

Coronavirus: trends and landscapes for the aftermath

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Theme¹

This paper examines several possible trends in the world and in Spain originating from the coronavirus crisis, the policies implemented and their consequences, in four dimensions: temporal; economic and social; political; and geopolitical. It concludes with three possible scenarios that stand out among the many possibilities.

Summary

In an attempt to peer into the future, this paper analyses a range of trends that are beginning to emerge as a result of the coronavirus crisis and their possible consequences for a world transformed and for Spain. The trends are grouped into four distinct categories, although they interact with one another: (1) the temporal (the duration of the crisis and the different rates at which it is unfolding); (2) the economic; (3) the socio-political; and (4) the geopolitical. By way of conclusion, three possible scenarios (from among many others) are explored: (1) 'every one for himself', the most adverse; (2) the pursuit of an 'international collective intelligence', which would be the most positive; and (3) an intermediate scenario of 'step by step muddling through'. The goal is to provide a foundation for public and private decision-makers.

Analysis

Introduction

The coronavirus crisis is already changing the world. It is transformative. In the current circumstances, foreseeing the impact of coronavirus and the measures taken to combat it is an impossible task. In an exercise of future-gazing, however, it is important to try to identify trends and to anticipate problems that may lie in store, even if it is only in terms of alternatives, to be able to get ahead of the curve amid the difficult and complex decisions to be taken over the coming days and weeks. It is not possible at this juncture even to hazard what the new normality might be like once the crisis is over. It is not a matter of being alarmist, but it does require flagging up problems that are being caused in order to prepare the policies and institutions needed to respond to them, or, better still, anticipate them, although more questions arise than answers. And it is unrealistic to expect solutions for everything.

¹ This analysis stems from personal reflections and multiple sources too numerous to cite. I am grateful for the comments and contributions of José Balsa-Barreiro (MIT), Raquel Jorge-Ricart (George Washington University), Federico Steinberg (Elcano Royal Institute) and Francesc Trillas (UAB).

Timeframes are important. It is not a matter of divining what the world will be like in 2030 –although we ought to start to think about and know what world we want or might want within 10 years– but rather scrutinising trends over the medium term, for the next two or three years. The utility of the exercise lies above all in providing a comprehensive overview. Four types of factors are examined along with the courses they might take, their causes and their consequences: time, the economy, politics and geopolitics. Their combination could give rise to a limitless number of scenarios, but for the purposes of clarity three will be explored. The aim is also to enable public and private decisions to be taken that are well-informed and operating at multiple scales.

While it does not refer exclusively to Spain, this (inevitably incomplete) exercise is essentially conducted from a Spanish and European perspective.

Strands of development

The aforementioned dimensions in the strands of development are not only interrelated, they affect each other in feedback loops. Certain trends emerge. Others were already under way and may now speed up or go backwards. A key concept here is not so much that of resilience, which in engineering is ‘the ability of a material to absorb energy when it is deformed elastically’, or in psychology ‘the ability to mentally or emotionally cope with a crisis’, since we are not going to return to the starting point. A more useful concept might be hysteresis, the tendency of a material to preserve one of its properties in the absence of the cause that triggered it, which amounts to saying that there will be permanent consequences of this crisis once its causes have been overcome (definitions from Wikipedia). By extension, the concept of hysteresis is applied to phenomena that depend not only on the current circumstances, but also on how such circumstances have been arrived at. It is even worth speculating whether we might witness what Nassim Nicholas Taleb calls ‘antifragility’: the property of systems to increase in capability to thrive as a result of stressors, shocks, volatility, noise, mistakes, faults, attacks or failures. In other words, whether after the coronavirus crisis we will be able not only to resist and preserve but to improve, whether we will be able to learn from all we will have endured.

First strand: duration – short/long/intermittent

The title of this paper refers to ‘landscapes for the aftermath’. But the temporal location of this ‘aftermath’ is the first great unknown. The health, lifestyle, economic and social crisis could last for two months or much longer. The way Wuhan and Hubei province in China have developed, which needs to be subject to ongoing monitoring, suggests that after two long months of strict lockdown, some of the exceptional measures restricting freedom of movement can be lifted, but in a piecemeal and highly gradual way. This does not mean that the exceptional period has concluded or the virus has been vanquished. For this it will be necessary to find antiviral treatments or medication to counter its effects or to discover a vaccine, which is by no means guaranteed, particularly if the virus is mutating. Indeed, many experts are of the opinion that 12-18 months will be required to come up with a vaccine, and more time needed to distribute it. Meanwhile, there could be fresh outbreaks of the disease in areas where the virus has already struck, although in principle they should be easier to control than in the current situation, since more

people will be immune and medical supplies and management experience will have improved.

