the speech delivered on January 17, 2017 at the World Economic Forum in Davos, Switzerland: http://www.china.org.cn/node\_7247529/content\_40569136.htm (Oct. 5, 2020)

<sup>&</sup>lt;sup>2</sup> Full text of the speech at the General Assembly of the UN, New York, September 22, 2020: https://news.cgtn.com/news/2020-09-23/Full-text-Xi-Jinping-s-speech-at-General-Debate-of-UNGA-

U07X2dn8Ag/index.html (Oct. 5, 2020)

<sup>&</sup>lt;sup>3</sup> "EU Climate action and the European Green Deal": https://ec.europa.eu/clima/policies/eu-climate-action\_en

<sup>&</sup>lt;sup>4</sup> "The Biden Plan for Clean Energy Revolution and Environmental Justice": https://joebiden.com/climate-plan/ (Oct. 5, 2020)

<sup>&</sup>lt;sup>5</sup> https://www.scmp.com/news/china/diplomacy/article/3102724/eu-backs-china-carbon-neutral-pledge-more-climate-work-be-done (Oct. 5, 2020)

<sup>&</sup>lt;sup>6</sup> As in footnote 21.

and the president himself is openly belonging to a rather narrow club among the global leaders of open climate deniers, together with president of Brazil, Jair Bolsanaro or – initially – the British prime minister Boris Johnson (before he himself became ill).

In the US the whole situation is much more complicated during the pandemic, so costly in the number of cases and victims. However, in relations with China the situation is clear. After more than four decades of strategic engagement between the US and China seems to be irreversibly over. Under the Trump administration a crucial change of political course took place. It embraced a re-definition of the role of the State and put into the fore core strategic and economic interests. Due to this change of strategy, trade war has been initiated in early 2018, followed by media and high-tech harsh competition. As can be easily detected, the US – China bilateral antagonism has speeded-up during the pandemic. On the US side former multilateralism has been replaced by unilateralism and protectionism, while the fight for values or human rights has become indifferent.

However, during this new era of strategic competition at least one crucial thing is visible: in a highly polarized American society and political scene one can detect at least one case of bipartisanship, that is the same approach to the same issue, of the two competing camps. In this particular case it is relations with China, seen more and more from American perspective as a strategic competitor, challenger, if not an open enemy.

Unfortunately, the rivalry of the two superpowers is growing and during the pandemic has escalated into the technological and media war. In response to many Western accusations, the Chinese media and top officials have complained about the way the country has been seen abroad. In their words, China just cannot accept the image of country seen as a source and origin of the pandemic's and has nothing to do with the disastrous effects of the disease in the US.<sup>1</sup> Meanwhile top officials of the US administration and many politicians in the West were critical towards China and its behaviour. Donald Trump himself made clear whom he blames for the coronavirus pandemic. "It's China's fault, it should never have happened," the president said during the first presidential debate with Joe Biden on September 29, and once again he was referring to the virus as the "China plague."<sup>2</sup>

A healthy countermeasure could be establishment of a joint transatlantic, that is US and the EU, front in some strategic issues, including relations towards China, Russia, or Iran. Such a possibility still exists, because both the European Institutions, as well as capitals of some most important member states of the EU definitely will be ready to sit down with a Biden

<sup>&</sup>lt;sup>1</sup> See many editorials and articles on the subject in "People's Daily" or "Global Times".

<sup>&</sup>lt;sup>2</sup> Full transcript of the first debate is here: https://www.rev.com/blog/transcripts/donald-trump-joebiden-1st-presidential-debate-transcript-2020 (Oct. 5, 2020)

administration and talk about China, global affairs and a new global order, both in economic and political meaning, combined with the new challenges like pandemic and health, high technology and scientific development or environmental and climate challenge. But, of course, it depends on the US election results.

#### 5. First Pandemic US Elections

Beyond the issue of China the bipartisanship is nonexistent in highly polarized US politics and society. In effect, the presidential election campaign of 2020, or COVID era, sounds like a clash of two completely different visions and systems of values.

