

SPECIAL EDITION | APRIL 2020

# GLOBAL POLICY ANALYSIS

NIZAMI GANJAVI INTERNATIONAL CENTER



HOW DO WE  
LEAD IN AN  
UNCERTAIN  
WORLD?

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## FROM MANAGING EDITOR

We are extremely delighted that the introductory issue of the GPA was in the spotlight and the feedbacks that we received inspired us to work even harder for the community—readers and authors — that it currently attracts and serves. It is great pleasure to hear that the GPA is getting prestigious and well-regarded journal day by day with your kind support.

Despite the diversity of topics that are in its scope, GPA's this edition remains very much centered in the topic of COVID-19 that the world community is still fighting against it. In this issue you will have access to the insights and analysis of distinguished world leaders, best experts in the field, to be more precise, topics are ranging from COVID-19 to its impacts on economy and climate; from other important subject matters such as Middle East, Western Balkans, Asia, Nagorno-Karabakh to Globalism.

NGIC is committed to the mission that put forward from the first launch of the institution as “Center for Learning, Dialogue, Tolerance and Understanding” and keep going its mission with initiative and support of the NGIC Global Circle. During these high times, it served as a platform for their valuable members for gathering and coordinating both resources and requirements such as distributed foods for the people in need, provided masks, gloves, sanitizers and COVID-19 IgM/IgG Rapid tests to the partnered countries; served as one of three influential organizations by supporting the letter of statement addressed to the governments’ of G20 countries. It also gave a solidarity message by video recordings of its members that if we will not be all together in these challenging days, it will be hard to overcome this pandemic. This is the time to insist on multilateralism, solidarity, & science-based health policy making at global & national level.

**ROVSHAN MURADOV,**  
*Managing Editor, GPA*  
*Secretary General, NGIC*

As the Covid-19 pandemic continues to spread across the world, the Nizami Ganjavi International Centre continues to express its heartfelt solidarity with all those affected and to call for more transnational cooperation. In addition, the members of the NGIC International Board of Trustees have been busy, each in their own country as well as internationally, offering objective analyses of the world situation along with words of moral support and reassurance to distraught populations. They have also been intermediaries in the distribution of aid of various kinds to the vulnerable, both in Azerbaijan, the home country of NGIC, France, Italy, China and in other countries, with concrete initiatives that respond to concrete needs and do so in an effective and timely manner.

The pandemic is causing a domino cascade of negative consequences, the gravity of which we are just beginning to appreciate. While the elderly form medically the highest risk group among all populations, children, adolescents and young adults are seriously affected as concerns their education. According to the latest data gathered by UNESCO, over one and a half billion children across the world have been affected by school closures due to the Covid-19 pandemic. As the months go by, and the children continue growing without the benefit of attending a classroom, the need to find alternative ways of educating them becomes more and more acute.



Only a few months ago, in January 2020, I had the honour of attending the first meeting of a High-level group tasked with producing a UNESCO report on The Futures of education. We started to discuss what education should be like in a long-term, 2050 perspective. Many excellent ideas were put on the table and more ideas were canvassed by UNESCO through world-wide consultations. One thing we did not anticipate, however, was that the future was already knocking at our door and drastic changes would be needed NOW, not 30 years later.

Public education is the responsibility of nation-states, and Ministries of education across the world have been taking up the challenge. In countries with good internet access and wide distribution of electronic devices within the population, innovative distance learning initiatives are being developed and improved. In countries under complete lockdown, this places a heavy burden on teachers. It also puts a double burden on parents working from their homes, who have to spend considerable time to help their pre-school and grade-school aged children to keep learning and adapt to lack of contact with their agemates.

UNESCO has been inviting people across the world to show in pictures how they see the education of to-morrow. In Azerbaijan, from the children receiving food and study materials through NGIC, we have received pictures that show how they see the world today. I wish to express my especial thanks to 8-year-old Aliyev Farhad Ramin who has sent me personally a sunny picture of a mum, dad

**DR. VAIRA VĪĶE-FREIBERGA**  
*Co-Chair, Nizami Ganjavi International Center*  
*President, Republic of Latvia (1999-2007)*

# A GLOBAL CHALLENGE

Humanity has a new enemy: the Novel (new) Corona Virus known as COVID- 19, which struck first in China and then spread to the rest of the world, most seriously at present in Italy. We are all affected.

We're in the midst of a public health emergency, and life as we know it has ground to a halt. In country after country, and in the United States, in state after state, the officials in charge are taking drastic measures of self-isolation, closing down economic activity and social interactions. Once busy streets are empty.

Cafes and restaurants are closed, and so are clubs, cinemas and even barbershops... all the places that we used to go and meet others are closed. Gatherings of more than ten people are forbidden, and many of the sports or cultural events that we were looking forward to are postponed or canceled. Schools are closed, and distance learning from home is beginning to be widespread.

It is eerie to see images of empty streets in Italy, France and Spain, where they would usually have been filled with locals and tourists. Offices are closed, flights are canceled and the global supply chains are disrupted. The economies of the world are taking a big hit, and the social transactions in every society are challenged as never before. The impact on the world as we know it is going to be severe.

The overall picture as of now:

So let's discuss the state of our knowledge as I write these lines, with over 2,549,632 cases, and approximately 175,825 deaths reported. Almost all countries are promoting social isolation, banning large gatherings and trying to "flatten the curve". They are trying to avoid a surge of cases that would swamp the country's health facilities, especially since it has

been noted that although only about 5% of the cases would need hospitalization a staggering 40% of them could need to be in intensive care, and half of those could need respirators!

COVID-19 is very contagious. But thankfully, the mortality rate (ca. 2%) is relatively low compared to other viral epidemics such as SARS (10%) MERS (30%) and avian flu (50%) right up there with Ebola. But the mortality rate in COVID-19 cases tends to hit the elderly or those with prior conditions that compromise the immune system. But the young, even though they are much lower risk of death than others,

## ON WEARING FACE MASKS:

Most of the masks that people wear are more effective at preventing that they contaminate others rather than protecting them from infection. Single-use face masks and surgical masks are important for health professionals so that they do not infect healthy persons.

Respirator masks that have much better seals around the face and much more effective filtration of virus and minute particles (the N95 standard) can protect the wearer.

So:

1. *Single-use masks (normally one layer, very thin) are typically only effective at capturing larger dust-sized particles, but can do so fairly well.*
2. *Surgical mask standards have higher requirements for capturing virus sized (0.1 micron) particles, however, the percentage of effectiveness varies and is lower than respirators (N95)*
3. *Respirators typically capture >90% of virus-sized particles*

**TREATMENTS:**

There are no known treatments at present, and a vaccine will be quite a few months away. The social distancing and quarantines are the best we can do at present while we deploy the best science that we can.

So beyond obeying the rules for travel and self-isolation, and insisting on cleaning and disinfecting wherever possible... what else can we do in our daily lives?

**FIVE THINGS THAT YOU SHOULD DO:**

- Wash your hands frequently
- Cover mouth and nose when coughing and sneezing with a paper tissue and dispose of it carefully... If no paper tissues, cough into your elbow
- Avoid touching your eyes, nose and mouth
- Avoid contact with others, and try to maintain at least a distance of one meter between you and others
- If you have fever, cough AND difficulty breathing, seek medical care.

**ADDITIONAL OBSERVATIONS:**

The COVID-19 challenge can help focus attention on to the important things at the national and international levels, from collaborating in the science of developing usable medicines and developing a vaccine for the COVID-19, to the installation of care facilities as well as respecting quarantines. Socially, we are all obeying the instructions on avoiding crowds, maintaining social distance and remembering the elderly in our families...

But we should also remember the most vulnerable in the human family. The poorest in many of the developing countries do not even have access to water and sanitation. The hospitals are limited and understaffed. Major help is needed, for this is an enemy that challenges all of humanity, does not recognize political affiliations or national boundaries. We, humans, are literally all in this together.

**ISMAIL SERAGELDIN**

*Co-Chair, Nizami Ganjavi International Center,  
Vice-President of the World Bank 1992-2000*

## Time For More Active U.S. Engagement on Nagorno-Karabakh

There is no reason to regard ethnic conflicts as a given. When I was U.S. Charge d' affaires in Albania in the late nineties, the then-Prime Minister put it well when he told me, "there is no reason why southeastern Europe cannot be like northwestern Europe." Western Europe has a history of centuries of warfare and yet the countries came together after World War II to establish mechanisms and structures to preclude the sorts of Anglo/French/German military confrontations that had long characterized that part of the world.

While the roots of the Nagorno-Karabakh conflict can be traced back to the late 19th century, there is similarly no reason why it should be looked at as something to be accepted or considered predestined. Indeed, given the damage this protracted conflict does to the Transatlantic post-Cold War security architecture, the opportunities it presents to pull in outside powers, and the negative implications it has for U.S. interests, the reasons are there for Washington to take a more active role in encouraging the parties to move forward towards a peaceful resolution.

When the conflict over Nagorno-Karabakh flared again in the last years of the Soviet Union, it became an open, bloody war that resulted in about 30,000 casualties and hundreds of thousands of refugees and internally displaced before a cease-fire was agreed in 1994. Casualties have continued to mount since, even in years it seemed "stable," and the two sides spend substantial percentages of their GDPs on military equipment. The fighting in April 2016 that killed dozens and wounded over 300, shows the conflict cannot be regarded as quiescent. Hundreds of thousands of individuals continue to be affected; today, for example, 1 million Azerbaijanis, in a country whose total population is an estimated 10.2 million, are internally displaced or refugees because of the continuing conflict. Publics on both sides have increasingly entrenched negative views of each other. Another factor making the status quo in Nagorno-Karabakh and the surrounding regions occupied by Armenian forces unacceptable and dangerous is its potential for pulling in outside powers. Russia is already deeply involved, not just as a Minsk Group co-chair, but in other ways, including by providing arms, selling them to Azerbaijan, and offering them on credit to Armenia.

The United States has relied on the Minsk Group, established by the Organization for Security and Cooperation in Europe (OSCE) in 1994, to mediate and help find a peaceful solution to the Nagorno-Karabakh conflict. Co-chaired by France, the Russian Federation, and the United States, the OSCE's lack of progress and past failed efforts, such as the Key West Meeting in 2001, have meant the Minsk Group has come to have less political backing in Western Europe and the United States.

Since taking office, the Trump Administration has stated a determination to re-evaluate previous U.S. policy approaches. It has been open, for example in the National Security Strategy it published in late 2017, in discussing a change international dynamics, in particular pointing to great power competition with China and Russia as well as to the threats Iran's policies pose to international peace and security along with the dangers of terrorism, international criminal groups, and violent extremism. Each of these factors is very much at play in the South Caucasus. Moreover, the U.S. Administration has just published its National Security Strategy for Central Asia, and geography dictates peace and prosperity in the South Caucasus are essential to the vision the Administration announced it will pursue among Afghanistan and the five Central Asian republics of the former Soviet Union.

Given these Administration announcements, now should be a time for Washington to engage



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more creatively to foster forward movement in Nagorno-Karabakh. First and foremost, to advance international peace and security, the United States should engage the parties to what has already been agreed by the international community. Principles for a settlement are on the table. However, the realities are that implementation will only occur via a series of step-by-step processes and actions and will require the acceptance, if not support, of both sides' populations. Given how unbending public attitudes in the two countries have become towards the conflict, actions such as convincing the Armenian and Azerbaijani governments to take steps to prepare their publics for peace would in themselves be significant. The two countries' leaders have already agreed in principle to this notion, and the travel of journalists from the two countries to each other's territory is a good initial effort in this regard. Additional moves along these lines, such as promoting people-to-people exchanges, including bringing young people from Azerbaijan and Armenia together in programs in the United States, would be beneficial. So would identifying areas for actions mutually benefiting both sides, such as addressing regional environmental concerns that might bring together experts and officials from the two countries. At the same time, Washington should stop letting the outdated diplomatic dances, put in place because of Nagorno-Karabakh, hold its

engagement hostage. There are different ingredients in U.S. relations with Armenia and Azerbaijan, just as there are in U.S. relations with other states that have conflicts. The United States should stop the practice of trying to mirror every action it takes with either Armenia or Azerbaijan by taking the same or equivalent action in the other.

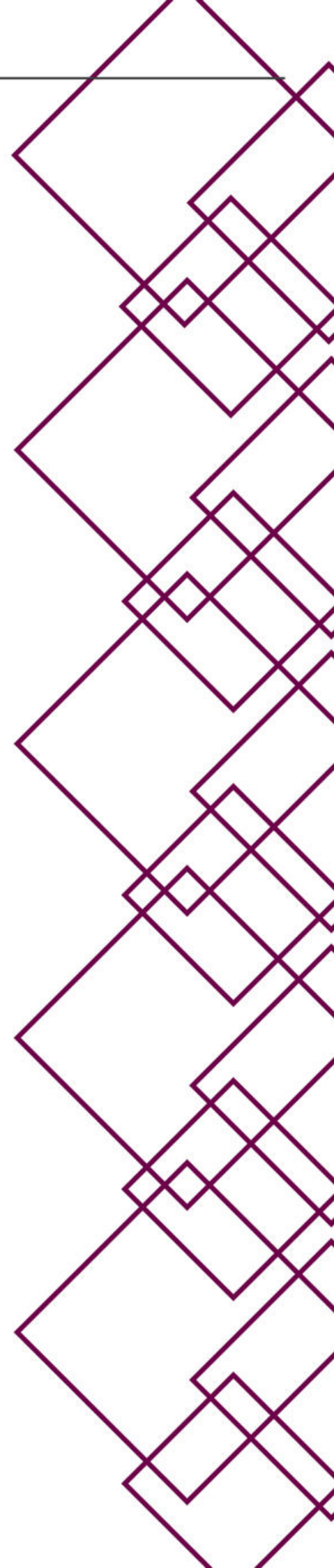
Given the decades of harsh rhetoric and the way the two publics have come to view each other — experts deeply familiar with other long-standing disputes, such as the Arab-Israeli Conflict or that between India and Pakistan note the animosity between Armenia and Azerbaijan is greater than even what is felt in those conflicts — such an approach by the United States would be significant. Moreover, it would show the United States is not going to have its policies in the region hobbled by Moscow.

