



GEORGIAN FOUNDATION FOR STRATEGIC AND INTERNATIONAL STUDIES

RONDELI BLOG

Georgia's European Way During the Period of Pandemic Deglobalization

<https://www.gfsis.org/blog/view/1091>

2020 / 08 / 06

Author: Vladimer Papava, Senior Researcher at Rondeli Foundation

The COVID-19 pandemic has had a significant influence on both the lives of individuals and the world economy, requiring the reconsideration of a number of issues. Among them, the problem of globalization deserves special attention. In particular, will the COVID-19 pandemic lead to the end of globalization as such and will deglobalization, utterly and permanently, replace globalization leading to isolationism?

Despite warnings from experts about the impending danger of a flu pandemic, unfortunately, this was not taken into account (Rodrik, 2020b) and led to the extensive spreading of COVID-19.

In turn, the COVID-19 pandemic has well illustrated the weaknesses of modern globalization: the rapid spread of the virus has shown to everyone that global institutions and, above all, the World Health Organization does not actually possess effective mechanisms for a quick response. As a result,

each state began to act independently against the pandemic, creating and reinforcing a sense that we are dealing with a process of deglobalization.

Thus, in other words, the COVID-19 pandemic was perceived by many as a “globalization crisis.” Therefore, it is logical to ask: is the process of deglobalization really possible or not? And if it is possible, then to what extent is it desirable?

First of all, it should be noted that globalization is an objective process. The most obvious example of this is even the illegal drug business which is practically fought against by both individual states and international organizations but, nevertheless, this type of business has long taken on a global character. No less important in the context of globalization is the Internet, energy, arms trade, the expansion of the US dollar and so on. And today, the spread of COVID-19 has become a serious global problem.

Of course, deglobalization is quite possible. To do this, a country must consciously pursue a more or less isolationist policy, although it should be borne in mind that in such a case it will have a negative impact not only on economic growth (Rogoff, 2020) but also on social, political and environmental issues (Haass, 2020).

Thus, deglobalization will ultimately further complicate the resolution of those problems that plague mankind.

In my opinion, in the modern world there is mainly a so-called “forced deglobalization,” precipitated by the fact that the mass spread of COVID-19 was sudden and rapid, and no one was prepared to act against this problem. Therefore, all states acted more or less in isolation.

But because of the global nature of the problem itself, overcoming a pandemic in isolationism is simply unthinkable – coordinated action on a global scale is essential (Mazzucato, Torreele, 2020).

Moreover, all countries that oppose free trade will be more damaged economically (Åslund, 2020). Lastly, only by promoting free trade will countries be able to more or less successfully use their comparative advantage to alleviate the consequences of the economic crisis (Fung, 2020) caused by the pandemic.

At the same time, it is certainly noteworthy that the process of deglobalization, which was initiated by US President Donald Trump even before COVID-19 and deepened in the conditions of the

pandemic, is likely to be more or less “trendy” for some time and in this situation it is necessary for countries to prepare as much as possible to move to a qualitatively higher level of renewed globalization (El-Erian, 2020).

Moreover, it would be a mistake if countries do not pay attention to the realities of deglobalization; that is, the role of the government in the economy becoming stronger as the national autonomy deepens (Rodrik, 2020a).

It is precisely in the context of deglobalization that the novel resolution of a number of problems is to be conceived, especially such as food security (Blair, Kalibata, 2020). For example, the severity of this problem is underscored by Russia’s decision to suspend wheat exports (Medetsky, Durisin, 2020) in order to ensure its own food security. In turn, the reduction of the wheat supply to international markets will lead to an increase in prices for it and this will have a severe impact on the countries for which the import of Russian wheat is of great importance. Georgia is one of these countries.

Therefore, it is necessary for Georgia to take into account the peculiarities of modern deglobalization. For example, in Georgia, which has favorable natural-climatic conditions for agricultural production and where almost half of the able-bodied population lives in rural areas, the share of the agricultural sector in the GDP is less than eight percent and the country’s industrial sector is unfortunately underdeveloped. So, one of the priority issues for Georgia is to address food security by promoting the development of local agricultural production.

