

SUMMER REPORT 2020

The impact of the Covid-19 pandemic

With the Covid-19 pandemic democracy and human rights have new challenges. Countries with repressive governments have used the pandemic to achieve their political interests, restricting freedoms and fundamental rights.



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Introduction

With Covid-19 our world has been thrown into a global mega crisis of a sort we have not seen in living memory.

It will in all probability take years until we see the full ramifications for our societies and our world of this crisis, but already at this stage we are beginning to see some significant trends emerging.

We are in all probability heading to an even more unstable and uncertain world. And our different societies are facing a number of new challenges - without the old ones having disappeared.

To try to understand some of these trends and challenges Jarl Hjalmarson Foundation has asked prominent observers from different parts of our world to give their preliminary assessment of where we are heading.

This is not an attempt to provide the definitive answers. That is much too early. But it is to stimulate the effort to deepen our understanding of the challenges that lies ahead.

Carl Bildt

Former Prime Minister and

Honorary Chairman of the Jarl Hjalmarson Foundation

This has been the worst year in recent memory for the United States – and we're only halfway through it

The year 2020 will be remembered as one of the most difficult and challenging in modern times in the United States – as tumultuous perhaps since 1968. And we are not even halfway through the year. We still have a major election in November, arguably one of the most important in recent memory. The first half of this year has been dominated by three crises at once: the Covid-19 pandemic which the Center for Disease Control predicts will take more than 140,000 lives alone by the end of June; the recession resulting from the shutdown of the economy which has resulted in massive unemployment and food lines; and massive protests following the murder by Minneapolis police of George Floyd.

The first two challenges are not unique to the United States; countries around the world are wrestling with the best ways to deal with pandemic and the concomitant economic fallout. The third issue is uniquely American. All three have had a devastating toll on this country – a toll made much worse by abysmal leadership at the top. Instead of uniting the country during this most difficult time, President Trump seems more intent on exacerbating society's differences and further polarizing an already deeply divided country.

The pandemic

After imposing a partial ban on travel for Chinese to America in late January, President Trump frittered away a month and a half when he could have prepared the United States for the worst. Instead, Trump downplayed the danger, offering absurd predictions that the virus would simply vanish and that the number of cases would go from 15 to zero. He failed to exercise leadership in overseeing the federal government's response to the crisis, ignored expert views on many occasions, fought with governors struggling to handle the public health emergency, engaged in efforts to promote unproven medicines that have shown to do more harm than good, and even offered mind-numbing thoughts about injecting disinfectant into patients. One study found that had Trump moved more quickly, some 36,000 lives could have been spared.

Trump has failed to display any empathy for the suffering millions of Americans have experienced and instead became obsessed with restoring the economy, seeing that as his best hope of winning re-election. His refusal to wear a mask in public polarized an issue over which there should have been near unanimous agreement. His failure to implement a serious testing program and his unwillingness to move quickly on providing personal protective equipment when governors, doctors, nurses and hospitals were begging for assistance proved incredibly costly in human lives. To be clear, the pandemic would have been a challenge for any president, but Trump seemed to turn it into a textbook on everything NOT to do.

The Recession/Depression

Trump's push to reopen the economy in contradiction to his own agencies' health standards may provide a temporary economic boost, but it also risks leading to a second wave faster than was predicted. On June 5, government data showed a slight pick-up in hiring, but unemployment remained above 13 percent in the month of May. After hitting record lows in April, it is not shocking to see a modest rebound, but a second wave could easily undo that if it forces renewed shutdowns. The stock market, which seems to be Trump's barometer, continues to rise despite seeming to be out of sync with broader economic trends.

For Trump, November 3 is a kind of finish line, when he hopes the economy will show enough of a rebound to propel him to a second term. His rhetoric before the recent protests shifted away from the pandemic to an almost exclusive focus on the economy and the need to reopen businesses. It is almost as if Trump is trying to sweep under the rug the staggering death toll from the virus, a toll sure to mount as the year progresses. The economy has always been Trump's go-to talking point that, along with appointment of conservative judges, resonates with his base of 40-42 percent.

The Protest Movement

At our founding as a nation, the Constitution treated black men and women as three-fifths of a person, until the 13th Amendment in 1865 abolished slavery. We have made great strides since, including in 2008, when for the first time, we elected and then re-elected an African-American president, Barack Obama. But as the tragic murder of George Floyd reminded us, our demons remain present to this day, not only with police killings of African-Americans but with systemic inequality and racism.

The violence and looting in the wake of George Floyd's murder have received much media attention and appropriate condemnation, but they overshadow the fact that the vast majority of people taking to the streets have done so peacefully, albeit angrily. George Floyd, of course, was not the first African-American whose life was wrongly taken by police. The list is long, and is not limited to those murdered by officers of the law, as we saw with the outrageous killing of Ahmaud Abrey in Georgia a few months before at the hands of a white father and son duo.

The protests go beyond the issue of police violence against African-Americans, however, and cut to the issue of general inequality. The pandemic, for example, has affected minority communities disproportionately. According to a review of data by NPR, "Nationally, African-American deaths from Covid-19 are nearly two times greater than would be expected based on their share of the population. In four states, the rate is three or more times greater." Thus, tensions were already on the rise resulting from the pandemic and the economic devastation when the video of George Floyd's murder came out. That lit a smoldering match that exploded into the open, with protests going on, as this goes to print, for more than 10 days.

Trump's calls to use the military to put down the riots have not helped. June 1 was a particularly awful day: it started with a Trump phone call in which he berated the country's governors for not "dominating the battlespace," as his Secretary of Defense Mark Esper so

grossly put it. It ended with an obscene display of brute force against peaceful protests near the White House so that Trump could stage an absurd photo-op holding a bible – upside down at times – in front of St. John’s Church. That prompted a number of former generals and other senior military types to speak out, finally, against Trump’s abuse of power. Republican Members of Congress, with very few exceptions, however, have been painfully silent.

Our election this November could not be more important and consequential. A re-elected Trump would feel unrestrained, validated, and vengeful – exponentially more than he already has demonstrated in his first term. At the same time, perhaps sensing the possibility of defeat at the polls, Trump has been laying the groundwork to sow doubts about the legitimacy of the election. Should Trump challenge the outcome and question its validity, he could trigger mass violence and civil unrest. Despite winning (the Electoral College, not the popular vote) in 2016, he alleged voter fraud in the millions – with zero evidence. He badmouths voting-by-mail and seeks to suppress voter turnout. Even a landslide win by Democratic presidential candidate Joe Biden would not heal America’s wounds overnight. Repairing the damage done from the past six months, let alone the past 42 months, will take years.