Acting to address the protracted conflict in Nagorno-Karabakh would promote peace and stability in the Greater Caspian Region, i.e., in Central Asia as well as in the South Caucasus. It would be in the national interest of the United States as set out in the Trump Administration's own strategy statements. It would show it is no longer a given that Russia can keep manipulating ethnic concerns for its own policy ends.

It is time for a new U.S. approach.

**ROBERT CEKUTA**

*Former Amb. of USA to Azerbaijan*



## FROM COVID TO CLIMATE – HOW SCIENCE-BASED DECISION MAKING CAN SAVE TRILLIONS FOR GOVERNMENTS AROUND THE GLOBE

Today the World is confronted with an affliction of unparalleled magnitude. While viruses and natural catastrophes have plagued humanity with millions of people succumbing and trillions of dollars lost, some governments continue to be reactionary when facing extraordinary events with more or less success. But could preparation be the path to collectively combat these afflictions?

Unfortunately, outbreaks cannot be preventable. But what the current COVID-19 pandemic has clearly demonstrated, preparedness based on scientific data is the key to making a difference in reducing the global human toll and economic losses caused by these events, whether originating from viruses or climatological events.

Viruses carried by animals, with little affection for themselves, can severely affect human lives. There are more than 3,000 coronaviruses listed among all bat species today alone. As the animal habitat is denatured or destroyed, and humans encroach closer and closer into their habitats - transmission becomes even more likely. This phenomenon is called “zoonotic spillover” by epidemiologists, caused by increasing human penetration into new lands.

Science and research breakthroughs are the main factors that underpin the global economy and technological advancement of the 20th and 21st centuries. They have also been instrumental in analyzing, modeling, and predicting epidemiological and climatological events, although some political leaders, particularly among conservative government circles, have chosen to ignore and even belittle scientific warnings.

The core function of the Government, whether an executive or legislative branch, is to create and enforce laws, provide security, and protect citizens from external threats. Furthermore, they are responsible for the general welfare of their people and the environment we all live in.

In order to ensure progress, they must safeguard the independence of companies to operate and flourish in the open market, while concurrently, ensuring that their advancements will not harm the world economy, the environment, and our children’s future.

Over the recent decades, governments have taken many actions in regulating and prohibiting the use of several harmful chemicals such as lead in paints or asbestos use in homes, or Ozone-depleting Freon in Air Conditioners to protect human health and the environment.

Scientific data has been the bedrock of all these decisions and subsequent bans. Such sanctions have delivered billions of savings for governments, if not trillions of dollars in economic and environmental damages while protecting human health. Since the origin of time, science objectivity maintains the foundation of certainty in new discoveries and its understanding by experts. The current state of knowledge from scientific data has enabled humanity to understand, now more than ever, the causes and effects of human activity on the world economy and the environment.

The impact of the Black Plague in 1347 (an estimated 75 to 200 million deaths in Europe) and the influenza pandemic in 1918 (over 20 Million deaths) on governments, communities, and economies could have been drastically curtailed through access to today’s scientific findings and in particular, to information, hygiene and medicine.

COVID-19 has brought the world economy to its knees within just a few weeks of time. Millions of people have lost their jobs, and trillions of dollars have already been spent in combating the devastating consequences of this pandemic, which is far from over. Given the profound effect it had on governments, public institutions, companies and people, it becomes abundantly clear that the current world economy dynamics will have to be rethought going forward.

Regardless of the exorbitant efforts led by governments and companies around the globe, it will pale against the looming devastation heeded by consequential scientific warnings as a direct result of CO2 emissions on Climate Change. The lack of anticipation and planning will markedly give rise to a massive economic cost.

The certainty of Climate Change is that it is more visible than any virus. We can observe, measure, model, and forecast the effects of our activities in relation to CO2 and Climate Change. Are these models perfect? Not yet. But are they predicting the direction we are heading to, early enough? Yes. As our technologies improve and our knowledge database expands, our models become more refined over time with greater certainty and predictability.

Legislative texts, regulations, and norms implementing corrective actions in the past targeted one specific toxic product within one industry. These in turn, were able to rapidly develop harmless substitutes based on the latest scientific breakthroughs while managing the transition with their existing business practices.



Unfortunately, when seeking mitigation for Climate Change, the unavoidable reality is that some industry sectors, such as the fossil fuel industry, contribute to the crisis to different extents. The necessary resolution cannot emerge among companies within those sectors, as this would require them to “self-cessate-operations” voluntarily or shift their entire industry to alternative products and technologies, outside their core competency.

The required solutions would orchestrate the complete overhaul of entire industries, with millions of people on their payrolls and with invested capital in billions of dollars.

Any remedy must address two problems simultaneously: first, find an effective and large-scale path to support the expansion of alternative industries, and second, provide the necessary financial support and training for polluting sector labor to transition to new economies’ employment.

Again, capitalizing on science and advanced technologies will be the relevant pathway in finding the right balance. The transition funding can be earmarked through various tax incentives, including diverting some specific sector subsidies. For example, the fossil fuel industry has received subsidies for decades, ranging from €39 billion to over €200 billion per annum\*\*\*\* in the EU alone. Globally the IMF estimated post-tax subsidies amounted to USD 2.0 trillion in 2011 alone\*\*\*\*\*.

These decade long subsidies have led to the fossil fuel industry to flourish. As these industries are already scaled, optimized, and highly profitable, these funds could be diverted to sustainable industries, providing them with the same upstart support that the fossil industry has enjoyed over many decades worldwide.

These subsidies are already allocated for in national budgets, and only need to be repurposed.

In order to have an immediate and significant impact on Climate Change, these types of decisions can only be made on a global scale and simultaneously adopted by developed nations leading the way for other countries. One of the latest laws presented by the European Commission President, Ursula von der Leyen - the European Climate Law - binds the EU bloc to eliminate its climate footprint by 2050. This officially launches the policymaking process to enact a new border tax on products imported from countries that aren’t implementing actual programs working to effectively reduce their Carbon emissions. As written in Time magazine, “Such a rule could leave U.S. companies at a serious—and costly—disadvantage as they compete for business in the EU”\*\*\*\*\*.

Europe has a critical role to play, by becoming a global role model in the creation of a new socio-economic path, using science-based facts and data, while balancing corporate interest vs. the cost of the next pandemic or climate catastrophe.

The World has already seen an unintentional change in the climate through the current pandemic. Polluting industries have been forced to stop operating, highlighting the confirmation of what scientists have been claiming for years: Industries and human activity around the World have a significant impact on the environment leading to Climate Change.

Although COVID-19 has devastated many families around the World, a climate crisis would affect each and every one of us. A vaccine and some trillion dollars will not prevent global icecaps from melting nor eliminate the effects of CO2. Only science-based and coordinated programs, as defined by the Paris Accords, can be globally effective in preempting the climate catastrophe that will occur as a result of human activities. The time has come to embrace fact-based science and exhibit ambition in large-scale transmutation funding.

Nathalie de Gaulle,  
President NB-INOV &  
Peter M., CEO NB-INOV

## A LETTER TO G<sub>20</sub> GOVERNMENTS

In 2008-2010, the Great Recession could be surmounted when the economic fault line – under-capitalization of the global banking system – was tackled. Now, however, the economic emergency will not be resolved until the health emergency is effectively addressed, and that requires coordinated global leadership – now.

**LONDON – We are writing to call for immediate internationally coordinated action – within the next few days – to address our deepening global health and economic crises caused by COVID-19.**

The communique from the G20 Extraordinary Leaders' Summit on March 26, 2020, recognized the gravity and urgency of the entwined public health and economic crises, but we now require urgent specific measures that can be agreed on with speed and at scale: emergency support for global health initiatives led by the World Health Organization (WHO) and emergency measures to restore the global economy. Both require world leaders to commit to funding far beyond the current capacity of our existing international institutions.

In 2008-2010, the immediate economic crisis could be surmounted when the economic fault line – under-capitalization of the global banking system – was tackled. Now, however, the economic emergency will not be resolved until the health emergency is effectively addressed: the health emergency will not end simply by conquering the disease in one country alone, but by ensuring recovery from COVID-19 in all countries.

### Global Health Measures

All health systems – even the most sophisticated and best funded – are buckling under the pressures of the virus. Yet if we do nothing as the disease spreads in poorer African, Asian, and Latin American cities and in fragile communities which have little testing equipment, ventilators, and medical supplies, and where social distancing and even washing hands are difficult to achieve, COVID-19 will persist there and re-emerge to hit the rest of the world with further rounds that will prolong the crisis.

**World leaders must immediately agree to commit \$8 billion – as set out by the Global Preparedness Monitoring Board – to fill the most urgent gaps in the COVID-19 response.**

This includes:

- \$1 billion this year urgently needed by the WHO: This would enable the WHO to carry out its critically important mandate in full. While it has launched a public appeal – 200,000 individuals and organizations have generously donated more than \$100 million – it cannot be expected to depend on charitable donations.
- \$3 billion for vaccines: The Coalition for Epidemic Preparedness Innovations (CEPI) is coordinating the global research effort to develop and scale up effective COVID-19 vaccines. In addition, Gavi, the Vaccine Alliance will have an important role procuring and equitably distributing vaccines to the poorest countries and requires \$7.4 billion for its replenishment: this should be fully funded.
- \$2.25 billion for therapeutics: The COVID-19 Therapeutics Accelerator aims to deliver 100 million treatments by the end of 2020 and is seeking these funds to rapidly develop and scale-up access to therapeutics.
- Instead of each country, or state or province within it, competing for a share of the existing capacity, with the risk of rapidly increasing prices, we should also be vastly increasing capacity by supporting the WHO in coordinating the global production and procurement of medical supplies, such as testing kits, personal protection equipment, and ITU technology to meet fully the worldwide demand. We will also need to stockpile and distribute essential equipment.
- A wider group of central banks should be given access to the arrangements for currency swaps and the International Monetary Fund (IMF) should enter into swap arrangements with the major central banks. The IMF should use those hard-currency resources and establish its own swap line facility to provide emergency financial support to emerging and developing nations. But it is vital that if we are to prevent mass redundancies, the guarantees that are being given in each country are rapidly followed through by banks via on-the-ground support for companies and individuals.
- The emerging economies – and in particular those of the poorest countries – need special help, not the least in ensuring that support reaches all those affected by the drastic decrease in economic activity. The IMF has said it will mobilize all of its available resources. There should be

an additional allocation of around \$500-\$600 billion in Special Drawing Rights (SDRs). At the same time, to ensure sufficient funding for individual countries, we encourage IMF members to allow lending quota limits to be exceeded in countries most in need.

A further \$35 billion will be required, as highlighted by the WHO, to support countries with weaker health systems and especially vulnerable populations, including the provision of vital medical supplies, surge support to the national health workforce (70% of whom in many countries are underpaid women), and strengthening national resilience and preparedness. According to the WHO, almost 30% of countries have no national COVID-19 preparedness response plans; only half have a national infection prevention and control program. Health systems in lower-income countries will struggle to cope; even the most optimistic estimates from Imperial College London suggest there will be 900,000 deaths in Asia and 300,000 in Africa.

We propose the convening of a global pledging conference – its task supported by a G20 Executive Task Force – to commit resources to meeting these emergency global health needs.

## Global Economic Measures

Much has been done by national governments to counter the downward slide of their economies. But a global economic problem requires a global economic response. Our aim should be to prevent a liquidity crisis turning into a solvency crisis, and a global recession becoming a global depression. To ensure this, better coordinated fiscal, monetary, central bank, and anti-protectionist initiatives are needed. The ambitious fiscal stimuli of some countries will be all the more effective if more strongly complemented by all countries in a position to do so.

- The World Bank and many of the regional development banks have recently been recapitalized, but more will be needed. It is likely that – as in 2009, when the International Bank for Reconstruction and Development's (IBRD) spending alone went from \$16 billion to \$46 billion – it (and the regional development banks) will need a much larger expansion of available resources.

- To meet its responsibilities for humanitarian aid, and for refugees and displaced people, whose plight is likely to become desperate, and for the UN Sustainable Development Goals, UN agencies have issued this week an immediate call for \$2 billion of additional resources that are urgently needed.

- The international community should waive this year's poorer countries' debt repayments, including \$44 billion due from Africa, and consider future debt relief to allow poor countries the fiscal space to tackle the health and economic impact of the COVID-19 pandemic. We ask the G20 to task the IMF and the World Bank to further assess the debt sustainability of affected countries.

We agree with African and developing country leaders that given the existential threat to their economies, the increasing disruption to livelihoods and education and their limited capacity to cushion people and companies, that at least \$150 billion of overall support will be needed for health, social safety nets, and other urgent help.

These allocations should be agreed to immediately, coordinated by a G20 Executive Task Force as part of the G20 Action Plan, and be confirmed in full at the upcoming IMF and World Bank meetings. The two core economic institutions should be given reassurances that additional bilateral funding will be forthcoming and the need for further capital injections agreed.

The longer-term solution is a radical rethink of global public health and a refashioning – together with proper resourcing – of the global health and financial architecture.

The United Nations, the governments of the G20 nations, and interested partners should work together to coordinate further action.

**ERIK BERGLÖF,  
GORDON BROWN,  
JEREMY FARRAR**

# THE VIRUS AND THE ECONOMY

The current world health emergency, caused by an aggressive virus in terms of infection, COVID-19 originated in the Chinese city of Wuhan, has alerted the whole world and it is justified, regarding how easily expandable the diseases are in a world highly communicated and globalized as the one that we live.

The catastrophe has extended to other countries, which have taken measures as isolation of towns, cities, and of whole regions, as it is the case of Italy.

The economic losses are huge, they are calculated in billions of dollars in the different regions of the world. China devaluated its currency, and the price of products such as petroleum are falling deep, causing very well-founded fears in the countries that based its economy in the commodities.

The panic has been infected to the stock exchanges, which see with horror as the price of the shares falls on the ground and companies that until a few days ago were flourishing, now are near bankruptcy.

The question that emerges of all is: when we will see the end of this nightmare that mankind is living? How this will affect the life quality of people? Especially in the most fragile economies.

But it is also necessary to ask if there will be winners in this economic situation. The world will have to ask who are buying the devalued shares, who will be the beneficiaries of this world crisis.

It is not a crazy question when you go back to the big events of humanity and look what history has proved that after a big crisis, of whatever nature: wars, disasters caused by natural phenomena, health crisis like pests, there always are some who benefit.

Will the economic axis be changing also with the COVID-19? Will we see how some economies flourish after the pain that is causing this XXI Century pest?

