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# **The COVID-19 Pandemic Highlights International Insecurity and the Violence of Economic Globalization**

**Jacques Fontanel  
Bénédicte Corvaisier-Drouart**

**International Migration, Covid-19, and Environmental Sustainability.** *Contributions to Conflict Management, Peace Economics and Development.* Emerald, August 2023.

## **Abstract**

The crisis of globalisation and the rise of the COVID-19 pandemic pose new threats to the national security of all countries. States have been increasingly challenged on their role, particularly in the economic order. Their actions concerning pandemic, ecology, climate or air pollution have been strongly inspired by the decisions of specialised international organisations, too often advised by dominant commercial and financial interests. In this context, states have no longer been able to assume the full range of national security components. Mercantilists considered that dependence on a State's foreign trade led to an unacceptable reduction to the power of the Prince. Today, all countries are dependent on others, and then economic wars are becoming more and more likely. Armed warfare between states remains a potential response to these possible disruptions of essential

intermediate consumption or to the search for power. Moreover, the lack of solidarity perceived during the pandemic testifies to the maintenance of political and economic power relations between States and the priority given to national interests to the detriment of international public goods. The pandemic highlights the inability of states to find common solutions to today's global problems, thus developing a strong sense of insecurity among citizens.

Keywords: Globalization, pandemics, international security, public services, social and international inequalities, plutocracy

After the collapse of the Soviet Union, the process of economic globalization seemed unstoppable, encouraged by most states and supported by liberal economists who insisted on deregulating national economies and international finance. This would result in optimal economic growth that would benefit all countries through the 'trickle-down' effect of income from the rich to the poor, thus reducing famine and hunger, at least in the long term. Wars would become increasingly unlikely, as economic interdependencies would reduce the opportunities for armed conflict. The fear of nuclear war would fade, and American power and capitalism could organize, if not impose, world peace. In 1995, the international organizations set up by the West in 1944 were reinforced by the creation of the WTO, the World Trade Organization, designed to develop free trade. Peaceful trade in complete freedom became the basis of world society. Multinational firms, free from the demands of individual states, could impose their positive trade laws and increase global GDP for the benefit of all Humanity. In terms of defense, Washington became the world's main policeman, with military expenditure (including NATO) almost twice as high as that of the rest of the world. The story was beautiful, a fairy tale (Coulomb, Fontanel, 2003).

When a pandemic arrives, the state finds itself accountable for greed linked to its indebtedness, to social inequalities and to the absence of resources lost through tax optimization and evasion systems (Fontanel, 2016). The lesson of the coronavirus pandemic reminds us of this violently today! The pandemic shock of Covid-19 highlights the flaws of the globalized economic system; it further weakens the already creaking cogs of social consensus. Its violence casts a harsh light on the inability of international markets to regulate themselves, the permanence of inter-state conflicts, the degradation of essential public services and the

societal inequalities of income, wealth and power of citizens (Corvaisier-Drouart, Fontanel, 2020).

### **The illusions of peaceful globalization**

Globalization implies the interconnection of economic agents and the establishment of an intergovernmental multilateralism that is strongly influenced by liberal and neoclassical dictates. It is based on the idea that free markets lead to the economic optimum, which in turn, benefits all economic actors. In this context, states cede part of their competence and prerogatives to international organizations that set the rules of free trade. Then, peace becomes a normal situation, because the economic and social situations are the best possible (Fontanel, 2001, 2005).

The analysis of a peace generated by economic globalization has not been confirmed by the facts. Moreover, it was based on uncertain, rather ideological assumptions. The globalized free market, based on individual interest, does not lead to economic and social optimization. Widespread international speculation has been exercised without constraint with a view to favoring the profitability of short-term financial assets, thus pumping out, for its own benefit, a growing share of global added value. However, a country cannot be managed like a company, because the rules of governance include the protection of citizens. The pandemic has revealed the flaws in the current market economy model, which is presented as a political imperative

Warlike violence, whether civil, military or economic, has not disappeared (Iraq, Afghanistan, Libya, Yemen, Syria, Iran, etc.) and the threats of "rogue states" and terrorism have not disappeared. States have been increasingly challenged in their role, especially in the economic order. Their actions concerning ecology, climate or air pollution have been strongly inspired by the decisions of specialized international organizations, too often advised by dominant commercial and financial interests. In this context, states have no longer been able to assume all the components of national security, which

has been progressively weakened by the (fictitious) belief that international security is satisfactory, thanks in particular to international trade.