At the same time that the United States has become consumed with its internal challenges, it has increased its withdrawal from the world stage, ceding the field to the likes of China and Russia. Trump continues feuding with America’s allies while embracing authoritarian leaders around the world. This has transformed “America first,” a Trump refrain, into a world without American leadership. Indeed, as Finlan O’Toole wrote in the Irish Times, “The country Trump promised to make great again has never in its history seemed so pitiful.”

America’s endless journey for a “more perfect Union” has taken a massive detour. This year cannot end soon enough and hopefully with a more optimistic outlook for the future, for Americans and the world.

David J. Kramer

Assistant Secretary of State for Democracy, Human Rights and Labor in the
George W. Bush Administration and
Director of European and Eurasian Studies and Senior Fellow in the Vaclav Havel
Program on Human Rights and Diplomacy at Florida International University’s
Steven J. Green School of International and Public Affairs

Covid-19 in Africa

Some statistics

As of June 2, data provided by the WHO show that around 6,3 million cases of Covid-19 have been recorded worldwide, with nearly 380,000 deaths.

In Africa 155,000 cases have been recorded and nearly 4,400 deaths. South Africa is the most severely affected country with 35,000 cases, followed by Egypt with 27,000, Nigeria and Algeria with around 10,000 each. These 4 countries thus account for 52 percent of the total number of recorded cases. Egypt reports the highest number of deaths, 1,005, followed by South Africa with 705 and Algeria with 661.

With 1,2 billion inhabitants the 53 countries that comprise the African continent account for 15 percent of global population. But so far only 2,5 percent of globally reported cases of Covid-19 and 0,9 percent of total deaths.

Why are the figures so low?

Is Africa more resistant to the coronavirus than other parts of the world? Theories are being put forward that it might be the case.

Like the flu, the coronavirus is believed to be a disease that thrives in the winter months and is not very resistant to heat, dry conditions and sunlight.

Africa's young population is the second most common explanation. The majority of severe Covid-19 cases involve people over the age 60. In Africa the median age is 19,4 years and 60 percent of the population is under age 25. While this demographic theory has strong support one needs to remind that although Africa's population is young, it is at the same time more impacted by other diseases such as HIV and malnutrition, which can make Africans more vulnerable.

With the exception of a few countries and certain metropolitan areas, population density is lower in Africa on average than in other parts of the world, where the coronavirus has been the most devastating. This is true on average. But some cities, like Cairo, Abuja, Lagos, Nairobi and Johannesburg have record-breaking population density.

Furthermore poorer Africans travel less and as a result infection risks are inevitably greatly reduced. Just one airport - that of Johannesburg - features in the list of the 50 busiest airports in the world.

This is not the first epidemic that Africa has experienced. Lessons have been learned and many African authorities also took stock of the danger more quickly than others and implemented very early on border closures as well as social distancing and lockdown measures.

More difficult times ahead?

Might statistics underestimate the true situation? Low testing capacity - with exceptions such as South Africa, Gabon, Botswana, Morocco, Mauritius, Ghana and Rwanda – can mean that official data do not capture the true extent of the virus. Maybe Africa lags the rest of the world and will later face a more rapid spread. One can see that many African countries with large populations are beginning to experience an exponential rise in reported cases. Even if the rate of transmission so far appears comparatively slow this can change and the pandemic could then take a heavy toll across the continent, if containment measures do not prove effective.

Economic devastation

While the health impact may be limited the economic impact has been immediate and dramatic. While the rest of the world first experienced a medical pandemic and then an economic one African countries confronted a reverse order.

This global economic crisis is like no other. The output loss associated with health emergency and related containment measures dwarfs the losses that triggered the global financial crisis. The global economy is projected to contract this year by around -3 percent and global trade to shrink much more. Covid-19 is a supply shock and a demand shock. On the supply side there is a discrete drop in employment that goes beyond the number of people infected. On the demand side consumers and firms will defer spending when facing uncertainty associated with the nature, strength and length of Covid-19.

When the global economy came to a halt so did the economies in Africa. For Sub-Saharan Africa alone the IMF projects that the region's economy will contract this year by minus 1,6 percent, the worst reading on record. And this comes at a time when the region has already experienced a couple of years with low growth where one third of the continents inhabitants - 300 million - live in countries that have had negative growth in GDP per capita. The coming year half of Africa's countries are projected to have negative growth in GDP. Only Ethiopia, Rwanda, Uganda, Senegal, The Ivory Coast and Benin are expected to achieve growth rates at levels that at least keep up with population growth.

Multiple negative channels of transmission

Africa faces a multiple of negative economic channels of transmission as a result of the halt of the global economy. The first is the disruption in trade and value chains, affecting commodity exporters in the region (as the world market prices of oil, minerals and metals have collapsed) and countries with strong value chain participation such as Kenya and Ethiopia. Growth deceleration in major economies, including China, has affected the demand for African exports. Primary commodities constitute the main export group of Africa's trade with the rest of the world. For many commodity exporters, such as Nigeria, revenues from export account for 90 percent of export revenues and 60 percent of fiscal revenues. When global trade came to a halt exports of cut flowers from Kenya and Ethiopia, beef from Namibia, coffee from Rwanda etc., stopped.

When foreign trade halted African companies could not import components and had to halt production and lay off workers. With a stop in global trade rice and other food items could not be delivered, resulting in less supply and higher prices. Many African nations are net importers of foodstuffs, meaning that a halt in global trade threatens food security.

The second channel of transmission is the reduced foreign financing flows in the form of lower foreign direct investments, fewer remittances, and a collapse in foreign tourism. As access to financing flows become more restricted long-term investments in infrastructure projects such as energy, roads, airports and ports will be curtailed. For many African countries incomes from remittances are a more important source of foreign exchange revenues than foreign direct investments. Tourism account for 9 percent of African GDP and the sector provides jobs to more than ten million people. For tourist destinations like Morocco, Egypt, Tunisia, Gambia, Cape Verde, Namibia, Ethiopia, Kenya, Mauritius and Seychelles incomes from foreign tourism is a key source of foreign exchange revenues. The global fiscal crunch will also increase external borrowing costs for many debt-ridden governments and corporations.

The third channel is the health channel, that is the direct impact of Covid-19 on economic activity from a wider spread of the virus in the region. The fourth channel includes disruptions caused by containment and mitigation measures imposed by governments and the response of the citizens. The measures the countries have had to adopt to enforce social distancing are certain to impair the livelihoods of many vulnerable people whose incomes come from day to day work in the informal sector.

