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THE RISKS OF COVID-19  
PANDEMIC ON  
INTERNATIONAL  
BALANCES

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The Covid-19 crisis hit Italy first, but it is now spreading without borders through the whole European Union. The pandemic is not only challenging the holding of national health systems but, inevitably, it raises firstly political and then economic and financial questions about the Union's future. The strength of European architecture will depend on the response that member countries will give to the pandemic's impact on the economies of the Old Continent.

The spread of the virus has a feature that we can define as "democratic", as it spares no one and puts all countries on the same level. Its spreading does not depend on wrong policies or endogenous factors, as the 2008 economic crisis could have been. In that circumstance, some countries, such as Germany, feared the risks inherent to the softening of the rules of the Union and, above all, the possibility that some of the less virtuous members would exploit it as a justification for their shortcomings on compliance with budget constraints.

Today the context is different, even if it might not seem. The words of the President of the European Central Bank (ECB) created panic on the markets, but it does not appear to be exclusively dictated by a slip, but by a basic macroeconomic approach that Lagarde could carry forward. On the other hand, thinking of stopping the spread of the virus by closing the borders does not seem a decisive response to a health quota. Instead, it appears like something that responds more to the need to give something to the public opinion, left without a compass.

For this reason, it is difficult to see a coordinated solution on the horizon without real political awareness. There is generalized discontent with European Institutions, which are judged unprepared to give immediate answers to citizens. Indeed, offering political solutions on a national basis, without community coordination, would be the best viaticum for the dissolution of the Union.

All of this is happening in a phase in which global politics could not only definitely lose the balance they were based on in the past years, but could also put into question those models, such as economic globalization, on which the global growth was built upon. The Covid-19 crisis could be the first global crisis with non-American-led management. The attitude of President Trump makes it clear: the agenda of his administration continues to be based on "America First" without any ifs or buts. The possibility of acquiring the use of a vaccine exclusively for the American territory suggests how Trump's policies want to target the stomach and the feelings of the American electorate. Regardless of the global role of the United States, Covid-19 fits into what will be remembered as the most complicated American elections in recent history. The process of impeachment closed by the Republican Party, or the spectre of new Russian interference was not enough to reshuffle the balances of the

election contest next October. Now, it is inevitably the pandemic that not only dictates the political agenda, but also becomes a real breakpoint for the Trump Presidency. The management of the American crisis will become a crucial test for the President. The democratic candidates, both Biden and Sanders, will be easily able to attack Trump, because of his hyperliberist approach also to national health. On the other hand, history teaches that the majority of the Americans have always been united around its Commander in Chief during a war. And presumably, Trump will fuel this dialectic, using the fear of the pandemic to funnel the sense of US unity around him in a time of difficulty.

On the other side of the world, there is China. The country from which the virus has started to spread and which now, not only must manage the consequences of the pandemic internally, but also needs to rehabilitate its international image. With the Belt and Road Initiative, the People's Republic had decided to go beyond its borders to propose an alternative globalization model. Today, thanks to its first-line experience in the fight against the virus on a large scale, China has the opportunity to play the role of global health partner. The action of the Chinese government will be the test of the mix of public diplomacy and soft power that characterized the new course set years ago by President Xi Jinping.

Ultimately, Covid-19 does not risk to impose the end of globalization, but to accelerate its rapid and tumultuous changes. At the end of the pandemic, the world equilibrium will emerge significantly modified and the actors could present themselves considerably modified on the world stage. It is difficult to predict whether global interconnections and transport and telecommunications networks will be challenged, but the governance of this world will almost certainly change. European countries need to be aware of this challenge. Perhaps the Coronavirus, more than the past crises that have crossed the Old Continent, more than the intrinsic difficulty to find common recipes in foreign policy, will be the real test of the ambitions of individual countries against a truly shared approach.