As it is expected, continuation of the Trump administration could be erratic, once more unpredictable, with the president playing a roller-coaster effect on the international arena, and thus making relations with the US very difficult for all its international partners. Joe Biden's triumph, on the other hand, at least for China could be even more demanding, as he definitely will go beyond trade, customs or technological competition. A return to liberal values and human rights is expected in his case. For him, obviously, Tibet, Xinjiang or a new security law in Hong Kong assume a central place again in the US agenda *vis-à vis* PRC, combined, of course, with the constant problem in the US – China relations since the early 1970's, that is the Taiwan issue.

Thus, the US "more assertive global response" towards China, which has started from accusations of Chinese trade abuses that cost American jobs and strike enormous blows to the economies all across America, were enlarged by the Trump administration. The leading role in those actions is that of the secretary of state Mike Pompeo, who came out with a plethora of allegations and complaints,<sup>1</sup> widely used during the presidential election campaign, with China's leading role in it on the international agenda.

In short, US elections of November 2020 can bring about a completely different image and role - of America in case of both candidates. However, tough, if not confrontational, course towards China will be continued as we observe a structural, that is long-term and geostrategic clash of two major global economic powers. Like it or not, the so-called Thucydides Trap<sup>2</sup> is on the agenda - and will stay there for some time (actually, nobody knows, for how long).

<sup>&</sup>lt;sup>1</sup> M. Pompeo, "Communist China and the Free World", Speech in Nixon Library in Yorba Linda, California, July 23, 2020: https://www.state.gov/communist-china-and-the-free-worlds-future/ (Oct. 5, 2020)

<sup>&</sup>lt;sup>2</sup> A well-known term for the book by Graham Allison of the same title. See: G. Allison, *Destined for War. Can America and China Escape Thucydides's Trap?* Houghton Mifflin Harcourt, New York 2017.

A sudden announcement that the US president himself, together with his wife and many close advisers have become ill on coronavirus, has changed, for a time, the whole dynamic of the presidential election campaign in its last, final chapter, just a month before the election (which, due to the pandemic, is already undergoing online). The final effect is unknown, as the situation is absolutely new and unprecedented, when the current president is ill during a final stage of campaign. There was no situation of sitting president was temporarily hospitalized and underwent emergency at least since the assassination attempt on Ronald Reagan in March 1981.<sup>1</sup>

All previously announced campaign events involving the President's participation were for some time moved to virtual events or are being temporarily postponed. Thus, coronavirus has become the central issue of the final stage of presidential elections and campaign, with a final result uncertain and unknown.

Confirmation of Trump's diagnosis broke shortly after the announcement that one of his senior advisers had tested positive. Trump's diagnosis and short stay in hospital also raised questions concerning his frequent public scepticism about the need for face coverings and his willingness to ignore the advice of public health officials by holding rallies and other events that flout social distancing guidelines.<sup>2</sup>

The pandemic has shown that no one can be immune against the disease. The famous case of British prime minister Boris Johnson or president of Brazil, Jeff Bolsanaro just confirmed this principle. Anyhow, whatever the effects of Donald Trump's case of coronavirus and whatever a result of 2020 strange elections, the US partners, competitors and rivals, including the PRC leadership must remain concerned. Continuation of the Trump administration means some other unexpected moves or even deeds.<sup>3</sup> However, if Joe Biden wins in November 2020 the mainstream policy towards China, treated as a systemic and strategic rival, will not change in fundamentals.

No matter the election result, one thing seems to be certain: the US wants to retain the primacy it has exercised for over one hundred years, and especially after the Second World War and once again after the collapse of the Cold War order. Doesn't matter what, the "era of strategic competition" will be continued, and the stakes will remain high.