The virus and disease have spread around the world in an asynchronous, rather than synchronous, way, however. It started in China and Asia, before spreading to Europe, also at different rates. The Americas (north and south) have lagged behind, as has the Indian subcontinent. But Africa is subject to the greatest time lag, which, as we shall see, could have consequences and extend the global duration of the pandemic and the subsequent crisis. And the asynchronicity applies not only to the spread of the virus and the quarantine measures, but also to the next important phase, the emergence from socio-economic hibernation, which ought to be coordinated (not synchronised) at a global level.

- Short duration (three-four months): this entails a relatively early lifting of the quarantine measures, improvements in the treatments, gaining time and cutting infection and death rates in the hope of acquiring a vaccine and other medication. Even in this scenario there will be fresh outbreaks, as occurred in Hong Kong and on mainland China. The important thing is that they are kept under control. This is what [Tomas Pueyo](#) refers to as the 'dance' period, after the 'hammer', in his now-famous article. There will be a gradual process of 'hedonic adaptation', as seen in China, and a step-by-step reactivation of the economy and some jobs.
- Long duration (5-18 months): this entails the need to maintain the quarantine measures for longer. There is the possibility of fresh outbreaks (which we will be better prepared to deal with and may be manageable without overwhelming ICUs). The economy may come to a standstill (to varying degrees) over a long time, alternating between periods of various weeks of quarantine and others with no quarantine. If it drags on, it could lead to a change of policy to give priority to reactivating the economy, albeit at the expense of more infections, but with growing herd immunity and more healthcare resources.

Second strand: economic and social – profound and lengthy crisis taking a social toll, or relatively rapid recovery

The time factor will also be decisive for determining the scope of the ensuing economic and social crisis. Falls in annual GDP of between 7% and 20% are forecast if the economic standstill –of varying levels of intensity– required to combat the virus extends to two or three months. This would be a much worse recession than the one unleashed by the crisis triggered in September 2008. It might even be doubted whether the term 'recession' adequately captures such a standstill or 'hibernation' (Paul Krugman [prefers to call it a 'medically-induced coma'](#)) impacting so widely across national, European and global economic life, with its potential to pave the way to a depression. We are simultaneously suffering a supply side (output) and a demand side (consumption) shock and a major impoverishment effect (the value of stock markets has fallen by half in the US, although slightly less in Europe). It is important that the crisis should not spread to the financial system, which is in better shape than in 2008-10 but lacks sufficient safeguards. New bank bailouts would divert the resources needed for healthcare, social

and employment policies, resources that are in turn weakened by a potential liquidity crisis in the global payment chains for goods.

According to Ángel Gurría, director of the OECD, the global economy is set to suffer for a prolonged period. Gurría and other economists, such as Nouriel Roubini, rule out a V-shaped recovery, in which the economy first nosedives and then bounces straight back. A U-shape is the only barely feasible alternative to an L-shaped depression. China has not experienced a drop in its GDP since the Cultural Revolution of 1968, and as the second-largest economy on the planet, this could have consequences for the whole world and for its own internal stability and international status. The same would apply to a recession of indefinite duration in the US and Europe.

The more activity is suspended now the more will have to be reactivated in the future, although it will undoubtedly be a gradual, step-by-step process. Spain, which had to endure severe and now rarely-mentioned internal devaluation in the wake of the 2008 crisis, did not recoup the GDP it lost until 2016. GDP may be recovered in a matter of years, relatively few if there is a coordinated European and global solution, for which the G20 (which until now has restricted itself to joining national efforts) could serve, as it did in 2008-09. In fact, there are no precedents for how to rescue an economy from the sort of standstill we are now witnessing. Economic output in wartime is not interrupted to the extent that it is now, although priorities change.

