

25/2020

2 September 2020

Francisco José Dacoba Cerviño

When the storm passes... calm will
still not be restored

[Visit the WEBSITE](#)

[Receive the E-NEWSLETTER](#)

When the storm passes... calm will still not be restored

Abstract:

In this final stretch of 2020, the international community is waiting for two unknowns to be cleared up: the evolution of the health and economic crisis posed by the COVID-19 pandemic and the result of the imminent North American elections. This analysis aims to identify the parameters with which the main international actors have to manage the day after.

Keywords:

Uncertainty, COVID-19, trade crisis, technology, multilateralism, cooperation, competition, confrontation.

How to cite this document:

DACOBÁ CERVIÑO, Francisco J. *When the storm passes... calm will still not be restored*. IEEE Analysis Paper 25/2020
http://www.ieee.es/Galerias/fichero/docs_analisis/2020/DIEEEA25_2020FRADAC_finales2020_ENG.pdf and/or [bie³ link](#) (accessed day/month/year)

***NOTE:** The ideas contained in the **Analysis Papers** are the responsibility of their authors. They do not necessarily reflect the thinking of the IEEE or the Ministry of Defense.

Después de la tempestad... tampoco vendrá la calma

Resumen:

En esta recta final del año 2020, la comunidad internacional está pendiente de cómo se despejen dos incógnitas: la evolución de la crisis sanitaria y económica que supone la pandemia COVID-19 y el resultado de las inminentes elecciones norteamericanas. Este análisis pretende identificar los parámetros con los que han de gestionar el día después los principales actores internacionales.

Palabras clave:

Incertidumbre, COVID-19, crisis comercial, tecnología, multilateralismo, cooperación, competición, confrontación.

When news began to reach us that a new respiratory condition, apparently caused by a virus that had emerged in a market in Wuhan, China, the world paid more attention to other issues that were more worrying at the time. 2020 began with the death of the Iranian general Soleimani, victim of an American drone attack outside Baghdad airport. This action was just another step in the escalation that Iran and the United States had been maintaining over Iraqi territory and in the waters of the Persian Gulf. The good news, to compensate, came a few days later, in January, when the Chinese and Americans signed what was called the first phase of the trade agreement between the two giants, an agreement that in theory should put an end to the already long and damaging trade war. All this, and much more, was suddenly overshadowed by the virulence of a pandemic for which we were not prepared in any sense, even mentally. In the space of a few weeks, the disease brought to the table the certainty that its consequences would be extremely serious, both in terms of health and the economic impact of the almost simultaneous and global interruption of industrial and commercial activity. This was the only certainty because, from here on in, everything else would be unknown.

Initially, aware that a global problem would need global solutions, there was general consensus that the international community would put aside, even temporarily, its many disputes, in order to coordinately tackle the serious and complex measures that would need to be taken: fair exchange of information on the evolution of the pandemic; the search for an effective vaccine; economic cooperation; lifting of trade barriers; and even the freezing of geopolitical disputes. However, this could not have been further from the truth. As the most significant example, relations between the two great powers of the 21st century –the United States and China– have become extremely strained. The mutual accusations as to the origin of the SARS-CoV-2 virus are bordering on the bizarre: the above-mentioned trade agreement is frozen and military incidents in the waters of the East and South China Seas are recurring with worrying frequency.

Now, as this intense year of 2020 draws to a close, the uncertainty remains. News about the evolution of COVID-19 around the world is far from positive, and thus the prospects for economic recovery are following the same pessimistic path. But the international community is not only watching the impact of the pandemic. In a few

weeks' time, presidential elections will be held in the United States, which has triggered a certain amount of anxiety about the supposedly decisive dilemma of whether there will be an alternative to the current Trump Administration or whether President Trump will repeat his term. Throughout this analysis, we will aim to identify the dilemmas faced by the main actors in the global panorama in terms of how to clear up both unknowns: overcoming the economic and health crisis and the American elections.

Quo vadis, America?

