

International Affairs Network

Spotlight

June, 2020



Is the pandemic leaving us a new world?

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MESSAGE FROM THE PRESIDENT

Between the first and second issue of The Spotlight, the global pandemic has changed our plans quite a bit, but it has not diminished our resolve. We have moved our events online and to podcasts. You can now hear the International Affairs Network podcasts on Apple Podcasts, Google Podcasts, Spotify and our web site.

We held many interesting discussions over the last few months on the economic and political impact of COVID-19 but it is worth highlighting our international conference “Democracy after COVID19”, with the remarks of Walter Russell Mead, Miguel Morgado and Marina Caetano. You can review the event by video on our site or on podcast.

As we prepare for a challenging second semester we remain committed to work in innovative ways to maintain our mission intact: to create a network of entrepreneurs, academics and politicians and offer an interdisciplinary view of the world to our audience.

Meanwhile, I wholeheartedly thank the contributors to this issue, particularly our editor Francisco de Abreu Duarte and Luís Tavares Bravo for coordinating this issue.

A handwritten signature in black ink, appearing to read 'Inês Domingos', written in a cursive style.

Inês Domingos, *President IAN*

DEAR READER,

Welcome to the second number of our Spotlight Edition.

This Spotlight was drafted under extreme circumstances amid an unprecedented global pandemic. This alone is worth celebrating, as it represents the continuation of our work even under difficult conditions. It represents, above all, the spirit that drives this publication and its importance. A disease is a truly global phenomenon, one that makes transnational thinking, such as the one that IAN promotes, so relevant for contemporary times.

In our first number I suggested that Portugal was now fighting a global struggle to achieve relevance in the competitive world of international affairs. With Covid-19 it became increasingly clear that we need transnational cooperation to prevent and fight global epidemics. The globalization of health threats came to us from abroad, but we relied on our European partners to engage and fight against it. Every day we see that international cooperation, if democratic and fair, can save lives.

The Covid-19 has nonetheless showed us a dark side of international relations, where large countries either abuse of or reject engaging with international organizations such as WHO or the UN. Where information flows are not clear and key exchanges are withheld in the name of *realpolitik*. A world where misinformation spreads across social media and objective facts are scarcer to find. This side of international relations rejects globalization and promotes a return to isolationism whereby states refuse to help others. Here in IAN I can assure you that, while we recognize the shortcomings of globalization, we remain committed to its significant benefits, such as the reduction poverty and the improvement in social conditions for many.

It is then with no surprise that it is Covid-19 the topic which dominates the debate on this Spotlight no. 2.

Laura Lisboa kicks-off this numbers with an analysis of the pandemics, discussing the dangers and challenges raised by Chinese "digital authoritarianism". The growing digitalization brought by the pandemics has provided several challenges to fundamental freedoms, ranging from tracing apps for Covid-19 patients to the use of AI and facial-recognition tools. Laura alerts us to the growth of these phenomena and on how we need to keep ever alert in the defence of our fundamental rights in face of all-controlling states.

Luis Tavares Bravo continues the discussion by appealing to a balancing between the virus and the cure. There he argues for a more balanced approach between protecting the economy

and saving lives, warning us for the dangers of a growing divide between citizens and Governments and between states and globalization.

Francisco de Abreu Duarte shows us the darker side of the digital revolution, analyzing how traditional capitalism is consistently transforming into ‘surveillance capitalism’. There he suggests that Covid-19 has provided the stage for big tech to shape our daily routines and warns us that accountability and transparency of digital giants are essential for democracy.

Gareth Heywood finishes this number writing about the impact of the Covid-19 crisis on European economies and how it could redefine the concept of precarity all together. Through an analysis of the impact of the virus on the different sectors of the economy, Gareth alerts us to the economical impact of Covid-19 and how governments, business and academics must come together to reevaluate the fragilities of the ‘gig economy’.

We hope you enjoy this issue,

Remain safe and keep thinking.

A handwritten signature in black ink, appearing to read 'Francisco de Abreu Duarte', with a stylized flourish at the end.

Francisco de Abreu Duarte, *Editor-in-Chief of Spotlight*

CHINA AND THE CHALLENGES OF DIGITAL AUTHORITARIANISM*

***Laura Lisboa**, *IEP-UCP, Master student*

10

The transformation of China over the last four decades defied western intellectuals and politicians' expectations during the '90s, as the country's economic reforms and growing openness to global markets did not bring China's political model closer to the western-style democracies. It has moved toward greater repression and control, looking to become stronger, but not democratic¹.

Regarding the Internet, the "Chinese State has changed the internet as much as it has been changed by the internet"². If it was first seen as eventually delivering democracy and political freedom to the citizens, authoritarian regimes such as the Chinese have proven that the Internet can, not only be controlled and censored but used to collect data, amplify political repression and reinforce control over society. In early February 2020, the Politburo Standing Committee called for increased Internet Control and sent Internet Police to threaten people posting online criticism on the Chinese Communist Party's (CCP) handling of the Covid-19 virus³, starting a quest not only to control the new coronavirus but also the information about it.

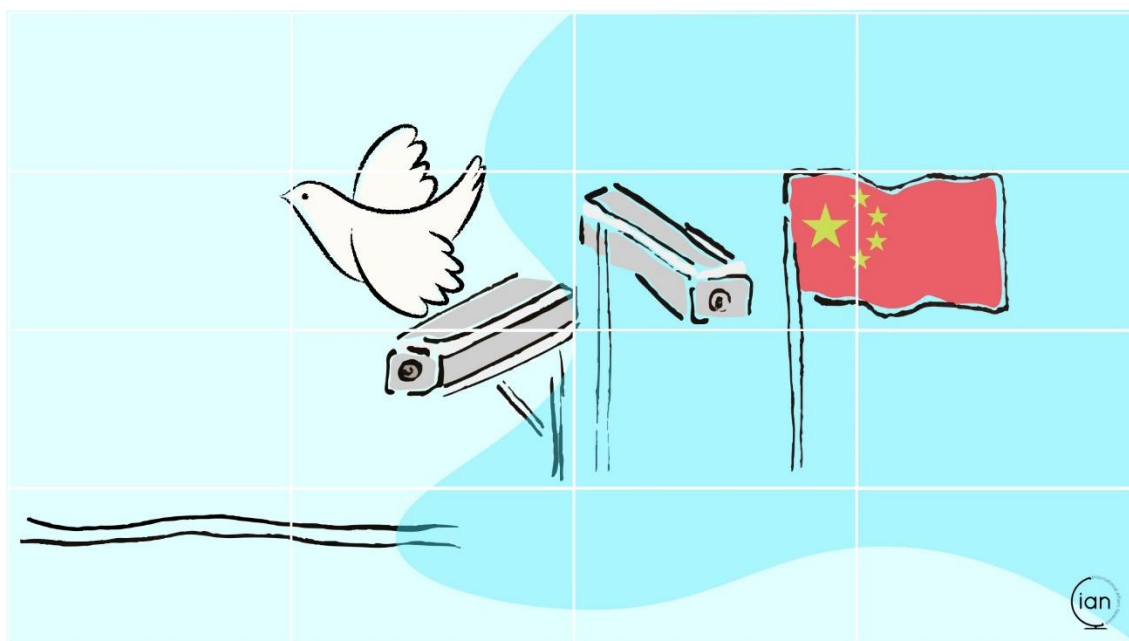
Although the political impact of the ongoing pandemic is still uncertain, it has already spurred debates on the future of surveillance. For instance, on the possibility of collecting, not only "external" data, as from screen clicking or facial data, but also biometric data, such as body temperature or blood pressure; as well as on the political and social implications that the analysis and use of these data have. Surveillance, however, is not new - one can think of intelligence and secret police services such as the KGB or the Stasi for example - nor is the CCP's intent to maintain internal stability by keeping tight control over citizens.

¹ In the wake of the Tiananmen massacre and the collapse of the Soviet Union, the Chinese leadership feared that aiming at political reforms that would implement multi-party election and promote a move towards Western political models, would lead to the dissolution of the country and to the collapse of its political order. Fareed Zakaria, "The New China Scare," *Foreign Affairs*, January/February 2020, <https://www.foreignaffairs.com/articles/china/2019-12-06/new-china-scare>.