Future challenges

In the short term Africa is facing extremely difficult challenges. No country will be spared. Lower growth, higher unemployment, increased food insecurity are challenges that could trigger a toxic political landscape with social and economic unrest facing many parts of the continent.

In the short term policy will have to ramp up health capacity and spending to save lives and contain the virus outbreak.

Across the world the current crisis is likely to have at least 5 difficult phases:

- 1) Medical
- 2) Economic
- 3) Financial
- 4) Social
- 5) Political

For African countries a long-term challenge will be how to achieve sustainable inclusive growth and prosperity in a global environment likely to be characterized by erratic growth, more regionalized globalization, less incoming financial flows and a more turbulent inward-looking global polity.

In the past African countries that have promoted institutions that protect private property, individual rights, civil liberties, domestic entrepreneurship, as well as openness to international trade and investments have been able to compete internationally and achieve social and economic progress. The case for up-grading domestic economic and social institutions is now even more imperative. Policy makers need to think ahead and promote economic policies that build resilience and boost productivity, so that African economies can recover faster and thrive after Covid-19.

Peter Stein

Economist and CEO of Stein Brothers AB

Expert on African Economies and

Former Consultant to the OECD, the International Chamber of Commerce and Swedish Government Commissions

Latin America faces a pandemic that is multiplied by two

In general terms, all countries in Latin America face a Covid-19 pandemic that brings upon unprecedented health and economic challenges in similar terms as more than 190 countries all over the world. Sanitary controls are subject to solutions that depend on the reality of each country. Nonetheless it is possible to share reflections and experiences between countries, considering that it is very likely that in the future we will have to live with new pandemics.

Regarding economic and social measures, work needs to be done to achieve coordination and joint actions among Latin American countries. These tasks will require strengthening the role of the State, which, in cooperation with the private sector, should promote the main measures to palliate the effects of the crisis that this pandemic brings upon us. This has to be done without allowing the proposed solutions to be at the cost of basic civil liberties or serious harm to the market economy nor the manipulation and application of undemocratic measures, such as the ones already taken by some governments.

However, Latin America faces a pandemic that is multiplied by two. The continent adds one burden that is the tremendous seizure of opportunity from the radical left and populists to promote its undemocratic ideas in countries where they have managed to gain power through democratic elections and more so, where they haven't been able to. In this case they are using this pandemic scenario to cause confusion, dismay and hatred amongst classes with one goal: to promote their so called "for the people" tactics and impositions, which have already been proved wrong in various countries in our region.

These groups have no respect for the rule of law, using the poor, indigenous people and part of the lower middle class as an example of how governments do not apply equal rights towards all and the idea that "Father Government" should be in charge of providing everything for free and equally for everybody. In order to achieve this so called mission, they will not hesitate to destroy democracy as a whole and everything that it stands for, accusing it of the cause of all despairs, and not mentioning the proven failure of their model in countries like Cuba, Venezuela and Nicaragua, as well as in other countries where it has been proven to be the one not to follow.

In other words, in Latin America, not only do we have to deal with the issue of a never before seen pandemic, multiplied exponentially by another part of the equation, the unstoppable social media and what is now being identified as "fake news". We also have to deal with the radical left and populist movements that, with the "Everybody Should be Equal" message, will not rest until they take over the judicial systems and then the legislative systems in order to have total control and power, becoming dictators with the final objective of seeing all the region taken and economically destroyed to wrongly prove that everybody should be the same with the exception of their leaders who have already given us examples on how they get to power and immediately become worse people than the wealthy and powerful that they criticize and hate so desperately.

This now called "socialism of the XXI century" is taking advantage of the virus to blame the private sector and centre-right governments for the consequences of the virus, using a language of class struggle and false moral superiority.

A good example of what has been described above is the case of El Salvador, where the government of President Nayib Bukele has taken economic, health and political measures, regardless of citizenship and even disrespecting the legislation and decisions of other powers of the State. In particular, in the economic sphere, the measures adopted have not been coordinated with the country's productive sectors, putting at risk the food supply chain, basic services and hygiene supplies. Furthermore, there is no comprehensive economic recovery plan or coherent public policies in the face of the pandemic. Along with this, subsidies and food programs have politicized in favor of government supporters. In health matters, the approach to the crisis and the decisions have been led by politicians and not by a specialized committee made up of doctors and specialists. Improvisation has generated that the containment centers, shelters and the medical network throughout the country will eventually become contagion centers. Lack of accurate information on confirmed cases, fake news and the government's communication strategy will not prevent the virus from spreading.

In the political aspect, the measures of control and military-police repression have been prioritized over sanitary actions. In addition, the President has been constantly interfering and intimidating the Legislative Assembly and the Supreme Court of Justice.

Another example to consider is what is happening in Argentina, where the government recently announced the intervention and expropriation of the agro-export company Vicentin. This measure is clearly dangerous, along with being illegal and unconstitutional under Argentine law; it can also end up costing the Argentine people billions of dollars. It is an unnecessary measure and with unpredictable consequences, which deteriorates confidence in the country and closes the door to the necessary investments needed to get out of the crisis caused by the pandemic. Likewise, the measure may constitute a first step on the road to nationalizing the agricultural market, while repeating previous experiences that ended up costing the country dearly, such as the YPF expropriations.

We are all going through never seen or imagined times where drastic changes have come upon our lives; where more economical needs will rise and can cause confrontations, but it is important to maintain democracy as our main ally and stop populists and radicals of any kind, from gaining power through using lies and false promises, disguised as the only truth, to confuse and seduce all the people who in one way or another are in need of seeing a light at the end of the tunnel.

Marco Solares

Assistant Chairman of the International Democrat Union
Former Member of Parliament in Guatemala
Corporate Foreign Affairs Manager of ASAZGUA

Eurasia after Covid-19

The impact of Covid-19 on nations around the world is far from over. We may face another year or more of sporadic regional surges in infections until a vaccine is widely available. Then, even as the world emerges from the ravages of the disease, pressures on states and societies in Eurasia will only increase. It will take determined leadership both in these nations and in the Euro-Atlantic community to build a future that creates real growth – and that future can only be based on strengthening democracy, the rule of law, economic openness, global integration and security.