<sup>&</sup>lt;sup>1</sup> https://en.wikipedia.org/wiki/Attempted\_assassination\_of\_Ronald\_Reagan (Oct. 5, 2020)

<sup>&</sup>lt;sup>2</sup> https://www.mercurynews.com/2020/10/06/2020-election-trump-is-out-of-the-hospital-now-what/ (Oct. 5, 2020)

<sup>&</sup>lt;sup>3</sup> M. Beckley, "Roque Superpower. Why This Could Be an Illiberal American Century", *Foreign Affairs*, November/December 2020: https://www.foreignaffairs.com/articles/united-states/2020-10-06/illiberal-american-century-rogue-superpower (Oct 7, 2020)

#### 6. Systemic competition

Immediately after a trade war was initiated in early 2018 by the Trump administration it was obvious that the times had changed. Economic interests, taxes and trade imbalance has returned, or even come to the fore of the whole strategic and political agenda. "Unfair" trade relations, have replaced human rights in bilateral US - China relations, and interests, not values, are promoted widely. As it is guessed, that will not change after the 2020 election campaign, whatever the result. China has become a strategic rival and China-bashing will be used as justification for the US tactics and strategy. If nothing changes, it will meet on the opposite side a China continuous motto "we do not want a war, but we are not afraid of it", supported by tough "wolf diplomacy",<sup>1</sup> not well received not only in the US but also in the whole West. The impression is that everybody is trying to wield its strength.

Whereas under the pandemic the previous mostly economic agenda was followed-up by such issues as supply chains (starting from medical equipment), media and propaganda war plus a high-technology competition, visibly raising to the top of all, with China defined as a security threat with some disruptive technologies (ZTE, Huawei, 5G, TikTok, etc.).

Daunting set of challenges, ranging from the pandemic to possibly disruptive economic recession is also on the EU agenda now. COVID-19 coronavirus disease has become a worldwide, global challenge. Probably the best answer for it could be a vaccine widely shared, combined with more international solidarity to combat the pandemic. A community of common destiny and shared responsibility, a notion proposed by president Xi Jinping<sup>2</sup> seems to be a proper proposal in those circumstances. Unfortunately, what we observe instead until now is rather a quickly growing competition and combat, where a trade war observed prior to the pandemic has spread into communication, media, high tech and even systemic or value competition, frequently described even as a new Cold War, not only in the media<sup>3</sup>, but also in policy circles and even academic world.<sup>4</sup>

How to change the tide and oppose the negative trend? Probably the only solution is more talk and diplomacy, more mutual understanding and empathy, because - as it was stipulated in this article - the other two Black Swans are approaching a humankind: climate change and

<sup>&</sup>lt;sup>1</sup> Following the Chinese blockbuster film "The Wolf Warrior" (Zhan Lang), director and starring by Wu Jing.

<sup>&</sup>lt;sup>2</sup> https://english.cctv.com/2017/01/15/ARTIjfECMGRxn4TrlI0UqAcl170115.shtml The idea has appeared for the first time during Xi Jinping's speech delivered in Moscow on March 23, 2013. Current assessment is available here: http://www.xinhuanet.com/english/2020-03/24/c 138912849.htm (Oct. 6, 2020)

<sup>&</sup>lt;sup>3</sup> "Is the world entering a new Cold War?" https://www.bbc.com/news/world-us-canada-54244011 (Oct. 6, 2020)

<sup>&</sup>lt;sup>4</sup> https://foreignpolicy.com/2020/07/31/is-this-the-beginning-of-a-new-cold-war-with-china/ (Oct. 6, 2020)

global environmental disaster.<sup>1</sup> We came to the borderlines and the verge when the only optimal solution is an extensive joint answer to demur against the current disease and a common engagement to fight for the future global tasks and to - let us not hesitate to say it - to save the world.

