

GEOPOLITICAL AND ECONOMIC PROCESSES IN THE CONTEXT OF THE PANDEMIC

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Abstract. Today, the coronavirus pandemic has become one of the main factors in changing the world order, geopolitical and economic processes in the world. Along with the pandemic, the long-expected slowdown in economic growth has also begun. Both processes have created a synergistic effect of extremely negative impact on the economy and life. In this article, the author highlights the main negative processes that have affected the economy this year, and tries to answer such questions as: will the balance of power in the world change, which of the great powers will win and who will lose, and how it will affect the world order.

Keywords: coronavirus, pandemic, recession, world order, balance of power, internal political struggle, economy, geopolitics.

The coronavirus pandemic has significantly changed geopolitical and economic processes. At the time of writing, the death rate from the new coronavirus was more than 1 million people, which is several times higher than the lethality of the H1N1 virus, which in 2009, according to some reports, claimed the lives of 100 to 400 thousand people. Currently, until the mass use of reliable diagnostic tools, in many cases, the relationship between the impact of COVID-19 and the cause of death in statistics could not be determined precisely, that is, in most fatal cases, the impact of the virus was recorded without accurately determining its role.

However, the focus on the pandemic in 2009 and in 2020 differs enormously. Both decision-making officials and ordinary citizens who are faced with serious restrictions and material damage are literally scared and disoriented. However, the most important and fundamentally new thing is unprecedented measures to ensure the safety of the population and its immobilization. These measures, which were previously applied, perhaps only during the conduct of military operations, have a very destructive impact on the economy of many countries and the world economy as a whole. After all, quarantine measures of varying degrees of severity are almost universal.

Another important, even in some ways the most important point of the situation is the well-directed and coordinated behavior of the media, which makes us assume that there are powerful, primarily supranational forces trying to use the epidemic for their own purposes and interests.

Although these forces clearly do not position themselves, it can be assumed that some of them hope to strengthen their positions in the global pharmaceutical industry, in particular in the vaccine market. In this regard, the names of Bill Gates and Anthony Fauci are especially often mentioned. Fauci has been the Director of

the National Institute for the study of allergic and infectious diseases (USA) since 1984. Another force interested in whipping up excessive fear of the epidemic is the anti-trump globalist-oriented coalition in the United States, which, taking advantage of the opportunity, increases the country's economic difficulties, provokes panic, and creates mass unemployment with all the ensuing consequences. They hoped for a turn in the mood of voters and a subsequent vote against D. Trump, and they succeeded to some extent. The good state of the American economy has always been Trump's main card. The task of the opposition in this situation was to prolong the state of emergency as much as possible, to prevent the economy from recovering and returning to normal work, and for people to recover and calm down by the time of the elections.

Since both the media controlled by global capital (primarily American) and other forms of influence allow forces in the United States to influence the rest of the world to some extent, the pandemic (quarantine) must continue in other countries, undermining their economies. Back in 2005, the Russian sociologist and economist L. E. Grinin formulated the main contradiction of the modern era between global interests and the selfish interests of the United States. This contradiction will grow, in part, because the political forces of the United States are increasingly using foreign policy as a tool for achieving domestic political goals, especially winning elections [1].

In recent years, we have seen a metamorphosis of this contradiction, and today we are seeing a completely new turn in it. If the suspicion that the US is using the pandemic for domestic political struggle is correct, then the most unexpected phenomena can be expected in the coming months. One way or another, the declared return to work of the economy will be slow and incomplete.

As you know, economic development is cyclical. In the most general sense, this is due to the fact that for various reasons, opportunities for economic growth are exhausted: resources become too expensive, competition for them increases, sales are disrupted, credit is exhausted, production costs are rising, and so on. As a result, the economic cycle ends with a cyclical crisis, which can occur in various forms. Often, crises are associated with a collapse in exchange values, a sharp drop in output, and mass devastation, but sometimes they are realized in the form of a relatively slow decline that has a prolonged character. As wars and revolutions, all crises have some common features, but at the same time they are different, each of them shows significant features. The crisis can be seen as part of the economic cycle, when the potential for growth is temporarily exhausted. At the same time, the proportions that are more appropriate to the available capabilities of society are forcibly restored. The crisis is only part of a cycle in which the structural contradictions and inconsistencies of society become temporarily insurmountable.

