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1993-2020 TWENTY SEVEN YEARS OF POLICY FORMULATION AND ANALYSIS

PARADIGM SHIFT OR GRADUAL CHANGES?



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Since the outbreak of the COVID-19 pandemic many analysts have identified possible changes that will affect politics, the economy and society. These could include changes to a number of fields and areas: the EU, the global economy, employment relations, national welfare systems, national political systems and international relations in general, the role of the nation state, globalization, identity politics, education etc. Some, have even proposed that the extent and magnitude of the changes may be far reaching. This special issue aims to discuss, among others, these potential political changes and particularly whether a paradigm shift might be on the making.

In this introductory note we discuss two of these issues that touch upon the economy (Neoliberalism) and the organization of international relations (the role of the nation-state). The unprecedented conditions that the pandemic has created all over the globe unavoidably affect all aspects of public and private life. Beyond issues of public health and the continuous rising toll of deaths, an economic crisis is simmering anew, just a few years after the huge financial crisis of 2008. Moreover, a number of scholars and analysts fear that the magnitude and the consequences of the boiling economic crisis could be bigger than that of the great depression in 1929-33.

During the Eurozone crisis, Neoliberalism, as this was crystallized and institutionalized in recent decades and despite the harsh criticism it has received, remained the dominant paradigm of economic thought and action. However, the COVID-19 crisis has put into question fundamental pillars of this paradigm with the most illustrative example being the advancement of the crucial role of the state not only in areas considered as high politics but

in the everyday life of citizens. It is in this context that the analogies with the past are crucial as they help understand the transitional phase we are currently in.

Before the 1929-1933 depression, in the USA, the cardinal paradigm of economic governance were the classic and neo-classic economic theories. The basic premise of these theories was the absolute faith in the free and unregulated market that was seen as always leading to full employment and sufficient economic activity. The allocation of resources was basically determined by the price mechanism. Furthermore, the role of the state was limited. Issues of social justice and inequalities were not among the preoccupation of these theories. It was this 'economic certainty' that Keynes questioned even before the crisis and went subsequently to establish his own economic theory, thus signaling a major swing in economic perceptions and economic governance.

Keynes showed that economic activity could have severe fluctuations highlighting at the same time the importance of aggregate demand. He also emphasized that there could be extended periods of low economic activity and unemployment arguing that the concept of market equilibrium professed by the free market advocates did not guarantee full employment. Keynes believed in an interventionist state particularly in the fields of fiscal and monetary policies.

Before 1929 Keynes was considered heretic. The 1929-33 economic crash overturned long-established perceptions and beliefs and led to a sweeping change of the economic paradigm. Classical economists and the then President Hoover insisted that the market would overcome the crisis if left alone. This did not happen and Roosevelt came to power in 1932 endorsing Keynesian economics through his New Deal. The day after in the US and the world was different: the new economic paradigm was based on mixed economy and the role of the state was seen as vital. Keynes ideas although subsequently criticized still inspire a great number of economic theorists and practitioners.

Following the golden years of Keynesianism, a new school of economic thought emerged in the 1960s and gained firm roots in the 1970s: Neoliberalism. The neoliberal criticism focused on what they perceived as distortions to economic activity due to state interventionism blaming particularly high government spending, excessive regulation and high tax rates. Supply side economists emphasized how Keynes focused exclusively on demand and ignored supply and all those factors affecting it. R. Reagan in the US, M. Thatcher in the UK and to a lesser extent H. Kohl in Germany were the main political representatives of Neoliberalism.

Their theoretical motto was 'creating opportunities, not providing guarantees'. This first version of neoliberal economics emphasized tax reforms. In particular, they advocated the decrease of corporate tax, personal

income tax rates and capital gains tax, increasing at the same time indirect taxation.

Keynesian economics were partially restored by Clinton when he came to office in 1992 (Neo-Keynesianism). He maintained though some basic features of Neoliberalism. However, he further led the deregulation of the financial markets, an act that played its part in the global financial crisis in 2008. Both in the US and in Europe the period that followed saw a turn towards 'lesser state' and severe cuts in social welfare. This represented a second version of Neoliberalism (II) whose stronger advocate was A. Merkel's Germany. In the EU, Germany strongly promoted balanced budgets and primary surpluses even in periods of deep recession. This policy increased inequalities between EU member-states but also within states, it shrunk the numbers of the middle class, increased poverty and unemployment and led millions of people to marginalization. Neoliberalism marched through harsh austerity.

History though often tends to repeat itself albeit not exactly in the same way as the first time. The pandemic and the socioeconomic consequences it has caused exposed the weaknesses of Neoliberalism II and some of the obsessions of neoliberal elites. Current debates are now concerned, inter alia, with the day after. Probably the main question is whether the pandemic experience will lead to a paradigm shift. In this regard, economic debates are expected to polarize between neoliberal and Keynesian approaches emphasizing issues relating to social welfare and the role of the state. Fueled by the repercussions of the pandemic, Keynesian economics are already resurfacing. In this context, the hegemonic neoliberal narrative will be under a lot of pressure. Whether these pressures will lead to a change or transformation of the dominant economic and political paradigm is largely dependent by the mediation of political actors.

In a more political vein, similar discussions are taking place with regard to the repercussions of the pandemic on the organization of the international system. Much like the terrorist attacks of 9/11 have changed dramatically the context and several parameters in the way the international system worked and organized, many analysts expect that the Covid-19 could also have a similar influence. For example, some expect that globalization will cease to unfold the way it has been in recent years, at least temporarily, whereas the EU will be tested once again and its future course will be defined by the decisions taken in the wake of the pandemic.

The state, the nation-state, international and regional organizations as well as the process of globalization have been the focus of extensive analyses by various theoretical strands: realists, liberals, Marxists, etc., with each school emphasizing its own assumptions. These theoretically informed debates and analyses have never taken place in Cyprus in order to position our country in the complex international environment. There seems to be a belief among analysts that the nation-state is making a comeback, fueled by this

extraordinary crisis. Debates about reverting powers previously given to regional or international organizations have revived, particularly in the EU. In reality though the nation-state was always present and the most important actor in international affairs.

In this period, almost all EU states adopted aggressively expansionist fiscal policies. The admittedly generous measures of state interventionism taken, with the encouragement of the EU, reveal a shift away from Neoliberalism II. More cautious analysts though, foresee a rather temporal shift of economic practices. According to this line of thought, the history of economic crises shows that governments and political forces in liberal, free-market democracies tend to enhance the social welfare state during and in the immediate aftermath of economic crises only to weaken it in periods of 'normalization'. Free markets, crises and state intervention seem to co-exist in a dynamic relationship where, paradoxically, the return of the 'free-market normality' is almost always achieved via state intervention.

The pendulum between the forces of globalization and those of the nation-state, between the forces of Neoliberalism and Keynesianism represents a very complex 'battlefield'. The day after could affect changes in political perceptions, practices and structures. However, this is highly contingent on the balance of power between social and political forces representing each camp and the way political actors will act. Taken together, they will determine whether Neoliberalism will recoup or wane. The balance between these forces is yet to crystallize which makes any definite judgement regarding the final outcome premature. The apparent weakness both of national and most profoundly the international systems of governance to provide and guarantee vital public goods, such as health, biodiversity and the climate, necessitates the redesign of national and international arrangements.

SHIFTY PARADIGMS



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When the American physicist and historian of science Thomas Kuhn identified the concept of the Paradigm Shift in the early 1960's he described it as a fundamental change in the basic concepts and experimental practices within a scientific discipline.

Such a shift, Kuhn asserted, occurs when the dominant paradigm under which normal science operates is rendered incompatible with new phenomena, facilitating the adoption of a new theory or paradigm. Kuhn, who died in 1996, had confessed to a certain elasticity in his use of the term which has since infiltrated popular culture and spread to non-scientific contexts inevitably degenerating into a cliché.

Post-Covid19 every industry from hospitality and retail to food and porn seems to be having their paradigm shifted. A fast and furious world that not long ago had worshipped 'disruption' as the only path to innovation is now forced to rethink everything.

Outside science laboratories and markets even, Kuhn's term is being loosely used to signify changes in our collective perceptions, the type that is seeing a neurotic professional class reassess the slippery line of work-life balance. But nowhere is the change in perception more profound than in the explosion of racial tensions in the United States and the way the #BlackLivesMatter movement is now reshaping the country and social contexts everywhere else.

This late realization of what it means not to breath freely as an African American in the United States has shuttered assumptions in every western society. Whether the fall out will prove a permanent paradigm shift or a slide into more social upheaval now depends on whether the incumbent 45th president will retain power in November.

In understanding how we got here and where this might end up it is useful to recall that Barack Obama's election in 2008 as the first African American president had itself been described as, yes, a paradigm shift. But given that 12 years later a movement like BLM has had to be mobilised and, more

ominously, has faced hostility from the White House that Obama vacated, goes to show that perhaps that shift was not as paradigmatic.

As symbolisms go Obama's victory was certainly a seminal moment in the country's history. It was an extraordinary manifestation of change particularly when one contemplates that African Americans had been granted the right to vote as late as 1965, when Obama himself was four years old. His election disrupted the way politics expressed itself and for a while, at least on the surface, racial tensions appeared to cool off. However, given where we are, little seems to have changed in the underlying racism African Americans still face.

Obama, whose intelligence and decency this author admires, had presided over the same racial inequality and police brutality we see today. He dealt with the many vicious incidents during his term with dignity and compassion always saying the right things but in the end his administration failed to bring real change.

He would argue – and he would partially be right – that his efforts in the very difficult socio-economic circumstances he inherited from George W. Bush were held back by a hostile Congress dominated by a dogmatic Republican Party going through its own paradigm-shifting and polarising nervous breakdown.

In recent weeks Obama has become very vocal, breaking the long-established norm that prevents former presidents from hostile engagement with incumbents. True to his reputation as a careful strategist his interventions have been both robust and thoughtful but have still triggered considerable reactions. His call to BLM protesters to 'make this moment the real turning point for change' was seen as admission that his eight-year reign had fallen short while his call on them to redirect their energy at the ballot box was seen in some quarters as too cautious. You can't satisfy everyone. Obama was and remains a positive force but, clearly, his impact wasn't as defining as we might have thought.

To make things worse BLM is generating intense hostility among the Right prompting fears of a Fascist backlash in part fueled by Donald Trump's repulsive ego and pettiness. As things stand, it will fall on Obama's vice president, the unlikely radical, Joe Biden, to calm things down enough to salvage America's lost rationality and humanity.

To go back to Kuhn, the recent phenomena in the US have not shown a paradigm shift. They have, in fact, revealed that the paradigm had been false. It will be hard for Americans and Americophiles to stomach but for a real paradigm shift to occur they would first have to address the false assumptions that have corrupted their theories about themselves. Paramount among these is the romantic notion that America was ever great.

COVID-19 AND ENERGY SHIFTS IN SOUTH EAST MEDITERRANEAN; A POSSIBLE CORRELATION?



