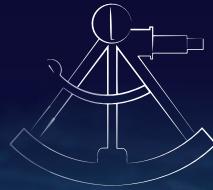


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The Geopolitical consequences of COVID19

THE INSTITUTE
FOR STRATEGY AND DEVELOPMENT RESEARCH



S In-depth Interview Series

The Institute for Strategy and Development Research (ISDR) presents its In-depth Interview Series, focused on discussions with figures with a strategic view of events in Mexico and the rest of the world.

The first entry is from a conversation with Zidane Zeraoui, Ph.D., a renowned expert in international affairs, and author of numerous books and articles. Dr. Zeraoui has devoted more than three decades to make sense of the political, economic, and security trends that define world politics.

Dr. Zeraoui joined ISDR Director Christian J. Ehrlich to talk about the current COVID crisis and its impact on global governance and geopolitics. The interview was edited for brevity and clarity.

Christian J. Ehrlich: Dr. Zeraoui, do you think the COVID19 crisis is only a global health issue or is it something else?

Dr. Zeraoui: It certainly entitles an international health dimension, yet its consequences in the political and economic realm are quite enormous too. We should think of it as a significant global disruption in all aspects of life.

CJE: With these changes, it seems like the global governance system is under pressure.

DZ: Indeed. COVID19 makes it evident that US leadership is simply gone. Beijing, for example, is not only enduring this crisis better than Washington, but it is supplanting the whole Post-WWII order and creating a new one. The European Union, and other major powers –mostly Western- have lost their ability to respond to global crises effectively.

CJE: ...and the political nature of some of those regimes isn't that compatible with so-called "Western liberal values."

DZ: Well, the world was already witnessing the dawn of illiberal, autocratic regimes before COVID19. What this crisis is doing is merely accelerating the trend. Think of China, Russia, Turkey, or even countries in the middle of Europe, like the Czech Republic. They are all autocratic regimes that may use the pandemic to advance their political agendas.

CJE: With accelerating geopolitical trends already present, do you see any conflicts or territorial disputes in the near term?

DZ: I'm concerned about Venezuela, for it may become the next military hotspot in our region. I do believe that the United States might start explicit military operations against the Maduro Regime with the likely support of Bolsonaro's Brazil and perhaps Colombia. This operation might solve many issues all at once: for the US, it would send international oil prices up again and help Donald Trump get reelected. Also, from the view of Brazil's geopolitical school, it will help Brasilia to control its northern border with Venezuela, currently affected by organized crime groups, massive migration, and devastation of national resources.

Colombia is also suffering from Venezuela's economic and social meltdown. It would finally get rid of a risky regime –Maduro's- that threatens the country's stability. On the other side of the world, particularly in Asia, I also sense the possibility of Iran's regime collapsing, possibly in the hands of proxy militias supported by the US, Turkey, and Saudi Arabia.

CJE: ...They are risky scenarios, indeed.

DZ: I'm not saying they will definitively happen, but it's a possibility.

CJE: What about international cooperation and multilateralism? How would they change after the crisis?

DZ: Well, globalization is a significant trend that is not dependent on political will nor the fate of just one or two countries. However, the rules that govern it are changing at a rapid pace. On the one hand, regionalization and multilateralism will be profoundly affected. Think of the European Union: while Germany, arguably the Union's leading driver, tried to lead the organization through this crisis, no one listened. France, Spain, Italy and everybody else walked their way.

In Latin America, Mercosur is dead. Argentina and Brazil, the foremost partners of the organization, are governed by two different political regimes. They will simply never cooperate to save the agreement.

CJE: ...and what about North America?

DZ: USMCA will survive for a straightforward reason: it never intended to create a collective geopolitical entity. Since its foundations are only commerce-oriented, USMCA will neither collapse nor grow into something more audacious.

CJE: ...and I don't see any leader within the US or Mexico willing to upgrade USMCA 2.0 into a much more comprehensive geopolitical arrangement.

DZ: No. There is no such vision in Mexico City or Washington. And I don't see it in the near term either.

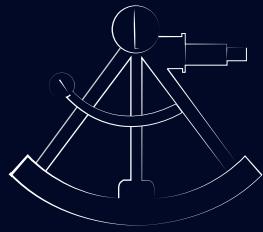
CJE: Final thoughts?

DZ: COVID19 will not end globalization, but it certainly will create a much more stable global system in the future. Think of China not as a threat to world order but as a leverage to the US Dollar-based financial system. Global financial institutions have proven quite unstable since 2008, and that's because they haven't moved to an international currency basket more independent from the US Dollar.

Perhaps COVID19 will bring us more economic liberalization alongside more political autocracy. Yet a more stable global order in the middle term might not be bad news at all.

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