In addition to American society itself, the whole world is watching the results of the impending presidential elections, as they will affect all of us on the planet in one way or another. Many decisions around the world are pending on who will occupy the oval office for the next four years. Whoever wins will have to face a difficult situation, both from within and beyond their borders. Even if the current president –Donald Trump– stays, things might not necessarily stay the same. Without the prospect of re-election, an aspect that has weighed so heavily on his first term, he might surprise us with an unexpected decision. But, in general, a potential second term would be as disruptive as the first. If the Democratic candidate –Joe Biden– wins, those who expect a radical shift in the United States' position on each and every open front, inside or outside, will be somewhat disappointed, as the room for manoeuvre of these is not absolute. The forms would change, no doubt, but the new president would be obliged, of course, to defend the interests of his country in all senses: economic, commercial, technological, diplomatic, military, etc.

Domestically, the US is among the countries that are managing the health crisis the worst. The pernicious effects of the restrictions on economic activity, taken to contain the spread of the pandemic, will require the next Administration to adopt costly support measures for the most affected sectors. In this respect, there is little scope for action on the tax front after the aggressive reductions decreed by Trump during his term of office, so there will be no choice but to resort to the chequebook, with the consequent damage to the state's finances. In view of this perspective, it is understandable that the public continues to view with scepticism the enormous expenses caused by the extensive military presence far from the national territory while, as you have just seen, the country's health system is calling for a profound rethink. The other great concern within

American society is that which derives from its strong polarisation, which is the result, among other causes, of the way in which messages are emitted from the highest spheres of power that are as simple in content as they are forceful in formulation¹. The death of a citizen at the hands of the police, recorded and played repeatedly on social networks, was the last straw.

From the outside, the confrontation with China is taking up all the forces of the current Administration, and will continue to do so in the future, whatever the outcome of the elections. The next president may have to assess whether the current drift in this trade and technology war is good for the country and whether it can be brought to a good end, as many voices are pointing out the harm of such decisions to the American people themselves². Closely related to this, we will all be very attentive to see where the American attitude towards the mechanisms of multilateral governance will lead: trade agreements, climate agreements, agreements on the control of nuclear arsenals, support for agencies within the scope of the United Nations?

The development of the veto on Chinese 5G technology is pending, as well as the arrival of companies from this country in the United States, and not only Huawei and ZTE. In the South and East China Seas, meetings between military personnel from both countries are being scheduled with worrying frequency, which at any given time could lead to an escalation that is not desired by either of the protagonists. Taiwan is emerging as the point of greatest friction in the not necessarily distant future, the evolution of which is being substantially affected by events in Hong Kong. North Korea will remain a problem that cannot be solved without the acquiescence of China.

Another aspect that will require all the attention after the elections will be the United States' ties with its, so far, traditional allies, not only Europeans. The latter are hoping that the uncertainty regarding the future of the Atlantic Alliance will be dispelled and that trade relations, in which the European Union is being subjected to multiple tariffs by the

¹ "Trump, in troubled times, deepens racial provocation." Ely Stokols, Los Angeles Times. <https://www.latimes.com/espanol/politica/articulo/2020-07-03/trump-promete-anular-las-reglas-de-vivienda-justa>

"Race fire grows in America." Pablo Pardo, El Mundo. https://www.elmundo.es/internacional/2020/05/29/5ed16332fc6c837a4b8b45b4.html?intcmp=MNOT23801&s_kw=3

² "Trump: the winners and losers of the US President's economic policies." Luis Fajardo. BBC Mundo. <https://www.bbc.com/mundo/noticias-46073079>

United States, will be resumed. Something similar is happening with the Pacific countries, such as Japan or South Korea, which are also prey to doubts about the reliability of American support. Others, such as Vietnam, view the threatening Chinese presence in their vicinity with fear. In the Middle East and the Gulf, unknowns will surround the evolution of active conflicts: Syria, Yemen, the persistent tension with Iran, the situation in Iraq and Israel's relations with the rest of the regional actors and with the Palestinians. The intense activity of Turkey in the Mediterranean, with the increase of incidents with other members of NATO and the EU, and the disagreements with the allies over their agreements with Russia will certainly also be a matter of concern for the new Administration.