The global economy reached the crisis point in 2016, but no significant changes in stock markets occurred due to the efforts of governments and central banks, and economic growth was supported by rising public debt and fiscal measures (such as significant tax cuts and large amnesties in the United States). The onset of the crisis was thus delayed for three to four years. Many experts predicted the onset of the crisis in the late 2010s. In 2019, the expectation of a

recession became almost massive, as all resources were exhausted, and the FED, the US and other governments literally manually tried to save the markets.

For the theory of economic cycles, it is very important to have a kind of rule that for the beginning of a crisis and the transition to a recession, necessary to have a trigger. The more economic imbalances and contradictions, speculation and risky operations have grown, the smaller trigger is required. As a result, two events that coincided in time triggered the current crisis: a sharp decline in oil prices and a price war on this front, as well as the outbreak of a pandemic [2]. The pandemic triggered an economic crisis for almost the first time in the nearly two and a half century history of crises. And it is extremely characteristic of the modern entry into a recession that the economy is brought down not so much by economic measures as by political ones. Although, even without a pandemic, the world economy would inevitably enter a recession within a year.

The negative impact of the pandemic will be huge in any case. The fall in the economy began in the first quarter. The loss of Chinese exports, which fell by 9% in January – April, as well as the first decline in GDP for the first quarter of 7% in 30 years, show the minimum scale of losses in other countries, the real numbers in which are likely to be worse than forecasts. In the second quarter, the decline in US GDP reached almost 9.5 %. However, the situation improved in the third quarter: US GDP grew by 33.1% in the third quarter compared to the previous quarter [3]. The economies of Western Europe and the European Union as a whole, according to the leaders, faced the most serious decline in many decades.

It is obvious that the impact on the world economy directly depends on the duration of the measures taken, their rigidity, totality, that is, on how long the pandemic will spread, grow, and whether it will return. Moreover, largely, it depends on the nature of the response to the development of the pandemic.

An extremely important point is that the coronavirus outbreak coincided with the collapse of stock markets, the fall in oil prices and the beginning of the price war, as well as the recession in general. Both processes have created a synergistic effect of negative impact on the economy. Another very important question is how quickly the economy will recover after the quarantine measures are lifted, whether it will be a V-shaped decline and recovery, or slower and more difficult due to the fact that many supply chains will be destroyed, business relationships may change, small and medium-sized businesses will be ruined, consumer preferences will change, and so on.

In general, in 2020 we can assume a significant slowdown in the global economy and a drop in GDP in many countries, especially in developed countries. Probably, we can consider 2009 as the minimum benchmark for the economy's decline in 2020.

Given their extreme interdependence, almost all the world's economies may suffer, but especially those countries where tourism accounts for a significant share of GDP, as well as countries that receive currency through transfers from citizens working abroad (for example, Ukraine), since many will return or have already returned to their home countries due to the recession, and countries that export a large amount of raw materials. This also applies to poor countries whose

economies are oriented towards the United States or other economic giants. Countries with Fiat currencies (mostly developed) can support their economies by increasing domestic debt and issuing Central banks, so in the short term until the end of the year, they are not able to lose so many percent of GDP. Countries that import oil and energy will be able to reduce losses somewhat, but not completely compensate for them.

The positions of oil-exporting countries will worsen if the epidemic and, consequently, the fight against it are prolonged. There is a danger that gold and foreign exchange reserves will be largely exhausted during this time, and oil storage facilities will be overflowed. The recent agreement to reduce OPEC + production has not yet brought serious results. A real, though extremely difficult, measure of price equalization may be new agreements to reduce oil production, especially with the involvement of US representatives, since the oil industry there is experiencing very serious difficulties.

If low prices remain for a long time, the economic position of both Saudi Arabia and Russia will weaken, and the situation may be more dramatic. This year may be about the same milestone for OPEC as in 2014 was: either this organization will de facto expand its capabilities, or its position will significantly weaken.