Let's wait to see how the game ends and how certain countries that appear as the most affected with this situation position themselves.

# STOP COVID-19

KEEP YOUR DISTANCE, PLEASE





## ARE THERE NEW POSSIBILITIES FOR THE MIDDLE EAST?

Today, the world order is increasingly chaotic, where power relations among major players are less clear, universal values are being eroded, and the rule of law is being undermined. The world has started to face a new set of paradoxes as it is getting more connected, whereas societies are becoming more fragmented under the increasing pressures of racial, nationalistic, and populist tendencies and behavior that may lead to a new world disorder.

These pressures are recently being enhanced by new additional types of shocks, namely environmental and economic, thus making the situation in the region even more worse and in the World more volatile.

The coronavirus outbreak that stoked fears of a global pandemic and already brought considerable human sufferings and a major global economic disruption. The size of this shock seems to reach a different order of magnitude and much larger than any pandemic the world has ever seen during the past few decades. That may dampen the global economy into a serious recession. What's not yet clear is whether the ultimate fallout of the virus will be able to accelerate the breakdown of globalization.

Moreover, the new oil price war, that is driving the main petroleum producers to compete over their respective shares of the shrinking market of petroleum products, is fueling a broader, and more drastic economic consequences for the oil-producing countries, and probably as well for some of the other oil-importing countries.

In this environment, we come to talk about the Middle East, and the status and position of this region at the global scene, while it is still in pursuit of Justice, growth, and stability.

Following the Arab Spring that has turned in some Arab countries into a stormy wintertime, thus undermining their economies and their long term prosperity, the present situation of these countries and that of the region as a whole is still vulnerable and unstable.

The last decade witnessed major events and dangerous setbacks that led to the dismantling of the power of the state, and the rule of law in Syria and Yemen, and in furthering, the complication and deterioration of the situation in Iraq and Lebanon, and as well in Libya and Sudan in Africa.



## ARE THERE NEW POSSIBILITIES FOR THE MIDDLE EAST?

It is undeniable that the suffering, of the Arabs of this region, finds its main root causes in the:

- Continuation of the Israeli occupation to Palestine and parts of Syria and Lebanon.
- Lack of good governance, during decades of corruption and oppressive and authoritarian regimes

Never the less it is very important to highlight the fact that during the last decade the political, security, economic, and social conditions of at least five Arab countries has been deteriorating, and thus becoming significantly more complex because of:

- One the Iranian intense meddling in the domestic affairs of Syria, Lebanon, Iraq, and Yemen.
- Second with the recent Turkish interference in Syria and Libya.

The Palestinian conflict remains to be the oldest unresolved crisis in modern history. And it is now back to the front with the announcement of the disappointing Deal of the Century, that is claimed by President Trump to be a just solution to this over one-century old conflict. Alas, the Deal of the Century is absolutely not a peace plan, rather it is a deal between Donald Trump and Benjamin Netanyahu to support each other in the upcoming elections in the US and Israel. As such, it is nothing but a false claim of a two-state solution and is, in fact, an attempt to legitimize an apartheid state by implementing a perfectly planned and disgraceful ethnic and factional cleansing strategy.

As loud and clear as it can be, the Palestinians undeniably have the right to conceive a just, viable and permanent political solution that saves whatever is left of their dignity after decades of suffering and resentment under the eyes of the international community. They desperately need the help and solidarity of all peace-loving nations today more than ever before, therefore, the governments of the Middle East and the Arab World at large have to make their position quite clear and unified regarding this disgraceful deal before it's too late to find a permanent remedy for this humanitarian tragedy.

The same applies to the Iranian interventionist policy in the affairs of the Middle East region. In this respect, I believe that the Arab world has to make its position clear and firm in terms of standing up to the threats of this regime, as well as of its branches in the region like Hezbollah, the Houthis, and Hashd-Al-Shaabi of Iraq.

On the one hand, the Arabs should clearly be standing up to the threats of Iran. On the other hand, the Arab world should simultaneously and sincerely extend a hand towards Iran in response to every serious positive gesture or friendly position expressed by Iran. In this regard, I believe that sooner or later, the politics of fatigue are going to play its role in the region.

The governments of this part of the world have been adopting isolated and egocentric approaches that were doomed to failure as they were reluctant and unwilling to serve the real common interests of their deprived nations. Sooner or later, they will realize that shortcuts will only lead to dead ends, which in turn makes future reforms more-costly and more painful.

Delaying the implementation of bold initiatives and much-needed reform programs at the right time has sadly led to the convergence of all these deteriorating problems in many countries of the Middle East to the extent that their governments or regimes are appearing to be crumbling down.

That is why these governments should get out of their state of denial as the simmering crises can no longer be postponed, or else chaos and disorder will spread as fast as the coronavirus in the suburbs of this part of the world.

In view of the above, I believe that the only hope for these countries is to work together on creating inclusive and conscious societies that believe in diversity and adopting new moderate, secular systems that are based on the respect of others, and the protection of civil liberties and religions.

Today, there is an unprecedented need in the Middle East to adopt modern and brave approaches that can produce an adapting, non-regressing religious discourse that cherishes diversity and attempts to accept the change to

move forward along the spirit and rhythm of the fast-changing world.

By the same token, leaders of the Middle East region are called upon to exercise good governance and to focus on advancing the knowledge economy for their countries, and as well, in improving the level of education, and encouraging the development of new and innovative software, and state-of-the-art digital products and services.

In summary, the depressed, gloomy political and economic conditions in this region should, and they may become able to trigger and initiate a new and virtuous cycle of change towards new horizons.

That is why, and along the above-mentioned tracks, I believe that based on the strategic position, the extensive natural resources and the vibrant population of this region, these countries will overcome the troubles of the region, so that their future prospects will become very attractive for cooperating, with many of its neighboring countries, and with the rest of the world at large.

**FOUAD SINIORA**

Former Prime Minister of Lebanon

## FROM COSMOPOLISM TO GLOBALISM

The assumption is that Zeno (335-262 BC) and his followers – the Stoics, first offered the comprehensive philosophical and political notion of the universal world state, which they named – Cosmopolis.

The Stoics viewed the all-inclusive and regulated human community on Earth as a universal world state created from humanity. Many terms used today to describe the integration of the human community and the management of its affairs on a global level, precisely originate from the Stoics.

By virtue of the Stoics, the Cosmopolis meant a global city, that is, a common and regulated human community across the planet, organized in ideal harmony with the logos of the universe (cosmos). Thereafter, this Stoic concept is also known as a world state, world republic, world empire, world government, world federation, global interdependence, global administration, global management.

Various dictionaries define “world government” as means to manage global affairs through the medium of centralized power. However, since Stoic times to this very day, as regards ideal-theoretical and practical form, a world state has not been established yet, nor a world government. A government that would have own planetary authority, appropriate functions and resources.

The present system of international relations, created by the winners of World War 2, was showing a strong tendency to be structured for dealing with issues from a presumed competence of a world government. However, the current events in the world indicate how far we are from reaching that goal.

Truly, this is one of the most intriguing issues of the modern world. Namely, on the one hand, there is unparalleled technological development, which has never happened in human history: incredible speed of communication, along with almost complete transparency as to everything that is happening in the world, with the massive increase of production of all goods. On the other hand, many things from the dark side of humankind’s nature still remain and persist: conflicts, wars, changes that we do know where they take the human civilization to. All this gives meaning to the question of whether we need and whether a world authority is possible, in this unforeseeable world that changes all too rapidly. World authority that would guarantee the peace and the wellbeing of the entire world in a just and efficient manner. Since the times of Stoics up to today, these issues largely preoccupied philosophers. However, philosophers deal with asking questions and offering directions for finding answers to such questions that are equally the most important, the most urgent and the most difficult.

The liberalism philosophers sought the solution in open borders, reduction of national sovereignty, multilateralism, multiculturalism, and everything else defined as “worldly” or global in its field of effect, and the world government, in their opinion, is the long-term end goal. Therefore, globalization is a process that is used in today’s world to gradually abolish the restrictions to the flow of goods, services, people, and ideas between different countries and parts of the world.

The goal of all these globalizers was the creation of a single world authority. The difference is, the collectivistic ideologies such as fascism, national socialism, bolshevism wished to achieve that through force, whereas liberalism insists on achieving it through the workings of the economic laws and the free-market liberalism.

Regardless of the ideological matrix of the globalizers, the globalization represented an aspiration for acquiring political, military, intelligence, production, financial, media or trade monopoly on a global scale to all of them. Therefore, it has been said that globalization is actually denationalization. Globalization raises the issue of the existence of the nation state, national sovereignty, but also the creation of new transnational identities.

The liberal individualism, building upon the positive stances of the economic liberalism, is based on the advocacy of complete freedom of the individual, on the free market with equal chances for everyone, with indifference toward the family, the nation, and religion. Since the end of the Cold War, the designated “liberal world order”, led by the USA, was turned into an aspiration toward establishing universal order, to the detriment of the national sovereignty. Therefore, we should differentiate between economic globalization and ideological “globalization” or globalism.

Namely, globalization simply means a world that is ever more connected through trade, investments, travel, and information, whereas globalism is something completely different. Globalism is an ideology that wishes a world that is exclusively based on the adoption of a sole list of rules and standards for the economy, politics, international relations, even morale. According to the ideological globalism, borders would gradually lose meaning or even possibly disappear. The cultural differences would have to be erased in the name of the “universal values”.

One could say that the concept of modern globalism has been developed in the last two centuries on the part of the greatest minds from the most famous world universities, offering it as a recipe for an ideal society. That would have been a noble and bright future without violence and crime, where everyone would have the opportunity to realize their potentials, everyone would have contributed to the common good, and there would not be room for the human flaws. In this world, society comes before the individual, and the individual makes the society ideal for the life of a perfect human. The outcome of this attempt to build a perfect society can be seen every day on any of the world media.

The world today is changing dramatically. We live in the time of Trump, Brexit, of “post-western post-order”, time of “Westlessness” (according to the Munich Security Conference 2020). According to multiple relevant authors in this area, this is a deep crisis of the neoliberal West, which provides the foundations for the globalization, as we knew it in the course of the past decades. Therefore, the interest in cosmopolitan and globalist values is declining, whereas the economic and political populism is on the rise. National sovereignty is coming back, and it is becoming stronger.

**GJORGE IVANOV**  
*Former President of North Macedonia*



*We are stronger together!*



## TWO PILLARS IN WESTERN BALKANS

In Western Balkans, in addition to the EU and the USA, other major players are Russia, China, and Turkey. A recent influence is that of new actors such as Saudi Arabia, the United Arab Emirates, Qatar, etc. It is favoured, also, by the real delay of EU integration for the Western Balkans.

Actually, Greece, Slovenia, Romania, Bulgaria and Croatia are integrated into the EU and NATO. Turkey is a NATO member, while for the other Balkan's states, in so called Western Balkans (Albania, Bosnia-Herzegovina, North Macedonia, Montenegro, Kosovo and Serbia), the two main pillars are the EU membership and the NATO accession.

### 1. EU INTEGRATION

In fact, the process of EU integration for the Balkan's countries has had different speeds. President Chirac, decades ago, has spoken for three speeds, but, as we see now, this number is bigger. It reflects, also, the attitude, problems and incoherence of EU members towards the region; their hesitation and a trend to a further delay. However, the EU accession, as an important pillar, has helped these countries in achieving the main objectives of the reforms.

In short, the timetable of EU accession for Balkans countries is as below: Greece 1981, Slovenia 2004, Bulgaria 2007, Romania 2007, Croatia 2013. Also, Montenegro started the EU accession negotiations on 2012; Serbia on 2014; North Macedonia and Albania are waiting for the start of accession negotiations; Bosnia-Herzegovina has applied, on 2016, for EU-membership, while Kosovo is waiting for the visa liberalization. Thus, actually, there are five EU candidates: Turkey, North Macedonia, Montenegro, Albania, and Serbia. Kosovo and Bosnia-Herzegovina are recognised as potential candidates for EU membership. While all countries are progressing, Turkey-EU talks are at a standstill!...

In order to join the EU and to meet all membership conditions, these countries need to strengthen the rule of law, improve their economies, and solve bilateral disputes before being a part of the EU. Thus, it was the case of Slovenia obstructing for years Croatia's accession on a disputed maritime border (in Piran bay). Another "victim" was North Macedonia, which has been held hostage both

on its EU and NATO membership for more than two decades because of a bilateral dispute with Greece, related to its name. Also, the Albanian-Serb question is not closed yet in the Balkans. For that, the concrete problem today is how to improve the Belgrade-Pristina relations in their advance to the EU integration, convincing also the five EU members (Spain, Slovakia, Cyprus, Romania, and Greece) in recognising Kosovo's state. Particularly, given the stage of the Serbian candidacy status, this process is a pressing issue more for Serbian government, than for Kosovo.

Enlargement process for North Macedonia and Albania was blocked, in October 2019, by France, backed by the Netherlands and Denmark. For many leaders, this negative decision was considered a historic error. However, for president Macron the enlargement process was "too bureaucratic" and "automatic". Actually, a new EU methodology is approved for admitting new member states, giving more powers to the existing EU members to pause or reverse the process of admitting new members, even to force these countries to restart entry talks in some policy areas.

### 2. THE SECOND PILLAR IS NATO ACCESSION.

In fact, on the security front, the region lives under the constant shadow of imbalances, unresolved conflicts which could undermine stability and integration. One of them is the internal ethnic and religious division in Bosnia-Herzegovina. Another unresolved question is the recognition of Kosovo's state by Serbia. Also, Serbia, having a better economic performance, could create

further imbalances related to the neighbours. For that, all these countries must accelerate their EU reforms. Instead of fulfilling all the demands for the EU integration, any tentative to create a kind of artificial Mini-Schengen among the Western Balkans' countries could be negative, even heavy or prohibitive. Very dangerous could be, also, any tentative to change the borders. In fact, by calling into question the legitimacy of Bosnia and Kosovo's existing borders, Russia hopes to create an opportunity to raise a new discussion of borders with its Western interlocutors. In this context, Russia would likely broach not only the status of Crimea and Donbas but perhaps, also, a part of the Baltic region.