Common approach to global challenges is crucial due to the fact, that COVID-19 has a twin brother, following it, that is global economic recession. Just one example. As it is known, after the 2008 financial crisis, governments across the world injected over \$3 trillion<sup>2</sup> into the financial system. While during the pandemic, as was mentioned above, the EU came out with a special recovery projects worth of €750 billion (\$876 billion), mentioned above, while the US Congress has so far authorized over \$3 trillion in spending in response to the pandemic, and the Federal Reserve injected an additional \$4 trillion or so into the economy—together more than 30 percent<sup>3</sup> of U.S. GDP.<sup>4</sup>

Still, it is not enough, as it seems. It is far less than the pandemic-related loss of global income during the first 9 months period of the pandemic (as measured by the difference between pre- and post-pandemic growth forecasts). As some experts say a fiscal stimulus so far the year 2020 is estimated a total of \$20 trillion.<sup>5</sup> As it is assumed, the global economy is expected to contract by US\$7 trillion in 2020 as a result of the pandemic. Only by tackling it together will live and livelihoods be restored. Not an easy task when the WTO has forecast a major world trade decline between 13 and 32 percent in 2020.<sup>6</sup>

The costs are already high, and will be higher without a vaccine breakthrough, as we have already established. However, and once again surprisingly, COVID-19 crisis seems to present also an opportunity to right existing imbalances through a new style of deal making. The states should enforce or bail-out companies to ask them to act more in the public interest and allow taxpayers to share in the benefits of successes traditionally credited to the private sector alone.

<sup>&</sup>lt;sup>1</sup> More: F. Zakaria, *Ten Lessons for a Post-Pandemic World*, W.W. Norton&Co., New York 2020. <sup>2</sup> "Extraordinary measures in extraordinary times – Public measures in the support of the financial

sector in the EU and the United States": https://www.econstor.eu/handle/10419/154570 (Oct.6, 2020) <sup>3</sup> The Brookings Institution Special Report of the Implications of COVID-19 Crisis:

https://www.brookings.edu/research/the-covid-19-crisis-how-do-u-s-economic-and-health-outcomes-compare-to-other-oecd-countries/ (Oct. 6, 2020)

<sup>&</sup>lt;sup>4</sup> M. Mazzucato, "Capitalism After the Pandemic. Getting the Recovery Right", *Foreign Affairs*, October 2, 2020: https://www.foreignaffairs.com/articles/united-states/2020-10-02/capitalism-after-covid-19-pandemic (Oct. 6, 2020)

<sup>&</sup>lt;sup>5</sup> Data: https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEOUpdateJune2020 Elaborated in: M. Mazzucato, R. Cherif, F. Hasanow, "How to End the Pandemic This Year": https://www.project-syndicate.org/commentary/universal-testing-to-end-covid19-pandemic-by-redacherif-et-al-2020-10 (Oct. 6, 2020)

<sup>&</sup>lt;sup>6</sup> https://www.wto.org/english/news\_e/pres20\_e/pr855\_e.htm (Oct. 6, 2020)

So, like in 2008, the role of the State needs to be re-defined in the West, of course, not necessarily rejecting the integration or multinational projects like the EU on the one side, or to follow-up an East Asian (and China) model of developmental state. What is seen, as for now, social security and a welfare state are back on the agenda, neglected seriously during the previous "expansion era" of market forces domination.

#### 7. Decouple

Only time will tell, if the accommodation and constructive engagement of US, EU and contemporary big powers with constantly growing role of China on the global scene will be possible.<sup>1</sup> It is more than obvious, that in the major EU capitals, there is no great appetite for US-style decoupling, containment, or the isolation of China. However, even there during the pandemic era the interests now are defined narrowly, mostly in terms of money and physical security and – what is new – more and more frequently in national or state terms. Visible flaws of the international institutions, including the UN system, troubles (if not a turmoil) in the World Trade Organization (WTO), challenges of the pandemic in front of the WHO (with the US retreat from this organization), etc. are also stressing significance and the new role of the nation states.