In terms of Georgia’s economic development, the fact that Georgia is the only country in the region that has free trade regimes with both the EU and China, which is and will be of particular importance for the diversification of value chains and supply chains (Derviş, Strauss, 2020) in the pandemic and post-pandemic periods, and this must be utilized. In this context, it should be noted that it is quite real for Georgia to have a free trade regime with the United States (Rapoza, 2020) as well which will open up new perspectives for the development of the Georgian economy.

It is especially important to understand how Georgia’s European choice (Papava, 2017) should be viewed in the post-pandemic period. First of all, the question must be answered: Is EU membership a goal for Georgia or a means to an end? And if it is a means to an end, then what should the goal be?

In my deepest belief, membership in any union cannot be the goal as it must be seen as a means to a much larger end. In particular, Georgia aims to be a European state. In other words, everyone, both

Georgian citizens and foreigners, must be fully convinced that Georgia has become a truly European state. The fact that, for example, Switzerland or Iceland are not members of the European Union does not necessarily mean that anyone can doubt the Europeanness of these states. This is precisely the situation Georgia should achieve. For this purpose, it is necessary to establish the standards emblematic for a European state in Georgia. This, in turn, is possible by adopting democratic traditions, human rights, freedom of speech and expression, a European-style market economy and a public administration system currently practiced in the EU countries into the Georgian reality. Therefore, in order for Georgia to become a European state, it is necessary to carry out the appropriate reforms for EU membership.

The route to join the European Union is in fact the way to establish Georgia as a European state. And in this situation, the question of whether or not Georgia will eventually join the EU will become mainly technical in nature and greatly depend at that time on the stage of development of the EU itself.

The fact is that the European Union is in a very difficult situation today because the COVID-19 pandemic was added to the injury of Brexit which it, like all, met unprepared (Varoufakis, 2020). At the same time, the COVID-19 pandemic posed a serious challenge to the EU – establishing a strong crisis management mechanism is necessary (Reichlin, 2020). In this context, the decision of the European Union regarding the seven-year budget and the elimination of the damage caused by the coronavirus (Herszenhorn, Bayer, 2020) should indeed be assessed as optimistic.

In the current context of EU-Georgia relations, it is particularly noteworthy that as a result of Georgia's success in overcoming the COVID-19 epidemic, Georgia has been among the 15 countries with which the EU has decided to open its borders (EU, 2020).

In addition to Georgia's goal of becoming a European-type country, it is no less important to maintain state independence in order to minimize threats from Russia. In this sense, EU membership can also be seen as an effective way to maintain independence from Russia.

As is well known, a particularly strong mechanism for maintaining independence from Russia is NATO membership, despite the fact that due to the difficulties in relations between its member states NATO itself has faced quite difficult challenges (Palacio, 2020).

Given the current situation, Georgia should make the most of all opportunities to become a European state independent from Russia and the possibility of this is not ruled out by the current trend of pandemic deglobalization.

References

Åslund A., (2020). “Trump’s Global Recession.” *Project Syndicate*, March 13, <<https://www.project-syndicate.org/commentary/donald-trump-covid19-global-recession-by-anders-aslund-2020-03?barrier=accesspaylog>>.

Blair T., Kalibata A., (2020). “Building Food Security During the Pandemic.” *Project Syndicate*, May 7, <https://www.project-syndicate.org/commentary/four-ways-to-boost-food-security-during-covid19-pandemic-by-tony-blair-and-agnes-kalibata-2020-05?utm_source=Project%20Syndicate%20Newsletter&utm_campaign=2ad6876daf-sunday_newsletter_10_05_2020&utm_medium=email&utm_term=0_73bad5b7d8-2ad6876daf-93567601&mc_cid=2ad6876daf&mc_eid=e9fb6cbcc0&barrier=accesspaylog>.