Conflicts between states persist for reasons that are not always solely economic, even if the effects of domination and predation, of which slavery and colonialism were the most striking historical facts, have been modernized in the framework of oblique strategies (Fontanel, 2019).

### **Forgetting public services**

However, national security cannot be limited to the military domain alone; it also includes the sectors of health, education, industrial risks, protection of heritage, natural resources and the collective quality of life of citizens. The public authorities have forgotten that the products and services essential to human survival must always be available within the country, either in stock or in immediate production capacity. This is the case for food products, medicines, collective and individual protective instruments, sanitary equipment, and rules concerning air and water quality set 'a minima' by international organizations. The same applies to the mastery of technology (especially digital technology). In the event of a cyber attack, how will Europe be able to protect itself from the power of Google, Microsoft or Apple, but also from similar actions coming from China or Russia? (Fontanel, J., Sushcheva, N. (2019)

From 2016 to 2020, in the context of the Iranian nuclear affair, the White House imposed its law on the rest of the world, with violence, despite appeals to a WTO that still does not dare to condemn the country that was its godfather under the baptismal font of free trade. Furthermore, it has recalled the application of its "benign neglect" policy, according to which the dollar is first and foremost the national currency of the United States, even if its internal management is a problem for the rest of the world. Finally, his decisions to increase tariffs, without consultation, have called into question the value of free trade. With the arrival of Joe Biden

as President, the United States is opening up more widely to the need to develop public services, with strong support for the national economy and the poorest citizens, and to require multinational companies, but also the richest individuals, to participate more actively in the collective effort.

The investigative media ProPublica has revealed that the world's richest men pay little or no tax on their total wealth, which is largely composed of shares rather than income alone. The tax codes of the developed world are a matter for specialists who can convince the people's representatives to set rules that significantly reduce the normal bill to the state and allow them to sometimes even ask for help from the state legally. The overall tax rate of the average American exceeds 24% of his income, compared to Warren Buffet (0.1%), Jeff Bezos (0.98%) and Elon Musk (2.3%). Of course, for European countries, the same consultancy firms act to get the wealthiest to reduce their taxes. The latest OECD agreement involving more than 120 countries defining a minimum corporate tax of 15% is, on the face of it, a step forward, but many countries have still not acceded to this rule and multinational firms, notably GAFAMs, will benefit quite legally from a tax on their profits that will be definitively capped at 15%, whereas other economic activities notoriously pay more taxes in the same economic and commercial areas.

Faced with this American power, China deploys a national capitalism at the orders of the State, without respect for human rights, within the framework of a national economy controlled from within by members of the Communist Party. Europe's weakness stems from its divisions, different political and commercial objectives, nationalistic ideologies and narrow national conceptions. Basically, Europe remains a Common Market, with a decision-making system that is internally fussy and increasingly incomprehensible on the international stage. The governments of the member states still lack a common benevolent solidarity.

National security is not only a military matter, but also includes health, education, industrial risks or the protection of natural resources. The public authorities have forgotten that the products and services essential to human survival (food, medicines, civil protection) must always be available within the country, either in stock or in immediate production capacity. The same applies to the control of vital technologies (especially digital). In the event of a threat of cyber attacks, how can the European Union protect itself from the power of the GAFAM in the service of the United States or from malware coming from Russia or China?

### **The triumph of private interests**

Democracy persists, at least in appearance, with more and more people abstaining from voting. The globalized free market, based on individual interest, does not lead to economic and social optimization. Widespread international speculation has been exercised without constraint with a view to favoring the profitability of short-term financial assets, thus pumping out, for its own benefit, a growing share of global added value. However, a country cannot be managed like a company, because the rules of governance include the protection of citizens. The pandemic has revealed the flaws of the current market economy model that is valued as a political must. GDP is a misleading indicator, placing too much emphasis on production without taking into account the pollutions and destructions of free goods and global warming (Guilhaudis, & al., 2019).