The EU, as a process to be eventually crowned as a supranational entity in those circumstances is also in the time of readjustment and change, without clear-cut *finalité politique*<sup>2</sup> on the horizon yet. As such, also during the pandemic, the European institutions are inward looking but simultaneously, with some exceptions, stick to the rules (known as Copenhagen criteria). However, some of its member states are suffering from deep internal divisions. Some new inspiring ideas for further integration are urgently in need, as Europe is searching its new global place and a debate on the issue is already undergoing.

The US, on the other hand, as the largest superpower on the globe, is a different kind of political animal. Under the current administration it is getting out of the rules-based order, frequently showing some instincts and behaviour of illiberal systems, based on the state interests, not values. Difficult to say, if the liberal hegemony is over, but the return to power politics could be even more challenging for American rivals or partners as the system that was known before.

<sup>&</sup>lt;sup>1</sup> H. White, "To help defuse US-China tensions, Asian states must agree on America's role in the region", https://www.scmp.com/week-asia/opinion/article/3103028/help-defuse-us-china-tensions-asian-states-must-agree-americas (Oct. 6, 2020)

<sup>&</sup>lt;sup>2</sup> A popular term in the Brussels bureaucracy meaning final political purpose and the end of the process.

One of the new terms in our political dictionary, with growing significance during the pandemic, is known as "decouple". It means, first of all, the US combat with China, and not only in economy or trade, but also in technology, military and ideological fields. The leadership of the two major economies on the globe face severe choices. With no easy answers or solutions for both of them, while those solutions are of crucial meaning for all global scene, due to the role and strength of the two major players.

For instance, the Chinese government had successfully created a separate Chinese Internet, already known as "Chinternet", that either completely excluded non-Chinese social media and messaging applications. On both sides its mainstream but also social media foster exchange and communication of its own, submitting more and more one-sided approach to issues raised.

The Trump administration's distraction campaign and its effort to cement more conflict between the United States and China than actually exists. President Trump has frequently proud himself on how tough he is on China, but his immensely costly trade war has yielded only a "Phase One" announcement on January 15, 2020<sup>1</sup> that is barely worthy of the term a real deal. The administration faces tough after-election solutions when dealing with the pandemic and following its economic pressure and its political bravado has not solved widely-held U.S. problems with China, from unfair market behaviour to the ethnic minority issues in the PRC or the questions of Hong Kong and Taiwan. Banning TikTok and WeChat will solve none of this, nor will it defend the US privacy or national security. More sophisticated approaches and solutions are advised by the academic world.

It is more than obvious that after the pandemic, whenever it will take place, all countries will need to adopt a longer-term vision and shore up their manufacturing capabilities. By leaning on this issue, governments can strengthen local productive capacities and create a new kind of economic commons. The same mission-oriented approach could then be applied to science policy and industrial strategy, laying the groundwork for more cross-sectoral innovations and the type of resilient manufacturing that will be needed to tackle other highly complex global challenges.

It is a serious matter: we need more global cooperation before it will be too late.

<sup>&</sup>lt;sup>1</sup> "China Phase One Agreement-2020": https://www.fas.usda.gov/topics/china-phase-one-agreement (Oct. 6, 2020)

#### 8. Promise Fatigue

Finally, turning to the EU - China bilateral relations in the COVID-19 era, we have also a few problems in front of us. Everyone knows, on both sides, that the signature of the EU-China Agreement on Geographical Indications prior to the last video Summit on September 14, 2020 is not enough and not satisfying. Expected since a long time Comprehensive Agreement on Investment is still not signed and once again we discover a phenomenon a long time ago described as "promise fatigue" in bilateral relations, when the words are not immediately followed by the deeds. During the two virtual EU – China Summits in 2020 the most important European leader, German chancellor Angela Merkel and EU leaders had warned the Chinese side that without a change of approaches and more flexibility real solutions will not be easy to get.

During the pandemic Europe's position was clear-cut: the time was running out for Beijing to address European concerns on a range of issues. One of them was climate, but the environment, investment agreement, supply chains, technology transfers, and continuous different approach of both sides toward human rights are also on the top of the agenda.

