

## **The risks and challenges of COVID-19**

### **Opinions from Georgian and international viewpoints**

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### **Mosaics of pandemic risks**

The raging Covid-19 pandemic has become the number one topic around the world, and I believe that it will remain so for many years to come, even after the outbreak will ultimately have been defeated.

Yet besides its medical dimension, this problem obviously also raises many no less important issues that together augur a fundamental review and transformation of the world's political and social-economic order.

From this point of view, it makes sense to consider and discuss pandemics as both virological disasters and at the same time as drivers of necessary global change.

Any event of this scale shatters outdated systems of relations, changes the rules, demands different responses and reactions. The ways in which people perceive each other and the world around them have been fundamentally impacted. Man's understanding of human essence and of society as a whole is being re-evaluated, and the meaning and role of certain objects and events are being reassessed.

In short, this pandemic has many ramifications that both our country and the wider world need to address with as much care and competence as they can muster, including through the use of invisible skills or ones that have never been put into practice before.

For the purpose of general notice, I believe that the main axis of the process of transformation that this pandemic has accelerated follows this vital question: will human society become more egalitarian, or will it continue to be ruled by an elite? Or, even worse, will it become more authoritarian?

### **In search of the right balance**

Journalists and researchers around the world are critical of how unprepared we were to face this pandemic, and political elites and methods are being sharply reassessed. Many versatile and diverse recommendations have been made in terms of how to tackle this issue, ranging from simply modernizing existing structures and methods all the way to their outright rejection. This is why the following question has become so urgent: What 'golden middle' could help us find the right balance and stop us from falling from one extreme into another?

At times such as these, it is important not to let emotions rush us towards hasty decisions. Acting upon the basis of unfounded conclusions would inevitably worsen the current overall situation, and would make it impossible to carry out a positive agenda; but the need for prudence, on the other hand, must not limit vitally important discussions and analyses. The sooner problems and their solutions are openly considered and found, the better.

Yet the potential of existing methods of management has been exhausted. Most are no longer capable of adequately tackling current risks and responding to tomorrow's threats.

Perhaps the most unforgivable failing that the current crisis has revealed is the degree to which the modern state has drifted away from its citizens, and the vital bond which links citizens to their government has been lost.

More precisely, the past few decades have seen a sharp rise in economic protectionism, an overwhelmingly unequal distribution of resources, the increasing inaccessibility of elites, and more generally the strengthening of exclusive politics through inclusive developments. These trends are dangerous not only because they lead to the fragmentation and disintegration of social unity, but also because they pose a threat to the stability and viability of national and supranational political systems. A proper diagnosis of this problem is especially important in the developed world, as this is largely where the following structural anomalies have emerged.

In economic terms, perhaps the most important of these anomalies is the stagnating purchasing power of middle and lower-segment salaries, a problem compounded by the replacement of employees with modern technology as well as by the increasingly sharp inequality that exists between the incomes and savings of different social classes.

Unequal political processes also make this toxic economic and social background worse, as the financial support of influential ‘status’ groups has become vital to achieving tangible results.

In a chain reaction, one of the consequences of this growing distrust of established institutions is the further weakening and undermining of the capacity of management systems. To remedy this problem, we could suggest that the state’s role be reassessed and revised towards a greater and more active involvement in economic and social processes.

Naturally, approving during such a revision the so-called ‘big government’ recipe and ignoring the basic principles of a market economy would be unacceptable. It would therefore be best to improve the positioning of state institutions and find a new balance capable of supporting society by offering truly equal opportunities and ensuring a truly inclusive development.

The need for such an approach was widely discussed during the 2008-2009 financial crisis, when the immediate and large-scale intervention of states in their banking and financial sectors played a fundamental role in preventing the collapse of global credit and accounting systems.

This awareness of the need for fundamental changes to our system, however, died out shortly after the crisis was overcome, and the status quo was largely restored. But now it is time for another attempt, and failure this time could, I believe, cost us dear in the long run.

Concerning this agenda, we would add that achieving significant and regular development through the use of means that continue to be considered as incompatible in terms of ‘classic’ market economics will require a very thorough analysis.

A full list of the means at our disposal would be too long for the scope of this article, but I shall mention some of them for purposes of illustration—e.g. active and not merely illusory state regulation to achieve long-term economic development, especially the implementation of transparent principles for the management of natural resources, for the improved alignment of logistical and supply systems with national economic needs, and for the effective control of fiscal and monetary policies.

Regarding the latter, given the circumstances and limited time frames, it would no doubt be desirable to permit more flexibility in terms of inflation and state debt and to revise the rights and obligations of both employees and their employers in order to adapt them to the reality of the current crisis.