Authoritarian Challenges

China emerges from the coronavirus with renewed authoritarian pressure at home and aggression against neighbors. It has doubled down on technological monitoring and control of its citizens, information has emerged about what may be genocide against the Uighers, and President Xi is in an unassailable position as president-for-life. Regionally, it has stripped away Hong Kong's autonomy, increased its military presence in the South China Sea, and engaged in border fighting with India.

Despite being the origin of Covid-19, China has suffered relatively few infections and deaths. Its economy has not been nearly as damaged as that of the United States and Europe. China will emerge from the pandemic with a renewed determination to buy infrastructure and thus influence through its belt-and-road strategy, precisely at a time when the rest of the world is seeking to deal with weak economies, massive debt, and measures to protect societies.

Russia has been devastated by the coronavirus, and that is the most important driver behind increases in infections in Kyrgyzstan, Kazakhstan and elsewhere in Central Asia. This will continue to impact states in Eurasia, and remains a risk to Georgia, Ukraine, Armenia, and Belarus. Azerbaijan is also affected by the virus's spread in Iran.

Like China, Russia has also used the coronavirus crisis as a means of extending authoritarian control in society. Under the cover of Covid-19, President Putin has attacked his opposition, increased technological surveillance of Russian citizens, called in oligarchs, and pushed through a sham referendum, extending his rule until 2036 at a minimum. Internationally, for over a decade, Russia has pursued a policy of deliberate aggression and destabilization of its westward-leaning neighbors, and indeed the West itself. There is no sign of abatement in these policies. Indeed, as Russia engages in the post-Covid-19 world, it will seek to take advantage of weaknesses in its neighbors and the West more broadly to extend its regional and global power. This could take the form of escalating violence in Ukraine, or further borderization in Georgia, in the period following U.S. elections.

Eurasian States Getting Back on their Feet

Faced with these external pressures, but without the safety net of EU and NATO membership, countries in the “in-between” will face a number of challenges and opportunities in reemerging in the post-coronavirus-world.

The temptation in some states may be to pivot – from government controls which were necessary in stopping the pandemic, toward using such controls for the political or economic benefit of the government or ruling party. Indeed, one already sees yellow flags in the resignation of Ukraine’s Central Bank governor, the pre-election crackdowns in Belarus, the appearance of politically motivated prosecutions even in otherwise democratic states, and moves toward increased state pressure, or even imposed administration, of privately held companies, such as on internet and telecommunications companies in Georgia. Pursuit of such policies would be a serious mistake, spooking investors and isolating the countries concerned.

All of these steps can still be corrected. But even that is not enough. Given the global pressures that will be confronting them, the states of Central Asia, the Caucasus and Eastern Europe will need to open up, not hunker down. They will need to re-double their commitment to strong democratic institutions, the rule of law and open economies, create a welcoming and safe climate for investors, protect private investment, and build opportunities for local populations. The only way states in the region will accelerate growth and prosperity is by integrating into the wider global economy, not by isolating themselves from it through heavy state-driven intervention.

Some, like Kazakhstan, may benefit from businesses seeking to diversify supply chains away from China. The degree of success in attracting foreign investment and supply-chain sourcing, however, will depend upon consistency in Kazakhstan’s drive toward greater democracy, respect for human rights, and application of the rule of law.

Others, such as Georgia and Azerbaijan, can use the post-coronavirus period to rebuild momentum in establishing the vision, and substantial foreign investment, in an East-West information, logistics, and energy corridor that links Central Asia with Europe through the Caucasus. Such a corridor would be of strategic value to the United States, Europe, Central Asia, and the Caucasus States themselves. By threading a needle between Russia and Iran, it assures the free flow of goods and services, and strengthens the strategic independence of all the Eurasian states.

Thus far, Georgia has arguably weathered the virus and economic shut-downs better than any other state in the region. It has kept infections and deaths to a minimum, imposed severe travel restrictions, in order to be able to open up internal travel later. In the midst of the pandemic, it passed major constitutional reforms that will pave the way for free, fair, peaceful, and more representative elections in October of this year. Concerns remain about the judiciary and Georgia’s handling of a handful of significant foreign investments. But as it emerges from the coronavirus, Georgia has an opportunity to present itself as a safe and stable country and investment opportunity, a vital platform for engaging in the wider region.

Ukraine, likewise, can remain on a strongly positive trajectory. Its finances are in the best condition ever since independence. Key reforms, such as land and banking legislation, have secured a new IMF stand-by agreement that creates a foundation for financial stability for the next 18 months. Recent personnel changes in a number of key positions have raised questions about the future direction of the country. That said, no individual is indispensable. As long as Ukraine remains dedicated to the key principles of strengthening democratic institutions and the rule of law, advancing reforms, preserving the independence of the Central Bank, and integration with Europe, Ukraine is still well-positioned for a strong recovery.

As much as states in the region must do their homework, so must the United States and Western Europe. Here too, political leaders are inclined toward inward-looking policies, rather than leading a global democratic and economic revival. That kind of thinking will only advantage aggressive authoritarians like Russia and China, and deprive the West of needed allies who share a common set of values and strategic interests in Eurasia and beyond.

The post-coronavirus period will be challenging for nations all over the world – including the United States and Western Europe. But the traditional West has strong reservoirs of institutional and economic resiliency. The states of Eurasia will face all the same challenges – and more, due to geography – but without the advantages of strong Western institutions. Now is the time for those states to overcome past reluctance, and move boldly on strengthening democracy, the rule of law, and integration into the global economy.

Kurt Volker

Former U. S. Ambassador and

Distinguished Fellow, Center for European Policy Analysis

Covid-19 crisis in the Balkans

The Covid-19 crisis in the Balkans has impacted all aspects of life. The entire region has suffered from the health crisis, leading to a financial crisis. Each government has responded in different ways, and time will tell to which degree of success.

Economies have stumbled; unemployment is growing, with a record layoffs in the past few years. The access to EU markets is impacted due to borders been closed back in March and April. The borders were later opened for goods and products, but the demand is much, much smaller. There is a myriad of facets to this crisis.

Furthermore, specifically impacting this region is a decline in revenue from the diasporas. There are many families in the Balkans who rely on family members abroad to supplement weaker incomes. The money has stalled in many cases due to the broader crisis across Europe.

With the economic downturn in the EU, USA, Canada and Australia, many of the expats decrease their financial support for their families and relatives in the Balkans. All countries are affected by this, but the diasporas impact most severe Bosnia and Herzegovina, Kosovo, North Macedonia, Bulgaria and Romania, due to the fact that between 10 and 20 percent of the population of these countries has left since 1990.