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It is a matter of fact that COVID-19 pandemic will bring an economic recession which in many aspects will be more severe than the global financial crisis we have all witnessed in the years followed 2008, comparable to the Great Depression of 1929. According to the latest estimations, World Bank predicts that world GDP will shrink by 5% in 2020.¹ Indicatively, the US economy will decline by 6%,² Japan's by 5.5% while, on the contrary Chinese³ and Indian economies will slightly grow by 1% and 1.5% respectively (economic slowdown). Moreover, in Eurozone it is predicted that a GDP decline ranging between 8%-12% will take place in 2020 as most European economies will be severely hit (Germany -6.5%, France -8%, Italy -9% and Great Britain -6%). The best case scenario implies the return of economic growth -achieving rates of 5% - in most countries by 2021 while the worst case scenario predicts that global economy is going to remain in the doldrums for the next five years at least. All things considered, the so-called 'restart' of global economy is not expected any time soon.

¹ Kathimerini 7/6/2020 "The Greatest Depression in the last 90 Years"
(<https://www.kathimerini.gr/1081716/gallery/oikonomia/die8nhs-oikonomia/h-megalyterh-yfesh-twn-teleytaiwn-90-etwn>)

² Analysts estimate that US economy will lose \$7.9 trillion by 2030.

³ China will face its lowest economic growth since 1976 while commercial tensions with USA remain.

With such an economic uncertainty, there is an indisputably negative impact on global energy demand, production and prices, as well as to countries whose economies are heavily depended on energy exports. For example, Saudi Arabian economy – the world’s biggest oil producer – will decline by 2% in 2020, while Russian economy will also decline by 5.5%. World oil demand in 2020 is expected to significantly decrease by 9.1 mb/d to average 90.6 mb/d (99.7 mb/d in 2019).⁴ On the other hand, world oil production is expected to hover around 89- 91 mb/d, as OPEC⁵ and non-OPEC members will proceed on extended production adjustments as a mean to rebalance market prices in the short term.⁶ So far, the continuing growing oil surplus in the spot market and accumulating unsold cargoes have resulted in historical plummeting of crude oil prices (spot and futures).

In the relative gas sector the situation is not better⁷. According to International Energy Agency, during 2020 the industry will experience the largest recorded demand shock in the history of global natural gas markets, as gas consumption is expected to fall by 150 bcm (a 4% decline).⁸ The major consumption decline is expected in mature markets across Europe, North America and Asia. As expected, LNG trade –the main driver of global gas trade, is not going to be unaffected, despite the fact that 2019 was a robust year for the industry where 12% growth, new additional capacity of almost 95 bcm and investments of \$65 billion in LNG export projects were recorded.⁹ Although the impact of lower demand is not yet fully visible in supply-side indicators,¹⁰ it is inevitable for natural gas markets to go through strong supply and trade adjustments as a result of historically low spot prices (below 2\$/MBtu) and high volatility. Natural gas demand is expected to progressively recover between 2021-2025, however, the Covid-19 crisis will have long-lasting impacts on natural gas markets resulting in 75 bcm of lost annual demand by 2025, as the main medium-term drivers are subject to high uncertainty.

⁴ HSN 18/6/2020 “OPEC: World oil demand expected to decline 6.4 million barrels per day in second half of 2020”, (<https://www.hellenicshippingnews.com/opec-world-oil-demand-expected-to-decline-6-4-million-barrels-per-day-in-second-half-of-2020/>)

⁵ HSN 3/6/2020 “OPEC-led production cuts will likely pack a punch in lifting oil prices” (<https://www.hellenicshippingnews.com/opec-led-production-cuts-will-likely-pack-a-punch-in-lifting-oil-prices-survey/>)

⁶ OPEC Monthly Oil Market Report June 2020 (https://www.opec.org/opec_web/en/publications/338.htm)

⁷ After two years of very strong gains, natural gas consumption growth cooled in 2019 with an increase estimated at 1.8% y-o-y (70 bcm) – Asia Pacific and North America hold the lion share in consumption.

⁸ IEA Gas Report June 2020 (<https://www.iea.org/reports/gas-2020>)

⁹ In the first five months of 2020 global LNG trade volumes were up by 8.5% y-o-y while.

¹⁰ US domestic gas production and global LNG supply are still increasing compared to 2019, while Russian production and European imports show some decline.

Europe remains the second largest natural gas importing market after Asia.¹¹ Until May 2020, natural gas flows to Europe (LNG and pipeline) have decreased by 9% y-o-y, mainly attributed to 25% less Norwegian and 4% less Russian/North African pipeline flows respectively. On the contrary, LNG imports increased by 20% y-o-y to reach 60 bcm, as USA became the largest supplier to Europe (25% market share), overtaking Qatar and Russia.¹² In the short term, there will be an additional pipeline trade principally through the progressive ramp-up of export infrastructure from Eurasia (TANAP and TAP) to Europe. All things considered and despite declining domestic production, Europe seems to be energy sufficient at least for the next five years and it is expected to continue playing a key role in balancing the global gas market.

The aforementioned analysis and projections highlight the need for adopting a realistic approach in terms of exploiting South-East Mediterranean gas reserves. On this stage, the possibility of proceeding with the construction of EastMed pipeline seems to lose ground, as its high construction cost, certain technical odds and low market prices would squeeze profit margins, making the project commercially unviable and less competitive. Alternatively and as LNG imports to Europe are gaining momentum, there is an ongoing trend piling up across the Mediterranean that contains investment in large, mid and small-scale offshore LNG terminals,¹³ backed by EU grants in an effort to advance European policies of energy independence and security – lessening dependence on gas transported by pipeline from Russia.

LNG terminals provide a safer and cheaper option of exploiting gas deposits contrary to pipelines (millions instead of billions invested), as converted LNG vessels of capacity between 150.000 to 250.000 cbm are being used as Floating Storage and Regasification Units. The above leads to production security, independence from geopolitical factors, immediate adjustment to demand spikes, transport flexibility and guaranteed return as commercial LNG vessels can be long-term chartered to deliver shipments all across the globe. Furthermore, the promotion of an LNG terminals network between Greece, Cyprus and Israel, would lead to competitive advantages and the establishment of a new geopolitical status-quo in the region. Under that scope, Greek and Cypriot maritime cluster could play a vital role by providing a modern and cutting edge technology LNG fleet as well as integrated and wide esteemed shipping management practices.

¹¹ In 2019 Europe imported 115 bcm of LNG (record level).

¹² By 2025, European LNG imports are expected to return to modest rates of 90 bcm annually.

¹³ Floating LNG ratchets up in the Mediterranean - 15/04/2020

(<https://www.rivieramm.com/news-content-hub/news-content-hub/floating-lng-ratchets-up-in-the-mediterranean-58961>)

EFFECTS OF THE CORONAVIRUS PANDEMIC ON EAST MEDITERRANEAN GAS PROSPECTS



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The coronavirus pandemic adversely affected the energy sector as the decrease of global oil consumption due to lockdowns led to low oil prices. The decline in commodity prices prompted a negative effect on upstream activities including exploration, drilling, and extraction as well as on new project development and operations of facilities in the East Mediterranean. Regional countries are currently fraught by political risks, policy dilemmas and challenges accelerated by the pandemic in a way that is likely to delay the unlocking of their energy potential.

This is particularly evidenced in Cyprus where energy majors seem to adopt an inward-looking policy due to the pandemic and the collapse of oil prices having announced delays on the course of energy exploration and development programs. American Noble Energy, the operator of the Aphrodite gas field, decided to reconfigure plans to develop and monetize the reservoir and seeks to negotiate with the government of Cyprus a new development timetable that is expected to be dependent on global market conditions, gas demand and prices.

Likewise, the French-Italian consortium of Total and ENI reportedly decided to delay drilling operations on three wells planned for 2020 and six wells planned for the next two years within Cyprus Exclusive Economic Zone (EEZ). Concurrently, American Exxon Mobil and Qatar Petroleum publicly confirmed the delay of the verification drilling in Block 10 until September 2021 despite that initial estimates showed that Glaucus target in Block 10 could contain between 5 to 10 trillion cubic feet of gas. The gas potential of the Glaucus target along with promising quantities in Aphrodite gas field and other blocks within Cyprus EEZ have reactivated over the last year discussions on the prospect of an LNG plant in Cyprus.

The postponement however of gas fields' development plans into the depths of time due to the pandemic not only freezes the prospect of a Cypriot liquefaction facility but also locks the island into imports of LNG that are paid through increased electricity prices.

Reacting to the new state of energy play and taking into consideration the cease of liquefaction in the facilities of Damietta and Idku, neighboring Egypt took the strategic decision to expand its gas production in the East Mediterranean in expectation of that the pandemic will pose only short-term economic problems. Production of gas has started from a well in the super-giant Zohr gas field's Shorouk concession block with a production capacity of around 390 million cubic feet (mcf) of gas per day and from another well in the Baltim South West concession area in the Nile Delta with a production capacity of 140 mcf of gas per day. With the expansion of production in exploration areas during the pandemic, Cairo has managed to avoid economic losses related to wages and maintenance of equipment.

The Egyptian decision to proceed with gas production has also a security dimension. Production in the Shorouk concession block that lies on the common Egyptian-Cypriot maritime border that was delimited in 2003 sends strong signals to regional countries like Turkey, protects Egyptian energy exploration and development rights and enhances Egyptian influence in the East Mediterranean.

The Egyptian strategy to cement its regional energy interests coincides at a time that Turkey intends to proceed with oil and gas drilling activities in areas specified in the Memorandum of Understanding (MoU) on the delimitation of maritime boundaries that was signed in November 2019 between Turkey and the Tripoli-based Government of National Accord in Libya. The Turkey-Libya MoU ignores the sovereign rights of Egypt, Greece and Cyprus in the East Mediterranean and the geographical fact that Turkey and Libya have neither overlapping maritime zones nor common boundaries.

The motives behind Turkey's signing of the MoU with Libya lie in breaking its regional energy isolation and in gaining legal claims over maritime areas that the East Mediterranean's energy infrastructure, like the Eastern Mediterranean Gas Pipeline, will have to cross. Turkey's oil and gas exploration quest expands from west of Cyprus to the southeast of the Greek island of Crete and the offshore waters of Libya. During the coronavirus pandemic, Turkish drilling vessels continued to operate illegally within Cyprus EEZ as means of maintaining Turkey's presence in the regional energy race.

Turkish illegal actions require a collective diplomatic and defense response. It is in this context that the EU Foreign Affairs Council issued a statement on May 15th, 2020 condemning Turkey's illegal drilling activities with the Yavuz vessel within Cyprus EEZ as well as Turkish violations of Greek airspace and territorial waters. Also, a block of five countries consisted of the UAE, Egypt, Cyprus, Greece, and France condemned Turkey for violating Cypriot waters and Greek airspace. But looking way ahead, an EU naval presence in the Eastern Mediterranean could be a step towards the direction of countering Turkish aggression, serve as a stabilizing force and enhance European operational involvement in view of the European Common Defense and Security Policy. An EU naval presence to protect European energy interests in

the East Mediterranean is of high importance given that Turkey refrains from dialogue based on international law.

In fact, Ankara has repeatedly rejected the adoption of international law's provisions to settle its maritime differences with regional countries like Greece on the basis of the equidistance/medium line principle and pursues a self-contradictory strategy that is translated into selective enforcement of the United Nations Convention on the Law of the Sea (UNCLOS). Practically, on the one side Turkey rejects the provisions of international law for the delimitation of maritime areas with Greece. But on the other side, Ankara has concluded EEZ delimitation agreements with its neighbors in the Black Sea on the basis of the equidistance/medium line principle as stipulated by international law. The self-contradictory strategy of Turkey is also evidenced in the MoU with Libya for the delimitation of maritime boundaries. Despite the declared Turkish position that islands in the Eastern Mediterranean have no weight for the determination of maritime boundaries, the Turkey-Libya MoU cites Turkish islands and rocks as base points for the delimitation of maritime areas.