However, during decades, in Balkans, to prevent or avoid a new political radicalization and ethnic polarization, it is applied a clear strategy led by Washington, grounded on three pillars: 1.counter-subversion (in monitoring and combating main security threats, including corruption, crime and terrorism); 2.national security (in bolstering it, under the NATO umbrella, or according to NATO standards); 3.regional security collaboration in boosting the credentials for both NATO and EU membership. However, wanting a better Balkans and building a better Balkans are two different things. In the end, what we need is a strong balance among the

partnership is a key component for the Western growth and governmental responsibility across the Western Balkans. Under this optics, a permanent US military presence in south-east Europe remains necessary for the region stabilization. Camp Bondsteel in Kosovo is ideal for this purpose. Also, a strong transatlantic Balkans.

In fact, during decades, the order of NATO joining is as below: Greece, 1952, Bulgaria, Romania, Slovenia 2004, Croatia, Albania, 2009 and Montenegro 2017 (the 29th member of NATO). North Macedonia is expected to join NATO in early 2020 ; while Serbia has had slow progress in building a NATO partnership, being, at the same time, the only ally of Russia in the military field. (It has an agreement of cooperation with Russia in the defence and security sectors). For Bosnia and Herzegovina, NATO (committed to the territorial integrity and security of the federation) fully supports the aspirations for its membership. In Kosovo, NATO, primarily through KFOR, is contributing also to the stability and security, helping and supporting the development of security institutions, including the Kosovo's Armed Forces. For a better stable and peaceful region, in my view, the accession to NATO of Kosovo and Bosnia must be accelerated, developing, at the same time, a new positive approach to Serbia integration.

**REXHEP MEIDANI**

Former President of Albania



# USA & NEW EUROPE

The United States has played an invaluable role in defending democracy and freedom in Europe during the 20th century. The role of the United States has not diminished today. Rather the opposite. Europe and the United States are stronger together in addressing global challenges that we face, as the international landscape has become more uncertain and volatile. Military build-up and manoeuvres, along with hybrid threats and cross-sectoral security risks, like climate change and maritime safety, have become a reality of the security landscape on both sides of the Atlantic.

There is also a shared understanding that the Europeans should do more for their own defence and security, as well as to promote peace and stability in the neighbourhood. Therefore, a closer EU defence and security cooperation has been high on the EU agenda in the recent years and has resulted in a number of new initiatives that mainly aim at strengthening EU's civilian and military capabilities. As EU member state, Latvia sees these efforts as contributing to greater burden-sharing in transatlantic security as well. Yet, NATO and US presence in Europe remain the key elements of the European defence.

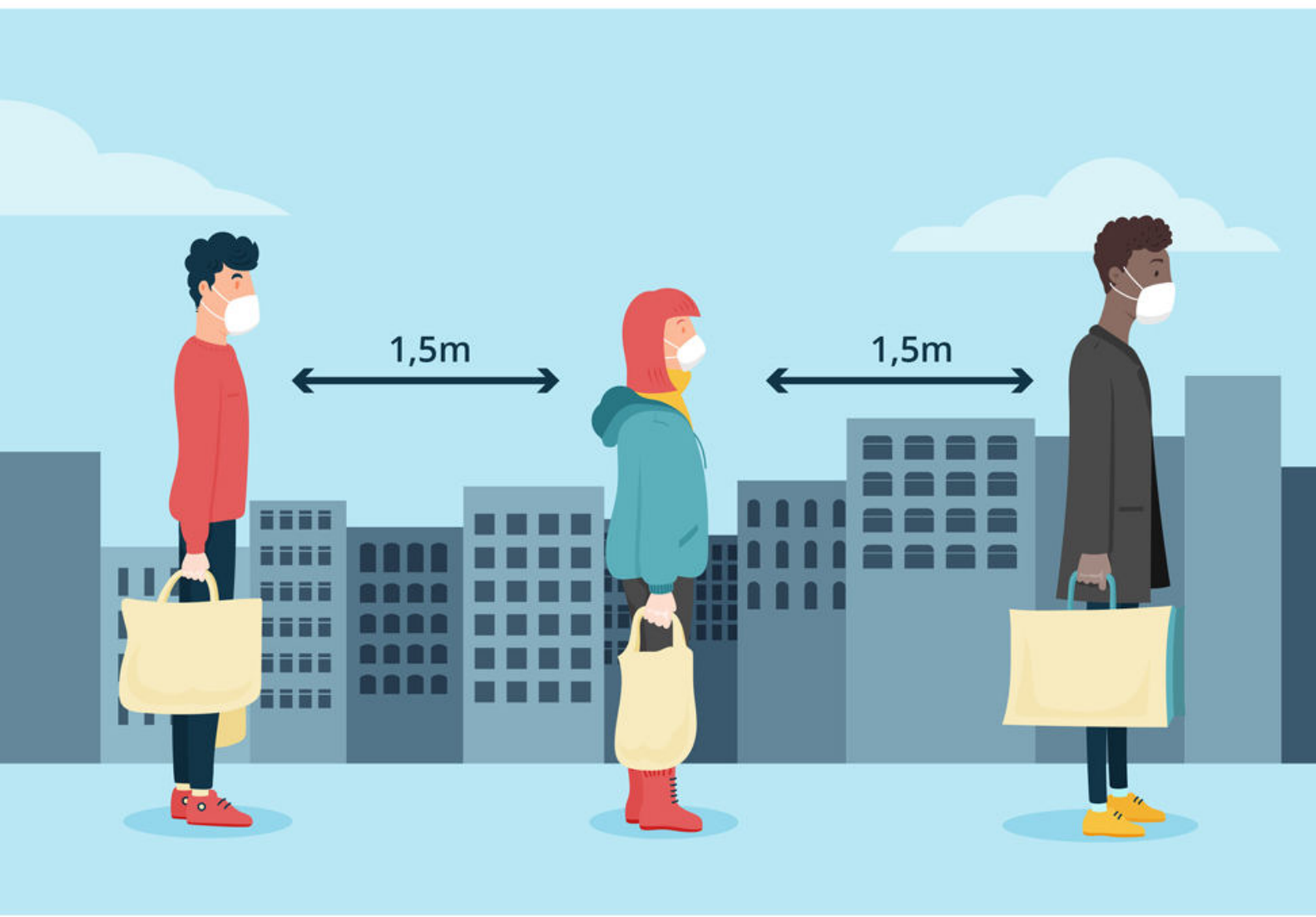
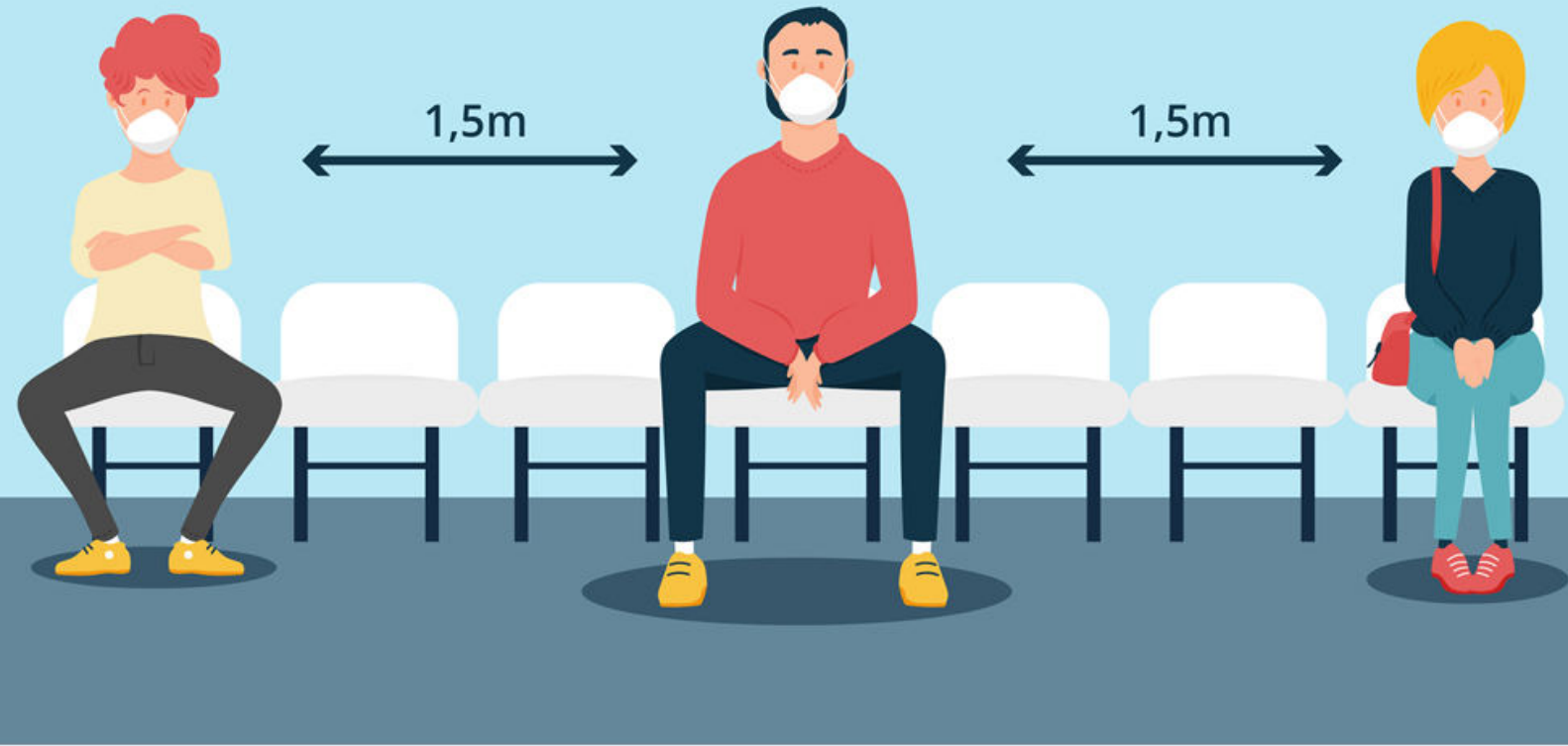
In a broader perspective of the security architecture, it is not the existing security structures, but persistent lack of political will that prevents addressing the prevalent security challenges. The Helsinki Final Act and the Paris Charter continue to be the fundamental cornerstones of the European security architecture. Their importance has only grown due to current security realities and increased tensions. Repeated breaches of such constitutive principles of the European security architecture as sovereignty and territorial integrity by certain states to further their own aggressive foreign policy goals are unacceptable.

The only constructive way of decreasing tensions in Europe and rebuilding trust is the observance of international norms, allowing for an equal playing field, guaranteeing sovereignty and security for all parties involved.

**RAIMONDS VEJONIS**  
Former President of Latvia

# SOCIAL DISTANCING

## COVID-19





# IT TAKES A GLOBE

As economic globalization connects the world as never before, communicable diseases have increasingly become prominent, non-traditional security threats. The ongoing COVID-19 outbreak is a severe test not only for China but for the world as a whole.

Under the leadership of the Central Committee of the Communist Party of China with President Xi Jinping at the core, the Chinese government and people have mobilized resources nationwide in a swift response to the crisis. China's efforts have also enhanced the collective work of combating the coronavirus around the world. Here are my observations on foreign policy and international cooperation since the outbreak:

First, China has a deep understanding of global governance and the building of a community with a shared future for mankind. It is an integral part of a global village in which every country is closely interlinked. Coping with communicable diseases is part and parcel of the global public health system and public health governance.

As a major responsible power, China is keenly aware of the importance of global cooperation when it comes to public health. Since the onset of the coronavirus epidemic, China has taken

an open, transparent, cooperative, and responsible approach. It is actively working with the World Health Organization and affected countries and is releasing timely information to the international community, among other measures, to contain the spread of the virus. Leaders from more than 160 countries and international organizations have expressed their solidarity with China. Dozens of countries have made donations of needed goods. The Chinese government and people are grateful for the warmth and generosity, and they have boosted China's confidence that it will prevail soon.

In the two months since the outbreak, President Xi has talked with many heads of state and government and has been moved by their support. Apart from governments, members of the general public have gone out of their way to donate medical supplies to the Chinese people. The business community, media groups, NGOs, and individuals have contributed to grassroots diplomacy.

While politics and economics continue to dominate the process globally, a wide variety of challenges — for example, in the arenas of public health, environmental security, natural disasters, and cybersecurity — have become more acute, as the coronavirus has eluded containment partly because of the



interconnectedness of nations. Nowadays, non-traditional security threats seem to dominate the day-to-day world, compared with the traditional wars and military conflicts of the past. Diplomacy needs to reach across different dimensions and sectors to cover various aspects of global governance.

The WHO is at the heart of global public health governance and is an effective platform. But for reasons known to all, the global governance deficit is expanding, and some major powers have retreated from the objective of providing for the public good. The public health sector is no exception.

The COVID-19 epidemic has prompted the world to turn its eyes again to the WHO and to recognize its central and essential role in dealing with global public health emergencies. We should respect the science-based decisions made by the WHO in coping with the latest emergency and render firm support.

The 2008 global financial crisis provided the sober lesson that no country is an island. The tide either lifts all, or everyone perishes together. International cooperation, including fiscal and monetary measures, tided the world over through an unprecedented economic meltdown.

Now, the outbreak of COVID-19 has jolted our collective memory. China, for its part, has been cooperating closely with experts around the world to effectively contain the spread of the virus and cope with challenges effectively. Last year, in the same spirit, China worked closely with the WHO to provide assistance to African countries hit by the Ebola virus, including dispatching medical teams and sending medical supplies, providing a strong testament to the importance of global cooperation in public health.

Cooperation with other major countries and neighbors is vitally important. The different attitudes of the United States and Japan are revealing. The Trump administration sees China as America's "main strategic competitor."

The dynamics of China-U.S. relations has shifted from competitive but friendly cooperation to a relationship defined mainly by more harsh competition.

The U.S. is typically two-faced in its stance on the COVID-19 epidemic in China. On the one hand, the business community, charitable organizations, and individuals have made generous donations to China and engage in other forms of cooperation. On the other, there has been no letup from U.S. political quarters in pursuit of "decoupling" from China. An array of measures has been rolled out, including delisting China as a developing country and imposing long-arm jurisdiction on more Chinese companies. Secretary of Commerce Wilbur Ross even went so far as to claim that the coronavirus epidemic would help in "reshoring" manufacturing — bringing operations back to the U.S. The Wall Street Journal has published articles replete with bias and anti-China smears.

