

COVID-19 and Global Governance

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The COVID-19 epidemic has sent economic and social shockwaves reverberating across the globe, and has shaken governance institutions at every level and across a range of issues, from trade to health and climate change. An important question is whether COVID will accelerate, slow, or perhaps reverse some key trends in global governance. Most prominently, the global and multilateral governance regimes that developed post-World War II were already weakening and fragmenting before COVID (Acharya, 2016). In a closely related phenomenon, cosmopolitan liberalism, as a set of institutions and ideologies committed to a democratic open society, human rights, and multiculturalism, has also retreated in the face of rising populism and authoritarianism in recent years (Norris and Inglehart, 2019). COVID could also affect a third important trend, the decline of state regulation and the rise of private, voluntary, and disclosure-based governance (Levy et al., 2010). The impact of COVID on these trends suggests some fruitful new directions for scholars of global governance and organizations.

The Retreat from Multilateral Governance and the Rise of Economic Nationalism

The retreat from global and multilateral modes of governance was already well underway during the prior decade, as evidenced in the US withdrawal from multiple treaties and organizations, the rise in trade protectionism, and the 2009 collapse of efforts to strengthen the Kyoto climate governance framework (Acharya, 2016). The epidemic highlighted our vulnerability and mutual dependence, and the need for nationally and globally coordinated collective governance in response to the twin economic and health crises that ensued. The *public* health crisis demanded multi-level coordination, and

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organizations such as the World Health Organization (WHO) would be expected to play a key role. Similarly, many called for an international collective response to the cascading economic repercussions of shutting down entire sectors and cities.

It soon became apparent, however, that COVID reinforced a resurgence of state power and further weakened multilateral institutions; indeed, in the epidemic's early stages, any semblance of international cooperation collapsed (Woods et al., 2020). The USA harshly criticized the WHO and then cut funding. National authorities rushed to close borders and secure adequate supplies of medical equipment, while states restricted exports and leveraged their multinational corporations to divert supplies to local markets. Israel employed the Mossad, its foreign intelligence agency, to secretly acquire ventilators and other supplies. The EU failed almost completely to respond in a cohesive manner, in terms of travel and quarantine policies or providing medical and financial assistance to severely hit areas.

In the climate change arena, the 2016 Paris Agreement already represented a weakening of global governance after the Kyoto Protocol lapsed; many countries are not meeting their Paris targets, which are non-binding anyway, and the USA withdrew from the agreement in 2017. As in the 2008–9 financial crisis, COVID has diverted political attention and financial resources from climate change at national and global levels. The UN has postponed the 26th Conference of the Parties climate negotiations a full year, to November 2021, and some countries are delaying the revision of their emissions reduction commitments.

COVID has also impacted global trade and investment institutions, accelerating processes of decoupling that were already underway. Bown (2020) argues that COVID 'is stoking new pressure for protectionism', and notes that more countries are using the health emergency to avoid World Trade Organization rules and direct contracts and subsidies to domestic firms. The massive disruptions also appear to be providing cover for the UK to move toward a harder Brexit.

A key question for scholars concerns longer-term structural changes. When the COVID crisis abates, multilateral institutions of governance might be reinvigorated as people draw lessons about our mutual interdependence. Alternatively, more diverse and multi-polar forms of governance might emerge, a 'multiplex' (Acharya, 2016, p. 456) or 'polycentric' world (Ostrom, 2010) that is more inclusive, bottom-up, and encourages experimentation and learning. Similarly for trade, COVID might accelerate a restructuring of supply chains toward more regional, flexible, and resilient structures rather than extreme protectionism and economic nationalism.

The Retreat of Cosmopolitan Liberalism and the Rise of Authoritarian Populism

The rise of authoritarian populism in recent years represents a rejection of multicultural cosmopolitan institutions and norms, and reflects antagonism towards immigrants, elites, and even science. Whether populism is primarily driven by economic resentments of those 'left behind' by globalization or is fuelled by a cultural backlash against a perceived erosion of national identity has been subject to considerable debate (Norris and

Inglehart, 2019). COVID has sharpened the divide between more liberal, mobile and educated ‘anywheres’ and more conservative and rooted ‘somewheres’ (Goodhart, 2017).