Derviş K., Strauss S., (2020). “What COVID-19 Means for International Cooperation.” *Project Syndicate*, March 6, <https://www.project-syndicate.org/commentary/global-cooperation-can-prevent-next-pandemic-by-kemal-dervis-and-sebasti-n-strauss-2020-03?utm_source=Project%20Syndicate%20Newsletter&utm_campaign=cba7e1c6a1-sunday_newsletter_15_03_2020&utm_medium=email&utm_term=0_73bad5b7d8-cba7e1c6a1-93567601&mc_cid=cba7e1c6a1&mc_eid=e9fb6cbcc0&barrier=accesspaylog>.

El-Erian M. A., (2020). “Navigating Deglobalization.” *Project Syndicate*, May 11, <https://www.project-syndicate.org/commentary/covid19-deglobalization-two-priorities-by-mohamed-a-el-erian-2020-05?utm_source=Project%20Syndicate%20Newsletter&utm_campaign=3ce69c95d3-sunday_newsletter_17_05_2020&utm_medium=email&utm_term=0_73bad5b7d8-3ce69c95d3-93567601&mc_cid=3ce69c95d3&mc_eid=e9fb6cbcc0&barrier=accesspaylog>.

EU, (2020). “Georgia Among First 15 Countries to Which EU will Reopen Its Borders on 1st July.” *Delegation of the European Union to Georgia*, June 30, <https://eeas.europa.eu/delegations/georgia/81824/georgia-among-first-15-countries-which-eu-will-reopen-its-borders-1st-july_en>.

Fung V. K., (2020). “The Trade Cure for the Global Economy.” *Project Syndicate*, April 22, <https://www.project-syndicate.org/commentary/covid19-crisis-revive-multilateralism-open-trade-by-victor-k-fung-2020-04?utm_source=Project%20Syndicate%20Newsletter&utm_campaign=871db40e9f-sunday_newsletter_26_04_2020&utm_medium=email&utm_term=0_73bad5b7d8-871db40e9f-93567601&mc_cid=871db40e9f&mc_eid=e9fb6cbcc0&barrier=accesspaylog>.

Haass R. N., (2020). “Deglobalization and Its Discontents.” *Project Syndicate*, May 12, <https://www.project-syndicate.org/commentary/deglobalization-discontents-by-richard-n-haass-2020-05?utm_source=Project%20Syndicate%20Newsletter&utm_campaign=3ce69c95d3-sunday_newsletter_17_05_2020&utm_medium=email&utm_term=0_73bad5b7d8-3ce69c95d3-93567601&mc_cid=3ce69c95d3&mc_eid=e9fb6cbcc0&barrier=accesspaylog>.

Herszenhorn D. M., Bayer L., (2020). “EU Leaders Agree on €1.82T Budget and Coronavirus Recovery Package.” *Politico*, July 20, <<https://www.politico.eu/article/eu-leaders-reach-deal-on-coronavirus-recovery-fund/>>.

Mazzucato M., Torreele E., (2020). “How to Develop a COVID-19 Vaccine for All.” *Project Syndicate*, April 27, <https://www.project-syndicate.org/commentary/universal-free-covid19-vaccine-by-mariana-mazzucato-and-els-torreele-2020-04?utm_source=Project%20Syndicate%20Newsletter&utm_campaign=64d8372856-sunday_newsletter_03_05_2020&utm_medium=email&utm_term=0_73bad5b7d8-64d8372856-93567601&mc_cid=64d8372856&mc_eid=e9fb6cbcc0&barrier=accesspaylog>.

Medetsky A., Durisin M., (2020). “Russia Halts Wheat Exports, Deepening Fears of Global Food Shortages.” *Time*, April 27, <<https://time.com/5827804/russia-wheat-food-shortage/>>.