² Mark Leonard, "China 3.0: Understanding the new China," *European Council on Foreign Relations*, 8 November 2012, https://www.ecfr.eu/publications/summary/china_3.0.

³ Bill Bishop through Laura Rosenberg, "China's Coronavirus Information Offensive," *Foreign Affairs*, 22 April 2020, <https://www.foreignaffairs.com/articles/china/2020-04-22/chinas-coronavirus-information-offensive>

Indeed, Xi’s leadership, like its predecessors, puts the interests of the CCP first and sets the maintenance of the party’s political power as a cornerstone of its strategy. Even though the means for pursuing this goal are different and are becoming more and more sophisticated, it entails a permanent need to maintain internal stability by controlling citizens’ behaviour: “Deng ruthlessly suppressed the Tiananmen Square democracy movement in order to preserve the rule of the Communist Party. Xi has much more subtly turned the screws on political dissent using the more discriminating but perhaps more effective tools of online surveillance and selective imprisonment,”⁴. China’s growing spending on domestic security, the investment in surveillance technology and the recently pointed “digital authoritarianism” are new tools to serve an old goal of maintaining social stability and putting party preservation first, even at the expense of citizens’ lives or privacy⁵. What is then so new about this digital authoritarianism? And why would it concern western liberal democracies?



⁴ Salvatore Babones, “What 'Xi Jinping Thought' Stands For,” Forbes, October 2017, <https://www.forbes.com/sites/salvatorebabones/2017/10/22/what-does-xi-jinping-thought-mean-and-how-does-it-compare-to-america-first/#67d007843262>.

⁵ China spending puts domestic security ahead of defence. Moreover, it is also worth noting that domestic security budget rise highest in the Xinjiang and Tibet regions. Both of these western regions are crucial for China to fulfil its ambitions of building the Belt and Road Initiative (BRI) and revitalising former trade routes. “China spending puts domestic security ahead of defense,” Nikkei Asian Review, March 2018. <https://asia.nikkei.com/Spotlight/China-People-s-Congress-2018/China-spending-puts-domestic-security-ahead-of-defense>.

China and the rise of Digital Authoritarianism

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“Digital authoritarianism” can be understood as “the use of digital information technology by authoritarian regimes to surveil, repress, and manipulate domestic and foreign populations”⁶. A form of digital repression that encompasses a diverse range of technologies and tactics, including censorship and surveillance. In 2012, Mark Leonard reported that the growing tensions and riots in China posed a challenge to the Chinese leadership: to find ways for the system to channel people’s anger without threatening to overturn the system⁷. In this matter, the Internet plays a crucial role, as it allows to reinforce the one-party state rather than to weaken it. Selective opening and blocking of information have become part of the party’s governing strategy. Moreover, the strategy of “blocking and cloning” social-media sites is double-sided. It not only allows for the government to censor information and provide controlled channels for the citizens to voice their anger which can even lengthen the life of the one-party state, but it also provides the Chinese leadership with a better understanding of the public opinion⁸. In other words, it prevents criticism around CCP to spread, while acquiring knowledge about society by accessing information that was scattered before in the complex network of social interactions and was harder, costlier and to a certain extent, impossible to collect.

A first specific feature of this new sort of authoritarianism lays on the use of advanced surveillance technology that allows for a single entity, as a government, to constantly monitor all elements of a population, enabling high levels of social control at a reasonable cost⁹. More than just accessing this information, the spread of surveillance technology enabled by artificial intelligence (AI), makes it possible to collect and to act upon this information. As

⁶ Alina Polyakova and Chris Meserole, “Exporting digital authoritarianism,” Brookings Institution, August 2019, 1,

https://www.brookings.edu/wp-content/uploads/2019/08/FP_20190826_digital_authoritarianism_polyakova_meserole.pdf.

Steven Feldstein, “When it comes to digital-authoritarianism China is a challenge - but not the only challenge,” War on the Rocks, 12 February 2020, <https://warontherocks.com/2020/02/when-it-comes-to-digital-authoritarianism-china-is-a-challenge-but-not-the-only-challenge/>.

⁷ Mark Leonard, “China 3.0: Understanding the new China,” 17.

The Economist, “Why protests are so common in China,” October 2018,

<https://www.economist.com/china/2018/10/04/why-protests-are-so-common-in-china>.

⁸ “The Chinese government has blocked every Web 2.0 site and at the same time allowed the creation of a series of simulacrum websites: instead of Google we have Baidu; instead of Twitter we have Sina Weibo; instead of Facebook we have Renren; instead of YouTube we have Youku. The Chinese approach to the internet is simple: “block and clone” ”

Michael Anti through Mark Leonard, “China 3.0: Understanding the new China,” 19 and 101.

⁹ Nicholas Wright, “How Artificial Intelligence Will Reshape the Global Order,” Foreign Affairs, 10 Julho 2018,

<https://www.foreignaffairs.com/articles/world/2018-07-10/how-artificial-intelligence-will-reshape-global-order>

Nicholas Wright points out, “governments will be able to selectively censor topics and behaviours to allow information for economically productive activities to flow freely, while curbing political discussions that might damage the regime.”¹⁰. Selective censorship is, however, only one side of the issue.

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A second feature of digital authoritarianism lays in the capacity of governments to use AI, particularly machine learning tools, not only to analyse big amounts of data to classify citizens but also to predict and influence their behaviour. As the collection of citizens’ data provides raw material to train and refine these algorithms, unlike liberal democracies, authoritarian regimes are able to feed them with a broad range of data on every single citizen¹¹. This allows for a fine prediction of behaviour that might, for example, identify potential dissenters, and it also gives rise to a sentiment usually associated with despotic regimes: fear which leads to self-censorship. These, although not new, become more effective with AI surveillance. As people are aware of this ubiquitous and intelligent net of surveillance monitoring their physical and digital activity, they will be more likely to act in ways that prevent the system from making negative predictions about themselves. Thus, changing their attitudes and, in the long term, their way of thinking by the habit of performing “acceptable” behaviours.

As pointed before, the current pandemic already spurred debates on the future of surveillance. Indeed, increasing surveillance and using AI to control the spread of the virus requires special attention, at least, for two reasons. First, the development of AI health-care systems that predict if patients are affected before symptoms show, allows for the development of techniques and tools that can then be directly applied in predicting which citizens are more likely to present undesired social behaviour. And second, the enhancement of governments’ surveillance capabilities during the crisis makes them more likely to continue using them in the future, once the virus is controlled. Plus, by the enhancement of governments’ surveillance capabilities, we mean, not only the development of a wider network of surveillance devices but also of deeper levels of surveillance, which allow the measuring of biometric data such as heartbeats or body temperature. This possibility raises interesting questions, for example on whether these algorithms will be able

¹⁰ Nicholas Wright, “How Artificial Intelligence Will Reshape the Global Order”.

¹¹ “Amazon and Google have access only to data from some accounts and devices; an AI designed for social control will draw data from the multiplicity of devices someone interacts with during their daily life. And even more important, authoritarian regimes will have no compunction about combining such data with information from tax returns, medical records, criminal records, sexual-health clinics, bank statements, genetic screenings, physical information [...] and information gleaned from family and friends.”
Nicholas Wright, “How Artificial Intelligence Will Reshape the Global Order”.

to detect feelings and emotions, based on indicators that cannot be self-censored. If so, will then the citizens have to truly become what the government wants them to be?

Although it might still early to predict such an Orwellian dystopian scenario, our point here is that, once these technologies are developed and implemented, even if at first by security or public health purposes, governments will be more likely to use them to enhance their power at the expense of peoples’ privacy and rights in the future¹². As argued in a recently published study on the global expansion of AI surveillance, adopting AI surveillance technologies is not a danger *per se*, as “the most important factor determining whether governments will deploy this technology for repressive purposes is the quality of their governance”¹³. So, one may argue dangers usually associated with these powerful technologies arise when they meet non-consolidated democracies, autocratic governments or unstable political orders. In this sense, although Chinese leadership goal may not be to directly replicate China’s social and political system abroad, by commercialising these technologies, China is promoting a model of governance that can lead to the spread of digital authoritarianism world wide¹⁴. This leads us to our third and final point: that this new authoritarianism can be regarded as an alternative to liberal democracy.