The U.S. is in the midst of an election cycle, which has substantial implications for both domestic politics and foreign policy. First, many voters want to elect candidates who can protect their wealth so that economic policies will be front and center this year. Second, political dynamics will be at the mercy of election politics and will become more fluid. Third, China-bashing is a standard fixture in U.S. election years as a tactic for both parties to rally support and get votes.

Japan, a close neighbor, has provided substantial help to China in the fight against the novel coronavirus, including donations of medical supplies, and the Chinese government and people acknowledge the precious support. The Republic of Korea, Cambodia, and other neighboring countries from East and South Asia have shown similar passion and resolve for regional cooperation.

China has felt keenly that global governance derives its momentum from regional cooperation, and that international cooperation is grounded in regional cooperation. Strengthened cooperation in

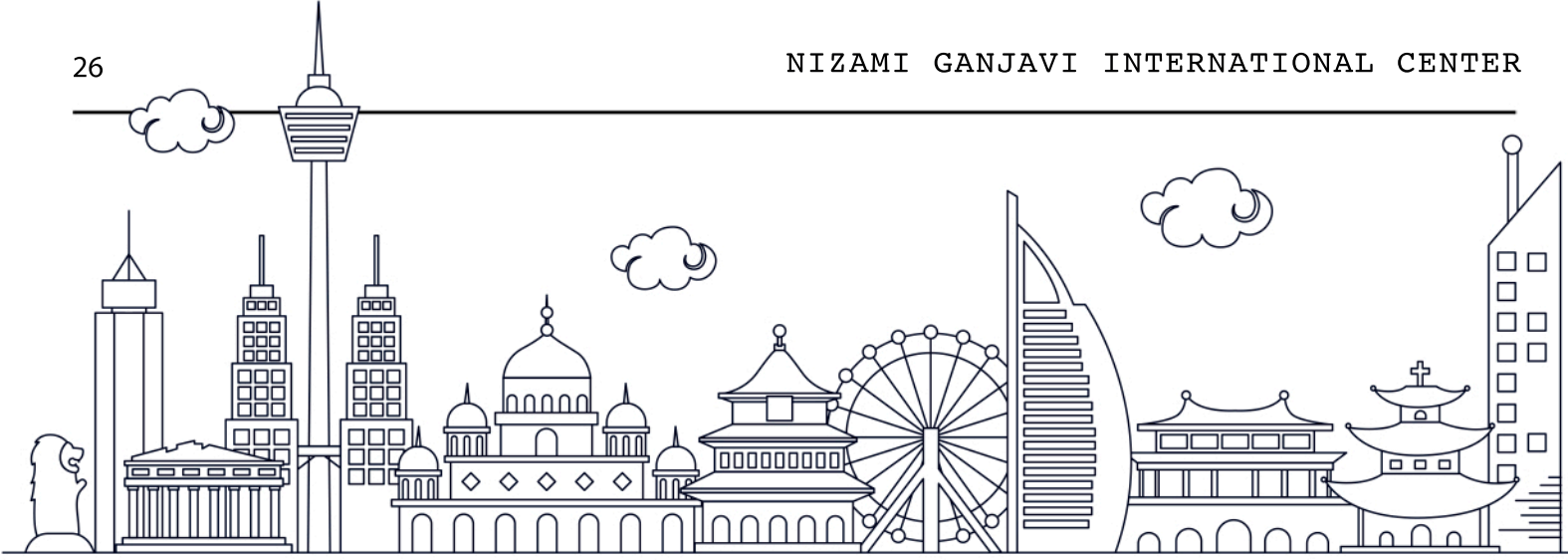
economy, culture, public health, tourism, and education will add building blocks to the community of East and Southeast Asia, thereby developing a protective buffer zone to fend off negative spillover in the larger geopolitical tug-of-war.

Last but not least, the coronavirus epidemic respects no border. Cooperation is the only answer. As major powers in the world, China and the United States should step up their cooperation for a swift solution because the opposite will only serve to make things difficult, which is an irrefutable truth. Both countries have learned valuable lessons and have the experience to share with regard to shoring up the global public health system and containing communicable diseases. It is in the long-term mutual interest of both countries for the U.S. to overcome its geopolitical impulses and "strategic anxiety" over China's development. The two countries can explore setting up a coordinating mechanism for public health and communicable diseases, either under the WHO or as a bilateral interagency cooperation mechanism.

Moreover, the two countries should consider setting up research programs and intensifying exchanges between hospitals, doctors, and research experts. Given the possibility of a future outbreak, China and the U.S. should share the responsibility to fight it together, irrespective of its country of origin, and contribute to the health and safety of the general public around the world.

**HE YAFEI**

Former Vice Minister of Foreign Affairs,  
People's Republic of China



## CHALLENGES & FUTURE OF ASIA

Just within one generation, Asia achieved tremendous growth, which the world has never seen before. Spearheaded by China and joined by India, this unprecedented growth took out of poverty hundreds of millions of people. Asians are now living longer, get healthier and richer, more educated than ever.

However, millions of people on the continent are still suffered from poverty, hardship, deprivations, and humiliation. There are social inequality, environmental degradation, food and water insecurity, shortage of energy, and poor access to infrastructure. Which pose fundamental challenges for societies. Some Asian countries and their regions, like Afghanistan or Kashmir, are in the conditions of conflict or war, which make situations even worse, sometimes close to complete despair and helplessness.

These are two faces of Asia. One bright, confident, and full of hope, and the other poor, deprived and neglected. What is alarming is that growing richer, the continent became even more unequal.

Asia is enormously diverse but is still located on one continent. Thus it must be interconnected and interdependent. Regional and sub-regional cooperation and openness, trade and efficient communication must be the priority for the continent to cultivate. It is essential that Asia will develop strong national and regional institutions, which will stimulate sustainable economic growth, improve social inclusion and justice, welfare for its citizens.

Both short-term challenges, as China's fight against the Novel Coronavirus Pneumonia (NCP), and medium - to long - term challenges, like a war in Afghanistan and conflicts in Middle-East, Yemen or Kashmir must be tackled.

Special words have to be said about the development of Central Asia. First, on a positive note: after the break-up of the Soviet Union, the Central Asia region enjoys peaceful and stable development during the last 30 years.

However, one has to be critical. To the outside world, the region looks like five silent and sometimes unfriendly entities. Let's look into the economic realities. The most recent IMF estimate shows the region's GDP is below of Chile or a tiny Singapore. So, the Central Asians must be modest and work hard to get closer to each other and sort things out themselves.

Among the priorities should be economic growth. Countries must focus not on differences, but on economic pragmatism. Thus, the solution to sustainable development is quite simple. First of all, the Central Asians must be united, and to be able to build the common market.

What is the news from the region? The confluence of three recent developments – new leadership in Uzbekistan, the formation of the Eurasian Economic Union (EEU), and acceleration of the Belt and Road Initiative (BRI) – could bring significant socio-economic benefits to Central Asians through the free flow of labour, capital and goods.

**DJOMART OTORBAYEV**  
Former Prime Minister of Kyrgyzstan

The pandemic of COVID-19 has clearly proven the ability of governments to take dramatic measures to mitigate an existential threat, as well as people's ability, at least in the short run, to adapt to new restricted lifestyles imposed by these measures. A second message is that the timing of the enactment of measures is crucial for their effectiveness in saving lives. A third message is that the response to COVID-19 came from national states, while International Organizations lack in terms of explicit imminent response.

The measures that can help solve the health crisis can make the economic crisis worse and vice versa. The aim of health-related measures (mainly strict social-isolation) is to spread the pandemic out over time, to "flatten the curve of the pandemic". Flattening this curve buys time for drastically raising the capacity of the healthcare sector: more beds, more ventilators, more facemasks, more tests, more healthcare professionals, more vaccine funding, more testing, more tracking. Flattening the infection curve, however, inevitably steepens the macroeconomic recession curve and puts in danger all supply chains, including those crucial for human survival (food and medicine). A modern socio-economy is a complex web of interconnected stakeholders and supply chains: workers, businesses, suppliers, consumers, technology providers, civil society, financial institutions, policymakers, politicians. Strict isolation measures lead to the shutdown of this complex web and threaten to destroy the linkages that allow the socio-economy to function.

How can we avoid the pandemic turn into a major economic and financial crisis that will long outlast the health crisis? The first economic priority should be to ensure that the workforce remains employed even if quarantined or forced to stay home. Second, governments should channel financial support to public and private institutions that support vulnerable citizen groups. Third, SMEs should be safeguarded against bankruptcy (the need for taxpayer money to support large nonfinancial corporations is much less obvious). Fourth, policies will be needed to support the financial system as nonperforming loans mount. Fifth, fiscal packages, comparable to the crisis related loss of GDP, will have to be financed by the national debt.

Should we worry about the level of debt? Yes, to the extent that is possible, we want to avoid another debt crisis, but most importantly, we want to avoid an unsustainable recovery after the end of the pandemic. For the latter, we should make sure that finance is disproportionately directed to those with a socially, economically, and environmentally sustainable profile or at least those that commit to transmitting towards such a profile in the medium run? As I will explain below, this is our only hope for avoiding reoccurring existential crises, and as such, it should attract national and international consensus.

Importantly, there is serious scientific speculation that COVID-19 might be connected to the climate crisis and the related loss in biodiver-

## NEVER WASTE A GOOD CRISIS:

sity. Deforestation drives wild animals closer to human populations, increasing the likelihood that zoonotic viruses will make the cross-species leap. Moreover, the Intergovernmental Panel on Climate Change warned that global warming will likely accelerate the emergence of new viruses. What one cannot help but notice is that the response to the COVID-19 pandemic is very different from the lack of effective action on climate change, the other existential crisis of our times. One should ask why.

As communicated by scientists, climate change has the potential to end up killing more people than COVID-19, but the deaths reference of this crisis is hidden in the jargon as "increased frequency and severity of natural disasters" and is spread over decades. These characteristics make the wider communication of climate change as an existential emergency, challenging. To add to the difficulty of effective policies against climate change, they require international cooperation stabilizing climate requires all nations to reduce their emission, which seems to be much more demanding than unilateral national policy decisions.

On the other hand, there are aspects of the climate change crisis, which are easier than the COVID-19 crisis. As Thomas Sterner (2020) puts it, the climate crisis requires policy changes that are less disruptive, economically, socially, and culturally, than the measures being taken right now to tackle COVID-19. For example, GHG emissions could be dramatically reduced through a gradual affordable alternative fuels, green-technology, and the relevant infrastructure to support their increase in a worldwide-agreed carbon price, combined with the increased availability of use at a massive scale. Such policies, if implemented efficiently, could be imperceptible in the daily lives of most people and businesses.

Recent generations, including ours, lived -and are still living- through at least four global crises: the financial crisis 2007-08, the Great Recession during the late 2000s and early 2010, the climate crisis, the COVID-19 crisis. If we continue attempting to face each new crisis with the same socio-economic model that gave rise to the crisis, we will fail to find a sustainable and resilient socio-economic-environmental pathway. In downturns, as Darwin surmised, those who survive "are not the strongest or the most intelligent, but the most adaptable to change."

I believe that we can even do better than just reacting to crises by adapting to the new crisis-born reality. We can use the science -as we are using science currently to design measures to restrain the diffusion of COVID-19- the threats of climate change, biodiversity loss, and pandemics. Following the 2008 financial

## FOR A SUSTAINABLE RECOVERY FROM COVID-19

crash, we saw public funds flow. COVID-19 to design economies that will mitigate disproportionately to polluting industries and to society's most wealthy. This must not happen again. We must start investing in what makes our socio-economic system resilient to crisis, by laying the foundation for a green, circular economy that is anchored in nature-based solutions and geared toward public wellbeing.

Now is the time to usher in systemic economic change, and the good news is that we have our blueprint: it's the combination of UN Agenda 2030 (17 SDG) and European Commission's European Green Deal. Now is the time, for financial institutions and governments to embrace EU taxonomy for sustainable investments (2019), to phase out fossil fuels by deploying existing renewable energy technologies, eliminate fossil fuel subsidies -amounting to 5.2 trillion per annum- and redirect them to green and smart climate mitigation and adaptation infrastructural projects, invest in circular and low carbon economies, shift from industrial to regenerative agriculture, exploit the limits of the digital revolution and reduce transportation needs.

A decisive march along this sustainable pathway will enhance economic and environmental resilience, create jobs, and improve health and wellbeing in both rural and urban communities. The transition should be inclusive and "leave no one behind", that is why finance should be directed not only to those who are sustainable or have the potential to become sustainable, but also those who are willing to commit and be monitored henceforth, to learning how to become sustainable.

Never waste a good crisis!

# Coronavirus and UN Reform

## LEADERSHIP QUANDARIES

The Coronavirus pandemic has thrown seeming chaos across our world in only a matter of three months. As we approach the 1 million caseload mark, and the 50,000 fatality mark, the angst of millions cries out to be heard, and leaders must respond. The UN estimates a decline of at least 1 per cent of global GDP, and the International Labor Organization has estimated that the outbreak will eliminate between 5 million and 25 million jobs this year (which may be a very conservative figure). The UN Conference on Trade and Development estimates global foreign direct investment will fall by 30 to 40%. The dramatic falls in national taxation revenue from the cutbacks in economic activity across the world – at a time of enormous fiscal stimulus for safety nets – will deeply affect the future ability of governments to sustain service delivery, and risks undermining the post-COVID19 recovery efforts.

Talk of a global recession is yielding to the pessimism of a great depression. And the structural consequences of political disarray and nascent conflict may soon appear. Hence the UN Secretary-General's call for a universal ceasefire could not be more urgent or important. The world's non-combatant militaries are already being pressed into civil defence modes as additional forces for domestic security as well as assets for emergency response.

The morality, integrity, intelligence, and wisdom of the world's leaders has never been so important since the foundation of the United Nations 75 years ago. Yet many of the most powerful leaders seem singularly incapable. Can they be redeemed? Can they rise to new challenges and alter their outlook, behavior, and command?

When one considers the United Nations and multilateral institutions in general and the paroxysm the world is undergoing right now, with all of the various challenges of pandemic, prospective recession/depression, populism and an aggressive/defensive resort to surveillance and mass control, many other questions spring to mind: what kind of challenges do leaders face today whether in public service, private sector, or civil society? They are certainly not the kinds of challenges they would have faced one year ago, let alone 10, 20 or even 50 years ago. What are the quandaries of the choice they face? What kinds of competencies must they have in order to perform well?