I would also consider it essential to formulate and adopt a special policy to shift the country towards the adoption of a so-called ‘wartime economy’ in case of crisis.

In a word, I believe that one of the characteristics of our looming post-pandemic world, i.e. greater social solidarity and more complementary societal actors, rests upon improved market economies and more ‘human’ structures—a combination which can still be found in a couple of countries whose economic policies ensure a degree of ‘universal welfare’.

Of course, at this precise moment in time it is difficult to assert anything with confidence, and the ways in which societies and states might develop internally given in this article are purely based upon preliminary observations.

Also, in terms of global and regional politics, expectations are much higher that the rules of the game will be rationalized and that post-coronavirus systems of international relations will be essentially different from their predecessors. We can already freely discuss this matter.

### **But are the elites ready for change?**

Calls for the fundamental transformation (if not downright replacement) of familiar, recognized political and socio-economic models are becoming increasingly common nowadays, but at times such as these it is equally relevant to find answers to the following difficult questions: Are we ready to carry out such large-scale projects? How likely is it that established political elites will openly oppose or even sabotage such change?

It is a fact that bringing about major change requires a commensurate political will. To the question ‘to what extent does such political will exist?’, I would answer with a counter question: Is there an alternative to fast, mobile, rational and result-oriented action?

This is even more likely given the fact that, under current crisis conditions as well as in a post-crisis world, the cost of any delay in making and fulfilling correct decisions will be greater in future. This is, if you like, a general stimulating factor for existing political establishments.

But there is another factor which should push elites towards real change: with its lack of specific form or content, this is the populism (and sometimes even political extremism) that has emerged in many countries, including the EU.

We all remember the lessons from the past, when the inertness of the ‘leadership’ or its disregard of acute problems allowed radical parties and unions to win vitally important electoral dividends and gain power thanks to the naïve or superficial choices of the electorate. Does such a threat exist now, during the pandemic crisis? I believe that it does, and that it is real.

Given the absence of sensible plans of action to eliminate this threat, the only chance to neutralize its remains is theoretical. More precisely, the fact is that populist forces feel much more convincing in the presence of foreign aggression or when state interests are threatened from outside, as they are then able to manipulate national feelings more easily and channel them towards their populist aims.

Although the current coronavirus pandemic is of course not comparable to foreign aggression, its consequences could be compared to those of being at war, and this could grant a significant advantage to political radicalism and open up a path towards managing positions.

I believe that the longer the political and economic crisis caused by the pandemic will last, the more ruthless the confrontation will be between established political elites and populist forces seeking short-term results.

Moreover, this confrontation is not limited to only these two sides and it is easily expected - I would say, it would be plausible – emergence of groups belonging to political realism and technocratic rationalism.

This is what the modern world is lacking, and that which is so vitally important for national and state development and improved competitiveness.

## **The pandemic's international context**

Beyond matters internal to states, the pandemic's current global dimension is equally noteworthy, and attempts must be made at this early stage to prepare for it.

In this regard, I will discuss some of the main aspects of this topic, underlining that in international relations, too, we should expect from both first and second-line actors an undisguised emphasis on pragmatism in their decisions and taken actions.

First of all, I believe that the false romanticism characteristic of the 'post-Cold War' period is long gone, and that we must therefore be ready for different rules governing relations to be put into practice in this new, redistributed configuration of global forces.

Although I would not wish to jump to any conclusions regarding the end of the liberal order, I would predict that as the main actors of international relations, states will be much more selfish when advocating their own interests and will take much less notice of those of others.

This is a very noteworthy development for our country, and one which requires us to rearrange our own national 'action plan'.

Given this development, a further concern for Georgia is specifically which political or cultural civilizations will manage to join the 'first rank' of the post-pandemic world. This is especially important for us, given the fact that the country's choice is enshrined in both constitutional statements as well as in its history.

Regardless of the result, however, Georgia's approach should be one of rationalism, as this will become the dominant factor of a new world order which will profoundly limit the scope for idealism and 'relative romanticism' in international politics.

Returning to the current period, I would pay attention to specific circumstances. Let us begin with the fact that at the European end of the vast Eurasian continent, the coronavirus pandemic has precipitated a new phase in the fight for geopolitical power.

The main actor of this distinctive phase, seeking greater 'soft power' status in Europe, is China. After having 'successfully' repulsed the first wave of the pandemic within its own borders, the country has redirected its essential resources to help its European partners, and the 'Health Silk Road' has quite obviously concentrated its efforts upon Italy—to date the only EU member state to have formally joined Beijing's gigantic 'One Belt, One Road' initiative.