In this regional setting and as the pandemic is expected to diminish over time, like-minded regional countries need to proceed with active diplomacy and coalition building to counter Turkish illegal actions and design a grand energy strategy that will transform the economies of the region for the benefit of current and future generations.

SUPPLY CHAINS IN A POST-PANDEMIC WORLD MIGHT REVOLVE LESS AROUND CHINA¹



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As covid-19 sweeps across the globe, policy makers are questioning the wisdom of global supply chains that are reliant on China. Calls for greater diversification, self-reliance, and more regional trade—which is less sensitive to disruptions in long-distance transport—may lead to a fundamental re-thinking about how the global economy should be organized. In a study with Nita Rudra, we show that the building blocks may already be emerging for a more resilient and diversified international trade order — with a rapidly increasing number of poorer countries navigating this system.² This has happened largely without the direction of global superpowers like the United States and China.

Like Europe and the United States, many poor countries have also struggled with the economic and political effects of a “China shock” since the 1990s. As China’s export dominance in manufactured goods satisfied much of the demand from wealthier nations, developing countries saw a sharp decline in trade with the global north. Our study explores what this shock has meant for poor countries with large populations of unemployed or underemployed workers — what economists call “surplus” labor. Countries like Pakistan, Peru, Zambia, Uganda and Nigeria are rich in labor, but many young people, and particularly women, work in the precarious informal economy. What’s missing in these countries are enough industries plugged into global supply chains — which could provide far superior formal employment opportunities and better working conditions for large populations of underemployed workers.

How have these “surplus labor” nations responded to the challenges posed by China’s export juggernaut? We find they have been engaging in a surprising strategy: They’ve been forming their own trade agreements.

¹ Adapted from Daniela Donno and Nita Rudra, *Washington Post*, 26 May 2020. <https://www.washingtonpost.com/politics/2020/05/26/developing-countries-have-been-busy-forging-trade-agreements-with-one-another/>

² Daniela Donno and Nita Rudra. 2019. David and Goliath? Small Developing Countries, Large Emerging Markets, and South-South Trade Agreements. *International Studies Quarterly* 63(3).

Classic economic theory doesn't expect developing countries with similar economic profiles to strike many trade agreements among themselves. Put simply, they are rich in labor and poor in capital. But these "South-South" trade agreements have some overlooked benefits that may be relevant for rich-country firms. Most importantly, they enable firms in poor countries to "learn by export" — they start small by exporting to neighbors and gradually build the ability to export to larger and more distant markets.

Not surprisingly, supply chains among poor countries have grown rapidly in recent years. This includes trade in a range of goods from apparel, leather, toys, office equipment and food products. As small countries ramp up trade with one another, they increase scale and product quality, which serve as stepping stones toward integration with even larger markets outside their region.

We document a sharp increase in South-South trade agreements among non-BRIC developing countries during the past 20 years. In fact these agreements are mainly being forged by countries facing steep competition from China. Trade networks in East Africa (EAC), Southeast Asia (ASEAN), and the Americas (Pacific Alliance and Mercosur) have been actively seeking to strengthen regional export capacity.

Consider the evolving trade network in East Africa. Companies like Mukwano Group, a Ugandan conglomerate that produces low-skilled manufactured goods, took the lead in arguing that an East African free trade agreement (FTA) would help them compete with countries like China. The Ugandan Manufacturers Association supported the creation of an FTA in 2000, as a bid to avoid a return to the era of exporting unprocessed raw materials and importing finished products. Similarly, in Kenya, local manufacturers are incentivized to support preferential trade agreements as a way to help regional businesses stave off competition from Indian and Chinese exporters.

What does this mean for the post-pandemic global economy, as companies take a long, hard look at overall strategies and supply chains? This could be good news for firms looking to diversify their supply chain partners as a way to boost economic resilience. As a recent *Economist* article sums up, the pandemic has exposed the simple truth that "... what people thought was a global supply chain was a Chinese supply chain. ... Companies do not just need suppliers outside China. They need to build out their choice of suppliers, even if doing so raises costs and reduces efficiency."³

³ "The changes covid-19 is forcing on to businesses." 11 April 2020. *Economist*. <https://www.economist.com/briefing/2020/04/11/the-changes-covid-19-is-forcing-on-to-business>

For governments in industrialized countries, supporting nascent trade networks in the developing world is a win-win strategy because it may counter China's influence while simultaneously helping to develop markets in poorer countries. This is certainly not news in Europe, which has long encouraged regional trade agreements in Africa — but analysts point out that these agreements desperately need some renewed energy.

As the aftershocks and disruptions of the 2020 pandemic play out, the future of global trade might depend as much on “the rest” of the world as on the EU, U.S., China. Time will tell if this new crop of international networks — forged by small countries, not big powers — will prove their worth by providing firms with opportunities to engage in a more diversified, vibrant and participatory global economy. The result may be a global economy that is quite different from how we started out in January 2020.

ON ECONOMIC GLOBALISATION AND EUROPEAN INTEGRATION



Kyriakos Revelas
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The COVID-19 pandemic has raised awareness about EU's dependence on global supply chains and potential vulnerabilities. Following the 2008 financial crisis this sounded a second wakeup call for the EU underlining the need for reappraisal of globalisation. I will first address the relation between economic globalisation and European integration and then turn to the implications of the corona crisis.

When analysing economic globalisation, we may distinguish a business and a political perspective. Companies (large multinationals, small and medium-sized enterprises) have constituted international value chains to maximise production efficiency and benefits. Based on comparative advantage and driven by technology and policy (liberalisation, deregulation) companies sought to harness gains from economies of scale ideally operating in a global market, which led to growing interdependence ("the division of labour is limited by the extent of the markets", A. Smith).

The political perspective refers to the broader assessment of globalisation by societies. Historically, economic integration proceeded from local to regional, national, international and global markets. Parallel to market integration the scope of regulation expanded to pursue policy objectives. The best allocation of resources is not defined by efficiency gains alone, policy choices are also part of the equation. In trade-off situations the optimum degree of integration becomes relevant, i.e. whether sufficient common regulation can be achieved at the respective level (local, regional etc.) for market integration to bring about overall positive results. Market economy is a formidable mechanism for the efficient allocation of resources; but it is politics which determine the needs and goals to be served by the market forces as well as the values and norms to guide economic activity. They do so by establishing appropriate framework conditions, for example by pricing the environmental cost of transport or production processes, by defining the property rights of personal data or the desired level of economic autonomy.

European integration has evolved through the opening of national economies and the establishment of a single European market, accompanied by European regulations in the place of national ones; governance shifted from the national to the EU level. It is difficult to say whether market integration has reached an optimum in the EU, especially since the situation varies between different sectors of the economy. What seems clear, however, is that a comparable degree of correspondence between integration and regulation at the global level is beyond reach for the foreseeable future.

European economic integration can be considered as an intermediate step between the national and the global economy. In this sense European integration has helped the economies of member states to gradually open up and withstand the competitive pressures from the global market, thus paving the way for globalisation. At the same time, through regulation the EU fulfils a second function, namely protect the European productive base so as to serve the collective preferences of European societies. This double function is not always appreciated. There is also an inherent tension between the two objectives of liberalisation and protection. This tension provides dynamism for the integration process and helps European economies to jointly adapt and thrive in the global marketplace.

Facing old and emerging continental states and the inevitable decline of its demographic, economic, political and technological share, the prospects for Europe defending its values and interests will crucially depend on pulling together its strengths and regaining sovereignty at the EU level. The EU as a global actor is in a position to influence global governance much more than the member states would be able to do when acting separately. Beyond critical mass, the EU also stands for and promotes a culture of negotiation and intermediation between conflicting interests which contrasts with the power politics usually displayed in the international arena. This culture is conducive to seeking cooperative solutions, the only realistic option for solving cross-border, transnational or global problems.

In order to maintain a significant influence over world affairs while preserving the European way of life the EU must, first and foremost, strengthen its own coherence by boosting the allegiance of EU citizens and combatting anti-democratic forces within its borders. Moreover, the EU needs to join forces with international actors upholding multilateralism and proactively shape a rules-based world order.

The COVID-19 crisis prompted the EU to re-assess the implications of globalisation for its security and welfare. In the past the EU has attached importance to a high degree of self-reliance and to avoiding one-sided dependence in crucial sectors (food production, minimum oil stocks, energy diversification, satellite programmes). Faced with the pandemic, the EU realised that for pharmaceuticals and medical equipment it has tolerated

significant dependence on imports especially from China, leading to shortages of basic materials. The appropriate policy reaction does not entail a large-scale retreat from the globalised market, but rather rethinking global supply chains with the aim of reducing excessive dependence on single suppliers. This could result in repatriating certain activities or sectors to Europe, diversifying the external sources or opting for regional supply chains.¹

Yet relevant thinking goes beyond the current pandemic and actually preceded it. Given the growing assertiveness of China and unilateral, protectionist tendencies in the USA, as well as attempts to selectively influence member states, the EU had already initiated action on several fronts. These include the connectivity strategy as a reaction to China's Belt and Road Initiative; the battery alliance which will make the EU less import-dependent as it moves to electromobility within the green transition; the GAIA-X initiative for EU-based cloud services to reduce dependence of European enterprises on a few US and Chinese providers; an Action Plan for 5G deployment; screening regulation on foreign investment plans in critical assets and infrastructure, a novel instrument to protect vital EU interests.²

Overall, the pandemic does not seem to cause a radical paradigm shift in world affairs, but acts as a catalyst or accelerator for changes already underway. For the EU it highlighted the need to act jointly and in solidarity internally, and push for cooperative governance solutions globally. In an unstable international context, characterised by rivalry and confrontation between a self-centred USA and an overambitious China, the EU should not follow others, pursuing neither de-coupling nor equidistance. Instead, the EU must ascertain its own values and interests and stay its course of defending them, patiently shaping global governance for global issues, leading by example and engaging for human dignity worldwide and the preservation of life on earth.

¹ The Commission proposal for the recovery instrument "Next Generation EU" includes a health programme aimed at resilience and strategic autonomy drawing lessons from the current pandemic.

https://ec.europa.eu/commission/presscorner/detail/en/ip_20_940

² See respectively

https://eeas.europa.eu/sites/eeas/files/joint_communication_-_connecting_europe_and_asia_-_building_blocks_for_an_eu_strategy_2018-09-19.pdf

https://ec.europa.eu/growth/industry/policy/european-battery-alliance_en

<https://ec.europa.eu/digital-single-market/en/policies/cloud-computing>

<https://ec.europa.eu/digital-single-market/en/towards-5g>

https://ec.europa.eu/commission/presscorner/detail/en/IP_19_2088

For critical views see

<https://ecipe.org/publications/europes-technology-sovereignty/>

<https://blogdroiteuropeen.com/2020/04/07/eu-foreign-direct-investment-screening-in-pandemic-times-between-eu-protection-and-eu-protectionisms-by-bianca-nalbandian/>

BREXIT AND COVID19: OPPORTUNITIES FOR A SOCIAL EUROPE?