The power belongs to those who control the financial means, the information, and even the administrative and political circles. Multinational companies have considerable influence over public institutions, as they have the power to finance electoral campaigns, control information (television, newspapers, internet, government data) and lobby effectively in all national and international bodies. They can afford the best intelligence to defend their interests, thanks to the transfer of their affiliates from the public to the private



sector and vice versa. The new digital technologies create daily dependency and are able to actively participate in the decision-making and election processes worldwide, according to the interests of their producers and the Nation that hosts them.

Under these conditions, democracy is in crisis, and a plutocracy seems to be taking hold around the world. Half of the people working in Donald Trump's team are billionaires in dollars. Yet, at a time when America has never been richer, the life expectancy of its citizens has been falling for the past 2 years, because the precariousness of the 'left behind' and the cost of health care are such that only the rich have been able to take advantage of this economic development to increase their own life expectancy. In the 21st century, the wealthy are paying proportionally less and less tax. Inequality has increased over the last two decades (Saez, Zucman, 2020).

The pandemic is increasing new dependencies. Few private operators (GAFAM) with little interest in the general manage connected networks. With the rise of teleworking, the world's dependence on them is becoming particularly worrying. This is the triumph of private interests, which use public services and infrastructures while avoiding as much as possible contributing to their financing. States are then weakened by a debt that will strain the potential for collective reaction to the pandemic danger.

Tax haven states commercialize their sovereignty. They offer multinational companies significant tax advantages. Moreover, it is sometimes the same states that, in the name of financial rigor, do not wish to support the countries that they have sometimes relieved of their biggest taxpayers. When there is a crisis, governments intervene and inject financing into the banks to revive the economy. This is a period of austerity for the citizens, but the big companies then manage to increase their profits and their shareholders' dividends, without any recompense for the insurance that the state represents to prevent them from going bankrupt (Too big to fail). If I win, I take it all for myself, if I lose the states will compensate the losses for me (Brunat, & al. 2021). As a

result, states are heavily indebted, which leads them to reduce the overall level of protection of their citizens. Liberal multilateralism leads to favoring the private interests of a few societies or individuals, when it should normally be put at the service of the whole of humanity (Fontanel, 2021).

States have the declared objective of increasing their gross domestic product (GDP), without measuring the content of pollution, violence at work, social inequality and underestimating the social contribution of public services, voluntary work or domestic work. Power belongs to the privileged rich, who have significant financial resources, control information and cultural, educational, administrative and political circles, and constantly lobby in all instances of political power. Eventually, this plutocratic democracy could be violently challenged. Corporate profit as the only public policy is a failure. The erroneous trickle-down theory (slogan?) has struck again!

### **Enlightened catastrophism**

The ecological catastrophe is underway, close to the tipping point (Dupuy, 2004). The liberal economic system is incapable of taking the radical measures that are needed, because of the almost mystical belief in scientific progress, the interests of the privileged members of the system or the renunciation of ordinary people. The problem with a catastrophe is that not only do we not believe it will happen, but once it has happened it appears to be part of the normal order of things. Basically, in the face of climate change, ocean pollution and the hazards of nuclear power, genetic engineering or pandemics, humanity anticipates potential disasters, but prevention fails because the procedures that allow us to avoid the worst project us into a possible, but distant and undiscovered world. The depletion of oil reserves should no longer preoccupy the political space, as they should remain underground if worst-case scenarios of greenhouse gas emissions are to be avoided.

Enlightened catastrophism" assumes that man is in the worst-case scenario as if it were certain. It is about anticipating the retroactivity of judgment in order to find a resilient link between the present and the future and to escape the recurrent tendency of state policies to reproduce identically the choices guided by the dominant economic interests.

The non-market common good is still not protected against the greedy violence of financial profitability. The inequalities in the lives of people in confinement have underlined the importance of social inequalities. Post-crisis revolts are likely, against economic globalization, societal abuses and the rise of precariousness that destroys collective well-being. To avoid them, several complementary or substitutable solutions must be put in place, in particular a satisfactory system of redistribution through taxation, wider coverage of collective goods by the public authorities, the creation of a living wage to combat precariousness, and the development of the regional and circular economy, the demand for a certain amount of national autonomy without promoting autarky, giving a collective sense of solidarity to Europe and its links with the rest of the world, the fight against climate change, the fight against all unbearable or excessive forms of pollution and the desire to promote real democracy. Social conflicts, already strong before the pandemic, will return even stronger if precariousness becomes the social norm of a capitalism of bottomless greed, oblivious of its past mistakes.

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