What of Liberal Democracy?

The transformation of China and its economic growth over the last four decades defied a common post-cold war assumption among political theorists and politicians, that only liberal democracy offers a viable path to economic success. Even if some repressive countries managed to grow their economies for a while, in the long run, authoritarianism and stagnation would go hand in hand. As pointed at the beginning of this article, however, China has moved toward greater repression and control, looking to become stronger, but not

¹² It is already a concern not only in China, but also in Israel, Singapore and South Korea. Arjun Kharpal, “Use of surveillance to fight coronavirus raises concerns about government power after pandemic ends,” CNBC, 30 March 2020, <https://www.cnbc.com/2020/03/27/coronavirus-surveillance-used-by-governments-to-fight-pandemic-privacy-concerns.html>.

¹³ The study reveals liberal democracies are major users of AI surveillance. Steven Feldstein, “The Global Expansion of AI Surveillance,” 17 September 2019, <https://carnegieendowment.org/2019/09/17/global-expansion-of-ai-surveillance-pub-79847>.

¹⁴ The current CCP’s leadership seems to be aware that the country’s conditions are peculiar, not replicable and that the country will not “export” a China model, nor ask any country to copy the Chinese method. Xi proclaimed in 2016 that China is “fully confident in offering a China solution to humanity’s search for better social systems”. In 2017, he declared China as “blazing a new trail for other developing countries to achieve modernization.”

Jessica Chen Weiss, “A World Safe for Autocracy?,” Foreign Affairs, July/August 2019, <https://www.foreignaffairs.com/articles/china/2019-06-11/world-safe-autocracy>.

democratic. Nicholas Wright points to AI as crucial in this matter as it “offers a plausible way for big, economically advanced countries to make their citizens rich while maintaining control over them”. It can thus provide the CCP with a tool to preserve internal stability by maintaining or improving the levels of wealth of its citizens while preventing a growing middle-class to demand political freedom¹⁵. By allowing governments to have closer control over their citizens Wright argues “AI will offer authoritarian countries a plausible alternative to liberal democracy, the first since the end of the Cold War. That will spark renewed international competition between social systems.”¹⁶. We cannot forget, however, that authoritarian or autocratic regimes are not without vulnerabilities. Thus, as China is reemerging and reasserting its position in the international scene, the clash between the western liberal democracies and the Chinese political and social model raises challenges on both sides.

On the Chinese side, more than the pressing internal challenges that stagnation of growth rates or a demographic crisis may bring, the CCP will have to improve or, at least keep, the pace of its technological development. The Party’s growing reliance on technology for maintaining internal stability implies it will have to continuously develop its capacity of collecting and analysing data in a more and more sophisticated way. One may argue the country’s leadership promotes “non-traditional methods” — such as cyber and academic espionage, theft of technology and intellectual property, among others — to spur technological innovation. In the long run, however, one can wonder if a society that is closed to criticism would be able to consistently deliver a level of innovation and creativity that would match or improve upon the level of scientific progress in a liberal democracy. This takes us to the other side of the debate: that is, how can western liberal democracies react to the challenges posed by rising digital authoritarian powers? To answer this question would require a deep analysis on the topic. One possible answer, however, could start by looking at the relationship between politics and technology through the prism of international competition between social and political systems.

Authoritarian or autocratic regimes are usually perceived as being able to act faster, especially when responding to crises, as decisions are usually taken by centralised powers, while liberal democracies, with the division of powers and checks and balances, are perceived to act slower. This has consequences both externally and internally, as it not only may portray

¹⁵ Dominic Barton, Yougang Chen, and Amy Jin, Mapping China's middle class, McKinsey Quarterly, July 2013, Available at: <https://www.mckinsey.com/industries/retail/our-insights/mapping-chinas-middle-class>.

¹⁶ Nicholas Wright, “How Artificial Intelligence Will Reshape the Global Order”.

authoritarian regimes as more effective and thus more attractive to foreign countries undergoing political and regime changes; but it may also rise instability and populist attitudes inside consolidated western democracies. Thus, as authoritarian powers may put into question western democracies' capacity to remain competitive, the latter will most likely have to adapt to successfully respond to present and future challenges as well as to defend their values. On the one hand, AI surveillance technologies can be used to improve life quality by, for example, preventing and controlling the spread of diseases. On the other, training and improving these algorithms depends on the amount and quality of data we can feed them. As Wright recalls "AI is as good as the data it has access to," and in this matter "authoritarian governments will be able to draw on data in ways that are not allowed in liberal democracies"¹⁷. To counter this, we will then have to understand the limits to the use of these technologies and to look for creative technological solutions that allow liberal democracies to benefit from them without compromising liberal values. In a digital future, this entails reconsidering protection without underestimating the adoption of new technologies. When used well, AI surveillance technologies, as well as the external challenge posed by this new authoritarianism, can strengthen liberal democracies and liberal values both at home and abroad. It is about time to engage democratic societies in this debate.

¹⁷ Nicholas Wright, "How Artificial Intelligence Will Reshape the Global Order".

FLATTENING ALL CURVES*

*Luis Tavares Bravo, *Economist*

17

The developed world has now reached a stage of setting the terms for a conditional back-to-work cycle. With reports showing some signals of stabilization on new cases from their peaks, in relevant countries in Asia, Europe and the United States, after severe lock-down measures all over the world, planning the exit strategy to tackle the economic impacts seem to be of essential relevance for the near future. Many challenges and uncertainties remain when discussing early than desired reopening of the activities, but a consensus is emerging that it is unrealistic to believe that there is no time limits for which current strict confinement measures can remain in place. Because at some point the economic and social disruption implications will become too expensive to bear. Planning a transition that can reignite some sectors and at the same time save jobs, with controlled metrics for covid-19 propagation is a delicate balancing act, but unavoidable.

Truth be said, there is more curves to flatten beyond the sanitary curve. The lockdown measures are curtailing global economic activity, driving up unemployment, and depressing international trade. They have and will continue to force central banks and governments to commit unprecedented amounts of money just to keep households and companies afloat and prevent financial markets from seizing up. But severe damage is already being done, and most economists are already forecasting a more acute recession than the one in 2008. So, flattening the economic recession severity curve is also of vital importance to avoid both severe social disruptions caused by severe unemployment, that may bring up a severe political disruption, on the back on the already significant discontent between voters and institutions, but that also can feed more populism, protectionism, and disturbance between countries – that may set a dangerous geopolitical setup for the aftermath of the crisis.

Controlling the virus outbreak. Flattening the sanitary curve costs time but does saves lives.

The reasons that initially supported argument for lockdown and confinement are founded on the need to flatten the curve of infections, so that the National Health Systems do not collapse. The rationale is simple, there is only a limited number of resources and medical equipment to treat the most serious cases that require hospitalization, and even more limited for situations of extreme severity.

Therefore, the fewer cases that arise over time, the less pressure there will be on our healthcare professionals, the less likely we are to have a rupture in the hospital network. This is, in a nutshell, a process to buy time so health system capacity will not be overloaded. This also means that greater the fragility of a country's health infrastructure is, the more time it will be necessary to buy, and consequently the greater the need to smooth the famous health severity curve, and ultimately this means that the greater the restriction on people's mobility will have to be.