Needless to say, the tourism industry across Greece, Croatia, Bulgaria, Montenegro, Albania and North Macedonia has been severely impacted. The restaurant and hotel business share the same consequences around the world. Taxi drivers, street vendors, theatre operators and waiters. These people and their families are bearing a huge part of this economic burden across the region.

A “positive” aspect is that it has brought people closer together, and the society has realized that we have so much in common. Far across national and ethnic borders, this crisis has shown that all of us must stand together and work, arm in arm, to defend our common humanity.

This ideal, however, has not been realised across all counties and regions. In some countries we see an encroachment on civil liberties and in some we see a weak response in defeating the virus.

There are both good and bad examples, and the whole impact will be analyzed and examined in the upcoming months once the whole situation is settled, the numbers are confirmed and the policies are evaluated.

Covid-19 is at once an opportunity for greater unity among us but in some countries it has led to an infringement of democratic ideals. I hope that the underlying force of democracy will be strong enough to prevail under the pressure.

In particular in our region, the interethnic and the community relations were also affected by Covid-19. The peak of the pandemic happened during the Easter and Ramadan holidays. The

religious communities have felt the constraints of this situation. Many of them were careful and recommendations were given, but there were good and bad examples when it comes to health risks.

A debate about the public health, lockdowns, civil liberties and economic response has started and the public will have the opportunity to follow a vibrant discussion.

The Covid-19 crisis continues and there was an increase of infection in the first half of June and lockdown measures are once again considered.

Slovenia, Greece, Croatia and Montenegro responded well to the pandemic and we see a clear downtrend in these countries.

Furthermore, we find several good and bad examples of Covid-19 reactions in the Balkan region. In all countries some cities have been hotspots, while others have had very few cases.

For many decades we haven't seen a global situation similar to the current crisis. It affected the whole world. The international community faced a huge pandemic in an online environment, following the news in real time from every corner of the world.

I think that we have learned many lessons, both as individuals and as a community. The human and economic costs are enormous, but we will overcome this crisis. The main lesson of the last months is that we need to be better prepared for the next crisis and pandemic.

Vladimir Gjorchev

Member of Parliament in North Macedonia and

Chairman of the Parliamentary Committee on Labor and Social Affairs

Covid-19 global impact on international cooperation – mistrust or strengthened ties

I landed in Bologna on February 9th and to my surprise I was welcomed by a man in white overall taking the temperature of passengers arriving from abroad. It was reassuring!

Mid February, at the Munich Security Conference, where world leaders meet yearly to talk about security, strangely enough the general attitude was that the virus was a far away Chinese problem that did not directly concern others. I made a point to listen to the speech of the Chinese Foreign Minister as a gesture of solidarity, not to prepare for a tsunami that was about to overwhelm us all.

Back to Italy, comes into my inbox the guidelines from the Italian Health Ministry on Covid-19 preventive measures. We have a hotel resort in Tabiano Castello on Parma hills and I was carrying out building works. I gathered the staff for an emergency meeting to inform them about the need to take the virus seriously. I called on individual responsibility to implement strict social distancing and hygiene measures: no more handshaking, washing hands often and using disinfectant, masks and gloves.

A week later, when picking up my family in Milan airport through Italy main highway A1 we touched the magnitude of the emergency. The exit to Codogno was closed with police cars. About 50,000 people were already in lockdown in 10 municipalities of southern Lombardy.

On March 9th, the day the lockdown entered into force throughout Italy, landing in Stockholm from Rome, I felt like Alice in wonderland. All looked normal, no one asked me where I was coming from, anti-Covid measures were not in place yet.

I went into voluntary quarantine at home.

With people dying by 700 a day, mostly in Lombardy, most of Italians welcomed with relief the temporary lockdown. It was necessary to stop the spreading from Lombardy to other parts of Italy.

But it came too late for Bergamo and Brescia: the controversial delay has cost many lives. These cities became the symbols of how hard hit Europe was.

The rest is history. Pictures of the military trucks bringing coffins at night out of Bergamo as well of the resilience of Italians getting together by singing and dancing on their balconies showing posters with “ce la faremo”, we will make it, toured the world.

I remember in the dark hours, a sense of history in making and heaviness in the air.

Milan, the vibrant cosmopolitan business capital of Italy, how could it stop?

But we went from posting in social media with pride #Milanononsiferma, #Milanodoesnotstop to posting with gravity #iorestoacasa, #Istayhome.

Italy was the first country in Europe to be hit hard. It is still for me difficult to understand why two EU members with advanced open societies and among the best health system in the world took so different ways.

I felt more than ever the cultural difference between my homelands Sweden and Italy. Indeed in Europe we are united in diversity.

Globally, it is incomprehensible why despite all the previous pandemic and all the warnings from the scientific community about the possibility of a new deadly pandemic, the reaction has been so late and scattered, and so many were taken by surprise. Some countries covered up or disregarded precious's medical information, misleading people and delaying measures of virus control.

A new awareness

Having been at war in the Balkans and under the siege of Sarajevo, I felt sort of cool about crisis management. But the enemy quickly turned out to be invisible, hitting randomly, potentially all being at risk.

This spring, we woke up to a new global consciousness: we are all in it together. We are all vulnerable.

We woke up to the reality that we cannot take our living standards for granted. We realized the benefits of free movement in Europe that we took for granted.

Much looked unreal and it took time to understand the seriousness of the situation. We felt destabilized. Everything became unpredictable.

There has been a sort of gap between feelings of human connectedness and belonging to a global community and the increasing tensions in global relations. New divisions emerged and in the first phase nationalistic decisions prevailed along the line "my people first".

While globalization retreated and polarization advanced, we learned how integrated and interdependent we are, the cost of non globalization.

No country can save itself alone. We are really one.

Global impact

Cohabitation with the virus is the new normal until a safe vaccine is distributed globally. Consequently, uncertainty and unpredictability will be the overarching framework of international relations. Different scenarios will have to be revised constantly.

Two key trends have emerged: the crisis of multilateralism and Africa's urgency. In this text I will focus on multilateralism.

Multilateralism: quo vadis?

The virus hit over one of the world's open wounds: the lack of global leadership.

We see now an exacerbation and acceleration of existing divides and crisis. The increasing confrontation between China and the U.S. is affecting the entire world. It raises legitimate questions if the virus is used also for domestic purposes or even for combating the other world giant.

The pandemic put into new light the inadequacy of multilateral institutions such as the G7, the G20 and the UN to address a global crisis, when big powers are split and weaponize the pandemic.