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The European Union (EU) has undergone four main crises in the past decades: the financial crisis, the migration emergency, Brexit and COVID19. These crises showed an increase in national and/or nationalistic perspectives of EU member states and a parallel lack of a burden sharing logic from EU institutions or the weakness of their powers. However, each crisis might determine different historical consequences on EU's projection: some of them created a centrifugal effect – i.e. EU member states moved away from the European integration project; while others might trigger a centripetal effect – i.e. member countries could start moving towards a greater European integration. It is argued here that both Brexit and COVID19 might represent the opportunity for EU members and its institutions to support a new political ambition were a social and federal structure could balance the current market driven design.

The European sovereign debt crisis resulted in years of financial, economic, and political instability affecting many EU countries, most notably Greece but also Portugal, Ireland, Spain and Cyprus. The financial crisis was managed by EU member countries and its institutions following austerity policies which severed the impact of the crisis on the people determining a growing disaffection of EU citizens vis-à-vis the European integration project. Populist, nationalist, and extremist parties exploded across Europe advocating alternatively the exit from the euro and/or the EU. This crisis triggered a centrifugal effect questioning the existence of a European identity, strengthening national interests and zero-sum game logics.

The migration emergency saw EU member states fighting to push migrants back to the sea or bringing them back from where migrants left (e.g. Libya). The absence of a burden sharing logic and the 'principle' according to which asylum seekers should be sent back to the country where they first stepped into in the EU, increased tensions between Mediterranean and non-Mediterranean countries. The migration catastrophe triggered violent battles for political power with alerts about 'invasion', 'crisis', 'identity threat'. Hundreds of people kept being swallowed up by the sea, body after body,

year after year, while European countries were discussing their *rights*. The migration 'crisis' has been flaming a centrifugal effect.

In 2016, after decades of enlargement, the Brexit Referendum opened UK negotiations to leave the Union. Brexit seemed the trigger for a domino effect opening the prospects for EU's progressive disintegration. Brexit in 2020 shows that the UK entered a dangerous venture that might affect its own stability and integrity (i.e. Northern Ireland and Scotland), with no plan and little (if no) benefits. Not only the EU showed great unity during the storm, member countries resisted UK's divide and conquer strategies, but Brexit opens incredible opportunities for the Union to end, or at least mitigate, the market-driven agenda of European integration. UK's influence on the Union has always been focused on the maintenance of the neoliberal agenda, fighting any major social-political integration step. When the UK was not able to impede, or obstruct, further European integration projects, it negotiated opt out clauses (e.g. the euro and the right to strike and form trade unions recognized by the Charter of Fundamental Rights of the EU).¹ The absence of the UK in EU-post COVID19 negotiations entails that the Union has more freedom to put on the table plans that were unacceptable and unthinkable when the UK was a relevant stakeholder of the EU. Hence, Brexit is potentially a centripetal crisis of the four mentioned above.

Once the EU was invested by the COVID19 pandemic, national and nationalistic divisions erupted again.² At the start, EU institutions were caught by surprise: no protocol, no collaboration and/or cooperation, just the ratification/acceptance of member states' policies (e.g. suspension of the Schengen agreement). Each EU member country decided what to do/not with no EU guidance, support, and solidarity demonstration. When EU institutions were not absent, the heads of key institution gave dramatic statements deepening the crisis – e.g. the early declarations of the head of the Central European Bank.³ The President of the European Commission apologized

¹ During the negotiations for the draft of the Charter of Fundamental Rights of the EU (2000), the UK unsuccessfully tried to oppose the inclusion of the right to strike and the right to form trade unions (Gerbet, P. 2016, "The Charter of Fundamental Rights of the European Union", CVCE). As a result, the UK negotiated a protocol to secure a partial opt-out from the Charter of Fundamental Rights to limit the possibility that it could weaken British labor law allowing more strikes.

² Hall, B. M. Johnson, M. Arnold (2020) "Italy wonders where Europe's solidarity is as coronavirus strains show" *Financial Times*, March 13, <https://www.ft.com/content/d3bc25ea-652c-11ea-b3f3-fe4680ea68b5>

³ "Referring to calls for the ECB to go further and cut interest rates to ease borrowing costs for highly indebted eurozone countries, Lagarde said: "We are not here to close [bond] spreads, there are other tools and other actors to deal with these issues." [...] Within minutes of her comments, the spread between what investors will buy and sell Italian bonds for widened, sparking fears of a repeat of the 2012 eurozone debt crisis when the then ECB boss, Mario Draghi, declared he would do "whatever it takes" to preserve the euro. The interest rate on 10-year Italian bonds jumped from 1.3% to 1.8% as concerns quickly escalated that

repeatedly.⁴ Finally, key EU institutions made important steps adopting measures that were unthinkable during the financial crisis.⁵ These measures are not enough to tackle an estimated 15% contraction of the eurozone output in the second quarter of 2020 after an almost 4% contraction in the first three months of the year.⁶ The fight over the plans that must be agreed in the next European Council (i.e. the Recovery Fund and the Next Generation plan), will focus on whether countries will access loans or grants and whether countries that have been net contributors up to now could become beneficiaries of European funds (e.g. Italy). Whether the EU will face COVID19 as a unit or as the sum of its members will determine the economic impact of the crisis and the nature of the EU as a political animal.

Of the four main crises the EU went through recently, Brexit and COVID19 represent the opportunities for the EU to make a step forward towards a social and federal dimension, against the market-fundamentalism blinders that kept hostage the EU up to now.

the bonds issued by Europe's most indebted country posed a greater risk to investors without the full protection of the ECB", Inman, P. (2020) "Christine Lagarde under fire for ECB coronavirus response" *The Guardian*, Thursday, March 12.

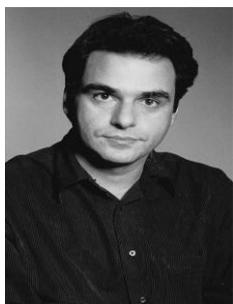
<https://www.theguardian.com/world/2020/mar/12/ecb-announces-plan-to-help-eurozone-banks-withstand-coronavirus>

⁴ <https://www.dw.com/en/coronavirus-eu-apologizes-to-italy-for-initial-response/a-53142603>

⁵ The European Central Bank started injecting liquidity in national economies (*Pandemic Emergency Purchase Programme*). The measure adopted by the European Commission are also significant: i) suspension of the rules of the Stability and Growth Pact (i.e. elimination of deficit and debt constraints for member states); ii) new rules preventing state aid to national firms; and iii) flexible use of funds from the 2014-2020 budget. An agreement has been reached also on: a) the use of the European Stability Mechanism (ESM) to cover COVID-19 related costs without the previous conditionality; b) the funding to small and medium-sized enterprises from the European Investment Bank (EIB); and c) the *Support to mitigate Unemployment Risks in an Emergency* (SURE Programme).

⁶ <https://www.theguardian.com/business/2020/apr/30/eurozone-suffers-record-slump-as-coronavirus-lockdown-reverses-growth>

PARADIGM SHIFTS: THE COVID-19 CRISIS IN THE LIGHT OF THE GREAT DEPRESSION AND THE 2008 FINANCIAL CRISIS¹



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Major economic crises are perceived as cataclysmic events that bring about significant changes. It is not surprising, then, that in the current COVID-19 crisis important scholars, pundits and politicians have expressed the view that the ensuing 'aftermath' shall be different from the 'collapsing past'. Everything –or a lot– is going to change.

This prevalent perception of economic crises (the crisis as a trigger of significant changes) has spawned from the Great Depression. The Great Crash did bring about radical changes: it had a strong impact on the relations between the state, markets and politics, and deeply influenced economic and political ideologies, leading to transformations whose effects can be traced in western societies at least until the 1970s.

However, this was hardly the case in the aftermath of the 2008 crisis (and its extension as a debt crisis in the European Union). In spite of the great expectations that the rampant capitalist model would be rectified, the economic and political consequences of the crisis were 'surprisingly conservative'.² The post-crisis reforms were primarily 'sectoral', largely focused on the financial sector and aimed at shaping an improved, safer and less toxic version of the financial architecture of the pre-2007 period. The 2008 crisis –the most important one since the interwar crisis and the first major one of a new generation of crises– has demonstrated that huge crises might not turn out to be such determining game changers, as was the 1929 crisis.

¹ This contribution is a short and adapted version of the paper: Gerassimos Moschonas, 'The coronavirus crisis in the light of the past: the 1929 Crash, the 2008 crisis and their consequences in the relations between state and markets', *Dianeosis*, June 2020 (in Greek). Available at:

<https://www.dianeosis.org/wp-content/uploads/2020/06/moschonas-arthro-krisi-v5-1.pdf>

² Kahler, Miles and Lake, David, 2013, 'Introduction: Anatomy of Crisis: The Great Recession and Political Change', in Kahler, Miles and Lake, David (eds), *Politics in the New Hard Times, The Great Recession in comparative perspective*. Ithaca and London: Cornell University Press, p. 23.

The limited extent of the consequences of the 2008 crisis is quite surprising. The scale of the systemic threat and the reward of moral hazard -use of public funds, in the name of a broader public interest, to bail out the private players who caused great harm to the common good –would warrant more profound changes. What prevented such changes from happening? Why did the 1929 crisis mold a new era worldwide, while the 2008 crisis merely brought about hardly discernible changes?

My hypothesis is that the depth and length of the recession are the two most important factors that determine the extent of changes in the post-crisis period. The severity and length of the Great Depression contributed to the subsequent changes in the economic and political paradigm. Conversely, the effective containment of the recession shock after 2008 was instrumental in preserving the status quo, in spite of any resulting minor changes.

In this context, however, the response to the two economic crises by public authorities (central banks and governments) was crucial, inasmuch as not only did it have an impact on the duration and intensity of the recession dynamics but –ultimately– it also expanded (1929) or limited (2008) the space for ideological novelty which could be taken up by status quo opponents. Let us have a look at the facts and their logic.

Depth and length of the recession, and paradigm shift

The 'good' responses to the 1929 Depression came in rather late. They were not implemented until 1932 (Sweden) and 1933 (in the context of the New Deal in the USA) – and then, again, not consistently (new recession in the United States in 1937). There is a consensus among experts that the mistakes and shortfalls in monetary and fiscal policies in the early 1930s aggravated the effects of the depression and fuelled the escalation of the disaster. As Eichengreen and Temin eloquently pointed out, after 1929, 'Central bankers continued to kick the world economy while it was down until it lost consciousness'.³

The huge economic and social cost of the interwar crisis, its great length, the development of a vicious circle of (currency, banking, stock exchange, political) sub-crises within the crisis, the absence of any visible way out from the crisis and the absolute need for 'something to happen', all helped alternative ideas and alternative policy proposals to emerge, mature and converge. However, policies require politics.⁴ The numerous twists and turns of this long and extraordinary crisis combined to prompt both old and nascent players (leaders, political parties, heterodox economists, trade unions) to either press for big change or become themselves its actors. The depth and

³ Eichengreen, Barry and Temin, Peter, 1997, *The Gold Standard and the Great Depression*, National Bureau of Economic Research, Working Paper 6060, Cambridge, p. 2.