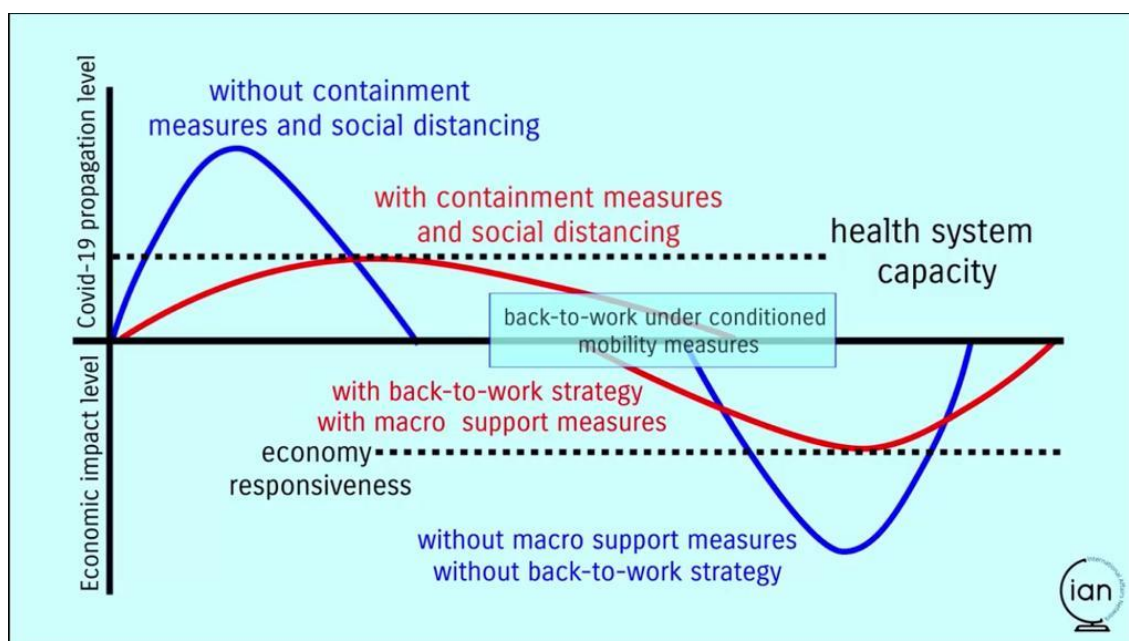
The economy cannot be neglected. The recession severity curve also needs to be flattened.

All key advanced indicators reflect that the global economy is already in recession, and the longer the lockdown and mobility restrictions last, the worse it will get. There are reasons to believe that we are likely to experience a deeper contraction in 2020 than during the Great Recession after the 2008 meltdown. Of course, there is a great deal of the effect that will depend on how long the mobility suppression measures long, and this is also dependent on whether science can deliver efficient responses to contain the death toll, or if the international community can deliver further and coordinated economic and policy support measures. Wherever we go from this point, evidence suggest the impact of the outbreak will likely not be a short-term issue, and the medium to long-term implications for global growth are very real. Therefore, it represents a challenge that needs to be addressed now.

In this sense, we may say that there is a known need to cope with the health severity curve, but there are other curves to flatten. This is the case of what we could call the curve for the severity of the recession. The greater the incentives to mitigate the impacts of the pandemic on the economy, the less severe the loss of jobs and purchasing power. And the faster we act to restore some normality in day-to-day lives, the less pressure will be placed on the State's capacity to feed subsidies as a response, reducing pressure on public accounts, and thus avoiding the financial rupture, which would only increase the severity of the recession that lies ahead.

When curves collide. A delicate balancing act between saving lives and jobs.

19



Today people's awareness of the risks of the pandemic is significant. So much so that it has represented a positive factor in the strategy to contain the spread in some countries, showing that is possible for traditional democracies to implement containment without the extreme vigilance and enforcement seen in totalitarian regimes.

But returning to normality, require a balancing act to smooth both the economic and health curves. On the one hand we need keep some form of mobility restrictions and social distancing to protect our health system, and on the other we need to reduce restrictions in order to protect jobs and families.

There will also be important long-term decisions to make to tackle other curves. A new pact will be on the table to avoid further social disruptions and contain the “voters’ rebellion” against status quo.

The “whatever it takes” expression, became a popular buzz in the European sovereign crisis, that followed the great credit-crunch driven recession of 2008. And it has been vital in the current crisis to steer the impacts of the lock down in the global economy, or ringfencing the financial system. But there is also a need to take this “whatever it takes” efforts to address the social cohesion in the developed democratic countries, to reinstate trust with the citizens. And this may require a new sort of social contract.

There are now more voices arguing that globalization and the European project has failed to deliver the promised prosperity. There are even who consider that Democracies have disappointed their citizens regarding equal opportunities and social protection in times of great need, such as the current one. This represents a significant risk, a sort of social severity curve, that also needs to be tackled and flattened.

Debates are already taking place regarding how societies could change post COVID-19. One of the great challenges of the post-virus phase, will be to understand if society still understands the sense of a common cause. There will be a significant amount of sacrifice required to the populations, and the economic consequences may leave further disruption in the traditional production sectors, that can be measured with higher than ever structural unemployment and rising inequality, allowing that sentiment against the system to rise further within the democratic countries.

Previously-thought radical ideas, or out of the box solutions will most probably be object of serious analysis. Governments will have to look in ways to make labour markets less insecure and produce a new social contract to raise confidence and trust between countries, institutions, and their citizens. On this some policies until recently considered eccentric, such as basic unconditional income, will be at the forefront of the discussion, as redistribution of wealth and inequality will again be on the agenda.

Economic and political relations between nations are also likely to change. Has globalization peaked?

All in, countries will need to be more engaged into new “social contracts” internally, and this will also bring back some protectionist trophies from the past. An example of this, would be set on a renewed focus on national strategic industries, as political leaders thrive to take control on means to cope with growing unemployment to protect their social commitments with their populations. Thus, governments are likely to reject their earlier dependence on global supply chains that, at times of maximum stress, can be a source of vulnerability.

This would also mean that the globalized world we have known so far may have peaked. Yet even before the arrival of COVID-19, International Institutions were under strain. The Global Financial Crisis had already created conditions for new brands of isolationism and protectionism. The emergence of “nationalist” politicians coincided with waning support for international institutions – including the UK’s withdrawal from the European Union and Donald Trump’s wavering support for NATO – even before the WHO was criticized in

some quarters for its handling of the COVID-19 crisis. Alongside all this, China’s re-emergence as a political and economic superpower threatened to provoke a return of global rivalries last witnessed during the Cold War.

Data shows that there is a slowdown of global integration . The International Trade intensity indicator (sum of exports and imports, as a percentage of world GDP), after the sharp rise in the 80s and 90s, in which the weight of international trade it rose from around 36% to 51% of world GDP, and then, in the last 12 years, reached a peak close to 60%, had stagnated before the current crisis. It is also worth noting the significant increase in protectionist initiatives since the end of 2008, after the global “great recession”, which has also been limiting the further integration of international trade. In the last decade, the Global Trade Alert Observatory counted about seventeen thousand legislative initiatives that hinder international trade, which contrasts with the number of legislative initiatives in the same period that liberalize international trade, only around seven thousand.

COVID-19 set to spark further social-distancing among nations. Tackling the geopolitical severity curve.

Though it may seem we are inevitably moving to a more isolated world, in some areas we still see some integrated responses globally. This has been the case of the sanitary response, where a coordinated response in scientific effort. Another example, on the monetary front, the Federal Reserve quickly moved towards the establishment of international swap lines for US dollars, easing pressure on vulnerable currencies and capital markets. Co-ordination, however, can easily break down, as the political mood turned its back to globalisation, and to the political centre erosion. A key casualty, as we have seen before, was world trade among nations which, since the Global Financial Crisis, has expanded much more slowly relative to GDP than in earlier decades.

Might COVID-19 spark further cross-border strains? The US elections have brought to the table a cold war type of scenario between the United States and China, and for the moment it is difficult to tell how far can this go and how it will affect the relations between the two economic superpowers. It is likely that current antagonism between the US and China over the origin of the coronavirus will persist – and might even escalate – in the run up to November’s presidential election. But it looks likely that the Trump administration will stick mostly to threats rather than following through with concrete extreme measures. Nevertheless, it is possible that, after the elections, this rhetoric may be used to strengthen the arguments for a second round in the “trade war” and impose additional tariffs. It is also

difficult to tell that tensions will ease that much if Trump fails re-election for a second term. A victory of Joe Biden might help smooth some of the rhetoric but here is a growing consensus among both Democrats and Republicans that the US should be more restrictive with China.