The withdrawal from Afghanistan will have to be completed and, if possible, efforts made to help articulate a minimally acceptable future for the country after two decades of international intervention with a result, which is certainly not very lucid. In Africa, the United States' footprint does not seem to match the persistent Chinese, and also Russian, penetration. Finally, with regards to the Americas, Venezuela stands out as the major focus of instability in the regional neighbourhood and, as in Africa, China's ambition to extract raw materials poses a challenge difficult to ignore for the northern colossus.

However, despite all that has been mentioned, the great dilemma for the still leading world power is to decide whether to deepen its recent unilateralism or whether to regain lost leadership - although not the same kind of leadership. Faced with the inevitable emergence of an alternative ideological model, whose existence can no longer be denied and whose values can no longer be accepted, at least not in their entirety, the United States can be, if it so wishes, the promoter of a new form of leadership, a leadership shared with the other international actors that defend the same liberal democratic model, such as Europe, Canada, Australia or the Asian democracies. Recent statements by Secretary of State Mike Pompeo point to the possibility, outlined at the beginning of this analysis, that a second Trump term could come as a surprise: "maybe it's time for a new grouping of like-minded nations, a new alliance of democracies"³. The imminent expiration of the New Start nuclear arms control

³ David Brunnstrom, Daphne Psaedakis. Reuters. <https://www.reuters.com/article/us-usa-china-pompeo/pompeo-pompeo-urges-more-assertive-approach-to-frankenstein-china-idUSKCN24O310>

agreement and the consequent negotiations with Russia for its renewal will be a first, imminent touchstone to see where the next US Administration will move, whoever leads it, in matters of global governance.

Quo vadis, China?

It is common to hear expert opinions that China is, whichever way you look at it, the big winner in this crisis unleashed by the COVID-19, especially when it comes to its economic and commercial aspects. Perhaps it is a little more accurate to say that the country will be among the least affected –the macroeconomic figures support this–, but the great world exporting power will not be able to avoid the consequences of a recession that will brutally hit all of its customers. The purchasing power of Western consumers will decrease and, therefore, there will be a reduction in the purchase of products made in China. The authorities in Beijing had already decided, quite rightly, to promote a change in the economic model that would encourage domestic consumption, thus alleviating the inevitable decline in foreign currency income, but this is something that cannot be achieved overnight.

Starting again from the inside, the Communist Party will make every effort to ensure that the Chinese population does not see a decline in the standard of living achieved; this is the legitimacy of the Party itself and its leaders. This priority is coupled with a number of other concerns that the government will certainly not ignore. The evolution of the protests in Hong Kong is having a direct influence on the “rebel province”, Taiwan, whose citizens do not need to imagine what their future would be like after a hypothetical integration into the People’s Republic, they just need to look at how events are developing in the former British colony. The situation of the Muslim Uyghur population in Xinjiang could lead to instability, protests and even radicalisation that could lead to the execution of terrorist actions in a key region, among other things, because it is a place of passage and an exit door of the land branch of the New Silk Road towards Pakistan and the Arabian Peninsula. In Tibet, in addition to the traditional local rejection of Chinese domination, the main rivers of Asia are born and provide the water that a country of 1.4 billion inhabitants urgently needs, so here too stability and control of the Tibetan plateau are vital.

Beyond its borders the problems are not minor. It is not only the United States, with Trump now or Biden as the case may be, that opposes the expansion, without reciprocity on the part of China, of companies and technologies from the Asian giant. Germany and other EU countries have tightened the conditions for admitting China's growing presence. The need detected in the wake of the health crisis to shorten and diversify production and distribution chains has led the European authorities to set their sights on Africa, with the added value of contributing to the development of this continent, with obvious benefits for the Union in terms, among others, of alleviating migratory pressure. Japan, for its part, announced aid for Japanese companies based on Chinese soil to repatriate at least part of their production⁴.

A non-exhaustive list of other sources of tension, in addition to those already mentioned, which will need to be managed with or against the next administration in Washington, is the very topical situation in the East China Sea (chiefly due to territorial disputes with Japan) and the South China Sea (with Vietnam and the Philippines, mainly), as well as the incursions into these seas, which China considers to be its own, of American naval air formations which, with troops stationed in Japan and South Korea, and with the clear harmony between the United States and India, are producing an unacceptable sensation of encirclement in China. As far as the other giant of the continent, India, is concerned, incidents between military forces of one and the other are constant, the last of which, in June, resulted in an undetermined number of deaths, despite the fact that none of the contenders were carrying firearms⁵. The case of Taiwan deserves special mention, as has also been mentioned, since there is ample mention in Chinese documents and official statements of the completion of the territorial integrity of the People's Republic, without ruling out any procedure for achieving this⁶.