- Even if output recovers soon, consumption will not recover amid the impoverishment of many people and their changes of behaviour (saving more out of fear of the future and the aforementioned hedonic adaptation). Amid the trepidation and the slow return to what will be the 'new normal', tourism, aviation and the hospitality industry –all fundamental for Spain– are the sectors that will suffer the most for the longest.
- It is likely that the salaries of both private and public employees will fall, which, together with high unemployment, will hamper recovery in demand. A change may occur, an adaptation in the hedonic pattern. Spending that is not strictly necessary, and certainly conspicuous spending, will be cut back for some time. Patterns of consumption will change for a prolonged period. Consumers will put more emphasis on purchasing goods originating from within their own country's borders. Less travel and fewer mass leisure activities. But there will be winners too.
- The economic crisis is going to affect the life and prosperity of everyone, with a fall in welfare. Societies and economies are going to emerge more impoverished, and states (and the EU) with inevitable debt, but on a colossal scale. The fall in middle and working class incomes could accelerate (with a consequent political impact), in addition to the aforementioned impoverishment effect.
- The process of deglobalisation was already under way and has gained pace with this crisis. A collapse in international trade has already occurred, which will become evident as things recover. Demands for policies involving greater national (or at least European in our case) control (sovereignty) of supply chains

are starting to become widespread, not only in terms of healthcare equipment but all manner of industrial products. There are trends pointing to greater economic nationalism and protectionism. Putting one's own country first will predominate, even without Trump, at least in the short term. In the EU, will it be a case of 'Europe first' rather than the member states? Over the long term, the need for global governance mechanisms to make the world more resistant to systemic threats, including slowing down pandemics and coordinating economic recovery, could and should achieve the opposite, although there is no guarantee of this.

- We are heading for reduced globalisation (deglobalisation), less centred on physical supply chains and more on their digital counterparts. Online competition surrounding our employment/tasks may increase to the level of what Richard Baldwin refers to as 'globotics'.²
- When the health crisis subsides, the landscape it leaves could be bleak. We could see a 'Katrina effect', without physical destruction, so that when the high tide of the crisis subsides, many companies, particularly SMEs, will remain at a standstill without any chance of recovery. This applies at a national, European and global scale.
- We are already seeing an effort by states to save companies. In some strategic cases, which could end up in nationalisations, this is to save them or to prevent them falling into the hands of undesirable foreign owners cashing in on their weakness. This is something that the Spanish measures, among others, allow for. All states are taking steps to streamline and facilitate loans.
- Unemployment, even if temporary, is already rocketing in many parts of the world. It catches Spain at a bad time, having not yet absorbed the shock of the previous recession and internal devaluation.
- The lockdown and remote working policies have boosted digitalisation and many people's digital skills. This could entail permanent changes in working habits and arrangements, a good example of hysteresis.
- In the reconstruction and recovery phase there may be a temptation to strengthen automation technologies to replace humans, a trend that was already under way.
- As a world and as a country we are far wealthier than in, for example, 1918 (the First World War and the global pandemic of the so-called 'Spanish Flu'), in 1929 (the global economic crisis) or in 1939 (the end of the Spanish Civil War). But this does not necessarily mean that countries are going to recover sooner than the least advantaged. It is likely, but it depends on their capacity for adaptation.
- There is a reversion to the state, to all things public, to the welfare state as a safety net and to public policy. This is the case both in terms of combatting the

² Richard Baldwin (2019), *The Globotics Upheaval: Globalization, Robotics, and the Future of Work*, Weidenfeld & Nicolson.

disease, offering a safety net for those who lose employment and income and salvaging the viability of companies and the economic system. The maintenance of low interest rates will aid this. Neoliberalism, and what it has meant for healthcare policies, could lose viability as an option, to the benefit of the principle of more public intervention (social democracy, traditional Christian democracy, etc.). Other economic paradigms may gain ground, among them the monetisation of the deficit (certainly in the US).