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This new rebalancing of the world geopolitical powers leaves the EU also in a complex position. Will NATO ties prevail? Or belt and road? And at the same time, how can the EU address its own internal financial hurdles between core and periphery? Furthermore, what will happen to the Schengen area, as some countries emerge from their internal lockdowns, yet maintaining external lockdowns in place for an indefinite period?

Bottom’s up: we need to flatten all curves, build a new model for globalization

Whatever the outcome of the crisis, there are several structural changes that were looming before the pandemic that need to be addressed. The current crisis has just made them more visible as the world seems poised to face one of the deepest recessions in history. As the world waits for scientific developments that will allow the end of confinement and lock down measures, economies are in free fall, creating unemployment and social unrest, thus igniting further discontentment among the populations towards the political center. Governments will likely be tempted to implement more protectionism to face internal pressures from an unhappy electorate and promote isolationist policies, that will escalate also in the way they participate with other nations and supranational institutions. Ultimately, - be , doubts on the efficiency of Western Democracies in a new reshaped world are likely to continue to intensify.

Faced with these challenges, the European Union is placed in a delicate position. Europe needs to be decisive and comprehensive, and address not only the short-term issues, but also to build social and political responses for the post-covid era. This means the EU needs to advance into more integration that works for all and abandon the pointless “core” vs “non-core” countries debate. The challenges of geopolitics for the next decades demand that, as it is the only way to prevail between China and the United States, and to preserve our social market model and our democratic values. The role of Europe is crucial to reignite a renovated model of international trade, and globalization. Globalization is an engine of productivity and wealth. However, it cannot be ignored that it is necessary to correct the negative side effects created in the last decades. There is in fact still a lot of work to be done, so that the corporate benefits of globalization are better distributed, but that needs to be done through

the reform of international trade and multilateral institutions, and not by a return to protectionism.

THE MOUSE AND THE TRAP: THREE WAYS TO ESCAPE SURVEILLANCE CAPITALISM?^{2*}

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Summary

This short post aims at discussing escape-routes for the exponential growth of surveillance capitalist models in the digital world. By proposing three different alternatives, the work questions whether it is possible to escape the massive data harvesting that feeds companies like Google or Facebook and turns 'free' apps like Pokémon Go into data mining lucrative tools. By analyzing three alternatives, namely i) subscriptions models, ii) nationalization of platforms and iii) information fiduciaries, the work concludes that the age of surveillance capitalism is deeply linked to our second Gilded Age and regulation of the digital sector is dearly needed.

In 1996, John Barlow, a member of the influential 60s band Grateful Dead, wrote his self-entitled 'Declaration of the Independence of Cyberspace', a heartfelt manifesto for the freedom of cyberspace away from governmental control. In one of the passages he codified the general feeling of the digital community towards public regulation at the time:

Governments of the Industrial World, you weary giants of flesh and steel, I come from Cyberspace, the new home of Mind. On behalf of the future, I ask you of the past to leave us alone. You are not welcome among us. You have no sovereignty where we gather¹⁸.

It is from this *hippie*-inspired idea that, in a paradox worth mentioning, a new type of capitalism is born. It is not a coincidence that a new age of capitalism is born under the digital auspices; it is rather a consequence of a privatised idea of a global and connected world, a cyber utopia, where people would finally take power. Curiously enough, the original *hippie* values of a decentralized world have now fallen hostage to the exact same traps that they so keenly fought against. In the Second Gilded Age¹⁹, the state indeed takes a step back, but only to let others (and not the global community) monopolize power. However, unlike its industrial and smoky 19th century grandmother, this new Age feeds purely on us as both

¹⁸ Barlow, 'A Declaration of the Independence of Cyberspace', *Electronic Frontier Foundation*, February 8, 1996 available at: <https://www.eff.org/cyberspace-independence>.

¹⁹ Balkin, Jack, The First Amendment in the Second Gilded Age, 66 *Buff. L. Rev.* 979 (2018). Available at: <https://digitalcommons.law.buffalo.edu/buffalolawreview/vol66/iss5/1>

consumers and commodities. To achieve that objective, it reconceptualizes traditional capitalism and rebrands it “*Surveillance Capitalism*”.

To fully understand this concept, I propose to sketch this short post in two big sections:

1. To introduce the concept of surveillance capitalism and its two phases of control: surveillance and nudging;
2. To advance some solutions to the problem and to discuss why regulatory attempts have so far been minimal or inexistent.

1. The mouse trap: surveillance capitalism

To understand the concept of surveillance capitalism, as introduced by Zuboff²⁰, let us think of a classic 20th century assembly line:

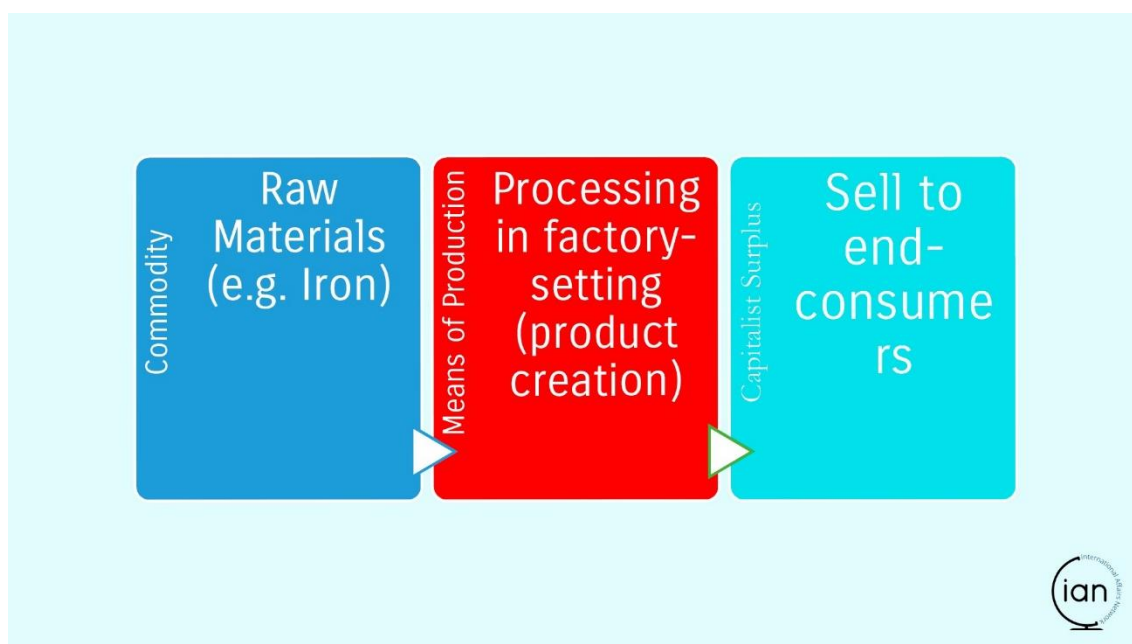


Fig. 1.

In this classic capitalism structure, people act solely as the final consumer of a product which is the result of the processing of a certain raw commodity. The capitalist surplus is then made of a simple equation consisting of the final price, which the capitalist has asked for the final product, minus the costs incurred in transforming the commodity into a final product. Simple as that. This was roughly the model that supported the 20th century economy, and which was

²⁰ Zuboff, Shoshana, *The Age of Surveillance Capitalism*, Profile Books, 2019 (would recommend chapter 3); also Zuboff, Shoshana, Big Other: Surveillance Capitalism and the Prospects of an Information Civilization (April 4, 2015). *Journal of Information Technology* (2015) 30.

initiated by the great monopolies of the First Gilded Age (see the example of US Steel or the Railroad Monopolies of J.P. Morgan or the Vanderbilts).