⁴ Gourevitch, Peter, 1986, *Politics in Hard Times. Comparative Responses to International Economic Crises*. Ithaca, NY: Cornell University Press, p. 239.

duration of the crisis bred a favourable setting for the emergence and consolidation of heretical views and unorthodox, old and new, players. The protraction of the crisis expanded the *space for political struggle, ideological novelty and policy change*.

In stark contrast, in the 2008 crisis, the much greater efficacy of monetary and fiscal interventions, with the exception of the handling of the European debt crisis, dampened the recession shock and facilitated a swifter return to recovery. Moreover, there were two other factors which helped moderate the economic and social cost of the crisis: the much more systematic –compared to the interwar period– bank bailouts (which protected the huge number of savers and the extremely sensitive to any downturn risk modern middle classes) and the presence of a strong welfare state. By reducing the depth, length and cost of the 2008 crisis, these factors moderated or released the pressure for major economic and political changes. There was no longer much room for heretical views and unorthodox players. Not surprisingly, there was profuse social and political frustration leading to the extensive electoral punishment of governments in office.⁵ Social frustration and alternation in government, however, did not bring about any significant changes in economic philosophy and politics. There was no paradigm shift.

The post-2010 extremely problematic management of the debt crisis by the European Union confirms the hypothesis that the severity of the crisis is a factor of political renewal. The length and depth of the crisis in the southern European countries contributed to the development of alternative ideas and to the emergence of new political actors. In Greece, where the extent of the crisis fully matched the 1929 crisis, the emblematic case of SYRIZA shows how the protracted plummeting of the economy favours political change.

The response to a crisis is so important that it becomes –technically– an integral part of the dynamics of the crisis and a component of its very nature. *In particular, it determines to a large extent the duration and depth of the recession dynamics*. As a result, the difference in the length and depth of the two crises in one case *expanded (1929) and in the other case restricted (2008) the marketplace of ideas and, hence, the space for ideological and policy novelty*.

1929 or 2008? The COVID-19 crisis

The factors which heavily affected the dynamics of the 2008 crisis included: improved knowhow in addressing the crisis; better protection for the huge number of savers and the middle classes; the welfare state as stabilizer. These factors were not the product of conjuncture. They shall be present and active in subsequent crises. Moreover, they render the 2008 crisis distinct

⁵ Chwioroth, Jeffrey and Walter, Andrew, 2010, 'Financial crises and political turnover: a long run panoramic view'. Paper presented at the annual meeting of the International Political Economy Society, Harvard University. November 12-13, p. 3.

from all other major crises in the past and, from a cognitive perspective (in other words, regarding its usefulness in facilitating the understanding of the parameters of the crisis which is currently in progress), more important than the 1929 crisis. In this context, the predominant tendency to compare the COVID-19 crisis with the 1929 crisis, rather than the 2008 one, is quite surprising. In fact, it is this new era crisis –much more than the Great Depression– that would actually serve as a benchmark.

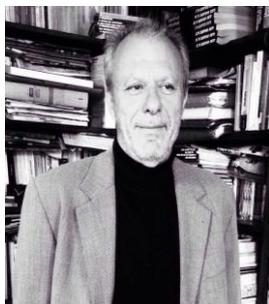
The management of the economic dimension of the COVID-19 crisis demonstrates the importance as a model of the 2008 crisis. In order to address the economic impact of the pandemic, state authorities are taking extremely bold steps and are adopting *the 2008 crisis management model*. In fact, their actions are even more daring than those seen in 2008. If central banks and governments manage to weather the storm with their unprecedented interventions, just as they did in 2008 (with their equally, at the time, ‘unprecedented interventions’⁶), then they will considerably restrict the potential for the development of alternative economic and political ideologies.

However, the key to understanding the long-term changes that the COVID-19 crisis will or will not bring is, as was the case with previous crises, the length and depth of the recession. The uncertainties surrounding health developments render the depth of the recession cycle unpredictable. Our premise, however, is that only the third of the scenarios envisaged by economists –the nightmarish scenario which speaks of a long and deep recession– would have substantial impact on the relations between the state and markets and on political ideologies. In that case, the already enhanced *désir d'Etat* (desire for more state) will become stronger and left-wing ideas will re-emerge. In all other scenarios, there is very little likelihood of a real paradigm shift. The fact that the outbreak of the current crisis was not caused by a plummeting economy or a toxic sector or institution of the economic system (and there are many such sectors) as was the case in 1929 and in 2008, renders any major change even less likely.

Though everything is possible, not everything is equally possible – this is what the preceding analysis argues. Major economic crises are no longer such big game changers as was the catastrophic crisis of 1929, even if this might still be possible under extreme circumstances. In all likelihood, emergency Keynesianism shall once again rescue – as it did in 2008 – economic (neo-)liberalism.

⁶ Kahler, Miles, 2013, ‘Economic Crisis and Global Governance: The Stability of a Globalized World’, in Kahler, Miles and Lake, David (eds), *Politics in the New Hard Times, The Great Recession in comparative perspective*. Ithaca and London: Cornell University Press, p. 44.

EXCEPTIONALITY AND NORMALITY IN MEASURES AGAINST COVID-19 PANDEMIC: HOW MUCH MORE NORMAL CAN A STATE OF EXCEPTION BE?



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Two forms of relationship will occupy us in this note. The relationship between normality and exceptionality and the relationship between crisis and opportunity. In people's imaginary, exceptional situations function as bad parentheses, as temporary nightmares that the average person is eager to escape. In order for this consolation practice to work, the dynamics of the contradictory dipole 'normality vs. exceptionality' is necessary to be activated. In other words, it is imperative that an institutional type of narrative (in order to be convincing) must developed, according to which the measures that are taken and implemented in a state of exception aim exclusively to create the conditions for a gradual return to the previous state of normality. The Covid-19 pandemic, among other things, raised several questions for the global research community regarding the scope and quality of the changes that it is likely to bring to the realm of practicing policies of state and international institutions, as well as to everyday life. In the minds of many scientists (and politicians), the period of pandemic may be a historically rare period of condensed and rapid changes, which would otherwise have required slow and longer transitional times to be implemented.

The first question that arises, therefore, concerns the true relationship between normality and exceptionality in the general political process. Can we assume that there are clear boundaries between the two? Can we assume that exceptionality in politics is the conceptual opposite of normality and vice versa? Dictionaries have already given us a measure of this relationship. According to a definition (<https://tinyurl.com/ydfkmvfc>), an exception is 'someone or something that is not included in a rule, group, or list or that does not behave in the expected way'. What does 'expected way' really means in our case? The really interesting question would not be as to whether the crisis situation is an exception to the 'rule' of normality, but as to whether what we call a 'state of emergency' in a crisis situation as in Covid-19 essentially contains rules of political reaction and collective behavior that are exactly the same as those that are also applicable to the 'state of normality'.

In other words, it would be crucial to ask ourselves whether understanding the political developments that have been triggered by the Covid-19 pandemic crisis requires the application of the same conceptual tools we use in political science and sociology in order to understand the phenomena and processes that take place in politics and society in times of 'normality' or whether different tools are needed.

In my view, a state of exception is a deviation from the state of normality, but the dynamics of political responses and the collective behavior of institutional and social actors in both cases follow the same rules and obey the same standards. What does this mean in practice? It means that, as a rule, in world history, crisis situations are unique opportunities for socially dominant forces to unfold a wide range of interventionist policies that form a new way of governing which in turn tends to transform our living standards and selection criteria in the long run in fields such as labor, economy, production, political activity, consumption, lifestyle, etc. In fact, with the exception of World War II at the end of which (due to the specific social conditions of how it was waged), a generalized class consensus on the welfare state and the corporatist model of political concertation of the state's economic and social policies and tripartite agreements was formed, in all other historical cases of crises there have always been specific political and economic elites who have discriminatorily exploited fluid conditions to impose their own choices in the long run. This has been the case in regional conflicts, natural disasters (e.g., floods and tsunamis), hurricanes, coups d'état, 'wars on terrorism', financial collapses and other natural or human induced disasters. This has also occurred in the case of Covid-19 pandemic. For example, the economic measures that various governments took have made labor even more flexible, have prepared huge pockets of legitimate unemployment and weakened workers' rights. Indeed, these situations offer us the opportunity to see clearly that such measures are class and socially biased. Despite the fact that the crisis caused by the pandemic is literally, according to Agamben, a 'state of exception', crisis management policies that have been institutionalized around the world to face it are no exception to the above rule of social partiality. The political measures taken to deal with the crisis and how they have been imposed are basically responses of political elites who are essentially declaring society in a 'state of emergency', thus creating a climate of enforced and generalized obedience to choices that transform already established class balances, revoke acquired labor rights, suspend established democratic processes and challenge selected lifestyles. Therefore, on the one hand and from a historical point of view, this way of responding to conditions of state of exception is in fact 'the expected way' to behave in conditions of crisis. On the other hand, this also implies that we may reconsider our understanding of the relationship between 'crisis' and 'opportunity'.

Indeed, governments' rhetoric on institutional interventions and decisions are full of references to 'opportunities'. One could say that in a sense the crisis we are going through is nothing more than a series of great (or even unique) opportunities to adapt to new circumstances and to get better as individuals, families, social groups, societies in the future. Behind the rhetoric of governments lies (or, if desired, is revealed) the dominant idea of 'opportunity.' But what does 'opportunity' mean within the context of today's crisis? We should rather ask ourselves 'opportunity for whom and at whose expense'? Going back to the help of dictionaries, we can take advantage of a simple definition of the term 'emergency' by supplementing it in the framework of the aforementioned contexts. Thus, given that human societies are plagued by multiple social antagonisms, 'emergency' would be 'something dangerous or serious, such as an accident, that happens suddenly or unexpectedly and needs fast action in order to avoid harmful results' (<https://tinyurl.com/ujldva2>) creating at the same time some (political and social) outcomes that are biasedly (and not generally) beneficial. According to this 'corrected' definition of emergency, the term 'opportunity' signifies a condition for a deeply differentiated ability of social actors to defend their rights and interests as the crisis situation has a crucial effect on the development of actors' abilities to influence public decision-making. In this light, the Covid-19 pandemic seems to have led to an open overthrow of even the few social balances which were in force, after decades of aggressive neoliberal policies having been implemented on a global scale.

The fact that 'returning to normality' does not exist in real life but only as safe path towards a different from the previous normality (hence to a new 'normality') is apparent, if we consider, for example, to what 'normality' we returned when we have (supposedly) left the cycle of severe economic recession we had experienced in Greece during the period of implementation of fiscal adjustment measures, which had led to policies of austerity, cuts in wages, pensions, social spending on education, health care, etc., over the last ten years. The 'return to normality' - the real escape from the debt crisis of the decade 2010-2020 - reserved a series of bitter, though not so often publicly expressed, findings on the huge expansion of social inequalities and the weakening of social cohesion in Greek society. As for today, a simple look at the first interim reports of 2020 issued by the International Labour Organization (ILO) is enough to realize that the lockdown has created the conditions for a serious deterioration of both the weakest social groups within individual societies and lower-middle-income countries compared to higher income countries. Indicatively, according to the ILO, 'With the COVID-19 pandemic, we face the risk of reverting years of progress. We may see an increase in child labour for the first time in 20 years' (<https://tinyurl.com/ycexpkpw>). Thus, how much more discriminatory against the most vulnerable can these measures taken against Covid-19 pandemic be?

IS THE POST-COVID 'NEW NORMAL' NEW AT ALL?



