



Challenges in the Post-coronavirus World

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In mid-April, the International Monetary Fund (IMF) announced a significant downward revision of its growth projection for the world economy in 2020, from the 3.3% it had announced just three months prior, to -3.0%. Nonetheless, the new estimate is based on the assumption that economic activities will normalize after the COVID-19 coronavirus outbreak is contained in the latter half of the year. The IMF has even started to use the term “the Great Lockdown.”

Although the quick development of an effective drug is expected, it should be assumed that the coronavirus pandemic may be prolonged or that a second or third wave of the coronavirus outbreak may occur.

It is essential to resolutely deal with the current situation for the time being, and for this reason to forge links of international cooperation and collaboration. At the same time, it is crucial to consider in parallel what will happen to the economy, society and international relationships, and what we should do about them after the end of the current corona crisis. This is because there is a fundamental difference between the current corona crisis and the 2008 Lehman shock. The 2008 crisis, which was a regionally limited financial crisis, was considered an adjustment of “runaway financial capitalism,” while the current corona crisis is a global crisis which has struck a severe blow to real economies that is forcing a revolution in the industrial structure and lifestyles, and having an impact on the global economy and society at large.

Let us look at the historic and revolutionary changes on a global scale after WWII. Plans for the IMF and other postwar international systems were created during the war. There are people calling the COVID-19 crisis a global war. For that reason alone, the examination of a post-coronavirus world needs to be started now. Focusing on the magnitude of its impact, Thomas L. Friedman, an American journalist, argues that the corona crisis will be a watershed in history, dividing one era from the next, saying, “There is the world B.C. — Before Corona — and the world A.C. — After Corona.”

There are concerns about the A.C. world. Countries may feel that globalization had significantly amplified or even caused the corona crisis. This could engender animosity towards globalization, foment distrust, and push countries toward placing greater emphasis on domestic concerns. Already it has prompted stronger border management, creating situations akin to



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national border closures. The power struggle that had been developing between the United States and China before the Corona crisis will likely intensify further.

What is needed now, however, is global cooperation and collaboration to deal with the crisis. Information sharing, joint vaccine development and a diverse range of medical cooperation efforts are essential. Mr. Yuval Noah Harari, a professor at the Hebrew University of Jerusalem and the author of the international bestseller, “*Sapiens: A Brief History of Humankind*”, points out that “Infectious diseases have been around for a long time. In the Middle Ages, the plague spread from East Asia to Europe. It’s a mistake to assume that without globalization, infectious diseases would not be endemic. There is no culture or city. We can’t go back to the Stone Age.”

Moreover, strong measures taken by states during the crisis may settle in and remain after the end of the crisis, creating the concern that authoritarianism may gain momentum. Prof. Harari raises an alarm on this point by saying, “We do not oppose surveillance using new technologies, and we also need surveillance to fight infectious diseases. The important thing is not to give police, military, or security agencies the power to monitor. It would be better to have the data monitored and to keep the data only for infection control. In dictatorship, surveillance is only one-way.”

Many experts in international politics worry about re-empowering states, particularly amid the rise of nationalism in some states.

If a commitment to nationalistic isolation is revealed, what would a post-coronavirus world order look like? The United States, which led the world order after WWII, is now “an empire with an attention deficit disorder,” according to historian Niall Ferguson. It is leaning towards trade protectionism and tries to defund the WHO when international cooperation is most needed due to the corona crisis. On the other hand, China, the large emerging power with undisguised ambition, is trying to increase its international influence through medical diplomacy, while proclaiming that China has succeeded in dealing with coronavirus through surveillance and control. However, China is not a genuine global power with a clear philosophy for a post-coronavirus world order. The world will likely drift about in a G-zero state.

One hundred years ago when the Spanish Flu swept across the world, the crisis served as leverage to advance international cooperation. In 1921, the League of Nations Health Organization (LNHO), which eventually evolved into the current WHO, was established by the League of Nations. This systematization of international cooperation and relations flourished after WWII and has supported the liberal world order. Ironically, “the liberal world order that the Spanish Flu brought about may cease to exist in the face of the Corona crisis,” says Hosoya Yuichi, a professor at Keio University, expressing his concern.

The economic crisis confronted by each state may become more serious. In addition, post-coronavirus economies and societies will be forced to undergo radical changes, ranging from industrial restructuring to new lifestyles and the way of working. When that happens, to avoid a situation in which the world leans towards confrontation and division against the background of nationalism, populism, short-termism and distorted public opinions caused by the flood of fake news that has been prevalent since before the coronavirus outbreak, and a situation in

which states turn their backs on the cooperation and coordination that are much needed during this global crisis, it is essential to start a solid discussion about the issues faced by the post-coronavirus, or A.C., world.

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