In the pandemic era many countries around the globe are dealing with a sluggish growth, enormous debts, stagnant wages, chronic unemployment, and extreme wealth inequality, which could grow due to the prolongation of the coronavirus battle. Some political and social forces are already bound to breed nationalism and extremism. New commitments to defend domestic markets without crushing international engagements are constantly growing on the top of our agenda. Both sides must be restrained not to allow a real return to world power mercantilism, protectionism and strife already looming.

On November 16, less than two weeks after the US vote, German chancellor Angela Merkel will host a meeting of EU leaders in Berlin devoted entirely to China. German officials are describing this as a significant step. There is a consensus in European capitals that it is now or never for a China deal.

A new strategic roadmap needs to be laid out, with some concrete change of positions on both sides. The phenomenon already described in the EU – the PRC relationship as "promise fatigue" cannot be continued in new, more demanding circumstances. We may have a COVID-19 fatigue but all of us need to keep our sobriety.

#### 9. EU as a Table

The EU-China relations continue to be one of important windows into Europe's efforts to establish itself as an independent, global power. Not an easy task for a subject known till now more as a normative or soft, but not a hard (that is military) power. The pandemic has shown, however, that sooner or later something needs to be done, new European vision of power must be deployed. As French minister of State for European Affairs Clement Beaune has put: "Europeans know that they must once again speak the language of power, without losing sight of the grammar of cooperation."<sup>1</sup>

The EU relationships with major powers, the US, China, Russia, India and others (including Great Britain after the Brexit) are under scrutiny now. The time has come to solve the existing problems. Until now the EU is not joining overly critical and even aggressive language about China. However, it should be detected on the other side that a new vocabulary is also adopted in Brussels in mutual relations, describing the PRC as a "competitor" or "systemic rival". If we want to move forward, our "challenging relationship" just cannot diminish to "intense discussions", and of course statements, according to which: "we disagree on many issues".

All in all, both sides need to keep in mind what the President of the European Commission, Ms. Ursula von der Leyen, wisely stated towards the end of the last Summit's conference in September 2020: "it is not possible to shape the world without a strong China-EU relationship".<sup>2</sup>

Europe want to be an independent player with "all options on the table", to quote the European Commission president Ursula von der Leyen again.<sup>3</sup> The current European dilemma is how to be a table and not become a menu on the table to be swallowed by the other major powers during a new phase of a new global that has started during the pandemic. In relations with the US a new transatlantic agenda with a rich content is necessary. While in relations with China the EU has at least one good starting point: the 2060 target date for carbon neutrality, as it was one of three climate demands that Angela Merkel and the EU leaders had put in front of China.

Thus, it is a good reason for further debate and engagement. With the Franco-German base and *avant-garde* ultimately all Europeans must shoulder the responsibility. That is precisely the spirit of the Conference on the Future of Europe, which should begin in

<sup>&</sup>lt;sup>1</sup> C. Beaune, "Europe after COVID", https://www.atlanticcouncil.org/commentary/feature/europeafter-covid/ and also https://www.chinafile.com/conversation/europe-and-chinas-virtual-summit (oct.7, 2020)

<sup>&</sup>lt;sup>2</sup> U. von der Leyen, "Statement at the joint press conference with President Michel, following the EU-China Summit videoconference:

https://europa.eu/commission/presscorner/detail/en/statement\_20\_1162 See also: https://europeansting.com/2020/06/23/on-the-22nd-china-eu-summit-negotiating-partner-economiccompetitor-and-systemic-rival-is-this-the-right-eu-approach-to-address-its-2nd-biggest-tradingpartner/ (oct. 7, 2020)

<sup>&</sup>lt;sup>3</sup> It was her proposal and solution to the economic fallout after the COVID-19 crisis, expressed already in March 2020: https://euobserver.com/coronavirus/147931 (Oct. 7, 2020)

autumn 2020 during the German EU presidency, and conclude in spring 2022 under the French presidency.