The way forward

The way to address global disorder is global cooperation, joining forces and dialogue. A key priority is to strengthen multilateral global governance, based on the rule of law.

The multilateral system needs profound rethinking. It should be relaunched rather than restored. The EU should be the driving force to reforms joining with like-minded partners. The solution is not in creating new organizations, but making the existing ones more effective and thus credible, starting with the WHO and WTO.

The debate on the future of multilateralism has to be inclusive. Bringing international and regional institutions to people's coffee table is key in order to design sustainable policies based on broad citizen consensus.

The Transatlantic Alliance is and remains a pillar of the multilateral system of peace and security. Despite the difficulties, ways to engage with the U.S. at all levels must be relentlessly developed cross Atlantic.

Watch out for democracy

With the medical urgency far from over, the economic and social urgency are rising, affecting also political stability.

There are alarming signs of authoritarian drift, with attempts to use the crisis to centralize powers, restrict media freedoms and build regimes within and outside of Europe.

Furthermore, decision making in multilateral institutions and the EU is under strain with a prolonged difficulty in meeting in person. Corridor diplomacy is also curtailed.

The hour of Europe: from payer to player

This covid crisis highlighted the need for Europe to become a key global actor.

The pandemic hit in an unprecedented world order, where the rule of law is under attack. The U.S. declines voluntarily to shoulder a global role, while China and Russia are increasingly aggressive also digitally. The U.S. has left multinational agreements and institutions, not the least the World Health Organization in the middle of the pandemic and is now even threatening to withdraw American troops from Germany.

There is a growing concern that as the U.S. retreats too much, China steps in too much to fill the vacuum. Europe has to show leadership, not only to pay the bill.

When borders closed, Europeans woke up to a renewed awareness of the importance of the single market for our economies.

It is in crisis times that European solidarity is tested. The support measures adopted so far by EU institutions are historic. Despite tensions north south on the future recovery package, all member states agree on the need for extraordinary economic support.

The vital priority for the EU is to stand up for free trade and open markets. That is how we have built our prosperity. Europe has to speak with one voice on global issues to be able to make its voice heard.

There is already a hot debate on the topic of strategic autonomy. Covid emergency showed how dependent from China Europe is even for essential medical supplies. The mantra “get independent from China” is heard throughout Europe while the issue of repatriating closer to Europe the production of essential medical equipment is being considered. A similar debate is ongoing on EU self sufficiency for food supply. The question is how without affecting global trade. Getting around China is more easily said than done. Europe has to find new ways to unite on a common strategy to further engage with China, resisting its tendency to “dividi et impera” in Europe.

Protectionism could worsen the economic crisis rather than protecting Europe in future emergencies. To strike the right balance will be crucial in this respect. In order to be prepared and competitive, the EU must invest more in research and technology. This is a field where global cooperation is crucial.

I hope that when we rise ourselves strong from the crisis, we have built more solidarity and cohesion in the European Union and the world. The “hour of Europe” has come to drive the process of trust building, and find its role in shaping the global digitalization and the climate agenda.

Covid impact: Closer ties or mistrust?

Some key factors will determine the future. The outcome of U.S. elections in the autumn and to a minor extent the negotiations on the future agreement with the United Kingdom. Developments in Hong Kong and Taiwan, that are also trapped in the tensions between China and the U.S., are also a key test to a rules-based global order.

If the pandemic is protracted with new fallouts and outbreaks it will be a serious test for the resilience of our societies and international cooperation. Will we be able to preserve our open societies and to sustain over time needed measures of social distancing putting human lives first?

Let's together turn this crisis into an opportunity and turn mistrust into strengthened ties.

Anna Maria Corazza Bildt

Member of the European Parliament 2009-2019 and
Executive Chair, Relais de Charme Tabiano Castello

EU, democracy and globalization: Lessons from the pandemic

The Covid-19 pandemic is changing our world. But to what extent, we are just beginning to understand. Nevertheless, the laws of gravity have not ceased to apply. Not everything that was right or wrong up to now, will suddenly be turned on its head. Firstly, people will need economic growth as a safeguard for prosperity as well as liberty. Secondly, liberal democracy, with the rule of law and checks and balances, will remain the political system best suited to ensure the freedom, safety and security of the highest number of people. And thirdly, a rules-based international order remains the best antidote to war, chaos and instability. In other words: An end to the market economy (of which many leftists and Greens are dreaming these days), a new era of overwhelming national state power, combined with pure majority rule (as many autocrats hope, also in the EU itself) and a return to unlimited and global great power competition, with spheres of influence and proxy wars (something Putin and Xi Jinping apparently aspire to) would not only be a gigantic setback. But combined with the technologies available in the 21st century, it would be the beginning of a global nightmare.

On this backdrop, and taking into account what we have seen in the last 3 months, I will try to sketch out the path forward for the EU and its member states.

EU solidarity is dead? Long live EU solidarity!

The initial reactions to the pandemic, in Brussels as well as in member state capitals, were not a pretty sight. Although member state ministers had initially agreed to act in coordination about Schengen internal borders, within days a cascade of unilateral border closures followed. Paid deliveries of masks to Italy were blocked by the German government until the EU Commission intervened, invoking the Single Market. The Commission itself reacted late, and less than transparently, initially. Especially China scored points with public opinion in Italy and Serbia by spectacular shipments of aid. But this changed over the course of April, when among member states, mutual pandemic assistance became the rule, Chinese and Russian deliveries of equipment turned out to be of poor quality and mainly for PR purposes, and the EU Commission began helping to coordinate the crisis management.

At that time, public opinion about Northern member states and, ominously, about European integration as such had already taken a hit in Italy and – to a lesser extent – in other countries of the South. This was exacerbated in the ensuing debate about economic and financial solidarity in the Union. But in the meantime, the EU has shown that it can function: There will be a 750 billion Euro Recovery Fund. This is not the EU-wide mutualisation of debt that the South demanded and the North feared. But it dwarfs all other acts of financial solidarity in the history of the Union. And it is the result of a hard-fought compromise, in the best tradition of European Integration. Germany and the other Northern member states are at least as interested in the survival of the Eurozone as the Southerners. And a collapse of, for example, the Italian economy would be a disaster far beyond Italy. That is why we have to go into such unprecedented debt now.

But solidarity is a two-way street. If the strong have the obligation to help the weak, then the

weak have the obligation to seriously modernize their economies and get out of their predicament. Moreover, the tone of debate has to change. There was a type of recurrent theme in recent months from Southern politicians that essentially said that whoever is against the mutualisation of debt, is against solidarity in the EU. This style of debate is not helpful. The search for solutions in the EU that serve all of us, must always be based on rational arguments. And it will be based on compromise.