COVID triggered a series of strict governance measures whose extent, disruptiveness and intrusiveness were unprecedented in peacetime. Emergency regulations that suppressed most business and social activity were surprisingly well accepted during their initial weeks, but popular resistance has grown as these measures have caused increasing economic hardship and social disruption. COVID restrictions have tended to reinforce existing class and racial disparities, as managerial workers have largely continued working remotely, while many service and manual workers have been furloughed or continued working under dangerous conditions.

The quarantine and contact-tracing measures to control COVID have raised the spectre of the erosion of rights to privacy, movement, and expression. Some states have developed controversial phone-based tracking systems to indicate who met with whom. Israel mobilized its internal security service to monitor the entire population with systems previously limited to specific security threats. COVID has been invoked as a reason to further restrict immigration and to delay or cancel elections in multiple countries (Wallace and Palder, 2020).

The politicization of COVID governance around existing cleavages is striking. In a remarkable parallel with climate change, the Trump administration has variously claimed that the virus is a hoax, an alien import from China, or is being exaggerated by the media. Right-leaning media in Europe and the USA have portrayed restrictive measures as excessive and mask wearing as a threat to masculinity and individual choice. Demonstrations against restrictions in Berlin and elsewhere have been associated with extreme right-wing groups, while conspiracy theories stoked by groups such as QAnon have flourished on social media.

A key question for global governance scholars is whether the COVID crisis will strengthen populist movements and normalize more authoritarian and intrusive government measures (Vieten, 2020). Will it exacerbate the erosion of faith in governments and scientific institutions and herald a post-truth dystopia? And what is the role of business, particularly health and social media sectors, in these processes? It is also possible that the failures of populist regimes in the UK, USA, and Brazil, the development of an effective vaccine, and a recognition of our interdependence will discredit populist forces.

The Rise of Private and Voluntary Governance

An important governance trend has been the move from formal governmental rules and laws toward modes such as CSR, ESG and multi-stakeholder initiatives that are more voluntary, disclosure-based, and driven by private actors (Levy et al., 2010). This diffusion of authority is widely seen as promising greater participation and capacity in arenas where there is a ‘governance deficit’ (Scherer and Palazzo, 2011), though for critics this trend represents the privatization of governance in ways that constrain inclusiveness and accountability (Levy et al., 2016).

The impact of COVID on CSR and ESG is unclear. Although Kramer (2020) has argued that companies could reap longer-term benefits if they respond proactively to protect employees’ income and healthcare access, the economic crisis is testing CSR

commitments and many companies have been accused of neglecting health risks to workers and customers. He and Harris (2020) note a mixed bag of corporate responses in the UK, with many layoffs and profiteering but some companies devising new initiatives. In the longer run, they point to the tension between financial pressures for survival and the recognition of business dependence on the wider environment. The resolution of this tension is a question for future research, as is whether COVID shifts the emphasis of CSR, for example, towards health and community resilience.

Although states have reasserted their authority during the COVID crisis, the broader impact on relations between the state, business, and civil society remains unclear. Although states have exerted unprecedented powers, states have not significantly expanded public health infrastructure nor taken equity stakes in companies receiving financial assistance. COVID restrictions have increased the revenues of large tech-based companies while hurting or bankrupting many smaller companies more reliant on the traditional economy. This increased concentration is likely to translate into political and market power over consumers, labour, and government.

While some have celebrated spontaneous community-level initiatives during the crisis, NGOs, as civil society representatives in governance, have suffered financially and could be squeezed between the reassertion of state and corporate power. An important research question is whether governance for CSR and ESG shifts away from NGOs and toward corporate and financial actors, as appears to be happening for climate. These governance changes might well depend on national political and institutional contexts (Doh and Guay, 2006).

CONCLUSIONS

COVID has revealed the contingent, fragile nature of global governance institutions, as well as the limitations of power and authority in the face of large-scale crises. A disturbing implication is that threats need to be imminent and tangible to generate a meaningful governance response, but even then, actions are likely to be inconsistent and hard to sustain over time. The prospects are ominous for other looming crises such as climate change.

The COVID crisis is likely to perturb the structures and processes of global governance, and particularly affect existing trends toward the rise in economic nationalism, authoritarian populism, and private and voluntary governance. The crisis is far from over, so it will be important for future research to examine the longer-term impacts and, more broadly, the shifting relations among states, business, and civil society. Most urgently, more research is needed into governance mechanisms that will enhance the resilience of societies and economies in the face of these shocks (Boyd and Juhola, 2015).

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