⁴ Zigor Aldama. El Correo. <https://www.elcorreo.com/economia/empresas/2200-millones-para-empresas-japonesas-vuelvan-de-china-20200413211732-ntrc.html>

⁵ "At least 20 soldiers killed after clash between India and China." Deutsche Welle. Mundo. [https://www.dw.com/es/al-menos-20-soldados-muertos-tras-choque-entre-india-y-china/a-53836504#:~:text=Al%20menos%20veinte%20soldados%20indios,martes%20\(16.06.2020\).](https://www.dw.com/es/al-menos-20-soldados-muertos-tras-choque-entre-india-y-china/a-53836504#:~:text=Al%20menos%20veinte%20soldados%20indios,martes%20(16.06.2020).)

⁶ "Our army will resolutely defeat anyone who tries to separate Taiwan from China and defend national unity at all costs" <https://www.dsn.gob.es/gl/actualidad/sala-prensa/libro-blanco-república-popular-china-sobre-defensa-nacional-nueva-era-2019>

Beyond this close geographical environment, China will continue to increase its collaboration ties that will allow it to ensure the supply of raw materials and goods of all kinds (hydrocarbons, minerals, food, etc.), consolidate markets for its exports and counteract the siege to which it feels subjected. It will therefore continue to intensify its relations with Africa and Latin America. Also in the Indian Ocean, closing agreements with Myanmar, Sri Lanka, Pakistan or Iran, among others. The privileged partnership with Russia will be maintained as long as it is beneficial, and for the time being, to both.

Quo vadis, Russia?

Another of the few certainties we have is that the future of Russia will remain in the same hands as it has been for the past two decades. This is confirmed by the recent legislative⁷ reform to guarantee the permanence of President Putin, with this position or another to be defined in the future, at the helm of the country. The former empire of the czars faced many shortcomings: a meagre and declining demography for the largest country in the world; a heavy dependence on the income derived from the sale of hydrocarbons; the need to modernise structures, both public and private, inherited from previous periods; and the lack of an industrial and technological fabric at the level of other relevant actors, except, of course, for the arms industry. The undisputed ability of the Russian leader to overcome these limitations and, despite this, to make the most of the strengths, which there are, provides his management with unquestionable returns. These are better understood if we take into account that Russia is a permanent member of the United Nations Security Council; that it is the leading nuclear power, on a par with the United States and at a great distance from the rest, and that it sits on a veritable sea of oil and natural gas.

On the basis of these strengths, Russia has set itself up as the arbiter of war in Syria and as the voice that has the last word in the Middle East; it is pursuing an aggressive policy in the Mediterranean, as evidenced by its influence in the conflict in Libya; it is pursuing a growing presence in Africa and, to a lesser extent, in Latin America; it is

⁷ "Referendum in Russia: Partial results give Putin an overwhelming victory and he can seek to govern until 2036." BBC News. <https://www.bbc.com/mundo/noticias-internacional-53259006>

positioning itself very intelligently in the Arctic, in view of the prospects opened up by the gradual melting of the ice in that ocean, and it is maintaining the strategic partnership with China to which we have already referred. Repeated tensions are evident in its relations with the West, particularly with Europe, despite the considerable commercial ties that bind both neighbours. If Ukraine was the point of friction in 2014, Belarus is the point of friction at the moment.

It is not the purpose of this brief analysis to delve into the reasons why Russia –which in the 1990s wanted to co-lead with the West in designing a new framework for international relations after the end of the Cold War– has moved on to head-on questioning the liberal order, as President Putin himself declared a few months ago, days before the G-20 summit in Osaka in the summer of 2019⁸. But that's the way it is. The annexation of the Crimean peninsula broke bridges with Europe that will be difficult to rebuild, and the same goes for the numerous accusations of illegitimate interference in the internal affairs of European countries⁹. To find a way out of this situation, which benefits no one, it will be important to see what attitude the next president of the United States takes.

