

# Global Governance and COVID-19: The Implications of Fragmentation and Inequality

Written by Masaya Llavaneras Blanco and Antulio Rosales

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Like many people around the world, we have spent weeks following the evolution of the COVID-19 virus in untold numbers of exponential graphs. These graphs are nothing but a representation of time and scale. The virus travelled from the Wuhan province of China to other countries, especially in the Global North until it turned into a global pandemic. The trajectories of the virus have largely determined the response to COVID-19. Different forms of authority and scales of government respond differently to external threads. But the constant message put forward by public authorities in most cases has been to 'flatten the curve' and manage contagions in a way that allows public health systems to cope with a significant surge of patients. It is a struggle against time that comes with important social and economic costs. Physical distancing and lockdown measures have been imposed throughout the world even if some countries were slow to adopt them (Mexico), have been contradictory in their approach (Brazil) or have taken a far more tamed approach (Sweden).

Despite the collective aspects of the struggle against COVID-19, the pandemic emerged in a context of governance fragmentation and acute inequality. A critical Global Governance perspective helps elucidate how scale matters in relation to the COVID-19 crisis. Contrary to the aspirations of the rhetoric that accompanied the emergence of Global Governance as a process of confluence and cooperation among multiple actors, state and non-state actors, fragmentation has been a quality of this globalizing process from its inception (Rosenau and Czempiel, 1992). As Weiss and Wilkinson stress, unevenness of power has always been present in Global Governance, where 'some states have been far more capable actors than other states and non-state actors' (2014, p. 211). In addition to varying state capacity, globalization as a process of increasing connections and flows is populated by inequality and exceptions (Ong, 2006). In the wake of the current COVID-19 crisis, governance mechanisms at different scales demonstrate problems of coordination, uneven capacities and claims of authority. Similarly, the social and economic dimensions of the crisis affect countries and communities differently, due to different levels of preparedness of their health, social security systems and infrastructure capacity.

In other words, the COVID-19 pandemic emerges in a context of fragmentation and is most likely to perpetuate and sharpen global inequality. Fragmentation and inequality have geopolitical implications that go from individual human bodies, to the bodies of nation-states, and finally to the existing global governance architecture; all of which have critical implications to the success of effective global responses to the crisis.

### The Embodiment of COVID-19

The expansion of the global pandemic emerged with an increment of racializing rhetoric. Instrumentalizing the fact that the first recorded phase of the epidemic took place in Wuhan, the virus was wrongly attributed to people of Chinese descent. This racist interpretation of the crisis was emboldened by frequent remarks by the President of the United States that referred to it as the 'Chinese Virus'. This racialization was not exclusive to President Donald Trump and had a direct impact on people of Asian descent in Europe and North America. Racialization also played out in China where African immigrants are facing discrimination and harassment as the country carries out policies to contain the spread of the virus.

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The virus was associated with specific populations and physical distancing became a key policy response, which is having geopolitical implications. Borders were closed even among countries that had enjoyed free mobility for decades (i.e. members of the Schengen area). Citizens and permanent residents abroad were summoned back while it was still possible, and transnational mobilities came to a halt.

The sharpening of borders has left thousands of people on the move in legal and social limbo, exposing the fragility of the migration and refugee systems in place. Informal settlements of asylum seekers and other people on the move are unprepared to avoid the spread of COVID-19. The scarcity of running water, hand sanitizer, and the impossibility of physical distancing due to the lack of living infrastructure leads people, who were already chronically at risk, into further vulnerability. In the case of Venezuelans in Colombia, for example, migrants got caught in the strained relations between municipal and national levels of government. The national lockdown translated into acute joblessness and homelessness among Venezuelan migrants without status due to their reliance on the informal economy. In that context, 30 thousand people have returned through a humanitarian corridor as well as informal border crossings. This number is expected to increase, considering that Venezuelans in Peru and Ecuador are facing similar circumstances.

Given the fact that human bodies are vectors of the virus, physical and geopolitical isolation measures marginalize the bodies of people on the move whether or not they are in their country of citizenship. The majority of Venezuelan returnees that embarked on their way back did so for the exclusionary effect of isolation measures. Presumably, these effects were accentuated by the lockdown policies in all the localities along the way. Upon arrival, they met further isolation measures and the increasing association of their bodies to COVID-19. All returnees are expected to keep a strict quarantine in militarized makeshift shelters in schools and other public spaces closed to public scrutiny. Despite the rhetoric of solidarity on the part of the Venezuelan government, there are significant concerns regarding the militarized nature of the shelters, as well as the poor access to running water and proper nutrition, while some local communities have physically resisted the returnees' arrival.

## **From Human Bodies to the Bodies of the Nation: Rising Economic Nationalism**

Another consequence of the embodiment of the virus created a race to obtain personal protective equipment that has played out in bi-national and regional trade conflicts. The United States of America (US) and the European Union have implemented different forms of trade restrictions on protective gear. By doing so, it has affected their trade partners and initiating a dangerous path of protectionism that can backfire due to the interruption of crucial productive chains that necessitate international trade in order to satisfy the increasing demand. US President, Donald Trump banned the export of N95 masks to Canada and Latin America, despite the potential humanitarian consequences for the care workers of these countries. But these measures can also have important consequences for the US as the production of masks, ventilators and other personal protective equipment require importation, which are likely going to become scarce if retaliation ensues. The recent history of the Trump administration in promoting trade barriers and provoking retaliation gives little hope that the medical equipment sector would be any different at the current critical juncture.