In many economies, online sales will increase at the expense of retail (offline sales). In addition, this trend can subsequently affect the deterioration of the economies of many cities, increase problems with their budgets, and also become one of the reasons for the growth of unemployment [4]. Much more noticeable than in other sectors of the world economy in 2020, the negative consequences will be observed in the areas of international trade and international tourism, air and other transportation, etc.

In addition to the above, we note changes caused by the synergistic effect of the impact of the pandemic and the recession on the financial policies of developed countries. The United States and Europe are now increasing their emissions and domestic debt on an unprecedented scale. The issue of the FED only for 2020 can reach the amounts that were issued in the previous decade. In fact, the financial power of the state and large private players and capitals is merging. For a while, this may have the effect of dampening the collapse of markets, easing the recession. Nevertheless, this is only possible by reducing the growth rate of the economy after 2020. This will be especially noticeable in the US, where financial and political authorities will have to support stock markets, low rates, try to prevent bankruptcies, and so on. All this will make their economy less competitive, strengthen the habit of citizens to live beyond their means (due to constantly growing debt), and in the long run weaken the dollar's position. In the coming years or even months, we can expect to introduce negative rates, as well as the United States and Europe to borrow from Japan the practice of direct purchase of shares by Central banks in stock markets.

In the case of China, we can also assume a further slowdown in growth after 2020 and an increasing need to change its economic model. This need is already noticeably overdue more than a decade ago. However, it is highly doubtful that

China is ready to radically change its economic model of increasing GDP by overinvesting and pumping up the economy with loans. Therefore, on the contrary, we can expect increased emissions and all kinds of support for the economy, which will increase the imbalances in the economy and create conditions for future systemic crises. It is also likely to increase the policy of attribution to create the illusion that the economic slowdown is not very significant.

Which of the great powers has the most to gain, and, on the contrary, who will lose more from the pandemic? China can win an ideological victory over the pandemic, raise its prestige, proving to its own population that it is capable of very large-scale and effective measures to combat the epidemic. At the same time, China will have a very difficult time, as the conflict with the United States will escalate.

Within the European Union, Germany may benefit as it is less affected compared to the leading European countries and has more resources, so it is possible to increase German influence, including German corporations in Europe.

Risks have also increased significantly in Russia. The danger of low oil prices for a long time was added to the unprecedented destruction of the economy due to the declared regime of self-isolation and the shutdown of enterprises. As a result, the government has made very large commitments to help the economy and the population. Although this assistance is not enough, budget expenditures will increase significantly. How long the Russian budget will survive a sharp drop in revenues and a powerful increase in spending is unclear, but clearly not too long. All this makes the financial and economic and, consequently, political situation in the country less stable.

Possible ways of development:

1. In general can be a weakening of all the current big players and the gradual strengthening of the numerically and economically growing countries.

2. Countries that do not have a freely convertible currency may start withdrawing from agreements that prevent their Central banks from issuing currency. As a result, the dollar's position, i.e. the US, is likely to weaken.

3. Since the fight against quarantine violators will undoubtedly increase the ability to control the population through new artificial intelligence technologies and acquired experience, authoritarian countries such as China and Russia will receive certain additional advantages, although current digital control technologies are also being actively implemented in the so-called free countries.

In the short term, the global balance of power may not change. However, if the recession is serious enough, and the quarantine is prolonged, a gradual change in this balance will begin, or rather, the process that has been going on for quite a long time will intensify. The reconfiguration of the world is associated with the gradual destruction of the old order based on the hegemony of the United States, and the emergence of conditions for the creation of a new world order. Unfortunately, this process is "natural", that is, spontaneous and destructive. Moreover, the current temporary waiver of basic rights of citizens, closing borders, etc. together with the recession, they will become a prerequisite for significant changes in the future.

In particular, the process of weakening the current global and regional centers of power may begin. In the United States, the internal struggle has taken on the character of a hybrid civil war: this will weaken the country and make its foreign policy more and more hostage to the internal political struggle.