Therein lies a problem straight away: political leaders are not subject to any form of competency testing, unlike many military and civilian positions, and indeed UN field representatives/coordinators. Politicians gain leadership positions by a variety of popular appeal processes like elections, or sometimes through plainly corrupt practices of patronage, influence-peddling, or corporate lobbying. They are not subject to psychometric testing and various types of competency assessments. If we applied these tests to some of the world leaders that we have today, some would fail, fail abysmally, and rightly so.

And as for implications at personal and social levels – are we cultivating leaders who rise to the challenges of today? How can we better harness the energy, creativity and productivity of young people to better address the world's global problems?

If nothing else, if we cannot replace some of these ill-equipped leaders, we must appeal to them, forcefully, to be guided by those who know intimately the guts of our problems and challenges. This is no time to squabble over “fake news” and media strangleholds. Yes, there are issues of market concentration in that sphere, and this will be dealt with in a moment. But for now, it is time for a free and independent but socially-responsible media, but also for true scientific expertise, of world-renowned professionals, such a Nobel Laureates, or those involved in the Bulletin of Atomic Scientists, as well as the world's top global specialized agencies, such as WHO, to be restored to the pedestal of respect from which misguided populism has usurped them. There are checks and balances in the

world of expertise, from peer-review to critical appraisals, that serve to filter out the nonsense and lend credence to the accuracy and objectivity of real science. Leaders must be guided by legitimate expertise, not by ideology let alone populist rhetoric and certainly not by corporate greed. This is a time for the best of science and wisdom to be brought to the fore in guiding leaders to make the right choices and take the right actions in the proper time for humanity.

It is for reasons such as these that the UN General Assembly has declared 5 April 2020 as the International Day of Conscience. It must start at the top. Leaders must show the way. They must change, for the better, and do it now.

A few months before he passed away, the late Kofi Annan, former UN Secretary General, shared insights with a last meeting of UN retirees in Geneva, in May 2018. These insights focused on his use of his “good offices” (his good faith) the soft power of the person of the Secretary General as an individual in brokering inter-party, interstate, understandings and cooperation, e.g. brokering individual agreements with particular countries around the thorny issues, such as in the Middle East peace process, post-conflict stabilization in Lebanon, conflict resolution in East Timor, or whatever. But earlier, drew out five lessons that he conveyed as he concluded his term as Secretary General:

- *First of all, we are all responsible for each other's security. No nation can make itself secure by seeking supremacy over all the others.*
- *Secondly, we are also responsible for other's welfare;*
- *Thirdly, security and prosperity depend on respect for human rights and states must play by the rules and expand respect for the rule of law;*
- *Fourthly, governments must be accountable for their actions;*
- *And fifthly, multilateral institutions such as the UN must be organized in a fair and democratic way, giving the poor and weak some influence over the actions of the rich and the strong.*

On the latter point, during his tenure as Secretary-General, some work was done in the 1990s on a number of UN reforms, but dealing with the internal structures of the UN, where we rationalized some of the divisions between peace and security, and humanitarian action and development. But we did not manage to reform the UN Security Council, which is perhaps the biggest challenge, and it's not something that the UN Secretariat and UN staff can do: it's something that depends intrinsically and essentially on the good will and consent of the member-states.

With the outbreak of the Coronavirus pandemic; however, the relative silence of the UN has been deafening. Apart from the WHO, and a few other agencies, and some statements by the current Secretary-General, Antonio Guterres, there has no forceful aspect of dominant leadership by the UN in this civilization-threatening pandemic. Political expressions have been short-term, with few looking beyond. The Security Council is effectively dormant, albeit recently voting by email on peace-keeping matters. It has addressed human security before, but why not now?

This is a dramatic abnegation of global responsibility by the leading member states, notwithstanding efforts by the G-20 to shore up economies with billions if not trillions of fiscal provisioning for pandemic economic holding patterns.

## ELEMENTS OF A POST-PANDEMIC VISION

Apart from the short-term emergency interventions, and the immediate prospective post-pandemic recovery priorities for human security and economic re-ignition, there are some other opportunities, indeed imperatives, that should now be addressed for quantum change in international relations and global affairs, and not least focusing on restorative resilience. These include reform of global multilateral institutions, both UN and BWI; conflict resolution; climate change; corporate regulation; market diversity and competition; and recovery of SDG progress. The UN Secretary-General's latest report, Shared Responsibility, Global Solidarity – Responding to the

socio-economic impacts of COVID-19, lays out some of the issues that must be addressed. But it does not go far enough.

In this regard, there are two important aspects of our global future:

*Firstly (up until the upset caused by this COVID-19 pandemic) the trends which our current information tells us about evolving situations, where are we going with the environment, where are we going with global finance, where are we going with security and militarization. Where are we going with politics? And, how has Coronavirus impacted on all of this?*

*Secondly, there are the aspirations, the visions of how we want our world to be idealistically and normatively.*

And here are two important aspects there for UN reforms:

*Firstly, there are the structural aspects, what re-design we need to do to make it more fit-for-purpose? And,*

*Secondly, the institutional managerial aspects, how are we going to manage the system, to make it more effective?*

Recent globalization is an ineluctable consequence of our planetary progress, but one which had already proven problematic if left to the vagaries of liberal markets, and which already required some measure of redress in those cases where disparities are paradoxically widening. These disparities, between rich and poor, between advanced and least developed economies, are now going to be dramatically sharper, not least as a result of the massive unemployment and work-suspension around the world. Emergency fiscal and social safety net measures notwithstanding, we can expect a dramatic decline in SMEs and in self-employment. The UN estimates the global economy could shrink by at least one per cent. But some national economies will shrink by ten per cent or more.

Until this pandemic struck, more and more people everywhere were enjoying better lives than ever before<sup>2</sup>. This was the unsung success of globalization; this was the success of multilateralism - and of the United Nations. We haven't had a world war since 1945 - although we had a lot of regional wars. But not only have human development indicators risen, there has also been a long-term historic decline in the rates of conflict and violence. That does not mean people realise it or are content - through revolutions in education and information, expectations have risen faster than inter-generational improvements. But maybe that confidence is now shattered. The self-isolation, shortages, job losses and lockdowns have savaged consumer confidence, and undoubtedly will alter people's expectations for the future.

Notwithstanding taxation losses, state intervention will bring the relative reinforcement of government per se, and the relative weakening of corporate influence - which may enable the fight against corruption to be significantly accelerated, although large releases of funds, "helicopter money", has its own risks in enabling corruption. Government and its effectiveness has not been so important in a very long time. Where does this bring us, and what are the opportunities in this?

### THE CHINESE CONUNDRUM

In this regard, whilst China represents huge risks of scale, as the COVID-19 pandemic reveals, not least due to its trend towards greater social control, at the same time, its modernization by adopting much of Western technology and culture, whilst preserving its own, indicates that it is tending towards a measure of great global compatibility, amplified by its One Belt One Road (OBOR, also known as the Belt and Road Initiative: BRI) and outward investments - an increasingly recognised win-win platform for international cooperation, and its huge surge in support for UN peacekeeping. Up to now, peace worked better than war for China's future, and stability of the international order lay at the core of its

foreign policy, regardless the marginal flexing of muscle that its interests reflected, e.g. in the South Asian Sea, on Hong Kong, on Taiwan, or in its rising defence expenditures - or for that matter its latest "pandemic diplomacy" offering materials and medical expertise to other countries. Legitimate concerns also include the aggressive promotion of Huawei 5G technology and its efforts in the ITU to enable a "new IP" that would restrict internet freedom and impose government control and censorship<sup>3</sup>.

A number of countries have also become very concerned about the strategic nature of some Chinese investments, especially where they are in areas that could be considered to be a vital national strategic asset, e.g. in ports such as Piraeus in Greece. And there are also issues arising in terms of the trade-offs, that poor countries, e.g. in Central Asia or Africa, benefiting from these Chinese investments - have to make to the extent that they are indebted, in terms of what they will say and will not say about China, assuming a non-critical approach. And so, these are issues that are on the scale of the very large investments that are being made. But China is so far in principal very committed to multilateralism, and is very committed to the reform of the UN Security Council. Assuming it can maintain domestic stability, there is little reason to believe that China will not continue on its own chosen path of socialist modernization, but without comparable openness, inclusivity, and democracy notwithstanding its drive to ecological sustainability and enhanced connectivity with the rest of the world. It seeks not to replace the current world order but to see it improved and expanded, albeit with substantially greater Chinese influence.

### CORPORATE POWER

Another element for consideration is that global conglomerates are increasingly moving to exploit non-national resources, i.e. the global commons of ostensible planetary ecosystems and public goods that lie outside individual national sovereignty, for example, in the ocean and in Earth's orbit and outer space. Both of these global domains are already massively littered with debris, from satellite discards to floating masses of plastic, and even worse kinds of noxious environmental waste<sup>4</sup>.

Climate change will also open up new investment opportunities in the Arctic and Antarctic, which will be mismanaged unless a proper global legal regime is adopted for enforcing corporate responsibilities, state or private. Unfortunately, not least given its massive interests in the Arctic, Atlantic and Pacific oceans, the USA has still not ratified the UN Convention on the Law of the Sea (UNCLOS), nor participates in the International Seabed Authority (ISA), although exploration companies based in China, France, Germany, India, Japan, and Russia all have substantial contracts to exploit the oceans<sup>5</sup>. However, although UNCLOS and the ISA may be necessary, they are insufficient in scope and authority as instruments to adequately regulate MNCs (multinational corporations), and it is of little benefit if the source of the largest amount of global corporate capital, namely the USA, abstains. Inter-generational equity warrants a new mandatory ethic of sustainable corporate stewardship, and in many cases, remediation.

For these and other reasons, not least the loss of confidence in the good intentions of digital giants and their massive accretion of obscure power and social control, we need to regulate global corporations. Notwithstanding the important shift by the American Business Roundtable in August last year to move away from a focus on shareholder primacy towards stakeholder interest and corporate social responsibility<sup>6</sup>, corporations have not generally been regulated on the global scale, notwithstanding voluntary OECD and UN codes of corporate conduct such as the Global Compact. There was a famous Barcelona traction case in international law, decades ago, but we need to have a global regime for global corporations, and it needs to be something that recognizes their quality in some sort of international legal personality, and at the same time has some enforcement mechanisms. This is very tricky, but it's somewhere that we actually do need to go. A number of NGOs and other think-tanks

We also need to do more to regulate competition - a key issue is market concentration, the extent to which market share has recently been gradually absorbed by fewer and fewer companies. When this takes place is that there is a whole set of problems that arise, a loss of competition and distortion of markets first and foremost, a constraining of entrepreneurship and innovation, and network effects which give those dominant companies particular benefits over others, and before you know it the monopolies are dominating practically everything. And this should not be the case. Although there was the famous Standard Oil case about hundred years ago in the United States, we are seeing very little of this tackling of monopolies taking place today, and we need to do much more about it. Now, national authorities for competition in the EU, certainly in my country, focus much more on consumer rights than on market share issues. And the EU commission has been doing a lot in that area for the EU, but on the global level, we need to do more.

Another aspect of the global commons relates to bio-ethical standards and in particular the appropriation of ownership of naturally-occurring genetic material, e.g. of rare species with benefits for human health, or of genetically-modified organisms. The field of globally-scoped artificial intelligence and cyberspace, and especially the activities “digital giants”, not least in regards to wielding political influence, and in harvesting private personal data, also requires a global regulation, including protections for personal digital privacy.

There are two important aspects to this therefore: (i) the need to develop a global legal framework or convention on the international legal standing of multinational/global corporations, their rights and responsibilities, with an obligatory code of conduct and enforcement; and (ii) to adopt global and national regulation of competition, to prevent market concentration and state/regulatory capture; and both of these regardless the national, international or planetary nature of the domains exploited.

### UN REFORM

Now, for the question of the UN reforms. To talk about aspirations, we had the UN Charter back in 1945, and the Universal Declaration of Human Rights in 1948, and then there was something extraordinarily important that happened about 20 years ago, when all UN member states unanimously adopted what was called the Millennium Declaration, with a host of targets and things that needed to be done<sup>7</sup>. It was a unique document, it went way beyond what the UN Charter talks about, and it was much more specific about things like civil society, the right to protest, the right to civic participation and political decision making, and the right to democracy itself. And all countries adopted this. But it was very quickly blown out of the water by 9/11, the terrorist attacks in New York and Washington, which tore the focus away from the multilateral financing of the Millennium Development Goals (MDGs) and indeed from the systematic implementation of the Millennium Declaration, and instead towards the security agenda of the so-called “War Against Terror”.

But an important part of the Millennium Declaration was the 8 Millennium Development Goals. We made some progress in achieving these by 2015, and in 2015 we reformed them to create 17 Sustainable Development Goals (SDGs), in the “2030 Agenda for Sustainable Development”<sup>8</sup>. And of these sustainable development goals (to be achieved by 2030) although it says “development”, we have managed to stretch the definition of development, to make it a little bit more political in terms of human rights issues, fundamental freedoms, political participation issues, accountable institutional building, capacity-building, and we got it accepted by the member states, which is good, because otherwise if it was too political and it looked at “governance”, we would have the objections of the “Group of 77” countries, the old non-aligned movement, some of whom would have been against it. The targets for SDG number 16 “Peace, Justice, and Strong Institutions” are particularly important for civic education, human rights, and good governance.

What’s important about this is that the implementation of these Sustainable Development Goals takes place at country level by the combined efforts of government, civil society, and the private sector. And in most of the countries that require

assistance from the United Nations to do that, the local UN agencies are now increasingly coordinated by a country-based UN Resident Coordinator. This is a very important internal structural reform, but it is an improvement in the way of doing business more than anything else.

The key issue in terms of a bigger structural reform of the UN has to do with the UN Security Council. Where the Security Council is concerned the important thing is that there were many studies done over the decades about how to do various systemic reforms to global governance, with special global commissions producing key reports and recommendations that led to global UN summits on the environment, health, education, women’s rights, etc. as well as Nordic and other studies on UN System reform including of the Security Council. In 1993 they started an intensive process, and 11 years ago they made another little bit of an impetus, but it was led by Afghanistan and Libya, and by Italy - they didn’t get very far with that leadership, but not for those reasons. And those poor countries are not quite what they were - Italy lately traumatized by this pandemic, and Afghanistan as conflicted as ever.