Of course, predictably, in this EU contingency as in all previous ones, we hear the usual suspects' mantra "Never let a good crisis go to waste!" – and then, more or less, demanding the establishment of a European federal state. This is not going to happen now, as it didn't in the past. As long as the EU is in the precarious situation it has been in since the early 2000's, the failed project of an EU Constitution of 2005 should serve as a lesson – and its boiled-down version in the Lisbon Treaty of 2007 will have been the last massive Treaty change for a long time. Because every attempt to regain the trust of citizens by a further massive transfer of competences from the member states to the EU institutions would end up in achieving the contrary and splitting the union.

Dealing with the authoritarian temptation

Crises and contingencies are always a beautiful opportunity for autocrats to reinforce their power base. Hungary's Viktor Orbán and Poland's Jarosław Kaczyński are no exception. Others, too, seem to try to profit from the occasion, such as leaders in Bulgaria, Slovenia and Malta, but the most blatant examples, underpinned by a sovereignist and illiberal ideology, can be found in Budapest and Warsaw these days.

In Poland, the PiS government for a long time tried to hold Presidential elections under the worst lockdown conditions just in order to profit from the rallying-around-the-flag effect of the early corona weeks. Meanwhile, the attack against an independent judiciary went on unabated. In Hungary, Orbán has not only ruled by decree for several months (that can happen elsewhere, too) but also utilized the occasion to claim that the opposition "stands on the side of the virus", further weakened the resources of opposition-ruled municipalities, filled the pockets of his cronies with EU money, let the military practically confiscate companies and put his cronies on the board, and severely weakened media freedom by making a very broad definition of "spreading fake news in connection to Corona" punishable by 5 years in prison – to name but a few of the actions taken.

The problem with all this is that the options for EU institutions and other member states to appropriately sanction such blatant violations of the EU's fundamental values, are extremely limited. Naming and shaming is uncomfortable, but autocrats can live with that and sometimes even achieve a rallying effect. That is why recently, and also during the pandemic, a rule-of-law conditionality for EU funds is being hotly debated. That may be more promising than just naming and shaming, but difficult to get accepted by the very countries which may feel targeted. In the long run, it is for civil society in the other member states, and for the EU's political party families (such as, in Hungary's case, the EPP) to draw the right conclusions and try to strengthen the defenders of liberal democracy across the EU, instead of enabling the autocrats.

Globalization and the future of the West

As in many other aspects, in this respect, too, the pandemic is reinforcing trends that existed before. A seemingly ever growing global division of labour – which has arguably lifted billions of people out of poverty since the 1980's – was already slowing down due to the growth of populism and anger against “globalised elites” in many democracies, most prominently in the U.S. (Trump) and Great Britain (Brexit). On top of this, in the corona crisis, we also saw how dependency of China in crucial sectors, such as pharmaceuticals and medical equipment, can be used to pressure us or score cheap propaganda victories. That is why to an extent, there will be and there has to be some de-globalization, higher emphasis on national production and diversification of countries of origin for imports, as well as more attempts to promote technological champions in liberal democracies. Because the rivalry between great powers will not be first and foremost economic or “geopolitical”- whatever that is supposed to mean. It will be political, pure and simple. It will be a conflict between liberal democracy and an authoritarianism whose global cheerleader is more and more the Communist Party of China.

The pandemic has shown to what extent authoritarian powers such as Russia and China used the opportunity to weaken the West. China came centre stage very quickly with its attempt, despite a total failure to act at the beginning of the pandemic, to look like the winner in the contest of political systems. This was apparent in the PR-heavy delivery of assistance to some European countries and in the use of internet trolls where China obviously learned some techniques from Russia. But China's attempts may be backfiring already, mainly because the massive arm-twisting, aggressive rhetoric and peddling of conspiracy theories by Chinese diplomats has turned the “Chinese Dream” into a Chinese nightmare for many Western countries. Some EU decoupling from China will now be inevitable. More importantly, democrats across the globe will have to help one another, and learn to be united, from Europe, North America and Australia up to many of China's neighbors such as Japan, South Korea and, of course, Taiwan.

Of course, one element of democracies fighting back is that the U.S. starts to lead positively and constructively again, and to cultivate partnerships with its allies. The chances for this are not bad in the next presidential elections. A rules-based global order will also have better chances of survival if the West gets its act together soon. Part of this is through strengthening the EU, and despite all hardships in the upcoming years, enabling it to become a global player together with all democracies. In Hong Kong, millions take to the streets, risking everything for democracy and the rule of law. As long as millions do not march through New York, Berlin, Paris or Brussels demanding one party rule, liberty stand a fighting chance against authoritarianism in the post-pandemic world.

Roland Freudenstein

Policy Director, Wilfried Martens Centre for European Studies, Brussels

The Swedish strategy – effects on the economy, society and the political landscape

By early June 2019 Swedish death toll from Covid-19 exceeds 4,500 and during some days and weeks the deceased per million have been among the highest in the world.

The pandemic is far from over, and things might change through a possible second or third wave. And we do not fully know the outcome over the longer haul. But it is obvious that the current huge gap between Sweden's death toll and those of Norway, Finland and Denmark will be a lasting memento from this crisis.

In an interview on June 3 the Swedish state epidemiologist Anders Tegnell – considered to be the chief architect behind the Swedish strategy – stated that there was “quite obviously a potential for improvement in what we have done.”

He later clarified his position, saying that we now know things we did not know in March, which could have altered some decisions. But he also stated that he believed Sweden's way on a whole was right.

Sweden's strategy – perceived as an “Alleingang” in relations to its Nordic neighbours and others – has rendered broad international recognition. Often described as an “experiment”, it has either been considered a cynical gamble to keep the economy and society open at the expense of the elderly and vulnerable. Or as a realistic, balanced and endurable strategy void of measures that have no proven effects (particularly the closing of primary schools, which hasn't taken place in Sweden).

Given those very strong and different positions, it is actually not exactly clear what Sweden's strategy has been. At least not for me. It is obvious that the most extreme views are not correct. It has not been an experiment in total laissez faire. Swedish society has changed dramatically during these months, with distinct changes in social interaction, travel patterns etc. Things are not as they used to be.

The government and the civil servants responsible for developing policy have over and over again stated that the goal has never been herd immunity, but the strategy has neither been an attempt to eradicate the virus. The first has been emphatically denied, and the latter has been considered impossible.