Palacio A., (2020). “NATO Is Dying.” *Project Syndicate*, July 15, <https://www.project-syndicate.org/commentary/france-turkey-naval-row-nato-by-ana-palacio-2020-07?utm_source=Project+Syndicate+Newsletter&utm_campaign=6a78f0e5f0-sunday_newsletter_19_07_2020&utm_medium=email&utm_term=0_73bad5b7d8-6a78f0e5f0-93567601&mc_cid=6a78f0e5f0&mc_eid=e9fb6cbcc0>.

Papava V., (2017). “For Georgia GEENTRANCE Is Coming!” *Eurasia Review*, January 5, <<https://www.eurasiareview.com/05012017-for-georgia-geentrance-is-coming-oped/>>.

Rapoza K., (2020). “Why Does Everyone Suddenly Want A Free Trade Deal With Georgia?” *Forbes*, March 5, <<https://www.forbes.com/sites/kenrapoza/2020/03/05/why-does-everyone-suddenly-want-a-free-trade-deal-with-georgia/#2f0187dc50e6>>.

Reichlin L., (2020). “COVID-19 Is an Opportunity for Europe.” *Project Syndicate*, March 10, <https://www.project-syndicate.org/commentary/eu-covid19-response-coordinated-fiscal-stimulus-by-lucrezia-reichlin-2020-03?utm_source=Project%20Syndicate%20Newsletter&utm_campaign=cba7e1c6a1-sunday_newsletter_15_03_2020&utm_medium=email&utm_term=0_73bad5b7d8-cba7e1c6a1-93567601&mc_cid=cba7e1c6a1&mc_eid=e9fb6cbcc0&barrier=accesspaylog>.

Rodrik D., (2020a). “Making the Best of a Post-Pandemic World.” *Project Syndicate*, May 12, <https://www.project-syndicate.org/commentary/three-trends-shaping-post-pandemic-global-economy-by-dani-rodrik-2020-05?utm_source=Project%20Syndicate%20Newsletter&utm_campaign=3ce69c95d3-sunday_newsletter_17_05_2020&utm_medium=email&utm_term=0_73bad5b7d8-3ce69c95d3-93567601&mc_cid=3ce69c95d3&mc_eid=e9fb6cbcc0&barrier=accesspaylog>.

Rodrik D., (2020b). “Will COVID-19 Remake the World?” *Project Syndicate*, April 6, <https://www.project-syndicate.org/commentary/will-covid19-remake-the-world-by-dani-rodrik-2020-04?utm_source=Project%20Syndicate%20Newsletter&utm_campaign=aa811cf03a-covid_newsletter_09_04_2020&utm_medium=email&utm_term=0_73bad5b7d8-aa811cf03a-93567601&mc_cid=aa811cf03a&mc_eid=e9fb6cbcc0&barrier=accesspaylog>.

Rogoff K., (2020). “Deglobalization will Hurt Growth Everywhere.” *Project Syndicate*, June 3, <https://www.project-syndicate.org/commentary/deglobalization-threat-to-world-economy-and-united-states-by-kenneth-rogooff-2020-06?utm_source=Project%20Syndicate%20Newsletter&utm_campaign=56f4462bc8-sunday_newsletter_07_06_2020&utm_medium=email&utm_term=0_73bad5b7d8-56f4462bc8-93567601&mc_cid=56f4462bc8&mc_eid=e9fb6cbcc0&barrier=accesspaylog>.

Varoufakis Y., (2020). “Europe Is Unprepared for the COVID-19 Recession.” *Project Syndicate*, March 18, <https://www.project-syndicate.org/commentary/eurogroup-finance-ministers-misunderstand-covid19-crisis-by-yanis-varoufakis-2020-03?utm_source=Project%20Syndicate%20Newsletter&utm_campaign=fc0dee22cd-

sunday_newsletter_22_03_2020&utm_medium=email&utm_term=0_73bad5b7d8-fc0dee22cd-93567601&mc_cid=fc0dee22cd&mc_eid=e9fb6cbcc0&barrier=accesspaylog>.