Surveillance capitalism differs in the method but agrees on the monopolistic end-result. Unlike traditional capitalism, Surveillance Capitalism is more accurately represented as a continuous circle of information exchange:

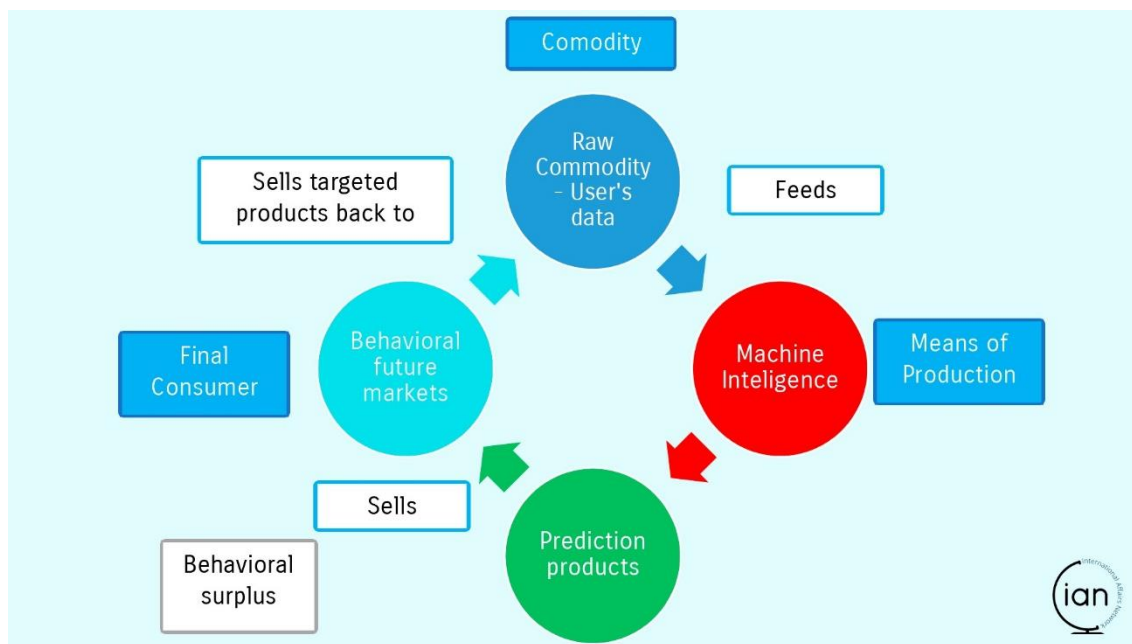


Fig. 2.

Unlike the production of Ford-T, for example, surveillance capitalism begins and ends with users/consumers. We feed the process with information, our daily habits, tastes, schedules etc, collected through varied inputs (from clear cases such as the information you provide to Facebook through pictures and geo-location, to less obvious cases such as the amount of time it took you to read a book on your Kindle). That massive collection of information is then processed into a product which is but a **prediction**:

Mr. Smith²¹, as a standard representative of the Smiths type, is likely to take long hikes every Sunday to read his Kindle. In those days he listens to 60s music and reads crime-novels. By the end of those days he traditionally watches an episode from his favorite series, 'The Mentalist', and phones his family by 9pm. He logs off from Whatsapp and Facebook at around 11pm, probably going to sleep.

²¹ It is important to stress that neither of these companies really sells your name or individual personal data. You, as an individual, are indeed quite useless from the advertisement point of view. What is important is a bundle of “yous”, representative of a certain social group.

It is not difficult to think about how advertising companies would drool over this information: Long hikes require good comfortable shoes and hiking gear. 60's music has remarkable memorabilia attached to it (who would not like to have that cool Jimi Hendrix phone cover?). Agatha Christie books are now suddenly half-price and come in a great Amazon 'two for one deal' together with a very interesting "How do you know if a criminal is lying?" book. Advertisements for flights back home keep popping up at around 9pm (maybe it is time to pay a visit to family...).

This massive collection of information is only possible, however, because of two contributing factors: i) a fundamental shift in the economic model of media attention; ii) the destruction of individuality through a growing "bundlelization" of society.

First, the 20th century model, that of broadcasters and newspapers, was based on a conceptual framework which could be described as "few-to-many": few people would enact content which was aimed at reaching the masses. This is why it is generally called mass-media because of its end goal of reaching the masses. Contemporary social media have replaced this model with a new one which can be described as "many-to-many". Anyone can post and everyone should read it. The more the merrier. Stupid thoughts? Go for it. You are tired of society and you want support? Post it out there. You thought Joaquin Phoenix was great in the Joker? You think he was awful? No matter, post it. The more information you give platforms the more accurate will their prediction products be and the more valuable will their end-products become.

Second, because surveillance capitalist brings about the destruction of cultural liberalism, while continuously selling the idea of the promotion of your "your unique self". The fact is that, in the majority of cases, we are rather not unique at all (this is not a fault of the capitalist system, it cannot be all its fault!). We can easily be "bundled" into groups based on our tastes, habits or affections. In fact, we have been doing it since the birth of mankind, way before Weber or Durkheim even took notice of it. As humans we tend to like people who like the same things as we do, that have similar schedules and defend the same values; and to push away those who do not. It is just human nature.

And in this act of social-group definition lies the heart of surveillance capitalism.

Things get trickier, however, when stage 2 of surveillance capitalism kicks-in. Now, the capitalist realizes its fundamental power not only to accurately describe reality, but rather to shape it. Let us turn back to Mr. Smith’s example:

Mr. Smith is born in the 90’s. During his days of infancy he really liked Pokémon and gameboys and just the memories of those two things make him smile. Not surprisingly, he is a big Pokémon-Go fan and he now chooses his Sunday hikes based on where it is more likely to find Fire-type pokémons (lately he has been running against Poliwhirls²² all the time and he needs to broaden his deck).

The capitalist already knew about his habits and has been selling this information to advertisers. Now, however, it has a new way to nudge Mr. Smith (or all Mr. Smiths) into the physical world: if it places a Moltres²³ in a specific location, chances are that Mr. Smith will follow. Now, imagine you work for Burger King and you want to dethrone Macdonalds as the major fast-food chain in Mr. Smith’s hometown. You go to Nintendo (Pokémon Go’s producer), pay a nice sum, and ask them to lead Mr. Smith’s Sunday hikes to the front of the newly opened Burger King. Moreover, every Sunday morning you make sure that Google pops a few juicy double cheese whooper adds.

Now Mr. Smith wakes up and checks his phone; burgers pop-up; he receives a message from his friend on WhatsApp:

“Wake up Winston, there is a Moltres downtown! Run man, run!”

He rushes downtown and feels some discomfort on his feet. “Damn, I really need some new shoes...” he thinks. After some exhausting hours he manages to catch Moltres and rejoices sitting on a bench on the nearby park. Now, hungry from his successful quest, he decides what to do with the rest of his afternoon. *“A whooper would be really nice...”* he naively thinks. *“And I cannot forget to get some Timberland hiking shoes (why Timberland? Who cares they look so cool)”*.

This small story represents stage 2 of Surveillance Capitalism and could be exemplified in the following second circle:

²²Water-type Pokémon. Not very strong and quite common. Picture here: <https://wiki.pokemoncentral.it/Poliwhirl>

²³ Legendary Fire-type Pokémon. Very rare. Picture here: <https://wiki.pokemoncentral.it/Moltres>

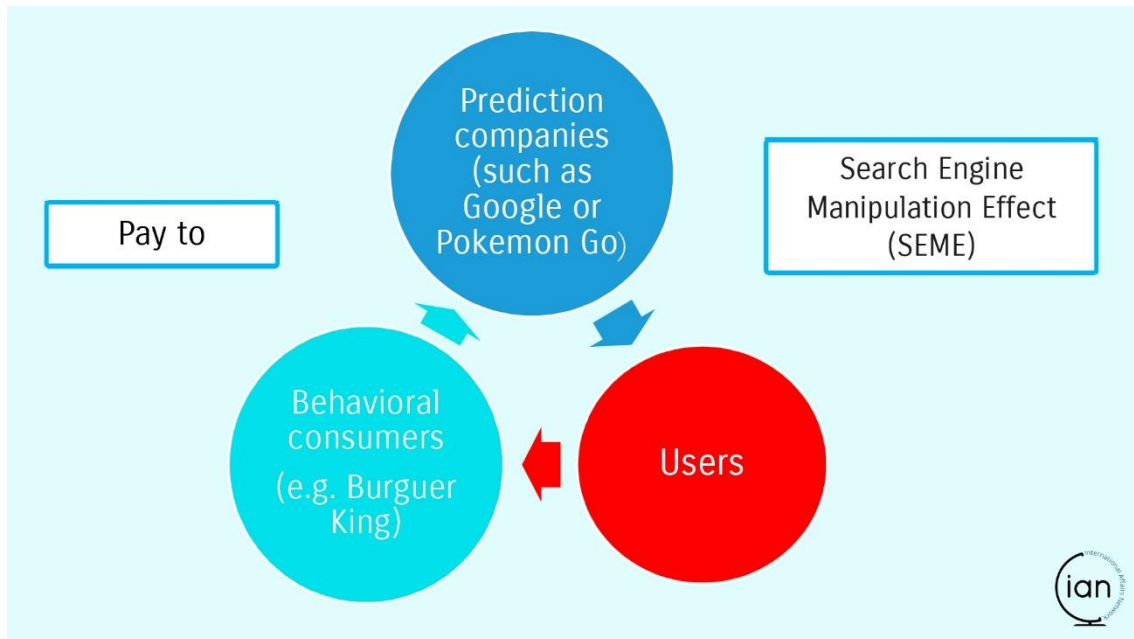


Fig. 3.