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Focuses on foreign policy, inclusive security and gender*

Is there such a thing as a perceived 'new normal' in international affairs, heralded by the post-COVID era? History begs to differ. Let's not forget that the breakdown of the stability of the bipolar system, after the end of Cold War, had also been characterized as a 'new' albeit more unstable international order, monopolized by gloating American hegemony. Disparate attempts to challenge such hegemony remained at that, as contenders' ambitions surpassed capabilities. Better still, during the post-Cold War era, events unfolded under the mantle of interdependency and collective decision-making, in a maze of post-World War II international institutions, treaties and occasional glimpses of international law. All these survived the collapse of bipolarity and thus, bestowed a sense of familiarity and system continuity to anyone who cared to watch. As per Fukuyama's famous dictum, many assumed that humanity had reached 'the end of history' and was on an inevitable linear path to progress towards democracy, liberalism and globalization.

It was, thus, easy to miss the obvious, while living through it- that this period of American power monopoly (1990-2020) was, in fact, our very own 'Thirty Years' Crisis',¹ the intermittent phase between equilibrium failed and equilibrium restored. Thus, the pandemic is not about to destroy our normal; the pandemic is now speeding our recovery towards normal. A renewed equilibrium, underpinned by Balance of Power games, is made more necessary and possible in the absence of an American vision of how the future world should look like, exacerbated by US unwillingness to clutch onto world supremacy. No world power monopoly has ever survived for long, unless it underpinned its reign in blood and iron. And in that respect, America is no Rome.

Additionally, one can say with certainty that the façade of global collectiveness has been dealt a serious blow by the COVID pandemic. Although attempts at collective action are nothing new, the lessons of history

¹ As per EH Carr's well-known diatribe of the interwar period, 1919-1939, which he had aptly described as 'The Twenty Years' Crisis'- the lull between two storms.

are much too stern to be ignored. The Congress System, the first attempt in modern times to create a common foreign and security policy in Europe, followed the Napoleonic Wars; the League of Nations came after WWI; the United Nations right after WWII. Following war, there comes hope. Plus an attempt to divide the spoils and manage the aggressor. However, once law and order are restored, against a hitherto existential threat, conflicting interests make a comeback. Bearing in mind that aforementioned collective arrangements collapsed, once they outlived their usefulness, the existence of the UN, at least in the form which we know of today, seems an aberration rather than the norm.²

Thus, it should come as no surprise that the US has recently expressed no real wish or interest in taking the United Nations forward. In fact, it's been some time now that American appreciation for the role of the UN has dissipated and funding was subsequently cut by the Trump administration. The World Health Organization (WHO), a United Nations affiliated organization, has just received the exact same blow: budget cuts accompanied by scathing critique, leaving no doubt in anyone's mind about Washington's de-legitimization intentions, even in the midst of a pandemic. One wonders whether the US is gradually pulling the plug on the UN network, much like the British previously did to the Congress system, as it has become an international vehicle which no longer serves American ambitions.

The post-World War, Cold War drivers are now obsolete. German aggression was reckoned with. Communism crashed and burned. In practical terms, the UN is not calling the shots in resolving most ongoing conflicts. Libya, Syria, Ukraine, Yemen, Afghanistan, the Israeli-Palestinian conflict- these are all conflict hotspots where pretenses of needing the UN in order to create and maintain a peace process or for the big players to proceed with military intervention on either warring side is long gone. The UN is now defied, in very much the same way that the League of Nations once was. Even in the case of the most serious *security* issue that humanity has had to face in the 21st century-that of COVID19- no common action for a common threat was taken by the UN Security Council. No wonder then that the Security Council appears lackluster and rather unnecessary in order to keep peace and security anywhere on the planet, whereas the General Secretary comes across as irrelevant and is largely ignored³ in international affairs.

² An interesting case in point would be to assume humanity to be currently at war, albeit against an invisible world enemy, just as President Macron has stated. It would make a convincing argument for demolition of the old, birth of the new and a reshuffled world order, under changing circumstances. Exactly as it happened after WWI and WWII.

³ Despite an appeal for a global ceasefire as the world was being ravaged by the global pandemic, Guterre's pleas fell on deaf ears, with little effect and that only initially. In any case, the average person on the street would hardly know that this global appeal for world peace, albeit temporary, ever happened.

In such global ambivalence, enters China. COVID19 did not create, but has rather exacerbated an already widening rift, between Washington and Beijing- a rift which we can say with certainty will only increase, under the strain of the global pandemic. Currently, each side, while claiming the high moral stance, hurls serious accusations against the other, pursuing a blame game regarding the spread of the deadly virus. But in the leeway that Washington has allowed and with the golden shackles of the Belt and Road Initiative firmly in place, China seems to have been patiently following its very own sacred teachings – ‘Abide till your time comes’. And now while the US is imploding, China is expanding. A new contender to the American throne. Is it yet time?

THE SOCIAL CONSEQUENCES OF THE PANDEMIC



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The recent emergence of the COVID pandemic has been mostly debated with regard to its medical-biological consequences. However, it presents other significant aspects as well, which this article will briefly address.

One dimension that immediately comes to mind is the tendency of a section of the population in every country to display symptoms of the disease while at the same time afflicted by the ostensible underlying disorder in conjunction with specific socio-economic variables. Thus, individuals suffering from hypertension, diabetes, respiratory problems and with a record of lack of exercise, obesity, poor diet, unhealthy living conditions, anxiety over day-to-day survival, unhealthy working conditions, have a high propensity towards falling ill (Zisis and Chtouris 2020:67). This may help to explain why more deaths were noted in parts of Britain (including Wales) for example, which are mainly inhabited by low-income and precariously employed population groups (<https://www.ons.gov.uk>). People in such places do not usually have access to preventive medicine that would help them impede further penetration of the illness. A key factor in this state of affairs is the downgrading of public health and social welfare that has accompanied the entrenchment of neoliberal politics in wide swathes of the planet. Moreover, the situation is exacerbated by the inability to implement restrictive measures because of overcrowding and the absence of adequate provisioning (with the shanty towns of the southern hemisphere as characteristic environments) (Zisi and Chtouris 2020: 68).

A second important aspect is the racial element in the spread of the disease. Data made available by Reuters news agency for the USA indicate that mortality rates among African-Americans are two and a half times higher than those of white Americans (one in 1,850 for African-Americans as against one in 4,400 for whites). The same applies with hospital admissions and with those infected by the virus¹ (van Dorn et al 2020). The same phenomenon is evident in other countries with significant national minorities (e.g., Brazil, France, Britain). Of course, there is nothing surprising about this because the

¹ In Milwaukee blacks comprise 26% of the population but almost 50% of infections and similar figures are found in Illinois.

reasons are only superficially biological but in reality, profoundly social. Minorities such as African-Americans, Hispanics, native Americans in the USA and Latin America, Maghrebis in France, etc., constitute a labour force working without protection, in conditions of mass production in sectors catering to basic needs with a high degree of exposure to the danger of contracting the virus. At the same time, bad housing conditions (lack of ventilation, overcrowding) further increase the danger of infection. Particularly in the case of Greece numerous cases were noted both in encampments of Roma and in areas inhabited by the Muslim minority (Zisi and Chtouris 2020: 69, 71). It should be also added, that the situation is made even worse, in some regions of the planet, by the difficulties faced by people living in shanty towns and slums in gaining access to clean water so as to be able to observe basic rules of hygiene. Parts of the cities of Johannesburg, Sao Paulo, Mexico City and Nairobi are examples in this direction.

A third aspect in this debate is linked to geographic discrimination. Here the basic differentiation is that between the big urban centres and the farming regions. In the latter, access to health care is more limited. Above and beyond that, it is interesting to note the unequal distribution of funding between regions on the basis of electoral criteria. The Trump administration, for example, chose to make available 47,000 dollars per patient in states supporting the American president: Montana, Nebraska and West Virginia, whereas in pro-Democrat states and particularly the severely afflicted New York the sum provided was merely 12,000 dollars per patient.

A fourth aspect is educational inequalities. It is calculated that because of lockdown, 1,200 million people were excluded from 'classical' schoolrooms. Apart from the psychological consequences of this exclusion for the student population as a whole there were specific consequences for schoolchildren from poor families and economically underdeveloped countries. According to OECD figures, whereas in states such as Austria, Norway and Switzerland 95% of pupils had reliable access to internet, in countries such as Indonesia that proportion fell below 34% and in sub-Saharan Africa it was even lower: a meager 10%.

The conclusion that emerges is that although a medical-biological phenomenon, the COVID pandemic involves very significant social dimensions. Whether someone is affluent or poor, white or black, living in a developed or an undeveloped country, is a significant consideration that plays an important role in determining not only whether one will receive treatment and whether one's health will be affected but also on the level of education available to one's children.

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THE COVID-19 PANDEMIC IN SUB-SAHARAN AFRICA: FRACTALS AND PYRAMIDS COMPARED*



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Governing the Pandemic: Business as Usual?

Legal scholars tend to tackle the novel coronavirus (Covid-19) outbreak as 'global business as usual.' This attitude is also applied when considering its impact on Sub-Saharan Africa. Like the rest of the globalised world, the continent is experiencing its slow, but constant, acceleration,¹ which suggests we tackle it by adopting a transnational strategy.

The *Coronavirus Government Response Tracker* holds this assumption.² Its *Stringency Index* confirms that the measures adopted in Sub-Saharan Africa do not differ from those taken, say, in the Global North. These range from marginal responses (Tanzania, Eritrea, and Burundi) to the implementation of the WHO guidelines (Burkina Faso and Kenya). The latter are complemented with the declaration of a state of disaster (South Africa and Malawi), of emergency (Angola, Gabon, and Botswana), or of alarm (Equatorial Guinea). Sub-Saharan African countries have therefore joined the WHO global scheme, and adopted restrictions to fundamental rights by way of legally binding or soft-law measures.

The consequences are threefold. Firstly, the business-as-usual strategy is triggered by the convergence of constitutional law Africa has traditionally experienced under the influence of Western and global financial actors and

* The article pertains to the research activities of the PRIN 2017 "From Legal Pluralism to the Intercultural State. Personal Law, Exceptions to General Rules and Imperative Limits in the European Legal Space" (PI – prof. Lucio Pegoraro – CUP J34I19004200001).

¹ WHO, *COVID-19. Situation Update for the WHO African Region*. External Situation Report 15. Date of issue: 10 June 2020 available at

https://apps.who.int/iris/bitstream/handle/10665/332321/SITREP_COVID-19_WHOAFRO_20200610-eng.pdf?sequence=1&isAllowed=y (accessed 15 June 2020).

² University of Oxford, *Coronavirus GOVERNMENT RESPONSE TRACKER*, <https://www.bsg.ox.ac.uk/research/research-projects/coronavirus-government-response-tracker> (accessed 15 June 2020).

conditionalities. Secondly, the compliance with the WHO guidelines³ has stimulated a process of generalisation in how to tackle the public health emergency. Its governance has paved the way to a 'pandemic democracy'.⁴ Not only do the restrictions of fundamental right reflect the WHO's 'Health Order',⁵ but they are also replicable everywhere irrespective of societies and territories. Finally, such governance will have long-lasting consequences on African constitutionalism.

