



THE GLOBAL IMPACT OF CORONA PANDEMIC

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(Views expressed in the brief are those of the author, and do not represent those of ISSI)



The outbreak of Corona virus disease (COVID- 19) has caught the world surprised and unprepared. The disease was declared as a Pandemic on March 11, 2020 by World Health Organization after its first appearance in China in Wuhan in December 2019.¹ As of March 30, 2020, a total of 638,146 worldwide confirmed cases of this disease have been registered with WHO while deaths are numbered at 30,105 spread across 171 countries.² United States has graduated to top position with 103,321 confirmed cases of corona disease and 1,668 deaths while China, Italy and Germany stand at second, third and fourth position respectively. US, China and Europe remain top affectees from Corona virus outbreak.

United Nation Secretary General Antonio Guterres warned that “millions of people could die globally from the corona virus outbreak without a coordinated global response.”³

As the Corona pandemic spread across nations, the steps taken so far are meant to contain it without a permanent solution. In order to “flatten the curve” and arrest the spike of virus spread, nations have by and large resorted to partial or complete lockdowns of affected areas. China is the

¹ World Health Organization, “WHO Director-General's opening remarks at the media briefing on COVID-19”, accessed March 29, 2020, <https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020>

² WHO Stats available at <https://experience.arcgis.com/experience/685d0ace521648f8a5beeee1b9125cd>

³ Margaret Besheer, “UN Chief: Virus Could Kill Millions Globally Without Joint Response,” *Voice of America*, March 19, 2020, <https://www.voanews.com/science-health/coronavirus-outbreak/un-chief-virus-could-kill-millions-globally-without-joint>

first country to be able to effectively contain the spread of virus after the initial delay of one month through rigorous testing, travelling restrictions, isolating and social distancing measures. Similarly Italy, Iran, UK, Germany, US and others were slow to implement socially harsh measures while none has been able to arrest the spike of virus spread yet. Lack of a coherent and unified global response to Corona pandemic has frustrated the champions of globalization.

Apart from the failure of globalization, the impact of the pandemic on global politics will be far reaching. In a bid to overcome the pandemic crisis, the competition between leading industrial states to produce the solution will increase. The war of words between US and China has escalated where America attacked China for its failure to fight the epidemic and for concealing it since its inception and its failure to combat it. President Trump described corona virus as 'Chinese Virus' in his tweets. Chinese foreign ministry reacted strongly to American insinuations. German officials have also accused Trump for luring the German companies working on vaccines for virus.⁴

Another significant impact of the pandemic will be the strengthening of state and nationalism. It will be tempting for some states to retain newfound methods of social controls excised in an effort to contain the virus. The race for developing a long-term solution and containing the spread of virus will affect the global balance of power among major powers. This trend will be visible gradually over the period of time depending upon how the economies of major powers recover over time.

The Corona pandemic will also test the populist leaders as the societal expectations to outperform the virus have reached its peaks. So far, the populist leaders have failed to show leadership and timely response to the pandemic leaving thousands of dead in many countries and counting. Will the societal dissatisfaction end the wave of populist leaders?

In order to slow the spread of Corona pandemic, the measures taken have generated a negative impact for global and regional economies. The global capitalism had never truly recovered from the shock of 2008 financial crisis. Before the outbreak of pandemic, the global economy was slowing down as a result of Trade Wars and BREXIT. The virus has paralyzed global trade and caused oil prices to fall rock bottom, as oil prices have fallen to very low levels with Brent Crude selling at 24.93 dollars per barrel.⁵ The financial markets have shown worse performance since 2008 crisis.⁶ The Chinese economy, also known as world's production house, has slowed down considerably during

⁴ "Germany tries to stop Trump from luring away firm working on coronavirus vaccine," *NBC News*, March 15, 2020, <https://www.nbcnews.com/news/us-news/germany-tries-stop-trump-luring-away-firm-working-coronavirus-vaccine-n1159426>

⁵ Oil price chart, March 30, 2020, accessed from <https://www.oil-price.net/>

⁶ Jeremy Herron, Vildana Hajric, "The Market's in Panic Mode.' Stock Markets Plunge 12% Amid Coronavirus Fears," *Time*, March 16, 2020, <https://time.com/5803847/coronavirus-stocks-fall/>

the current crisis that is bound to affect other major economies. The appeal of international capitalism will further diminish significantly as recession takes a societal toll. Though the economists are still taking stock of the damage, there is a wide spread belief that the world economy is on a path to recession⁷.

At the societal level, the new way of life i.e. the lock downs will have an immense psychological impact for societies. The effects will vary from society to society, but a psychological insecurity had been built by unintentional weaponizing of fear through the coverage of Corona virus on both mainstream and social media. The pandemic will also accelerate the drive towards organizing economic activities more online and internet based on 5G revolution. The health system and its international protocols will also see radical changes in order to better respond to devastating pandemics as the current system has not been able to absorb the shock.

It is imperative for developing countries to increase their efforts towards indigenization of critical industries, including health, medical and biosciences, as they have been exposed to supply shocks of major items such as ventilators.

The established orthodoxy was that a major powers conflict triggering a nuclear war will be humanity's greatest challenge. That a nuclear winter will decent upon the world freezing the society as we know it. But instead, it has been a pandemic that has frozen the societies across the globe and the world was clearly not prepared for this challenge. In these testing times, the world needs a wise leadership, which could transcend nationalism and narrow self-interests to show a way forward. A path that does not distort nature, its eco-system and food chain for the benefit of greedy few.

⁷ Philipp Carlsson-Szlezak , Martin Reeves and Paul Swartz, "What Coronavirus Could Mean for the Global Economy", *Harvard Business School*, March 03,2020, <https://hbr.org/2020/03/what-coronavirus-could-mean-for-the-global-economy>