In any case, there is now more of an effort being made, and if you want to know where it stands, read a document called “Revised Elements of Commonality and Issues for Further Consideration - On the question of the equitable representation and increase of the membership in the Security Council and related matters”<sup>9</sup>. This is a document that came out in 2018, and it is a good summary of where things stand at the moment. Its final version was circulated to member states by the President of the UN General Assembly on 7 June 2019, with an intention to subsequently circulate a draft decision for adoption by the General Assembly in due course, urging a comprehensive reform of the Security Council. So this is the latest, but these moves are very slow, although some progress has been made. It is important to understand that to reform the UN Security Council there is a two-stage process: (a) it requires to have 128 member states - out of a 193 - to agree on what those reforms will be, and that’s very difficult to obtain, i.e. the UN General Assembly has to ratify it by two thirds, and then (b) it needs to be ratified by parliaments of two-thirds of the member states. Only then and thus can the UN Security Council be reformed. It is easier to reform the European Union than it is to reform the UN Security Council. But we will get there eventually.

The principal issues being reviewed for the reform the UN Security Council are: the categories of membership, the regional representation, the use of the veto, the working methods, and also the relationship between the Security Council and the General Assembly. The criteria being applied are that it should be transparent, accountable, representative, democratic, and accessible for members. The big issue is regional representation, as there was a longstanding debate as to whether the European Union should itself have a seat, but all seats have to be sovereign states, so it’s not possible for a non-state actor to be a member. With the criteria of membership, we are also concerned with permanent membership status, looking at the size of a country, the population, the economy, the extent to which it supports the UN budget historically and the extent to which it participates in peacekeeping operations. African countries are particularly vocal that they want to have at least three seats on the Security Council. And, when we consider that most of the business of the Security Council has focused on Africa and the security problems that exist on the African continent, this is a fairly understandable demand.

On the question of the veto power, there are various things being looked at - whether the veto should be abolished, whether it should only be operable if at least two permanent members of the Permanent Five (P5- the five permanent veto-wielding powers) support it, and not just one. Whether it should require two or three non- permanent members to also support the implementation of the veto. The veto is perhaps the most controversial aspect, because a lot of members, probably most, believe that the veto should not be exercised by any P5 members if those countries are directly involved. So, in other words, if country X invades country Y, it should not be able to exercise the veto on the Security Council in regard to ensuing resolutions.

There is no comprehensive agreement, except perhaps on two things at the moment. There is an agreement to expand the membership of the Security Council in the non-permanent membership category, and it is probably going to be an agreement to expand it from the existing 15 total membership to something between 22 to 27 members. That agreement seems to hold across the board. The second agreement is that of those countries that become permanent members without a veto, India is widely accepted as a candidate country to be permanent. And then you can look at the BRICS (Brazil, Russia, India, China, South Africa), i.e. whether Brazil should be a member, or whether and which African country ... and we don't have closure on those issues. So that's essentially where the UN Security Council issue stands at the moment.

More recently, and with the UK's withdrawal from the EU, the EU is left with just one member sitting amongst the Big P-5, namely France, and some demands are now being made for Germany to be a permanent member, along with India, Japan and Brazil<sup>10</sup>, objected to however by Pakistan and Italy.

If nothing else, now that China's March-month presidency of the Security Council is over, it is time for the Council to address the health governance issues around COVID19, as Estonia had proposed and as China had opposed. Estonia will, of course, have its chance in May 2020, but why wait until then?

Given the above, perhaps the UN Secretary-General could do worse than bringing the best brains on global governance questions together in a High-Level Commission, with an immediate remit to forge a set of options around strategic goals and "low-hanging fruit" opportunities within the next six months, and with a view to an accelerated exit strategy from the current pandemic.

**That would make the International Day of Conscience truly meaningful.**

**AMB. FRANCIS M. O'DONNELL (RET.)**

# OPTIMIZE THE ENGINE OF GROWTH AMID GLOBAL RECESSION

## 1. *Coronavirus' Impact on the Chinese Economy*

Although the Chinese economy is facing mounting downward pressure, China's year-on-year GDP growth reached 6.1 percent in 2019, with a quarterly growth rate of 6.0 percent in the third and fourth quarters respectively. The country achieved its economic growth target of 6 to 6.5 percent set for the whole year of 2019 and registered an annual GDP of \$14.4 trillion.

The outbreak of coronavirus has put a halt to China's normal economic growth path, affecting both and personal lives of the Chinese people. The rapid spread of the virus across nations has set off the financial crisis and will bring the global economy into a new round of global recession. The forecast for global economic growth in 2020 is lowered to less than 2 percent by economists around the world.

In the short term, the impact of coronavirus on the Chinese economy is a direct result of the interrupted production and business activities due to the delay of returning to work after the Spring Festival as a measure to contain the spread of the virus. Most Chinese provinces had a nine-day delay of return from Jan. 31st to Feb. 9th, while Hubei province, the epicenter of China did not allow the resume of work before Apr. 8th, excluding essential business. As a result, China's retail sales, fixed-asset investment, and other broader economic indicators declined sharply in the first two months of 2020. Growth of retail sales for January and February slumped 20.5 percent year-on-year to 5.21 trillion yuan (\$744 billion), while national fixed-asset investment growth dived 24.5 percent year-on-year to 3.33 trillion yuan for the two months, said the National Bureau of Statistics. Another important economic indicator, value-added industrial output for the months dropped 13.5 percent.

In the long term, as the coronavirus becomes a pandemic, it will undoubtedly deal a severe blow to the global economy. As the world's second largest economy, China will be facing challenges from three aspects: export declines as a result of demand decrease, interrupted supply chain, financial market fluctuation with capital outflow.

Firstly, overseas demand will decline severely as the pandemic has dragged down people's willingness to

consume, invest, and import. Most countries that are grappling with this public health crisis and financial market turmoil have close trade links with China. As the situations continue to develop and more restrictive measures are adopted, the demand for hospitality, transportation, retail, and entertainment has further shrunk. The recent violent fluctuations in the financial market have been translated into the shrinking wealth for investors, further reducing their willingness to consume. The global stock markets have fallen into a technical bear market as major stock markets in the United States and Europe have plunged by more than 20 percent since February, and the U.S. stock market has experienced four times of circuit breaker in ten days. From the industry's perspective, China's electrical appliances, appliances, textiles, chemicals will be most severely impacted. For example, electrical appliances account for 46% of China's export to the U.S. market.

Secondly, China will be affected at both ends of the supply chain due to the decline in downstream demand and the cut down in upstream production or supply. As the weakening of external demand has led to a decline in foreign retail sales, the export of Chinese-made parts and processed products has been dragged down. As the biggest importer of Japan and South Korea, production cuts or supply cuts in the two countries will impact China's midstream industries such as mechanical and electrical products, chemicals, plastics, and metal products, leading to price increases and supply cuts in raw materials and finished products, which will have a negative impact on the semiconductor and automotive downstream industries. As the German epidemic worsens, companies such as Siemens and Bosch may reduce or stop production, further impacting the automotive industry chain.

Thirdly, the sharp plunge and great fluctuation in the global stock market will increase the risk of capital outflows and impose downward pressure on the Chinese economy. Twelve years since the 2008 financial crisis, the quantitative easing and ultra-low interest rates in the United States and Europe have resulted in asset price bubbles and rising debt leverage. Just as high corporate debt and the stock market bubble are the tipping points, the coronavirus epidemic is the trigger setting off the



new round of financial crisis. Since mid-March, U.S. stocks have continued to fall and have triggered a circuit breaker for four times in ten days. It has also led to tight liquidity in overseas investment institutions and panic-sold out of fear, triggering adjustments in global financial markets. For the Chinese economy, the stock market is facing liquidity pressure in the short term, and the overseas epidemic will intensify the downward pressure on the domestic economy, affecting business operations. Within the two weeks from Mar. 6th to 18th, the scale of outflow of funds reached a record high over the past five years. The short term pressure has led to the fall in the Chinese stock market, while its long term impact on the economic indicators will be felt gradually as the shortage of demand and disruption of supply disclose.

## ***2. China's Proactive Policies to Counter the Coronavirus' Impact on Economy***

### ***Targeted Policies Adopted during the Epidemic***

During the epidemic, China focused its economic policies on helping small and medium-sized enterprises to overcome difficulties and protect people's livelihood. In the early stage of the epidemic, the central bank has provided sufficient liquidity support in a timely manner through MLF interest rate cuts and a large number of reverse repurchases. Starting from Mar. 16th, it lowered the quota and released RMB550 billion of long-term funds to boost the development of the real economy. Other measures include tax and fee cuts, and preferential loans of 300 billion yuan to enterprises that produce, transport or sell medical supplies and life necessities to ensure that their loan rates are lower than 1.6 percent. At the same time, China has ramped up efforts to accelerate the recovery of production and returning businesses to its previous normalcy. By Mar. 20th, 98.1% of major investment projects in South China have resumed work while the rate is 60.3% in North China. By Mar. 23rd, 89% of the SMEs in Shanghai have resumed business with 79% of employees return. By Mar. 25th, 85% of Hubei industrial enterprises above designated size have resumed work, and 62.3% of employees have returned to their post. More than 90 percent of large-scale enterprises – whose main business creates revenues of over 20 million yuan annually – have resumed operations in the country.

### ***Stimulus Policies When the Epidemic is Generally Under Control***

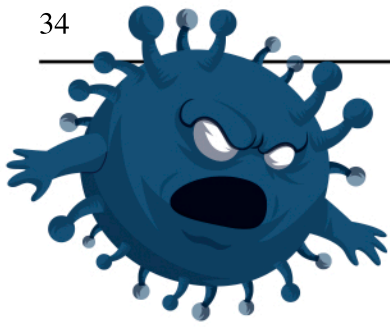
When the epidemic comes close to an end in China, the Chinese government is focusing on measures to expand effective demand, help businesses, and stabilize employment.

The first is to maintain the stability of the supply chain for industrial manufacturing, and solve the difficulties and problems encountered in the resumption and production of the manufacturing industry in a timely manner. The second is to cultivate and expand new retail formats, develop services such as online retail, catering, consultation, and education, and unblock consumer networks that facilitate community residents. The third is to speed up the implementation of established policies and measures to support small, medium, and micro-enterprises and individual industrial and commercial households. Fourth, in response to the shrinking trend of external demand orders, support enterprises to negotiate online and organize exhibitions online, proactively grasp orders, and promote cooperation.

When written in Chinese, crisis means both danger and opportunity. Learning from the impact of the epidemic, China could reflect on the core shortcomings of China's economic system, focus on the core logic of China's economic development, and formulate new policy combinations that can help achieve a short-term victory over the well-off Policy goals that can also serve long-term sustainable development.

New Infrastructure will be an effective way to promote reform and innovation, boost confidence, and deal with downward pressure amid a global economic recession. The "new infrastructure" that will provide vigor and vitality to China's economic and social development include 5G network infrastructure, artificial intelligence, data centers, the Internet and other technological innova-

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## CORONAVIRUS AND MEETING THE THREAT TO HUMAN SECURITY

Whose security is threatened by the coronavirus? The Chinese, the Italians, the Americans? The answer, of course, is everyone's security is threatened. The virus has no regard for national identity. It crosses borders unhindered by all the weapons and strategic structures supposed to protect our security.

There is a lesson here that deserves attention: the concept of "security" must be redefined, or at least expanded. For a long time, it has been defined singularly in nationalistic terms and measured by military strength. Many trillions of dollars continue spent on weapons to defend nations against threats they pose to each other. Vast institutions have been created around these weapons, and outstanding intellects are dedicating their brilliance to strengthening these institutions and designing strategies for using these weapons -- all in the name of national security.

But as this pandemic spirals around the world, and as militaries lie helpless before it, it's appropriate to ask whether we would be better off if more resources and attention were pooled and devoted to addressing threats to human security.

The coronavirus is a wake-up call to stop ignoring our common human condition. It's telling us that chasing security with an inordinate adversarial perspective, without recognizing the value of cooperative and collective security, has left us unprepared and insecure before this very real global threat. We've

been so preoccupied with threats from one another, we failed to plan for or effectively respond to the real dangers threatening us all.

It's irrational to respond only after a pandemic begins, yet with some exceptions, that's largely what we've done with coronavirus, especially in the U.S. But it's not as if a rational, effective response is impossible. We are capable of planning ahead. The main impediments have been a lack of political will and a preponderance of inaccurate thinking.

But once we appreciate the contagiousness and lethality of the virus, we can make and implement practical decisions to deal with it. We need to establish disease detection networks capable of spotting anomalous outbreaks in real-time. When a disease merits global response, trained officials of international agencies need to coordinate the deployment of appropriate human and technical resources.

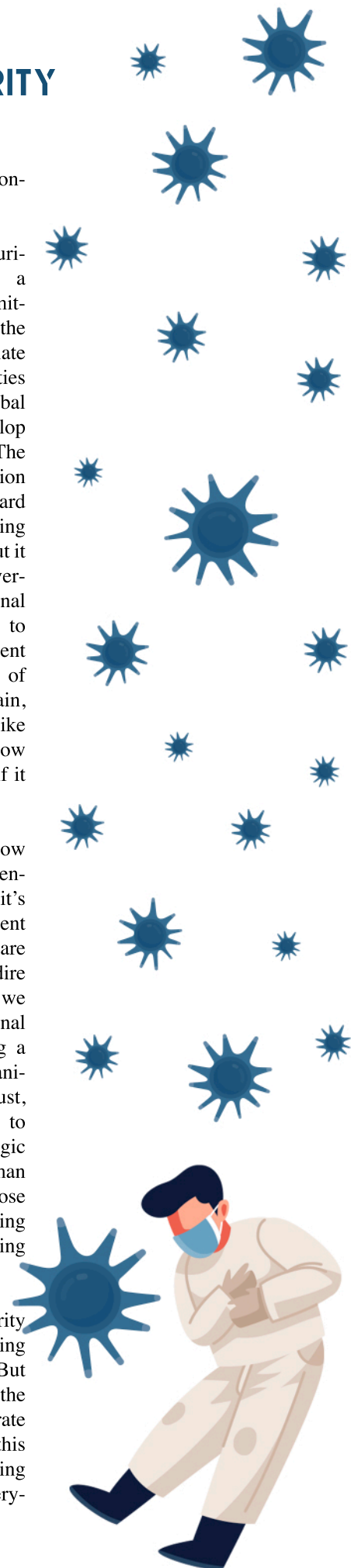
The entire scientific community must be mobilized to research vaccines and treatments. Information sharing among public health, biological research, and law enforcement communities is essential. Mechanisms for processing shared data effectively must be set up in advance. The central objective should be to coordinate global production and distribution of testing kits and other medical countermeasures. There should be a clear platform for stockpiling and delivering medicines and equipment, including

planning and command-control decisional authority.