Many other actors have something to say in this post-COVID-19 and post-US election scenario, India perhaps being the most relevant. Its neighbouring disputes with China and Pakistan are clearly bringing it closer to the United States, a fact in which the good harmony between the two presidents plays a role, and they are strengthening collaboration with Japan and Australia, the other vertices of the “diamond” that is trying to contain China in the Pacific. In this same region, we must not ignore the role of the other Asian countries on the coast, which, we sometimes seem to forget, have very successfully managed the health crisis and which, from a geopolitical point of view, want to avoid falling into the perverse dilemma of having to choose between China and the United States.

⁸ Lionel Barber and Henry Foy in Moscow, and Alex Barker in Osaka. Financial Times. <https://www.ft.com/content/670039ec-98f3-11e9-9573-ee5cbb98ed36>

⁹ Europa Press. <https://www.europapress.es/internacional/noticia-reino-unido-acusa-rusia-planear-serie-ciberataques-contra-varios-paises-20190523023545.html>

The idea that Africa is the continent of the future is often repeated in many forums, and it is true. Its demographic evolution is impressive; in just three decades it will host a quarter of the world's population, some 2.5 billion people. It is wrong to analyse the continent as if there were only one Africa, equal and homogeneous from north to south. There are signs of hope in some countries, and reasons for pessimism in others. Nor are the Americas, south of the Rio Grande, a minimally cohesive entity. The pandemic is also hitting very hard at societies and economies that are very poorly integrated and in little condition to overcome the inevitable crisis.

Quo vadis, Europe?

In this struggle of giants in which the United States and China are engaged, Europe has a difficult role to play, halfway between that of the concerned spectator and that of once again being the field of battle fought by the two greats. Not in war terms this time, but in commercial and technological terms. All Member States have been hit hard by the pandemic. The recovery, in order to limit the economic repercussions, will require expenditure that has never been imagined until now and which, fortunately and after tough negotiations, seems to have been taken on board by all the partners. But this positive note, of cooperation and consensus, cannot make us forget that the problems of internal cohesion remain there, as they were already before the current crisis. In addition to the undoubted importance of Brexit, whether or not there is an orderly exit agreement, there are also discrepancies with regards to Chinese penetration in some countries of the Union¹⁰. There are also disagreements in terms of the transatlantic relationship, a common position in the face of Russia's assertiveness, the deepening of defence issues... Europe is also far from speaking with a single voice in the very close, and therefore very worrying, war in Libya, as well as in the face of Turkey's initiatives in this conflict and in the waters of the Eastern Mediterranean, in direct confrontation with the interests of some Member States of the Union. Finally, in terms of the countries of Southern Europe, the Maghreb/Sahel region is requiring the most attention, while for those of the East and the Baltics it is Russia.

¹⁰ China has signed trade agreements with 17 European countries, giving rise to the name "17+1 initiative": PARRA PÉREZ, Águeda. The Digital Silk Road: the great Chinese globalisation. IEEE Opinion Paper 38/2020.

http://www.ieeee.es/Galerias/fichero/docs_opinion/2020/DIEEEO38_2020AGUPAR_sedadigital.pdf

Negotiations between Brussels and Moscow are not easy. And every time the waters seem to calm down, new obstacles to the normalisation of the dialogue between two neighbours condemned to live together and to understand each other arise. There is the recent case of Belarus or the alleged poisoning of opposition leader Alexei Navalni¹¹.

For all these reasons, there are many calls to deepen what has come to be called the Union's Strategic Autonomy¹². Autonomy that must not only be manifested in its Security and Defence aspect, but also in the cultural, in science and research, in technology and, of course, in trade and in its international relations in general. Soft power alone is no longer enough. Europe will continue to pursue multilateralism, but at the same time, even if it is somewhat contradictory, it must aspire to great power status, as former German minister Joscha Fisher recently stated¹³. President von der Leyen's European Commission wants to be a geopolitical commission¹⁴. High Representative Borrell has patented an original way of expressing that the Union must seek its own way between China and the United States: the *Sinatra doctrine (on my way)*¹⁵. It sounds good, but it won't be easy. This requires an internal unanimity from which we are far from, but the fact is that the external actors will also not make it easy for us. Starting with the, until recently, undisputed and traditional American ally.