- But over the medium to long term it will be necessary to increase the tax burden, and this will be extremely difficult without binding agreements governing international and supranational coordination and cooperation.
- It will be necessary to recalibrate the tax system. There has been a general trend in the Western world since 1980 to reduce taxes on capital and on the most well-off, and increase those on work and consumption. Kenneth Scheve and David Stasavage have shown that the wealthy are willing to pay more taxes following wars.³
- There will be a need to agree a restructuring of the taxation system, a new and fairer mix within each country and between countries (tax havens, including those operating in the EU). In a context of capital movement facilitated by new technologies this is not possible without robust transnational institutions.
- Large businesses and philanthropists in general are making generous gestures in the fight against the virus, both in terms of donations and by avoiding direct dismissals in favour of temporary lay-off schemes and/or reduced working days. This is occurring both in Spain and other countries. Will this translate into companies taking a step back from the maximisation of profits (which has been the order of the day since the 1980s) for shareholders and investors, and above all for their boards of directors? There is a mixture of ethics and aesthetics (reputation) that could have a creative outcome.
- European efforts and solidarity are going to be decisive for slowing down the effects of the crisis and paving the way to recovery. European construction makes headway at times of crisis. Will this be an opportunity? It remains to be seen whether we are heading for a more member state-based Europe, as evident with the management of internal and external borders, or more Europe. Old divisions have reappeared with the new crisis. However, it is also possible to discern new forms of alliance (as suggested by the letter from Pedro Sánchez and the leaders of eight other countries calling for coronabonds prior to the European Council meeting at the end of March).
- The ECB has so far acted resolutely with the Pandemic Emergency Purchase Programme. And the Commission has given the green light to relaxing the

³ Kenneth Scheve & David Stasavage (2016), *Taxing the Rich: A History of Fiscal Fairness in the United States and Europe*, Princeton University Press,
<https://press.princeton.edu/books/hardcover/9780691165455/taxing-the-rich>.

straightjacket of the Stability Pact and has temporarily suspended the rules relating to state aid, thereby heralding the end of austerity policy and a new policy of fiscal stimulus. It will be necessary to ensure coordination to avoid a repeat of what happened in 2008 when, after an agreement at the G20 (and in the Eurozone) to make major fiscal injections, Germany and the Netherlands imposed a radical lurch towards austerity in the spring of 2010.

- The question is, when will there be a major European intervention in the fiscal realm, a possible European Marshall plan self-directed at the EU? Now, or when the possibility of starting to reactivate and rebuild is on the table? It is also worth remembering that the recession that began in 2008 looked as if it was going to be short lived, but after a brief recovery it came back. It does not seem that Eurobonds will get off the ground. The important thing is to ensure that the additional spending incurred by this crisis does not translate into greater debt for individual countries: everything else ought to be secondary. A great deal of investment will be needed for the reactivation, and the budgetary Multiannual Financial Framework will need to have more resources, something that could turn into a type of mutualisation within the EU. The commitment to digital and green agendas could help.
- Europe also needs to make headway in other areas. Despite the existence of the European Centre for Disease Prevention and Control, which oversees an Early Warning and Response System, the EU does not have the final say on health matters, and it shows. There is a clear need for an independent European public health authority.⁴
- Some measures that are being taken (such as so-called 'helicopter money', giving financial aid to people in need, as the US is proposing) point towards the introduction of basic, if not universal, income. It is part of the new paradigms and of hysteresis.

Third strand: political – social obedience/disobedience

One of the dangers of this crisis is social and political breakdown. This goes beyond the imposition, depending on the duration, of social distancing as a general rule of life.

Factors of civil obedience/disobedience

The following elements, as well as certain socio-economic factors already mentioned above, may contribute to varying degrees of social unrest and breakdown or an increase in civil obedience or disobedience, in a situation of inequality that dates back some way:

- Fear, both of the disease and the economic downturn, and the prospect of what comes next.

⁴ Joan Costa i Font (2020), 'The EU needs an independent public health authority to fight pandemics such as the COVID-19 crises', Vox, 2/IV/2020, <https://voxeu.org/article/eu-health-authority-fight-pandemics>.