Rather “Flatten the curve and protect the vulnerable”, has been the mantra from March onwards. Flatten the curve in order for the health care system to process a manageable number of severe cases, and protecting those who are most likely to die from the disease, i.e. those older than 70 years.

Sweden seems to have succeeded in the first part, but miserably failed in the latter. The curve has been flattened when it comes to the strain on hospital capacity, but it has rolled heavily over the elderly.

In March a great concern was that the comparably low per capita level of intensive care beds should lead to the health care system being overrun by soaring numbers of seriously ill patients. Images from Lombardian cities like Bergamo forebode a disaster. But that did not happen.

The system proved to be more flexible and capable than feared, and in the worst hit region of Stockholm the number of intensive care beds rapidly increased by about 200 percent. The pressure has been – and still is - high, but it has never been close to exceed the capacity available. On June 4 it was announced that the temporary field hospital erected at Stockholmsmässan (the major exhibition centre in the region) would be dismantled. It was never needed during this phase of the pandemic.

On the other hand, the virus has been said to have entered our elderly care homes in a disastrous way. We have not been able to protect our elders, it is said. At this point almost 90 percent of all deaths have occurred among those older than 70.

This is of course a huge tragedy, and there are numerous suggestions for why it happened.

But if one look at the statistics from Norway – which at this stage has had less than 250 deaths, with a population about half of Sweden's – the pattern is similar. Almost the exact percentage of deaths are attributed to those older than 70.

So the same pattern, but almost on a tenth of the scale. And due to the responsible senior civil servant at the Norwegian public health authority, the share of deaths in elderly homes in Norway is actually higher than in Sweden.

Which – from a layman's perspective – suggests that we have a substantially higher level of infection in our population. Why did that happen?

I am not an expert, and what has transpired will obviously be an issue for long term study and research. But it does not seem entirely convincing that it is a problem that to such a large extent can be isolated to elderly care and elderly homes.

It is also important to note the substantial regional differences. Stockholm is by far the worst hit region. It accounts for half of the deaths, with a fifth of the population.

The region of Skåne – in the southernmost part of Sweden – with a population of 1,3 million and many densely populated areas, is less affected than the neighbouring region of Copenhagen. So if the Swedish strategy failed in Stockholm, it might have succeeded in other parts of the country. Or at least, that is one interpretation.

How and why the pandemic has hit Sweden in general and Stockholm in particular so hard at this point is a growing discussion, and the strategy is getting more criticised. Have policies been too lax, what could have been done differently? Etc.

Another part where Sweden seems to have underachieved dramatically is testing. In mid April the responsible minister stated that we will be doing 50,000-100,000 weekly tests soon. In late April she reiterated that testing would exceed 100,000 by mid May, but in the end of May the number of tests were around a third of that number.

This is also an area where for instance Norway has continued to pursue a more aggressive policy, in order to detect and follow up and tracing those infected.

The Swedish government is now once again assuring that tests will be ramped up, but it is clear that the system is yet to deliver.

So what will the effects of the pandemic on Swedish society be? The honest answer is that it is too early to say, and that one can only provide educated and honest guesses. The high death toll and a growing number of question marks around the Swedish strategy will almost certainly lead to a multifaceted debate over numerous issues. What could have been done differently – Anders Tegnell points to the elderly homes and the fact that the disease found its way in so fast – will of course be thoroughly debated.

The political ramifications are also hard to really predict. As in many other countries, the immediate reaction to the acute crisis was a spike in public confidence in the government. The Social Democrat party has seen a substantially higher support, and the major opposition party the Moderate party has also seen growing confidence. Until recently the public has also expressed direct confidence in the government handling of the crisis.

But in the beginning of June, with increasing concerns about growing death tolls and question marks regarding testing and other issues, these figures have started to fall. Public and political debate has also started to become more critical and intense.

Where that will lead in the medium to long term perspective is not obvious at this point.

In the longer perspective numerous political issues will be on the table as a result of Covid-19. The organization and functioning of the health care system and elderly care are obvious candidates. But there is also a debate starting on the overall preparedness and resilience of Swedish society. With connections to defence issues in general and civil defence in particular.

When it comes to the economy, many of the key factors that have a critical impact on short or midterm economic development are not in the hands of national politicians. Half of Sweden's economy is exported, and international demand has a tremendous impact on economic performance. And although formal rules of lock down do not apply to the domestic economy, at least not to the same extent as in other countries, demand is severely affected by voluntary distancing.

The international image of Sweden's strategy and the high death toll is having an immediate impact on our international relations. When a number of European countries – including Sweden's neighbours – now are opening their borders, Sweden is an exception.

The government is trying to manage this situation through bilateral discussions, but this could

have a lasting effect on the perception of Sweden and on how safe it is considered to travel here and have contacts with Swedes.

As in many countries a key effect of the pandemic will be an increased urgency for political actions in certain areas. Urgency is regrettably not always a guarantee for action, and one lasting effect might be that critical issues grow into even more severe problems for society and economy.

First of all, Sweden will need to develop an economic reform agenda focused on the overall competitiveness of our economy. During the last decade Sweden has basically stagnated when it comes to international competitiveness, with bleak productivity and a declining dynamism in the economy.

This is mainly due to lack of political leadership and ambition to drive an agenda for economic reform. Structural problems in the labour market, but also in housing and other key markets have been allowed to grow. Entrepreneurship is hampered by too high tax level and a tax system that do not provide strong enough incentives for investments and entrepreneurs.

The post-Covid-agenda and the restart of the economy will be crucial in this respect. And there is a substantial risk that such program will have a one-sided perspective on fiscal stimuli through public spending. Strong public finances give us good opportunities in this respect, but the longer game is about competitiveness.

Secondly, the pandemic highlights our relations to international institutions in general and the EU in particular. The combined effect of Brexit and the ambitions of key Member states post-Covid-19, puts Sweden's position within EU in a new light. Being outside the Euro, a – for many good reasons in my view – reluctant member when it comes to giving more economic power to the EU-level, and in general lukewarm to the prospect of deepening European cooperation, can push Sweden further to the fringes. Standing outside NATO do of course emphasize this further.

The need for a thorough debate on our engagement in the EU – and our true political and security interests - is very much overdue. Covid-19 should accelerate that process. I am not entirely convinced that it will.

Fredrik Johansson

Senior Director at Hallvarsson & Halvarsson

Former Head of Policy Planning at the Moderate Party



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