To conclude...

There are many reasons to say that we are immersed in a world of uncertainties. We are far from being able to clearly assess the consequences of the pandemic, although we well know that they will be very serious. The eyes of the world are on the American elections with a mixture of anxiety and impatience. There is no longer any doubt that the

¹¹ Ana Carbajosa. El País. <https://elpais.com/internacional/2020-08-24/los-analisis-clinicos-alemanes-apuntan-a-un-envenenamiento-de-navalni.html>

¹² Javier de Carlos Izquierdo. The new European Security Strategy. 2016. IEEE Framework Document 16/2016. http://www.ieee.es/Galerias/fichero/docs_marco/2016/DIEEEM16-016_EstrategiaSeguridad_DeCarlos.pdf

¹³ Joscha Fisher. What kind of great power can Europe become? <https://www.neweurope.eu/article/what-kind-of-great-power-can-europe-become/>

¹⁴ European Commission https://ec.europa.eu/ireland/news/von-der-leyen-commission-union-strives-more_en

¹⁵ Josep Borrell. Foreign policy. <https://www.politicaexterior.com/producto/la-doctrina-sinatra/>

liberal international order, according to Western values, is being questioned from within and without, that it is slipping through our fingers without knowing what new model of global governance awaits us around the corner¹⁶. Much will depend on the path that is taken, or rather imposed, by the major powers; not only the United States and China, but the two of them above all. Pessimism is growing in view of the radicalisation, accentuated during the pandemic, of international relations.

The intensity of the escalation should lead one and all to understand that the most practical, if not the most intelligent, would be to seek a change of course. There are areas of common interest, such as environmental policies, the fight against terrorism or the control of nuclear arsenals, in which it is essential to seek points of contact and cooperation. The pandemic, paradoxically, offers the possibility of joining efforts in the search for a vaccine in a coordinated manner or to the consensus on how to overcome the global economic crisis. And in those other fields in which interests diverge, try to approach them before from competition subject to rules accepted by all than from confrontation, avoiding maximalist positions. It is unrealistic to try to prevent the already inevitable Chinese push; nor should we accept the unfair rules of the game. Globalisation, so reviled at times, gives us a viable way out: in a world so interconnected, so interdependent, all actors have much to gain, and much to lose. The post-COVID-19 world will not be a happy Arcadia, but it is also not a neighbourhood courtyard that is eternally badly run down.

On the other hand, neither should we think that a hypothetical replacement in the American presidency would mean the immediate disappearance of the geopolitical disputes in progress. The United States is not going to regain the role of global sheriff, nor does it intend to do so; its immediate priority lies in the domestic situation, but it can also not escape its role as the first great Western power. In a multipolar world, the community of democracies brought together by shared values would be better able to meet the challenge posed by the powers that object to the liberal democratic proposal. However, just as the European Union is faced with the dilemma of promoting multilateralism and, at the same time, strengthening its geopolitical character, this necessary cooperation between democracies in the defence of their legitimate interests

¹⁶ PARDO DE SANTAYANA, José. Heraclitus' revolution, everything flows and nothing remains in the multipolar Worldwide. IEEE Analysis Paper 05/2020.

http://www.ieeee.es/Galerias/fichero/docs_analisis/2020/DIEEEA05_2020JOSPAR_multipolar.pdf

cannot reproduce the old, happily overcome, scheme of a head-on collision between blocs. Joska Fisher, again, points to the way forward: “The West will have to find a way to live with China as it actually is. That means finding a path between kowtowing and confrontation, with Western values and interests serving as the guide.”¹⁷ Defence, then, that non-imposition, of Western values as a reference, and negotiation all other matters. But while the desires for a kinder world are materialising, everything seems to indicate that when this storm passes, calm will not be restored.

*Francisco José Dacoba Cerviño**
Brigadier General ET
Director of the IEEE

¹⁷ Joschka Fisher. The End of Western Opportunism. <https://www.project-syndicate.org/commentary/us-china-conflict-values-must-trump-economic-interests-by-joschka-fischer-2020-08>