The essence of human security against pandemics is a broad international commitment to detect and contain the disease, assemble immediate response capabilities sufficient to meet global outbreaks, and develop immunization and cure. The World Health Organization has made great strides toward meeting the crushing demands of a pandemic. But it still doesn't have the governance authority, international support, and resources to command the most efficient allocation and distribution of resources to detect, contain, prevent, and cure diseases like coronavirus. Imagine how different things would be if it did.

Global public health is now getting a modicum of attention and funding. But it's dwarfed by the trillions spent on military tools which are useless for meeting dire global threats like the one we face today. That's an irrational set of priorities, reflecting a perilously misguided manifestation of fear and distrust, which ultimately leads to human destruction. Strategic initiatives based on human security would invert those priorities, and focus on saving lives rather than threatening them.

Focusing on human security is not limited to fighting pandemic disease. But pandemics throw it into the sharpest relief. They illustrate the truth that we're all in this together. A virus originating anywhere is a threat to everyone everywhere.



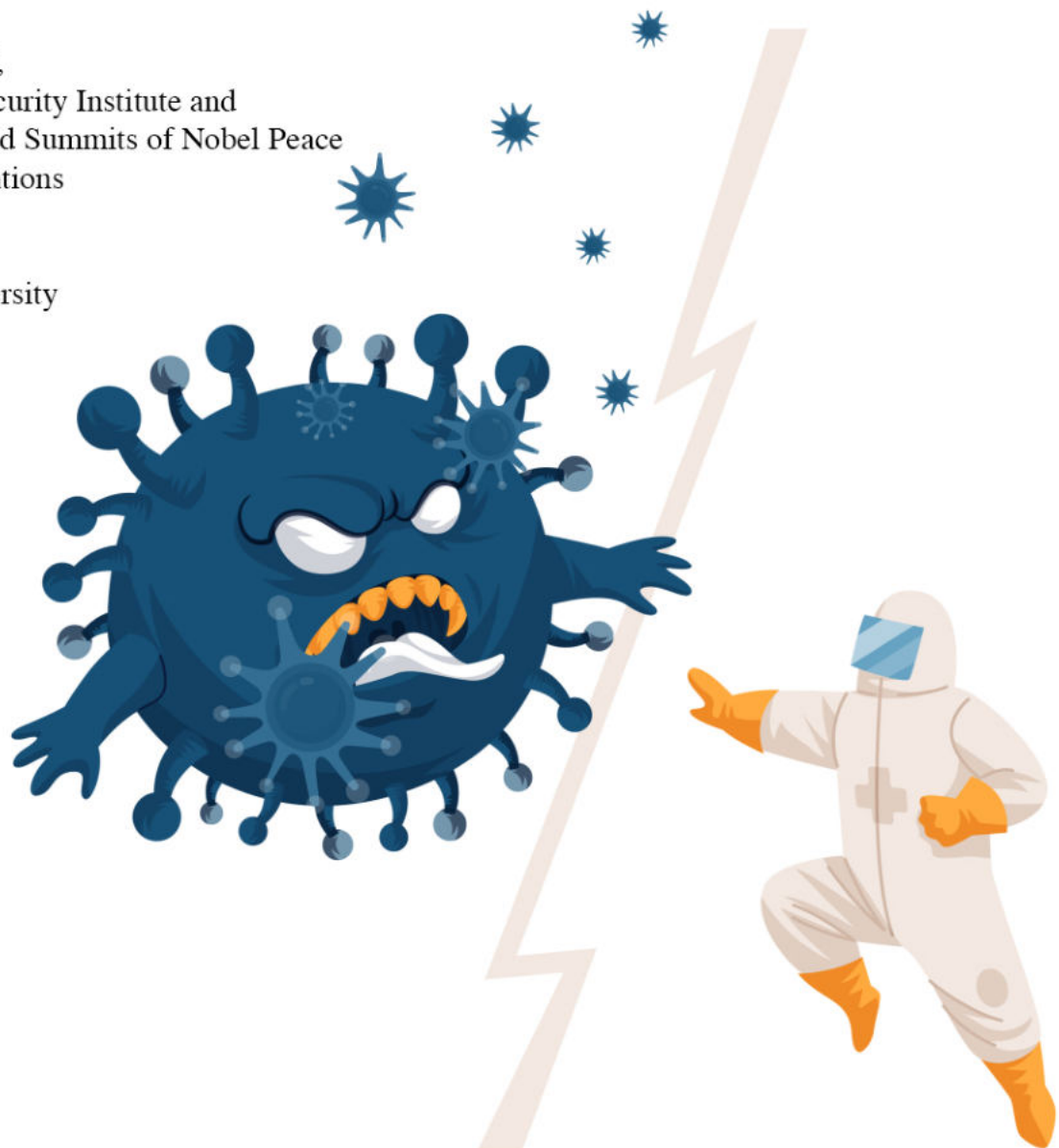


We are in a war, not nation against nation, but humanity against a common affliction. Many of us will die in this war. But it's the bug or us, and "us" means all of us. We're brothers and sisters in arms, with a common mission to contain the spread of the disease and heal the afflicted. To do this, we must think and act cooperatively and collectively. Inefficiency, incoherence, and chaos result when leaders of individual nations manage information for their own political ends. That is a clear threat to human security.

Proclaiming the need for a human security view is not mere rhetoric. It is an existential imperative we need to prioritize now. It is essential to combatting pressing global threats, including climate change and nuclear weapons, as well as pandemic diseases. Our thinking and actions must reflect the reality that we are one human family.

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## HOW TO TURN CRISIS INTO OPPORTUNITY FOR SUSTAINABLE DEVELOPMENT IN POST-CORONA ERA

COVID-19 is marking the end of the World we know. We are entering the New Era. Climate change and Global governance were key topics in political, business, and academic discussions until the pandemic hit us.

At the same time, COVID-19 is reinforcing need to be more active and committed to Agenda 2030 and working on necessary models of global governance. The fact that 75% of all emerging infectious diseases come from wildlife can be a reason to see COVID-19 as a "clear warning shot" to humanity. Nature is sending us a bold message: Atmosphere keeps warming, forests and oceans are being polluted and destroyed, while 1 out of 8 million species on the planet is at risk of being lost - and here comes pandemic that may be followed by the worse one!?

A crisis provides an opportunity for change, growth, and progress, as well as a danger for stagnation, regression, and depression. Post-corona time is not determined. Our long-term future depends on the decisions that we will make in a relatively short period of time. Current International Organisations are now confronted with two great tasks – to be part of an active global response to a deadly global problem and to be rejuvenated by re-engineering themselves.

In the last two decades marked by unprecedented speed and magnitude of political, economical, social, and technological changes we have lived in three different world eras.

We entered the Third Millennium with a notion of the beginning of a new era for mankind that some thinkers even defined as an End of History.

The seismic shift to the beginning of another New Era was marked with the 9/11 unprecedented terrorist act when it became visible that fragmented and emerging multipolar World started searching for a new global order.

Global COVID-19 pandemic is marking the beginning of Post-corona time, a Third Era inside the beginning of the Third Millennium.

After the Cold War and following a short period of One Super Power World, we started witnessing shapes of New Brave Multipolar World. The US was predominant economic and technological power for decades, but this is no longer the case. EU became a larger market with China as a comparable market. The spread of technology is Worldwide.

There is no doubt that with 6.000 Nuclear War Heads and 800 military bases around the World, the US is the most powerful military country. But war after war, in the last decades, it became obvious that the military can solve no political problems.

With no more economic or technological supremacy, with no monopoly on knowledge, with no monopoly on talent, creativity, and innovation, any strategy on primacy instead of cooperation can stand no more.

It is no more enough to recognise the gravity and urgency of the entwined public health and economic crisis. What is urgently required are specific measures that are agreed by global leaders along two parallel paths and with funding far beyond the current capacity of existing international institutions. First, emergency support for global health initiatives led by the World Health Organization (WHO), and second, emergency measures to restore the global economy.

The economic crisis this time can not be resolved until a health emergency is effectively addressed. And health crisis can not end by conquering virus in any country alone, but by doing it in all countries together.

Urgent Global Health Measures and Global Economic Measures followed by Global governance of climate change issues and speeded implementation of Agenda 2030, require a paradigm shift from the "nation silos" approach to shared global leadership.

Instead of looking for escaping alone from the ship on troubled water with a life vest, we have to start more acting as the united crew that is saving itself and all the passengers of our planet with courage, wisdom, and proper stewardship.

The global deadly crisis requires global action. But at the same time, we will be witnessing attempts for greater self-reliance of nation-states and even regions and cities. Under such circumstances, international institutions are becoming needed more than before, regardless of the fact that they are sometimes showing the signs of advanced sclerosis.

Post-corona time will open debates about structural and mission changes of global and national institutions and the emergence of the new ones. There are no doubts that multilateralism and international organisations are needed as indispensable stakeholders of global governance. But at the same time, they need to be politically defended, radically reformed and funded.

UN has no alternative and should be strengthened and re-engineered as a pillar of Post-corona Era regardless of shown weaknesses and failures. World Health Organization (given current and new epidemics prospects and health care systems especially in developing countries), World Food Program, Food and Agricultural Organization (given uncertainty related to global food supply), UNHCR (given the unknown impact on migrations), WTO, UNDP (given the necessity for additional climate change actions) are just some of the organisations whose role will be more needed and reformed at the same time.

Deadly toll in most of the World is still rising. Flattening the curve of deceased people number is the prime task for every nation and for all of us together.

But there are four "curves that we have to keep flattening" if we want to avoid potential "4E-Tsunamis": Epidemic (Health), Economy, Education, and Environment (Climate change).

Our health is heavily jeopardised, as well as our economy, educational system, and environmental degradation.

We have collectively to look for time to come when doctrines of international cooperation will flourish around the World. It requires Shared Leadership based on Trust, Transparency, Justice, and Knowledge.

Sharing information globally is the first and foremost principle in order to defeat virus or similar common "enemies" in the future. We are "social animals", and that is our advantage since the virus in one country can not share tips

confront humans. Virus advantage as a result of our divisions is the simple fact that it does not need passports, visas, or any paperwork in order to "pass the walls" that we made around us or in our heads.

Nations have to work together in sincere cooperation to defeat the common enemy of humanity. COVID-19 crisis should be treated as a warning for the next battles that can be more deadly. If we chose global solidarity and cooperation over selfishness and divisions, it would not lead us only to victory over corona but against all future epidemics or common threats and "enemies".

Critical step in our future endeavours is understanding the similarities, the differences, and the broader relationships between pandemics and climate risks. COVID-19 pandemic is influencing the pace and nature of our climate actions, as well as climate action is accelerating the recovery by job creation, increasing economic resiliency, and driving capital formation.

At the end of this chapter in our history, we will all be either Winners together or Losers, if we act only as individuals or Nations.

A radical rethinking of global public health with proper resources, as well as overall financial architecture, should be in the center of long-term solutions. Coordinated further actions of the UN, the governments and other stakeholders in the search for new global governance structures have no alternative. Change is the most difficult at the beginning, messy in the middle and gorgeous at the end.

The virus does not follow international treaties or national policies, does not care about ethnical, racial or religious differences and does not bother with borders, passports or visa regimes. But viruses in different parts of the World do not share the "knowledge" about ways humans are fighting against infection.

Our privilege is the fact that we can share information globally in order to fight coronavirus. Three keywords: Trust, Transparency, and Together are preconditions for our victory over "common and invisible enemy", as well as against all future and still unknown epidemics.

The current corona case, as well as its "successors", are global and unique deadly enemies and can be beaten only with globally shared leadership and action.

Corona is sending us a bold message. If we want to survive as humans, we have to realise that our divisions, confrontations and hybrid wars for domination are leading us to join extinct species of the Earth.

This is just a beginning. Our struggle with coronavirus and our attempts to do it together are just beginning.



Many nations, all over the World, have a similar proverb saying that "the most difficult part of an action is the beginning". Readiness for shared future, leadership, knowledge, responsibility, and prosperity can mark our new beginning in a new era in front of us. The Post-corona Era that is in front of us will be better than the previous one, or it will be our last one.



All three types of Aristotle knowledge – Episteme, Techne, and Phronesis – Science, Technical know-how, and Practical wisdom have to be in global interaction more than ever before.

We are fighting not only against the deadly unknown virus but against ignorance, selfishness, prejudices, and even fake news that are sometimes spreading faster than a pandemic.

I believe that we can make the right choices for our shared future by getting out of selfishness and short-term darkness to the brighter days to come.

Together.

"After the rain, the sun comes up."

Leadership based on Vision and Values is needed as never before in our lifetime.

World will be different with or without our role in great changes that are in front of us, but we can predict the way it will look like only by creating a Vision of the way that we want to see it.

Values that are making us better people ourselves and our communities in which we are united in our differences. Values as guiding principles, along which leadership should be defining the prosperous World, as well as our individual communities or countries. Strengthening international cooperation is possible if we address the values that unite our people and unite us with the hope that this horrific experience will lead to a more shared and supportive picture

**ZLATKO LAGUMDZIJA,**  
Former Prime Minister of Bosnia&Herzegovina



Tolerance, Dialogue, Learning, and Understanding – four keywords together are becoming a key to our Post-corona Era, Sustainable Development, and Shared Future.

We are not in a battle for our individual or nation's future.



It is not about me, or you, or anyone else. It is about we, and us, and everyone together.

It is not about any nation itself and alone. It is about the whole World and all of us together.

Coronavirus is tempting all of us today. Are we ready, willing, and capable of having Shared Future or not having a future at all?

Fight against viruses like this is our common threat but an opportunity as well to collectively come together.

With Shared Leadership, Values, Security, Responsibility, Benefits, Education, Knowledge, and Shared Vision for Shared Future





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