#### 10. Conclusion

This essay is an initial effort to deal with the enormous, as it seems, effects of the COVID-19 pandemic which suddenly surprised all of us in early 2020. It is an individual and (Central) European perspective, which probably cannot be universally shared. Only Western, the EU and partially the US perspective, due to the global role of the latter, are presented here, without India, Russia, Japan or Australia's role noted, as it requires. While China is mentioned here when necessary due to the current challenges surrounding us, and in response to its constantly growing power position on the globe.

We need to do our best and make an attempt to evaluate the new situation, since we have a global public health emergency which needs a global solution. At the time of writing this text more than one million people have already been lost and almost 35 million were affected due to the pandemic. At this difficult juncture for humanity a real milestone can be an effective vaccine for the disease. That is why this particular issue is on the top of the political, not only medical agenda everywhere around the globe. As only thereafter we can start to think in real terms about the wrapping-up of the pandemic, and only then can we try to evaluate all economic, financial and other costs of it.

Without a breakthrough with a vaccine, every other measure must be treated as tentative, uncertain, and unpredictable to some extent. At the same time any further delay in our medical efforts can bring about more and more uncertainty in our individual, but also social and political life. Because, as it has been observed, coronavirus has provided not only a new competition for medical equipment or a vaccine, but also a very visible new dynamic on the international arena and domestic scene in every particular country and simultaneously on the international arena or global scene, being in the focus of this study.

Of course, we need to start from the top global power, the US, as, unfortunately its leader has found himself for a short on the dashboard in the number of cases. The US is another, definitely unfortunate and dissatisfied, leader, both in the affected and death case category. In those circumstances the new global competition has visibly speeded during the pandemic, moving towards an axiological and ideological New Cold War, and what was just the Trade War prior to the pandemic.

Surprisingly to all of us, combined with the COVID-19 are the issues as different and diversified as the first pandemic presidential elections in the major global power, the new chapter and new dimensions in US – China global competition or the question of a new global

order after the pandemic. Some of them are still open at the moment of providing this text. The list could be much longer, of course, including, among others, high-tech competition with a stress on cybersecurity, rise of automation and a role of Artificial Intelligence, new global economic recession, or medical, psychological, social or economic price of the pandemic. Some psychological or social aspects as common public uncertainty, unpredictability or lack of stability are also on the wide new agenda now, combined with the health challenges and growing consciousness of environmental problems and lack of resources in front of our constant expansion.

For the moment, and for obvious reasons, the world's attention is focused on surviving the immediate health crisis. However, the next lesson of the pandemic is almost clear-cut: we, humankind, need to do our utmost to prevent the looming climate crisis and environmental crises if we do not want them to be the next Black Swans after the COVID-19 pandemic. Not only then, a next financial crisis, treated already as a twin brother of coronavirus, is awaiting our vision and responsibility. We need to have much more in our minds, as the pandemic has shown that our global institutional framework is fragile and even our future is at stake. More understanding and more solidarity among the people are necessary. Meanwhile, as the pandemic era until then has confirmed, we have more competition and blames towards each other than before. A new Cold War is looming on the horizon.

Chiefly the world economy, but also the security system, is at a critical inflection point in history. Instead of more cooperation we share more fears about dependence on others that are obviously growing. An inward turn, detected immediately after the spark of the disease, even within the EU institutional framework, would not spell the end of integration and globalization processes, but can bring about a partial reversal. And obviously, damages done will likely prove difficult to repair.

Our first step is more than obvious: it is the necessity for global cooperation to fight the coronavirus. Hopefully, there will be some domains of interaction during this battle, which already during the pandemic took the form of a mask competition, a fight for medical equipment and a role supply chain, on the other hand, a direct media combat. However, later on, but rather very soon, such important issues as public health, climate change, or environmental pollution will necessitate not only the UN further activities, but first of all a deeper degree of cooperation between the big powers, starting with the United States, China and the EU. No other option seems to be viable, if our humankind doesn't want to be doomed as a whole.