- An excessive period of lockdown and the suspension of a face-to-face social and economic life, with a notable increase in psychological damage that currently revolves around the sense of impotence felt by members of the public and could lead to widespread depression, also caused by loss of employment and life prospects.
- Protests about the unequal social impact (unemployment and bankruptcies), particularly when the lockdown is lifted or eased. It is during recovery phases that protests are most likely to break out.
- A delicate moment comes when (if) there are vaccines or treatments, but not enough for the entire population. It will be necessary to avoid new inequalities (in the 2011 film *Contagion*, they are distributed by date of birth).
- The decline of the middle classes, due to impoverishment and unemployment. This was already under way, but will speed up. Together with the problems of the much more vulnerable working classes, it will undermine the social basis of democracy.
- The intergenerational conflict may be aggravated if young people –who are less susceptible to the virus– perceive their life prospects as even bleaker than before. There could be a clash with the baby-boomers, the most privileged (salaries for those who had a relatively secure job and properties, including housing) in the crisis of 2008. The ‘lost generation’ feeling among the millennials could intensify with a new setback for their life prospects. Roubini argues that this crisis is a generation-defining moment for younger age groups.⁵ This includes China. Although young people feel less affected by this pandemic, health is now going to be added to the list of younger generations’ priorities (the fight against climate change, feminism and inequality). All are sectoral, but for the first time they cut across many areas of politics.
- Recovery from the coronavirus crisis could give rise to a society with more structured organisations, possibly this time more vertical and hierarchical, with the real ability (one that is facilitated) to channel specific and practical demands to the upper reaches of public decision-making. This could lead to greater proximity between the Third Sector (civic society organisations, NGOs, charities, etc), the Third Pillar as Raghuram Rajan refers to it,⁶ and state power. First, because the public sector has been overwhelmed in its efforts to manage a crisis on such a scale (bereft of any alternative, the private sector not being up to the task). Secondly, because the national strategies also require an agreed and coordinated implementation at the local level to achieve the desired results as quickly as possible, and to save transaction costs.

⁵ BusinessInsider, <https://www.businessinsider.com/unemployment-claims-millions-increase-economist-commentary-krugman-roubini-elerian-coronavirus-2020-3?IR=T>.

⁶ Raghuram Rajan (2019), *The Third Pillar – How Markets and the State Leave the Community Behind*, Penguin Press, 2019.

- The need for a new social contract is already being set out, with more social security, health care and educational provision in an era when the job market is changing rapidly thanks to the Fourth Industrial Revolution. What is the minimum level of social services that states ought to provide?

Political consequences

- All Western governments are liable to be hit by delays in their initiatives and by healthcare management problems, beyond certain protocols that have been set out.
- The perception of mismanagement and poor planning on the part of many governments, although this will vary depending on how the various situations unfold.
- Destabilisation of political systems (including China if it fails to get back to the path of sufficient growth).
- Emergence from the health crisis but not the economic crisis could generate new socio-political movements in many countries, as in 2010-11 when the Occupy, *Indignados* and 15M movements were born, but this time larger and more irate.
- For now, the populists in power are the ones managing the crisis worst. But in the US, for the time being at least, Trump's popularity is rising despite, or because of, the disastrous management of the crisis. The situation could fuel the emergence of new populist movements, and the strengthening of Western societies' polarisation, as is already being observed.
- Another (already existing) trend that could gain strength involves calling for strong leadership, even authoritarian or totalitarian; likewise, a return to strong ideologies. The Chinese model could gain adherents not only in the Third World but in parts of European societies. There is already a certain hankering after communism as a Chinese or a 'new' option, as the Slovenian neo-Stalinist philosopher [Slavoj Žižek](#) has argued.
- Weakening of the independent press (the Fourth Estate, essential in democracy), which was already under way (the 2008 crisis and competition from the Internet) owing to the steep decline in advertising to the benefit of states, governments and the Fifth Estate, the social media and similar platforms, where misinformation may receive a fillip.
- Reinforcement of techno-authoritarianism, under the guise of personal control measures for monitoring the virus, with losses of privacy and ongoing rather than temporary instruments of control. Something will depend on whether societies have sufficient strength and collective intelligence to deactivate them once the crisis is over. So far, government initiatives in this field have focused (unlike in Singapore, for example) on anonymised mass data, adhering to the EU's GDPR regulations.

- Reinforcement of 'us first' approaches, as opposed to global or at least regional cooperation, could lead to greater nationalism and protectionism. Europe will be important in this respect.
- Even greater rejection of immigration. This could especially apply to Europe if the coronavirus crisis cuts a swathe through Africa with a time lag. A return of borders within Europe. The preservation of the internal market and Schengen is feasible, however, albeit with restrictions until the pandemic can be brought under control.
- There is also an opportunity for those who advocate robust multi-level interventions by the state, without ignoring the contribution of scientists and experts, and supporting the idea that we are a single humanity, broadening humans' basic instinct for cooperation.
- In a general sense there is going to be a questioning of the way states operate. In Spain there is the prospect of a crisis involving the system of autonomous regions; in the case of healthcare, this has revealed some operational failings owing to a distribution of powers in which the central government was unable to ascertain the medical resources possessed by the regions, which are responsible for them, or impose rules until the state of emergency had been declared.