The coronavirus pandemic may also become an important point in strengthening the struggle of the so-called globalists (representatives of American business and finance focused on the world market), as well as businesses focused on the domestic consumer market of the United States and its manufacturing sector.

We can expect an increase in anti-Chinese rhetoric, for which any reason will be good. The US has started playing the card of China's responsibility for the spread of the coronavirus under the pretext of allegedly wrong actions that harmed them. And recently, both the Trump and Biden camps have distinguished themselves with anti-Chinese rhetoric.

In short, the internal political struggle completely subordinates America's foreign policy interests, which means that in the next four years, the struggle of parties in the United States will follow the already tested scenario, but instead of Russia, China will be demonized. Consequently, attempts to punish the PRC may lead to even more strained relations in the coming years than in recent times, which will undoubtedly further undermine the existing world order, as well as greatly polarize the world.

In countries such as Russia, current anti-virus measures can completely stop economic growth, which can lead to the loss of the country's economic strength. Moreover, it may try to compensate for these losses through a more active and somewhat tougher foreign policy. However, in the medium term of the next few years, the deterioration of the economic situation in the Russian Federation may lead to an aggravation of the domestic political situation in the country and increase the risk of socio-political destabilization. An equally difficult situation can be expected in Saudi Arabia, especially in the case of a prolonged period of low oil prices. The country may once again escalate an underhand political struggle for power, despite the fact that as its currency reserves decrease in such conditions, its influence in the Arab world will also begin to decline.

Thus, we will see a stable recovery only in the early 2030s. However, it is difficult to say how strong the economy and financial sectors will be. It is possible that, despite the best efforts of governments, markets will collapse much earlier, and in this case, we should expect not one long, but two short business cycles. It should be noted that the moments of changing the world order and crisis-depressive development are linked very closely. It is during this period of weak economic development that turbulence in world politics increases, the world order is shaken, and the search for alternative models begins. In general, the next 10-12 or more years are expected to be economically and politically difficult. At the same time, we can expect the emergence of new major players, primarily India.

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ПАНДЕМИЯ ЖАҒДАЙЫНДАҒЫ ГЕОСАЯСИ ЖӘНЕ ЭКОНОМИКАЛЫҚ ПРОЦЕСТЕР

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Андатпа. Бүгінгі таңда коронавирус пандемиясы әлемдегі әлемдік тәртіптің, геосаяси, экономикалық процестердің өзгеруіне себеп болған басты факторларының біріне айналды. Пандемиямен бірге ұзақ уақыт күткен экономикалық өсу қарқынының баяулауы басталды. Екі процесс те экономика мен өмірге теріс әсер ететін синергетикалық әсер жасады. Мақалада автор ағымдағы жылы экономикаға әсер еткен негізгі теріс процестерді анықтайды, сонымен қатар әлемдегі күштердің арақатынасы өзгере ме, ұлы державалардың қайсысы жеңеді және кім ұтылады, бұл процестер әлемдік тәртіпке қандай әсер етеді деген сұрақтарға жауап беруге тырысады.

Тірек сөздер: коронавирус, пандемия, рецессия, әлемдік тәртіп, күш тепе-теңдігі, ішкі саяси күрес, экономика, геосаясат.

ГЕОПОЛИТИЧЕСКИЕ И ЭКОНОМИЧЕСКИЕ ПРОЦЕССЫ В УСЛОВИЯХ ПАНДЕМИИ

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Аннотация. На сегодняшний день, пандемия коронавируса стала одним из главных факторов в изменении мирового порядка, геополитических и экономических процессов в мире. Вместе с пандемией началось и замедление темпов экономического роста, которого давно ожидали. Оба процесса создали синергетический эффект крайне негативного влияния на экономику и жизнь. В статье автор выделяет основные негативные процессы, которые повлияли на экономику в текущем году, а также попытается ответить на такие вопросы как: изменится ли соотношение сил в мире, кто из великих держав выиграет, а кто проиграет, какое влияние это окажет на мировой порядок.

Ключевые слова: коронавирус, пандемия, рецессия, мировой порядок, баланс сил, внутривластная борьба, экономика, геополитика.

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