I do not intend to express any major opinion on this short paper as I will leave this to the wider discussion. But think of the obvious dangers such a system can bring. A burger or some shoes seem rather harmless. What about political views? What if Pokemon Go takes you closer to the headquarters of the Republican Party? What if Google keeps suggesting that Trump is a member of the KKK when you type “Trump is....”. What if Amazon everyday reminds you how Communism was responsible for over 20 million deaths with the latest book “Bernie Sanders is a Commy”?

And, worst of all, what if that is what platforms are being paid to make you think ? Can we escape this?

2. Escaping the mouse trap

The first stage to escape any trap is to understand how it works. If a mouse understands how a mousetrap works, it will no longer rush to that inciting piece of cheese. *Or will it?*

I will put to the discussion three alternative models which could potentially be used to tackle this problem and explain my reservations on each:

- a. Subscription models;
- b. Nationalization of social media outlets;
- c. Information fiduciaries.

Subscription Models

One possible way to avoid this is to put an end to the “great bargain” as Balkin puts it. The great bargain is the fundamental idea that these platforms offer a free service. I find it paradoxical that a country which keeps arguing that “there is no such thing as free lunches” has an entire digital industry based on “free services”. Well these are companies and companies will want to make money. The sooner we understand the trap, the quicker we can escape.

By suggesting a subscription model, we are basically providing an alternative source of income to these companies and diverting them from selling our data. Some companies do already possess a two-tier economic model whereby you can access a premium service, for a monthly fee, and are not bombarded by adds (Spotify, Netflix for example). However, I remain skeptical about the effectiveness of this system. The data model is just too appetizing: why should these companies look away from it, even if they are making money out of subscriptions? It seems so harmless to just give anonymous bundles of data to burger or shoes’ companies. Is it not what advertisers have always done? Why look away from such a gold mine?

This is especially relevant if you take into consideration some of the economic models these companies are basing themselves on. Most of them are yet to make any profit at all. They live out of investment rounds of big investment funds betting on the future when they will go public and they will make big sums in the stock market. This is precisely the same model that lead Larry Page, in the distant 90’s, to forsake his personal dislike for advertisement financing, when investors threatened to kill the next investment round if Google could not find a way to make search engines profitable. Chances are, I would assume, that investors will pressure the new streaming bubble and subscription will not satiate their capitalist hunger.

Nationalization of social media (or the creation of national platforms)

A different way to tackle the issue would be to look at it as states did with broadcasters. At some point, in the 20th century, states decided that news and access to information was too serious of a matter to be left alone to privates to control. Instead of regulating speech, something which directly encroached on fundamental freedoms, they rather chose to launch their own national broadcasters. BBC, French Television or Rádio Televisão Portuguesa were launched under such a premise. A trustworthy source of news which citizens could rely upon for independence.

Why not do the same to social media?

Well, again the problem is more difficult than ideology. Two obstacles come to my mind. First, there is a practical network-effect obstacle which is difficult to overcome. The investment required to create a social network that would be sufficiently appealing to turn the billions of users currently on Facebook or Instagram to the State’s side is unthinkable. And it could not even work at all, namely because of the natural aversion to change (and costs of change) that users would face. This could be eventually tackled with a mandatory belonging whereby, for example, all citizens with a national ID card would immediately be given an account on the State’s social media. But this leads me to problem no. 2.

Is it really better to have a state-controlled mass surveillance machine? If we know already how efficient private companies can be in accessing and selling our data, imagine if states could harvest such tremendous power. One does not need to read 1984 to have a small glimpse of what can happen; China has been doing it and Russia is developing their own internet, closed-off from the rest of the world. The danger of an informational totalitarian system is just too great. To replace one monopoly for another does not seem to really solve the problem, especially when this new Master has an even bigger control (including the monopoly of coercion) over its users/citizens.

Information Fiduciaries

Another possibility is to use law as a regulatory tool and to come-up with a set of duties which these companies must comply with *vis-à-vis* their users. This is essentially Balkin’s project and the idea of “information fiduciaries”. His theory is complex and worth reading²⁴ but for the purposes of this blogpost I will merely point out the highlights of his theory.

For Balkin, these media companies should be treated the same way doctors, lawyers and other professional orders are in terms of fiduciary duties (for our non-lawyer friends this is fancy jargon ‘duties which arise out of a relationship based on trust). Why would they have such fiduciary duties? It seems to come down to four characteristics, namely i) their expertise, ii) their asymmetric knowledge in relation to their users, iii) the vulnerable position of such users and iv) a relationship based on trust in the company in which the entire contract is built upon²⁵. Deriving from this very special relationship, between users and the platform, would then arise three types of duties which could help us constrain the actions of big digital

²⁴ For a summary, if you are running short on time, <https://slate.com/technology/2018/11/information-fiduciaries-facebook-google-jack-balkin-data-privacy.html>

²⁵ Balkin, *supra*, p. 1006-07.

companies – a duty of care, a duty of confidentiality and a duty of loyalty²⁶. These duties would prevent scandals such as Cambridge Analytica, as Facebook would be bound by a duty of care to duly check to whom was it allowing access to its platform’s data. For Balkin, these obligations “run with the data” and so Facebook has a duty to ensure that third parties treat such data in precisely the same manner as Facebook would.

What Balkin fails to do is to develop exactly i) the source of these obligations, and ii) the enforcement of such obligations.

Answering the first, Balkin is quick in escaping his own trap. First, he claims that these duties arise from ‘the terms of service or end-user agreement’ only to then say ‘they are not limited to the specific terms’ because otherwise they would ‘[tech companies] could make those duties vanish simply by changing their privacy policy’. Rather these duties were understood as above contractual arrangements of the parties. This is hardly satisfactory and Professor Balkin knows it very well. However, it seems to be the only way to accommodate the difficult tension between private autonomy (on which the contract is made) and public functions (which these companies seem to start exercising) such as the moderation of free speech. Especially in a country where the doctrine of state action bars any horizontal fundamental rights’ litigation.

To the second point, on the enforcement, no blogpost would suffice. I will leave it aside for our heated discussion.

Conclusion

With this little blogpost I wish merely to raise questions and to provoke debate. I do not believe there are, as we write and discuss, any settled answers to any of the problems I put forth. What I hope to have given you is merely food for thought and to have raised awareness for the challenges that face us today as a global community. When Internet was born, there were many preachers of its inherent qualities of decentralization for the sake of humanity. To a great extent they were right. We live in an informational society which was never as connected and well-informed in the whole history of our human race. Nevertheless, the digital revolution is a double-edge sword which, like every revolution before it, is prone to excesses and abuses. Its instinctive march towards progress clouds our judgement and sells

²⁶ Balkin, *supra*, p. 1008.

us the illusion that going forward is always good. I urge you rather to discuss the path before taking it and to make ensure that we do not go gentle into that good night.