Fourth strand: geopolitics – conflict or cooperation?

Geopolitical rivalry, and the reasons that sustain it, has not stopped with coronavirus. Depending on its depth and duration, the crisis could lead to a more cooperative or a more divided world; or to ongoing tension between the two alternatives for an indefinite period.

- Although power is also relative, in absolute terms all states or groups of states are going to emerge weakened from this crisis. We may witness greater or lesser geopolitical rivalry, but based on weaker powers, possibly with temptations, but with reduced abilities to act on them.
- Acceleration of global disorder. The existing structures do not work.
- Acceleration of the process of de-Westernisation, which was already under way owing to the rise of the East (which could, nonetheless, be slowed down although not reversed by the crisis) and the internal divisions within the West. Will we become more Asiatic in general, more communalistic, less individualistic?
- Accelerated de-Westernisation could lead to de-Europeanisation, even to the collapse of the EU if it is not able to react concertedly or, on the contrary, to new economic and geopolitical progress towards European integration.
- Despite the number of migrants and refugees who want to come to the continent, Europe's image was already tarnished. No other part of the world had considered following its model of integration. The manner of managing the health crisis has

added to the poor image, and to its loss of influence in a world that has lost its eurocentrism. The way in which it manages the economic crisis could help it regain prestige and influence, but the EU is going to have to focus its efforts on emerging from its internal crisis. The EU will wield influence on the world to the extent that it is able to resolve its internal problems and emerge from the crisis in a coordinated, integrated and mutually supportive way. Otherwise, the idea of a more 'geopolitical' EU, or of 'strategic sovereignty', will be devoid of all credibility. With regard to Brexit, there will be no alternative but to extend the transition period.

- US leadership has been absent (in contrast to Obama's reaction to the Ebola epidemic). One factor that will weigh decisively on scenarios over the medium term is whether Trump is re-elected in November, because the coronavirus crisis has become a factor of enormous uncertainty. While a pragmatic Trump could modify some of his proposals, a Democrat such as Joe Biden in the White House from January (with a female Vice-president who could replace him at any time if needed) could drive a more multilateral approach, with more attention to the importance of allies to the US, but who will still maintain misgivings with regard to Russia and China. A new internationalism cannot be ruled out, like the one Woodrow Wilson tried but failed to achieve and that Franklin D. Roosevelt did succeed in establishing even before the end of the Second World War, this time with health as its basis. Were Trump to be re-elected on the other hand, it would aggravate the problems of global governance and relations between allies and would increase antagonism with China.
- US-Chinese rivalry will continue being a structural factor in the (new) world order, especially in the field of technological and ideological domination. China, following its management of the health crisis, has seen an opportunity to bolster its international image (and utility), although as more becomes known its image may change. China has major internal economic and social problems, however, which may undermine the financial capabilities it has earmarked for some of its geopolitical instruments, such as the Belt and Road Initiative. At all events, the world's centre of gravity will continue shifting towards the East, including in ideological terms.
- The UN has been completely absent during the crisis. Only a restoration of trust among the great powers will be capable of establishing the centrality of the Security Council. The WHO has proved inadequate; a Global Health System is needed.
- The G20 worked in 2018 because there was US, British and French leadership (now it is the Saudis in the chair). This time it is being reduced to a framework lacking any genuine capacity for coordination although, as mentioned, it could be regained as a means of emerging from the crisis.
- The crisis is highlighting the need for [multi-level and inductive governance](#) (national, international and global), in other words, more complex, with diverse

actors –states and organisations of states, companies, citizens, NGOs, etc– taking part, because the state sector on its own is not enough.