While trade relations have been noticeably disturbed, China has increased its exports of protective equipment to both Europe, especially in Spain, Italy, and the Global South. Chinese exports often come accompanied by aid packages in the developing world, including medical personnel support. These sales and support go along the traditional lines of Chinese international cooperation. An important feature of China's foreign aid policies is that aid and investment commitments are devoid of conditionality and are based on principles of mutual benefit and non-interventionism. But Chinese cooperation still has important effects: it tends to empower incumbent elites (Banik & Bull, 2018). China promotes a broader market presence and expansion (Alves, 2013); and it may generate new traits of dependency, especially in peripheral countries (Gonzalez-Vicente, 2011). COVID-19 may emerge as an opportunity for Chinese statecraft through internationalization and market expansion, especially because China has become a provider of global goods, at a time when other major powers seem acutely inward-focused.

In the face of the rise of economic nationalism and increasing protectionism among wealthier countries, it has become increasingly difficult for the developing world to access timely and affordable medical supplies. Developing countries are caught by the global pandemic while already facing serious constraints in terms of health infrastructure,

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liquidity and policy space. For this reason, over 250 global and national civil society organizations have requested a global standstill in all ongoing trade negotiations while requesting 'to remove all obstacles, including intellectual property rules, in existing agreements that hinder timely and affordable access to medical supplies.'

## **Conflicted and Fragmented Global Responses to a Multidimensional Crisis**

Growing economic nationalism is unavoidably linked to an increasingly fragmented global governance architecture. The ways national interests play out through international organizations (IOs) was patently clear in the context of the current global pandemic when the World Health Organization (WHO) found itself in the middle of US-China tensions regarding its lack of recognition of Taiwan's efforts to tackle COVID-19. In response to the implications of not recognizing Taiwan's alarms, the White House announced that the US was withholding its financial support from the WHO while reviewing its performance. The US-China dispute around the WHO reveals the sharpening of ongoing dynamics in global politics such as the retrenchment of the US into more inward-looking nativist attitudes, and the increasing Chinese engagement and protagonism in multilateralism.

As the COVID-19 health crisis spreads, a profound global economic recession emerges. Individual nation-states have differing capacities to attend to the health crisis and support their populations while large portions of labour markets come to a halt. Social distancing measures are difficult to uphold in highly informal economies, with weak or non-existing social protection policies. State capacities are constrained among others, by very different levels of liquidity, and policy and fiscal space. The role of Bretton Woods institutions in this context is vital to provide a sustainable economic landscape in the current dire circumstances. States require the disposition and ideological flexibility from creditors and International Financial Institutions in order to face this crisis creatively and effectively. The International Monetary Fund (IMF) has shown signs of understanding that national governments are facing impossible dilemmas between providing health care in times of a global pandemic and sustaining livelihoods in what it projects to be the deepest economic recession since the Great Depression. It increased its lending capacity to 1-trillion USD to service its 189 member-states and agreed to cancel payments it is owed over the next six months for 25 countries using the Catastrophe Containment and Relief Trust (CCRT). Along these lines, the G-20 states offered to cancel bilateral debt payments through the end of 2020 with the intention to allow commodity producers to keep their production afloat, giving central economies the necessary inputs to keep the global economy in motion.

Even though the IMF policy responses point in the right direction, according to Eurodad, the relief it has provided so far represents only 1% of the total low-income economy external debt to 2020. Furthermore, the IMF's increase in lending capacity stands in stark contrast with the individual measures of the most powerful states whose Central Banks have alone announced fiscal measures worth above 8-trillion USD.

## **From the Body to Global Governance Architecture: The Effects of Distancing and Fragmentation in Times of COVID-19**

Seen in global terms, the world requires radical changes if we aim for a more cohesive multilateral response to the ongoing multidimensional crises. The United Nations (UN) Conference on Trade and Development (UNCTAD) proposes a more structural approach that is attentive to global inequalities as the world tackles this pandemic. In its "whatever it takes" program, UNCTAD has recently called for temporary debt standstills and for debtors' right to invoke them unilaterally with independent panels sanctioning those requests (instead of creditors), together with new debt relief programs that include features such as the waiving of interest payments. UNCTAD is also calling for the Organization for Economic Co-operation and Development's Development Assistance Committee (OECD's DAC) to honour its 0.7% of gross national income commitment to Official Development Assistance and commit it to a Marshall Plan-style program for Health Recovery. The UN Secretary-General, António Guterres, together with the High Commissioner for Human Rights, Michelle Bachelet, further demanded the easing of unilateral sanctions. Financial and trade restrictions imposed on countries such as Venezuela, Iran, or Zimbabwe may inhibit them from obtaining some of the basic emergency relief funds that regional and multilateral agencies offer, even if their general predisposition has been to expand lending and relief.

In the midst of the COVID-19 pandemic, nation-state specific solutions have become the norm, but this fragmented

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response faces important limitations. The fiscal room required to salvage the economy while keeping vast sectors of the population at home demonstrates the need of multilateral capacity beyond the individual strength of some nation-states if a truly global response is to be implemented. Further, the different phases of COVID-19 pandemic including outbreak, lockdown, containment and re-opening imply that coordination is required and those with least policy space need support from international organizations. Ultimately, there is an underlying contradiction between the reality of a phenomenon that sees no borders, and a political system that relies on and reifies borders as defence mechanisms. In this context, the rise of nationalist and xenophobic sentiments in the midst of the pandemic is poised to further undermine the safety of vulnerable populations. What is more, xenophobia, interruptions of trade flows, and unequal levels of financial protection among debtors and creditors in the Global South and the Global North will be critical obstacles to the success of any global response to the multiplicity of crises associated to the current pandemic.

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