Fractal v Pyramid Patterns: Sub-Saharan African Context in a Time of Pandemic

Although statistical models make the 'rules of contagion' predictable,⁶ we should confront the pandemic by considering the legal 'biodiversity' of the world: Our response for Africa, therefore, should adopt a Sub-Saharan 'African Perspective'.⁷ Instead of disregarding its legal biodiversity, we should inflect our global response to the pandemic after its *legal and environmental contexts*.

An article recently published in 'The Elephant' platform⁸ juxtaposes two patterns whereby the pandemic might be addressed. The first pattern is 'fractaclic', and echoes the features of African politico-legal traditions: 'Every individual member of a fractal pattern is harmonious with the pattern as a whole' This is reflected, for instance, in the *Health Directives relating to Covid-19 (Government Notice 107 of 2020)* of Namibia: in a time of pandemic, leaders in the community must 'mobilise resources to provide basic necessities' for those in need of them. This posture evidently complies with the WHO guidelines: when delivering food to 'persons in dire need of it,' 'Hygiene and social distancing ... be practiced at all times.'

This 'informed cooperation of citizens' contrasts with the 'pyramids', i.e. 'artificial shapes made of three straight lines and rarely occur in nature without human intervention.' Instead of favouring public engagement,

³ OMS, *Country & Technical Guidance - Coronavirus disease (COVID-19)*, reperibili al *publication hub*

<https://www.who.int/emergencies/diseases/novel-coronavirus-2019/technical-guidance-publications> (accesso 9 giugno 2020). Cfr. N. Plohl, B. Musil, *Modeling compliance with COVID-19 prevention guidelines: the critical role of trust in science*, in *Psychology, Health & Medicine*, 2020, DOI: [10.1080/13548506.2020.1772988](https://doi.org/10.1080/13548506.2020.1772988).

⁴ T. Landman, L. Di Gennaro Splendore, *Pandemic democracy: elections and COVID-19*, in *Journal of Risk Research*, 2020, DOI: [10.1080/13669877.2020.1765003](https://doi.org/10.1080/13669877.2020.1765003).

⁵ B. Mason Meier, F. Kastler, *Development of Human Rights through WHO*, in B. Mason Meier, L. O. Gostin, *Human Rights in Global Health: Rights-Based Governance for a Globalizing World*, OUP, Oxford, 2018, 111.

⁶ Cf. A. Kucharski, *The Rules of Contagion. Why Things Spread – and Why They Stop*, Profile Books, Londra, 2020.

⁷ Cf. S. Ahmad Lone, A. Ahmad, *COVID-19 pandemic – An African perspective*, in *Emerging Microbes & Infections*, 2020, DOI: [10.1080/22221751.2020.1775132](https://doi.org/10.1080/22221751.2020.1775132).

⁸ Chief Nyamweya, *The Shape of Our Post-COVID Future*, in *The Elephant*, 23 May 2020, <https://www.theelephant.info/ideas/2020/05/23/the-shape-of-our-post-covid-future/>.

pyramids concentrate 'decision making power in a few hands' thus excluding 'the voluntary participation of the affected population at the bottom of the pyramid.'

The 'Real' Sub-Saharan African Perspective in a Time of Pandemic. Concluding Remarks

African national governments have made resort to this pyramidal decision-making when joining the global response to the pandemic. The continent is therefore tackling the outbreak by adopting global standards, i.e. the derivatives of Western transnational modules. This have some bearing on African fractalic communities, which scarcely fit in the global pyramid.

As African law reflects community standards and rules, how the pandemic is being managed does not grasp the needs of African societies. 'Conserving water' is essential when fighting 'against SARS-CoV-2 virus'⁹– but Sub-Saharan Africa suffers from endemic poor sanitation. It also has an 'immunocompromised population', which imposes narrowly tailored policies when fighting against the virus.¹⁰ Its social, religious, ad cultural practices hardly square with mainstream WHO guidelines.¹¹

In a recent judgment, the High Court of Malawi¹² suggested a 'fractal' response, which requires us to 'respond to the public health emergency ... in a manner that will build resilience but also innovate for delivery of justice to those who need it at this time.'

This means arranging the response by adopting inclusive policies, which reflect not an abstract commitment to human rights and development, but the desired futures of the fractalic African societies. And this entails adopting a real Sub-Saharan Perspective when tackling its societal concerns in a time of pandemic.

⁹ S. Haddout *et al.*, *Water Scarcity: A Big Challenge to Slums in Africa to Fight against COVID-19*, in *Science & Technology Libraries*, 2020, DOI:[10.1080/0194262X.2020.1765227](https://doi.org/10.1080/0194262X.2020.1765227).

¹⁰ S. Ahmad Lone, A. Ahmad, *COVID-19 pandemic*, cit.

¹¹ I. Festus Jaja *et al.*, *Social distancing: how religion, culture and burial ceremony undermine the effort to curb COVID-19 in South Africa*, in *Emerging Microbes & Infections*, 9:1, 2020, 1077–1079.

¹² *State v The President of Malawi et al ex parte Mponda, Soko et al* (Judicial Review Number 13 of 2020) [2020] MWHC 6 (07 April 2020).

COVID-19 SHOOK SOCIETY BUT NOT THE POLITICAL SYSTEM



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In his introduction to the *Muqaddimah*, the fourteenth century North African scholar Ibn Khaldun, recounts how the plague which had devastated North Africa in 1348-49, taking his parents away with it, had dramatically changed societies by 'swallowing up many of the good things of civilization and wiping them out', adding further that the general change of conditions which it triggered off, was 'as if creation had changed and the whole world been altered...a world brought into existence anew' (p.30). For Khaldun, the historian's main task is to chronicle such 'game changing' events and describe the transformations that they brought.¹

Sitting as we are on what might be the tail end of the COVID-19 pandemic (optimistic view), or on the cusp of a second and more devastating wave (pessimistic view), we do well to chronicle, but not to claim to be writing history. We still know very little about this pandemic. A lot has been said and written, but only a fraction of it counts – that based on scientific knowledge and empirical facts such as the declining macroeconomic indicators and the growing lines of the unemployed. The death toll from the pandemic remains controversial in an age of huge scientific advances. Ironically (or should I say cynically) 'true' and 'fake' news still struggle for supremacy. It is too early to predict the political outcomes that may result from this crisis. The itch to make hasty predictions nevertheless persists. Political figures around the world have suffered reversals in public support as a result of their mishandling of the pandemic while others have won public kudos. But will such reversals/gains persist or be re-reversed? Only when the dust settles, and with the benefit of hindsight, we will be able to measure the full effect of COVID-19 on our politics and society and perhaps begin to write its history.

The chronicle of Malta's COVID-19 emergency begins on 7 March 2020 when the first case was reported. Quarantine measures were immediately implemented. Given its small territorial size and high population density,

¹ Ibn Khaldun, *The Muqaddimah: An Introduction to History*, Princeton University Press, 2015; Dale F. S. (2015), *The Orange Trees of Marakesh: Ibn Khaldun and the Science of Man*. Harvard University Press.

estimated at 1,548.3 persons per km² (compared to the EU-27 average of 108.8)² in 2018, it was crucial to deal with the pandemic right away. A fortnight later, all inbound passenger flights were stopped and restrictions were imposed on seaports. By the end of March all educational institutions were closed; sports activities stopped, banks and government offices curtailed their operations, hotels were empty, bars and restaurants pulled down their shutters as tourists disappeared and locals stayed away. In the month of March alone, tourist arrivals dropped by as much as 57%.³ Outbound tourism stopped from 12 March onward since the airport was closed. Only essential services remained open and subject to certain safeguards such as maintaining social distance and wearing masks or visors. Online purchases exploded, supermarkets and restaurants provided home delivery services. Preparations were completed in earnest in all hospitals and some University halls were transformed into make-shift wards, to prepare for an increased influx of patients. Ventilators became a subject of public interest. Old people's homes were tightly quarantined, in many cases staff was obliged to live-in on the premises while people over 65 were advised to stay at home. Swabbing, testing and contact tracing became widespread and proved effective in containing the spread of the disease. It was not a total lock down as the opposition Partit Nazzjonalista (PN) had wanted, but it proved to have been effective as the facts subsequently showed.

New COVID-19 cases peaked on 7 April with 52 cases. Active cases peaked on 15 April, but started declining from there on. The government did not use the emergency powers provisions in the Constitution or the Emergency Powers Act to manage the situation, but used instead the Public Health emergency laws. On the economic front the effects of the pandemic became immediately visible: the unemployment rate edged up from 3.4% in January to 4.0% in April.⁴ Just a week after the first COVID-19 case, Government responded by a series of tax and economic measures aimed at keeping the economy afloat. At the end of March, Parliament authorized government to borrow up to €2 billion to be used to prop up the economy. Local borrowing was preferred to foreign loans. Less than three months into the crisis, on 3 June, Parliament approved a series of Legal Notices to start the gradual easing of restrictive measures. A few days later it approved a mini-budget to help the post-pandemic economic recovery.

² Eurostat (2020). Population Density.

<https://ec.europa.eu/eurostat/tgm/table.do?tab=table&plugin=1&language=en&pcode=tps00003>

³ National Statistics Office (Malta) (2020). Inbound Tourism at

https://nso.gov.mt/en/News_Releases/View_by_Unit/Unit_C3/Tourism_Statistics/Pages/Inbound-Tourism.aspx

⁴ National Statistics Office (Malta) (2020). Unemployment Rates at

https://nso.gov.mt/en/News_Releases/View_by_Unit/Unit_C2/Labour_Market_Statistics/Pages/Unemployment-Rate.aspx

Malta has contained the health aspects of the pandemic. By 28 June, figures provided by the health authorities showed that no new cases had been detected in the previous four days. Cumulatively 700 cases had been recorded by then, of which 636 recovered, 9 mortalities leaving 25 active cases. Game over? The virus is still in the community and as restrictive measures are eased and transport links with the rest of the world are restored, fears of a surge may be well-founded. In general, public sentiment is that the authorities have managed to contain the problem. Public opinion surveys by leading Maltese newspapers continue to show strong support for the governing Labour Party (PL) despite the fact that it has been rocked by various scandals linked to key (now former) ministers and parliamentarians and which in January of this year forced the Prime Minister (PM) Joseph Muscat to resign. He was replaced by Dr Robert Abela as PM and PL leader.⁵

These troubles are related to the revelations made in the 'Panama Papers' and amplified by the journalist Daphne Caruana Galizia who was assassinated in 2017. Several investigations and judicial inquiries are taking place, three persons have been charged with killing her by an explosive device placed in her car, a leading business man thought to be the main conspirator who commissioned the murder is in detention and facing a judicial inquiry and a 'middle man' has been given a Presidential pardon to provide evidence that would incriminate the perpetrators.

The country is also struggling with the reform of its institutions following the 2018 recommendations by the Council of Europe's Venice Commission. The fading away of the PN as a credible political force has permitted civil society and the free media to fill the vacuum to counter-balance the government. Civil society and the media have also been the main ray of hope during the pandemic: they behaved as the main scrutinizers of the executive and the interlocutors par excellence between the ruling elite and various sectors of society. Civil society has also been helped by progressive elements in the PL, who, aided by the public angst generated by the assassination of Caruana Galizia and evidence of widespread corruption which has been repeatedly compared to a mafia, acted to clean their party and perhaps the country. The COVID-19 emergency was not the catalyst of reform. It could have delayed the process.