- The need to prioritise national aid for the underprivileged will reduce development aid even further –European, national and general– and cast the attainment of the 2030 Sustainable Development Goals in even greater doubt.
- Care should be taken not to abandon Africa, Europe's neighbour and the continent with the fastest-growing population; this is particularly true at a time when borders are being closed and the subsequent increase in social inequality and slowdown in economic activity, with major informal sectors lacking safety nets (something that also applies to Latin America and parts of Asia). Migration has stopped (but there is a danger if intraregional migration within Africa, already the greatest, increases even more: disarray and greater infection rates could trigger an exodus). It is not clear that it is going to resume. This crisis could lead to a multiplicity of failed states on our doorstep and in the MENA region, with all the attendant risks and dangers.
- The developing economies in Latin America have already started to suffer. They have been subjected to abrupt withdrawals of capital and currency depreciations and, apart from the weakness of their health systems, they cannot withstand the economic standstill in prospect, also because of the importance of their informal sectors. It is likely that there will be balance of payments crises and rescues led by the IMF. Political crises are in prospect.
- The fall in the oil price, stemming from the industrial and social shutdown and competition between Russia and Saudi Arabia, and that of other raw materials, will have an economic and geopolitical impact on the producer countries. Russia appears to have better financial reserves for withstanding this situation.
- Efforts being made in the fight against climate change could be eased, although the crisis and deglobalisation could contribute to helping the environmental situation, and to demonstrate that more can be done and more can be asked for in order to halt climate change. Awareness of the need for public intervention in order to confront risks could help to get an institutional infrastructure up and running that facilitates interventions to slow climate change.
- As mentioned, support for some form of deglobalisation, and nationalism, is also going to grow. From a security perspective these are delicate times that could pave the way to various kinds of conflict. It is not the right moment to undermine defence policies.

The renewed dependence on online activities –both economic and social– will lead to greater emphasis being placed on cybersecurity in all countries. It will also focus attention on the possibility of biological attacks and bioterrorism, and the need to defend against them.

Conclusions

Three scenarios

As suggested in the introduction, there are multiple scenarios –or landscapes– but for the sake of simplification and as illustrative examples, three base scenarios will be set out; their simplicity contrasts with what in reality is enormously complex.

Scenario 1: 'every one for himself'

This involves both the health and the economic crises being lengthy and profound. There is a globally diachronic aspect to the crisis, which could delay recovery, trigger a crisis in the financial system and lead to unemployment levels in excess of 30% in advanced countries. Lack of international coordination and solidarity. Lifting of the lockdown policies to reactivate the economy, with considerable human cost. Deglobalisation ('my country first'). Social unrest and the strengthening of populists and authoritarian regimes. Undermining of democracies due to the collapse of the middle classes. Global chaos. De-Westernisation and de-Europeanisation. Multiplicity of failed states in Spain's periphery. Risks of social upheavals and, eventually, armed conflicts.

Scenario 2: 'collective international intelligence'

Health crisis persisting over the mid-long term. Public-private international cooperation in the fight against the virus (healthcare resources, apps, treatments and vaccine) and in the recovery from the economic crisis. Coordination at the G20 for fiscal stimulus measures and the establishment (at the UN) of a global health system. Reform of capitalism, with a greater role for the state sector. Limited social protests thanks to direct aid and lines of credit for companies. Greater European integration, with the financial and political institutions working in the same direction. Limited deglobalisation. Recovery of trust in governments, and in open systems in democracy. Containment of the geopolitical confrontation between the US and China, and with Russia, and even cooperation. Cooperation with Iran. The sense of there being a single humanity could thrive. Development of a new social contract that involves more actors, and with more and better public policies leading to reduced inequality.

Scenario 3: 'step by step muddling through'

The crisis persists over the short-medium term. There is a degree of international cooperation in the healthcare field, but there is no coordination in the fiscal-economic realm. The economy in Spain and the EU as a whole starts to recover slowly, but it does not revert to its position prior to the crisis, remaining for a time in depression. Social protests rise due to the high levels of unemployment that show no sign of abating, but the system does not collapse. The spread and control of the pandemic is globally diachronic, which hampers reactivation of global flows. More nationalism and protectionism. The EU remains half-built. The ECB, the EIB and the Commission all function, but the European Council does not succeed in coordinating itself and acting in an integrated way on the joint fiscal stimulus issue. No substantial progress is made on European integration.

It is clear that the second scenario is the most advantageous, while the first is the least advantageous. The likely outcome of a 'new normality' is a mix. This has been an initial and preliminary analysis of possible trends, not a policy paper for putting forward the public and private policy options to be followed.