

Scenarios for geo-politics after coronavirus: A recent Atlantic Council analysis

In this, the first of a new series of EPRS publications which explore recent thinking by various think tanks and international organisations on global trends and foresight, we look at an important recent study – [‘What world after Covid-19? Three scenarios’](#) – produced by [Mathew Burrows](#) and [Peter Engelke](#) of the Atlantic Council, a leading US think tank specialising in foreign policy issues, based in Washington DC.

Summary

The Atlantic Council’s analysis starts from the assumption that the coronavirus pandemic is delivering a substantial shock to the post-war order, established by the United States and its allies. For the past 75 years, they have led a rules-based system predicated on liberal democratic values, an open global economy, and formal institutional bodies backed by powerful democratic states. The study argues that a ‘downturn in Western economies could boost a rising China, while a global depression could breed support for protectionism. International bodies designed to safeguard public health appear weak and unable to contain the crisis, and alliances with transatlantic partners are fraying as nations turn inward and close borders. Sustaining and revitalizing the rules-based order that has guaranteed freedom, prosperity, and peace for decades requires a decisive global and US-led response to the pandemic’. It concludes that, in a context where coronavirus might become entrenched, US-China rivalry could continue to intensify and ‘go global’, setting up pressures that could destabilise the European Union and endanger the US’ alliance system in Asia. In response, it argues that America, Europe and China can and must respond to the emerging situation by cooperating to develop a positive, global ‘new normal’.

Key propositions and scenarios

A potentially protracted pandemic: The coronavirus pandemic could become a ‘recurring fact of life’, like ordinary flu, but much deadlier, reversing globalisation and the gains seen in recent decades in the expansion of a global middle class and poverty reduction. In rich countries, high unemployment and income stagnation could bolster populism and promote discontent. Is the advanced world reaching a tipping-point against global cooperation and multilateralism?

US global leadership at risk: The coronavirus crisis is fuelling a perception in the US that its relative position vis-à-vis China may have decisively worsened. The world is waiting to see whether the US can resume the mantle of global leadership in response to the pandemic, and/or if authoritarian powers, particularly China, will more effectively weather the storm. Will Washington reaffirm an ‘America First’ approach or seek to safeguard its alliances and help stabilise the developing world? In a soured atmosphere, protectionism and Sino-American friction might become even stronger. The chances of the EU managing to save the multilateral framework for international relations alone seem slim without support from the US and acquiescence by China. European countries that are already bending towards China may do so even more after the crisis.

Implications for China, Russia and other regions: The pandemic currently gives China a soft-power chance to cast itself as a responsible and legitimate global actor, within Asia and globally. Like China, Russia

has also been trying to score points against Western democracies. The test for Putin is whether he can manage the pandemic as successfully as China seems to be doing so far. Meanwhile, North Africa and the Middle East are beset by on-going conflicts, falling oil prices and economic difficulty, with the important tourism industry particularly badly hit as a result of the pandemic. Although Latin America is not yet a competitive battle-ground between China and the US, the degree to which the US or China helps in its post-pandemic recovery could determine whether Chinese influence increases in that region at the expense of the US.

Scenario 1 - 'Great accelerator downwards': Washington and Beijing engage in an active blame-game. EU Member States split over whether to support the US in its aggressive efforts to loosen dependence on China. Strong US protectionist measures against China and Russia for their 'disinformation' and US preparations for a cyber-war against them increase the prospect of an open conflict between the US and a potential China-Russia alliance. The developing world's economic problems intensify, with Chinese investment constrained by fear that domestic public opinion will resent such help as conditions at home become more strained. De-globalisation speeds up, resulting in slow growth everywhere and rising poverty in the developing world.

Scenario 2 - 'China first': The US appears in sharp decline, with the coronavirus effect tilting the geo-political balance in China's favour. Western companies use the crisis to expand automation, impairing job growth. China expands 'Belt and Road' deals globally, securing ownership of critical infrastructure in more countries, while bolstering domestic support by portraying Western democracies as unable to deal with the pandemic. Gulf states drastically cut welfare spending, building discontent. China negotiates a deal with Saudi Arabia for lower energy prices in return for support in quelling a Shia rebellion. Growing economic dependence on China means that America's Asian allies reject a proposal for a NATO-style alliance. While secretly encouraging US military presence in the region, they conclude trade and investment deals with Beijing.

Scenario 3 - 'New renaissance': As the global economy contracts, G7 and G20 leaders, with a new US President, rise above nationalist impulses and agree on a coordinated recovery plan. They establish governance structures for disease, conflict, and climate, backed by sanctions. The US and EU, working together to strengthen multilateralism, seek to convince China to wrap its Belt and Road strategy into a wider US-EU-China 'Marshall Plan' for the developing world. With a lowering of inter-state tensions, economic growth resumes, and for the majority of the world's population, the UN Sustainable Development Goals of eliminating poverty and spreading education are once again within reach.

Further perspectives on geo-politics after coronavirus

- **Asian Viewpoints:** Kishore Mahbubani, [Kishore Mahbubani on the dawn of the Asian century](#), *The Economist*, 20 April 2020.
- **European Viewpoint:** Bruno Tertrais, [Year of the Rat: The strategic consequences of the coronavirus crisis](#), Fondation pour la recherche stratégique, April 2020.
- **US Viewpoint:** Colin H. Kahl and Ariana Berengaut, [Aftershocks: The coronavirus pandemic and the new world disorder](#), War on the Rocks, April 2020.
- **Crises:** International Crisis Group, [COVID-19 and conflict: Seven trends to watch](#), March 2020.
- **Geo-economics:** Heiko Borchert, [Looking beyond the abyss: Eight scenarios on the post Covid-19 business landscape](#), HEDGE21 Strategic Assessment, April 2020.
- **Defence:** Sophia Becker, Christian Mölling, Torben Schütz, [Deterrence and defense in times of Covid-19: Europe's political choices](#), DGAP Policy Brief, April 2020.

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