Italy, however, is not the only country on Beijing's European radar, and China is currently extending its 'health belt' to several other countries.

Moreover, China's humanitarian intervention has also included the United States, and has ranged from private sector aid (e.g. medical equipment sent by the owner of Alibaba) to air freight officially sent by Beijing to different American states.

Of course, all forms of aid and support should be applauded during disasters such as the one we are currently going through, but their long-term consequences must also be analyzed alongside their possible influence on tomorrow's mosaic of relations between geopolitical actors.

In Georgia, doing so requires both real-time observation and regular analysis.

Many issues are linked to the international context of this pandemic, and it would of course be impossible to discuss them all in depth in this article, but I will say a few words regarding the global network of supply and demand.

Over the past few decades, several large economic centres established themselves as global hubs through high levels of interconnection and interdependence. Periods of 'economic peace' when global arrangements, including those for the supply of production circles, continue flawlessly do not question the system. Indeed, this system has quite a few advantages, one of which is the specialized knowledge and experience that individual hubs enjoy. But all this is temporary, and can only last until a large-scale crisis such as a war, a natural disaster or a pandemic erupts. Once this happens, any problem which emerges in one of the economic hubs travels beyond its boundaries to all the other interconnected hubs. As a result, our globally interdependent system increases the seriousness and the scale of any systemic economic crisis.

An accompanying risk of this model is that any political-economic centre can easily abuse the demand and supply-driven global system by 'weaponizing' it in favour of its interests to the detriment of others regardless of how lawful or economically justified they may be.

These and other weaknesses and failings of the demand-supply model make its revision necessary, and it is no coincidence that there have been calls for the creation within the boundaries of specific 'mega-markets' or hubs of new and flawless cycles of production capable of reducing to a minimum their vulnerability to external shocks coming from other hubs.

'Coronavirus geo-economics' are therefore being added to 'coronavirus geopolitics' and are filling out the overall picture of the problem.



This is why, in order to be able to defend Georgian interests on the international stage, we must urgently begin to concentrate on creating and following our own sustainable and crisis-proof economic model. Such a model should enable us to minimize both the duration and severity of external shocks.

### **Many more questions, but fewer answers**

The problems posed by epidemics are diverse and multifaceted. Most importantly, each one of them needs to be individually studied and responded to; they simply cannot be divided into large and small.

Fighting the virus is pushing some countries and their leaders to take measures that many would have considered unthinkable before the pandemic struck.

For example, where does that invisible but permeable separating line go between invasive electronic surveillance of people's private lives and the protection of personal data? How can the right balance between the two be found in practice?

It is worrying that several countries have chosen to interpret their state of emergency very widely, which usually manifests itself by governments giving themselves wide-ranging discretionary rights. I will mention a couple of specific examples: Hungary has shifted to government by decree, practically excluding the involvement of representative institutions; Israel has temporarily halted the functioning of its court system; Chile has almost completely curtailed the freedom of speech and expression; and America's Justice Department submitted a draft law to Congress on indefinite detention powers (which Congress subsequently did not pass).

Generally speaking, pandemics are a test of Western democracy. The impression they give—one sedulously and skilfully fuelled by the propaganda machinery of a well-known country—is that open and free societies opposed to authoritarianism are losing the battle, and that only authoritarian regimes can really guarantee the basic human right to security. Hopefully, 'conclusions' such as these will merely be a temporary phenomenon caused by global shocks, and every urgent current issue will be tackled soon.

We should in any case remind ourselves that every crisis at different times in our history has been a test of our preparedness for organized life. In this sense, the current coronavirus pandemic is also a massive test for both our biological and physiological immunity as well as of our ability to empathize with and support others. I suppose that this is the most important feature that the crisis should reveal. As for our post-pandemic world, at the moment we can only predict its vague outlines, especially since the current priority is to defeat the virus itself.

Georgia, like every other country, is fighting on the front line of this war, and apparently quite successfully. For us, as a small nation, this fight has several objectives: to defeat the virus, to develop public institutions, to improve our society's readiness to solve shared problems and to establish ourselves as a modern and capable state on the future world stage, all while maintaining our unique cultural and ethnic identity for ourselves as well as for the rest of the world, i.e. those things which distinguish us from others and make us interesting.

The current challenge, which will be overcome sooner or later, raises the possibility of healthy judgment, drawing conclusions and algorithms for action. This historic episode we are passing through requires of us a rational, 'unhurriedly accelerated' and pragmatic development that will enable us to be as prepared as possible when facing future challenges.