⁵ *The Sunday Times of Malta*, 20 June 2020 at <https://timesofmalta.com/articles/view/survey-shows-labour-is-way-ahead-as-delia-performs-abysmally.799956>;
Malta Today, 9 December 2019 at https://www.maltatoday.com.mt/news/data_and_surveys/99131/maltatoday_survey_labour_unscathed_by_crisis_that_has_rocked_castille#.XvRWYSgzaUk;
Malta Today, 21 June 2020, at https://www.maltatoday.com.mt/news/data_and_surveys/99131/maltatoday_survey_labour_unscathed_by_crisis_that_has_rocked_castille#.XvRWYSgzaUk

Continuing with our chronicle, the COVID-19 emergency churned up some other dramatic moments. The intensification of the civil war in Libya and the arrival of COVID-19 there strengthened the push factors of irregular migration. Both Italy and Malta closed their ports to all except the movement of essential supplies. The Maltese government asked fellow EU governments, whose citizens are involved in the rescue of irregular immigrants in the central Mediterranean, to stop their operations both because this would serve as an incentive for further migration and because few resources could be spared to save immigrants in Malta's Search and Rescue Area (SAR) or to care for them once on land. The pandemic had generated fear and new pressures on human and material resources. The situation was aggravated when on 4 April, more than 1,000 migrants at the already over-crowded Hal Far Refugee Centre were put under lockdown after cases of the disease were discovered there following random swabbing.

The Maltese authorities kept rescued migrants at sea on hired cruise vessels just outside Malta's territorial waters. Numbering around 425, they were eventually allowed ashore on the 6-7 June. Some of them had spent more than 40 days at sea. NGOs criticised this maltreatment of migrants, but Malta felt abandoned by the EU member states who refrained from sharing responsibility for them. Meanwhile, bilateral cooperation with Tripoli intensified during this 'crisis within a crisis' and an estimated 1,500 immigrants rescued by the Libyan coastguard and private vessels allegedly hired by Malta were forced back to Libya.⁶

Immigrants with regular work and resident permits were also affected by the economic downturn caused by the pandemic. Some returned to their countries before flights and sea routes were stopped. Statistical data is not yet available on how many of them were left stranded in Malta. Mid-June the media reported that Indian nationals were encountering difficulties in being repatriated. When the pandemic struck, foreign workers who for many years had been welcomed and their contribution to the economy publicly lauded, suddenly became a "burden" to be returned home. On 17 March a Maltese Minister told Parliament that "Charity begins at home. Our primary focus are Maltese and Gozitan workers. The moment foreign workers lose their job they will have to go back to their country." This drew criticism from 14 NGOs forcing the Minister to apologise. From there onward, the authorities started including them in relief measures although reports of a rise in xenophobic sentiment against foreigners were reported.⁷

⁶ *The Guardian* (UK) "12 die as Malta uses private ships to push migrants back to Libya", Tuesday 19 May 2020 06.10 BST, last modified on Tue 19 May 2020 06.20 BST.

https://www.theguardian.com/global-development/2020/may/19/exclusive-12-die-as-malta-uses-private-ships-to-push-migrants-back-to-libya?fbclid=IwAR014wyM0I2M5v0XsD_sa2QBkfm0TLzZfEvj6H1rr7CzYgsiCH8yis4Qt10

⁷ *The Sunday Times of Malta*. "Go back to your country': How coronavirus xenophobia is driving foreigners away". Sunday, 21 June, 2020.

In conclusion, there are signs that while life styles have been changed by COVID-19 and that these will persist until this danger is over, national politics have not been affected a lot by it. Politics is driven by its own dynamics rooted in the pre-COVID situation. If the constitutional reform movement persists, the Maltese may for the first time since independence finally taste a true *res publica* in the Machiavellian sense (*Discorsi*), where the rule of law finally stands above all citizens alike and safeguards their liberty. It is only if the economic problems related to COVID-19 grow in the medium to long-term that they may start to impinge on the political domain.

<https://timesofmalta.com/articles/view/coronavirus-xenophobia-is-driving-some-foreigners-away.800772>

COVID-19 VS HUMANS: ARE WE UP FOR THE CHALLENGE?



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In *The Plague*, a novel that has received a flare-up in the midst of another pandemic, Albert Camus' narrator poses the following question: "But what does it mean, the plague?". The answer that follows - "It's life, *that's all.*" - causes both a shrug of the shoulders at life's absurdity, as well as a shiver at its bottomless complexity. The entire human condition is captured in this simple expression "that's all", where "all" is everything, especially when you consider that Camus is said to have written it in the traumatised, bloody aftermath of the second world war.

We are definitely experiencing some interesting times right now. Who would have thought that in our day and age, we would be locked willingly in our houses due to a pandemic and that it would not be a fictional scenario taken out of Daniel Defoe's *A Journal of the Plague Year*? To address the challenges of our times is our duty, as it goes along with posing questions that relate to the formation of our future. In writing this article, the words crisis, transformation and shift kept swirling around in my mind. With the outbreak of the pandemic, we were bombarded with images related to Covid 19 by the media. As Roland Barthes argues, "if the image is in a certain manner the limit of meaning, it permits the consideration of a veritable ontology of the process of signification" (1977: 32). In other words, the pandemic, as it was projected by the media, was forming a reality in the making and even though slowly, it was nevertheless approaching in our part of the world.

Media continuous referral to "normality" (i.e. pause of normality, new normality, gradual process back to normality) made me think of Britain's pre-Brexit slogan "Make Britain great again". To my understanding, the common point in both situations was the misleading innuendo that the concepts called for, that is normality, which was meant to refer to our pre-Covid 19 lifestyle and "great" Britain, which referred to Britain before her engagement with the European family, were both wished for, as they represented the "healthy" part of history, where control was in people's hands.

On another note, the terrorization that was partly created by Covid-19 itself and partially created by the media, brought to the surface a kind of irony: the guiltless resurrection of the nation-state trying to embrace its long lost children and at the same time, a type of collective consciousness –perhaps a remnant of our tired, good old friend called globalisation- as regards the global impact of the virus on every single aspect of our lives, that is, our physical and mental health, our societies at large and, of course, the world's economy which itself is the source or, better put, the starting point of everything of value in modern societies.

Fear has been the dominant drive for preventive action, and it seems that it has worked. Similar to how the French psychoanalyst Jacques Lacan (Lacan qtd in Barzilai, 1999: 37) associates fear with the notion of 'the Real' as a sort of semiotic stand-in for that which is beyond representation, I would like to draw attention to the way Covid-19 was portrayed as "the invisible enemy" that cannot be quite represented or identified, as its workings haven't been understood yet. Following Lacan then, I suggest that fear is the local instantiation of our contact with anxiety that arises from being confronted with this dreadful non-represented 'Reality'.

I choose to place emphasis on the adjective "local", as I believe that during our effort to deal with Covid 19 pandemic, we have been confronted with a choice between nationalist isolation and global solidarity, as implicitly suggested previously in this article. China sent to Europe medical equipment and shared knowledge with Europe regarding the management of the crisis, since China had already faced the climax of Covid-19 first. It seems to me that the only way Covid-19, as well as the upcoming crisis on the economic front, can be handled effectively, is through the realisation that countries must be willing to share information openly, exchange opinions humbly, trust the data they receive and have each other's back. In other words, globalisation has to be revisited anew, as a necessity.

In my perspective, another factor that makes global solidarity absolutely necessary is the US leader's reaction to the Covid-19 crisis, which revealed now more than ever the urgent need for the rest of the world to de-associate its survival possibilities from America. While in the previous global crises faced by humanity (i.e. 2008 economic crisis, 2014 Ebola crisis), the US willingly assumed its role as a world leader, ready to offer relief and support to the rest of the world, now this role in history is taken by none, a fact that renders the strong alliance of the rest of the world an urgency, if we are to fill in that void, so that our future won't seem auspicious.

As a response to the heated question of whether the sudden outburst of the epidemic manifests an opportunity for social, economic, political, cultural, environmental and last but definitely not least, intellectual transformation, I am an advocate of the opinion that the Covid-19 crisis indeed represents an

opportunity for personal, as well as collective transformation, grounded in the capacity of individuals, groups and nations to revisit the perspectives through which we interpret our experience of the world. I believe that this issue lies at the core of the situation we have found ourselves in, that is, how has the experience of this crisis affected the way we critically interpret the world we live in, socially, politically, intellectually, financially and environmentally? As suggested above, global solidarity as opposed to nationalist isolation is one possible answer. Citizen empowerment through knowledge instead of technology surveillance and excessive policing is another. Media and politicians coming clean on current affairs instead of misleading people, according to their interests is certainly another suggestion. It is clear that while we are leading ourselves back to “normality”, we are faced with the emergence of so many issues we have to address.

Having had the time to stand still and observe our previously owned normality, most of us have come to the conclusion that what we once considered as the norm should not have been it, in the first place. Take the environment, for instance. In *The Economist's* March 26th edition, there was an article referring to the chance provided to us humans to do good to the environment, stating that “Around lockdown Covid 19 has been controlled, while emissions of greenhouse gases are following a similar pattern”. So, what is the case now, when people are not locked in their houses anymore? There should be governmental policies sustainable by the people, so that the good done to the environment during Covid-19 lockdown will be a permanent practice, and not a coincidental one. On another note, people and states are dealing with the issue of privacy and in effect, human rights. An excellent article by Olivier Nay ¹ raises the question of whether a virus can undermine human rights, pointing out that due to the emergency state many governments have found themselves in, in some places in the world (e.g. China) governments did not hesitate to use the latest mass surveillance technologies, an act which would signify a serious violation of privacy, had it not been considered “necessary” due to the epidemic. The issue raised is whether the exceptionality called upon during Covid-19 will jeopardise certain democratic principles in the long run. Moreover, considering how citizens in democratic states have been forced to accept limitations of their freedom, one justifiably wonders whether this will affect their perception of freedom in a democratic state, as well as the governments’ perception of their citizens’ freedom in such a state?

Locally, as regards the way our nation functioned under these conditions, as a citizen I have observed an uneven treatment, once more, of the private sector as opposed to the public one (i.e. employees getting paid 2/3 of their salary while working in some cases longer hours than usual to cope with the new methodologies, as opposed to employees in the public sector getting fully paid while in some cases they worked a few days within a week or not working

¹ www.thelancet.com/public-health Vol 5 May 2020.

at all at times). As an educator, I have also observed teachers in the private sector working full-time, even longer hours if needed from the second day of the lock down, while steps towards this direction in the public sector were really slow and at times, ineffective due to the intervention of their Unions or perhaps, the inability of the state to act on the spot. Also, I have realised that the people living at Pournara refugee camp were left alone, apart from their basic needs being met. This resulted in the case of harassment of unaccompanied minors that came to the public eye only recently. These are issues that have to be addressed. We just cannot turn a blind eye...

At times like these when uncertainty and fear prevails, we need to remember that we remain the focal points of our own stories. We need to find solace and solutions in our humanity and in the rebuilding of a collective consciousness, a global solidarity that will enable us to come out stronger, and united. What we will certainly find, as Camus wrote, is life. And that's all. And "all" has to be better than our previous one.

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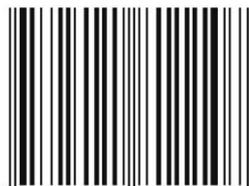
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