THE IMPACT OF THE COVID-19 CRISIS ON EUROPEAN ECONOMIES AND HOW THIS MAY REDEFINE THE CONCEPT OF PRECARIETY*

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The global economic slowdown has shared centre stage with the immediate public health threat that the COVID-19 crisis presently poses. Spiralling unemployment, eye-watering government bailout packages, collapsing supply chains and consumer demand falling off a cliff have all but resigned the markets to a deep recession. Some commentators fail to see why the markets would return to positive figures before the end of the year. Many believe we are about to experience the deepest recession in living memory - now all but confirmed by the IMF's predictions. As if this was not unprecedented enough, traditional bear market behaviour has been abandoned: for the first time ever equities sell-offs have been matched by a drop in bond yields. Cash redemptions are at an all time high; investment managers have been rendered speechless.

Evidently things are far from rosy. What seems equally clear now is that we are witnessing a paradigm shift in political economy. The coalescence of human security and the stability, or rather the obvious fragility, of the global economy will have far-reaching consequences. But there is one particular key concept popular with political economists that may well receive a redefinition: precarity.

Precarity has emerged as a popular term in scholarship since the onset of the twenty-first century, gaining traction with critics of neoliberalism due to the impact of globalised divisions of labour. It is understood to be a state in which there is a general lack of stable work or income. As the Fourth Industrial Revolution has gained pace, the "gig" economy has made precarity an all the more prescient object for analysis.

Yet scholars have too often focused on the notion of precarity beyond the advanced economies of the world, instead choosing to see how globalisation and neoliberal doctrine have impacted the lives of the labour force in the so-called global south. The present crisis is revealing how limited this view tends to be. A brief examination of the impact of COVID-19 on labour, industry and government in Europe illustrates this point.

The human health threat that COVID-19 has posed to the population of countries across the globe is more than apparent. Mismanagement of containment strategies have already shown how deadly the situation can be. In that regard the Trump Administration is winning first prize. But successful containment strategies have created an entirely different problem: rampant levels of unemployment.

The Institute for Fiscal Studies in the United Kingdom reported 950,000 first time application for Universal Credit Allowances only last week. A similar number were lost in Spain (834,000 in March alone); the French Labour Ministry has reported that those seeking partial unemployment support has now reached a record 5.8million people. That equates to one in four private sector workers in the country.

There could scarcely be a starker example of the precarity of work in the modern economies of Europe. The International Labour Organisation has prescribed the usual remedy: welfare support and government-driven aggregate demand to create employment. Such a prescription is to miss the point - a realisation now slowly being made in Europe.

The “gig economy” as it has become known has structurally altered the composition of the modern labour force. As freelancers, many of those working in this environment do not pay the traditional social welfare contributions and the social security systems of European states have been slow to adapt to this reality. Many of the jobs that have been shed have been in this area of the economy; the world of zero-hours contracts and Uber-drivers. This have left large elements of the workforce ineligible for the emergency safety net mechanisms implemented in countries like the United Kingdom and the Netherlands.

For many scholars and journalists - the two sometimes intertwined in the case of Thomas Piketty - inequality is the buzzword. What the present crisis has demonstrated, however, is that precarity is the real issue. The extent to which the composition of the labour market has changed in line with the phenomenon of the gig economy has clearly caught governments off-guard. European governments are playing catch-up when it comes to reforming the social safety net for the rigours of modern employment in modern economies across the continent.

Turning to industry and commerce, we are witnessing one of the most dramatic supply shocks in living memory but here observers again omit the notion of precarity from their analysis. It is with good reason that we should be extending the concept from the employed

to the employers, however. A striking contrast in industries but one that highlights this point are the present difficulties being faced by aviation and agriculture.

Airline operators have now been on incredibly tight margins of safety for some time. In the last quarter of 2019, the average net operating margin for airlines globally stood at 7.66%. It is hardly difficult to predict that a strong bout of volatility such as we are experiencing at present could prove calamitous - something we learned after 9/11 and the financial crisis in 2008. Even then, present circumstances are largely unprecedented.

With the closing of borders and a general collapse in demand brought on by the COVID-19 crisis, airlines have found themselves under siege. Budget operator EasyJet has been forced to ground its 330 aircraft across Europe and accept a £600million bailout package to cover the loss of income and the considerable costs of hangarage and parking in airports throughout the continent. Flybe, a company that was already in financial administration, found the COVID-19 crisis to be the final nail in its coffin. Even the intercontinental giants of the Middle East have been struck by the crisis. Qatar Airways have been forced to reduce the salaries of their workforce by 50% until demand returns.

Other extreme examples are abundant. Agriculture on the other hand has been struck at both supply and demand. The picture is somewhat product dependent. Dairy farmers are experiencing a notable downturn in part connected to the loss of demand from large cafe chains like Starbucks and Costa not requiring their previously relentless need for milk. UK dairy farmers have already reported the need to discard excess produce for want of buyers.

In seasonal agriculture farmers have been squeezed on both sides but for different reasons. Demand for strawberries, asparagus and the like have barely been diminished only now there is a chronic shortage of seasonal labour. Having relied upon the cheaper labour offered by workers from Eastern Europe, British farms in particular are now facing the prospect of fruit left on branches and in greenhouses for want of someone to pick and package it. Either way, the consequences are potentially disastrous and may well lead to the financial ruin of many previously successful enterprises.

Taken together, the turmoil being endured by aviation and agriculture have a common theme: travel. Both are heavily dependent on the need for Europeans to travel between countries and continents on a regular basis. There are many layers to a globalised economy - this is just one example of how the displacement of just one dimension of that phenomenon exposes precarity in supply and demand.

Lastly and at the centre of the COVID-19 crisis, governments have hardly fared any better than business or labour. The impact has been indiscriminate - both advanced and developing countries have to some extent found themselves besieged by what initially looked to be a relatively contained health crisis in China.

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The potential exposure of Europe's healthcare systems to a crisis such as this - had measures not been taken to restrict social interactions - readily revealed the alarming fragility of the infrastructure that underpins one of the cornerstones of the continent's social market tradition. The consequence of an overwhelmed healthcare system in the pandemic scenario has played out in Italy and Spain, while their European partners - and much of Europe's population - have only been able to look on in horror.

The expense incurred by closing much of the economies of Europe in order to contain the virus has in turn revealed a further chink in the armour of the European Union, once again highlighting the thin veil of stability that exists between its member states. The assault on European economies brought on by COVID-19 has produced myriad problems. The "Corona-Bond" debate is a case in point. Controversy and discord immediately ensued as it became apparent that northern member states, Germany and The Netherlands in particular, had no appetite for such a solution. To the beleaguered Mediterranean states, whose national balance sheets could scarcely sustain further debts, this has been a replay of the Eurozone crisis. The €430Bn rescue package that was agreed upon in cooperation with the European Central Bank notably omitted any mention of such a "Corona-Bond". The message remains clear however: COVID-19 shows little sign of ending the fractious reality of politics within the EU.

A further complication for Europe has been the realisation that global supply chains have left the entire continent in a state of economic vulnerability. In this regard, Europe is hardly alone. The potential risks of offshoring all manner of manufacturing have long since been examined but COVID-19 has made it abundantly clear that the problem is far greater than it was thought to be.

The precarity of the situation would perhaps be less acute had the need for PPE (Personal Protection Equipment) in hospital not become desperate. Various member states are vying for supplies. The decision of the United States to reroute masks produced by 3M destined for Germany sparked a furious reaction in Berlin. Reports from London hospitals note the use of goggles donated by the hardware chain, B&Q. The crux of it all? The vast majority of these products - in many cases produced by European proprietors - are manufactured in

Asia. That is not to say that it is in itself a problem. Global offshoring has been standard practice for many multinational enterprises now for decades. It has, however, awoken politicians - and anyone looking to order anything from Amazon - to the considerable downsides of global supply chains in times of crisis.

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What does all this mean for Europe and her relationship with the global economy? Well, probably not a turn inwards towards isolationism anytime soon. It will require a wholesale re-evaluation from governments, businesses and researchers regarding their interpretations of risk and its mitigation at all levels. Precarity now applies to all of us, and the policies of Europe and the work of scholars must surely need to reflect that.

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