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INTRODUCTION

Evgeny Kanaev
Sergei Luzyanin

Introduction: a Fragmenting Globalization

While it is easy to lapse into clichés about the contemporary world, the term “international relations entropy” seems to have a proper grasp of reality. Without going into details, as global trends have been sufficiently analyzed by top experts¹, of note is an overlap between a new technological paradigm and a new economic model with mounting crises as a multiplier effect. As a result, the multi-faceted fragmentation of international affairs is a new normal.

Discouragingly, a multipolar world order remains more a kind of wishful thinking rather than a realistic scenario. The international community has been unable to develop a collective response to the pandemic-related challenges. A reset of regulatory economic and political institutions has not taken place. On the contrary, a rising politicization has been embracing many spheres that were previously relatively isolated from political contradictions — sports, art and others. Promising and mutually beneficial economic projects are sacrificed for the sake of short-term and even situational political benefits.

Looking forward, the multipolar world order appears to be problematic in the near future. Multipolarity includes, among its other characteristics, a distribution of responsibilities between global poles, which is conspicuously absent at present. More than that, the

¹ “Net i ne predviditsya nikakoj sistemy evropejskoj bezopasnosti”. Chto izmenilos' v mirovoj politike v 2022 godu? [«Нет и не предвидится никакой системы европейской безопасности». Что изменилось в мировой политике в 2022 году?]. A European Security System Is Absent and Unlikely to Be Formed. What Has Changed in Global Politics in 2022? // Russia in Global Affairs, August 26, 2022. URL: <https://globalaffairs.ru/articles/net-i-ne-predviditsya/> (date of access: 11.11.2022).

establishment of the multipolar world order is a three-dimensional process that includes a substantial, an institutional and a normative perspective.

Regarding a substantial perspective, it is not clear which international actors are genuinely interested in a multipolar world, or around what kind of cooperation their interests may be synergized. As practice demonstrated, neither combating international terrorism, nor preventing the development of weapons of mass destruction, nor even the “green” agenda of the global economy, have been able to produce a consolidating effect on the international community. Without this vision, any talks about prospects for the multipolar world become mass media, conference and paper exercises.

Based on the evidence thus far, the previously prevailing sentiments about the globalization as an instrument to decrease political contradictions for the sake of economic benefits do not seem to be relevant any more. Apart from grotesque examples of controversies between Russia and European countries over energy issues, and forced obstacles that Russia is encountering in servicing its dollar-denominated bond payments to foreign investors, a nascent disruption of chip-producing global value chains (GVCs) is of note. Following the US CHIPS and Science Act, the US influential political figures are incentivizing top Asian companies, including TSMC (Taiwan), Samsung (the ROK) and others to invest in chip-producing infrastructure in the US territory. Specifically, TSMC, which accounts for 90 percent of global chip production, supplies chips to the American companies including Apple, Google, Qualcomm, Nvidia and AMD, recently started to construct a chip plant in Arizona. More discouragingly, there is a direct link between the Act and the US military activity in the region, ranging from a possibility to establish the US-ROK cooperation in the technological field to the international alliance Chip 4 embracing companies from the US, Taiwan, Japan and South Korea [Salmon, 12.08.2022]. Although experts are skeptical about the US ability to make chip-producing GVCs completely isolated from China, the US attempts to disrupt the presently functioning ones are worthy of note.

Within this context, the emerging techno-nationalism across the world deserves close attention. According to expert assessments,

national policies in technologically-advanced sectors resemble the Cold War nuclear and space race, which logically results in a securitization of digital technologies. Against this backdrop, strengthening technological sovereignty, which ranges from a decrease in dependence on external sources of technologies to a localization of critically-important technologies by means of re-shoring, as well as includes a usage of political and geopolitical instruments in promoting national interests in the technological field, is likely to increase in significance. More than that, it may become a mainstream feature of industrial policies implemented by many states [Danilin, 2021].

From an institutional perspective, it is unclear which institutions (if any) may contribute to an establishment of the multipolar world order. Moreover, the way the global regulatory institutions — mostly, the UN and the WTO — function suggests gloomy prospects for the multipolar global order. Pointing to the UN irrelevance in the present international circumstances, experts suggest that the UN Security Council should be expanded to include “India, Brazil, Indonesia and one or two big African countries known for their independent positions” [Bordachev, 26.07.2022]. Stating that this scenario will contribute to a complete revision of global institutional governance and regulation, it is expedient to add that such assessments are remarkably widespread.

Reflections on the prospects of global institutionalization lead experts and politicians to consider the Chinese version of multipolarity as an attempt to bring together the presently falling apart regions in order to re-energize the processes of globalization. The Chinese vision of the world embraces the current stage and nature of globalization, economic openness and inclusiveness. In the presently widening Sino-American split, Beijing implements its political and ideological goals by means of economic instruments. While at the official level Beijing praises the virtues of economic cooperation, the PRC’s interpretation of multipolarity is about achieving a broader goal, specifically, a “Community of the Common Destiny of Humanity”.

In the years and possibly decades to come, this priority will be increasing in significance. The “Chinese multipolarity” means a China-centric revision of the global order. By its very design, the

Community-related idea is much broader than a “classical multipolarity”. In conceptual, ideological and, most importantly, practical terms, this vision is substantiated by the PRC’s mega-strategy the Belt and Road Initiative.

The normative dimension of multipolarity is also far from evident. It is unclear how to reconcile the ideological heterogeneity of the contemporary world with the vision on multipolarity shared by many states. However, another aspect is more important. As the multipolar global order is an alternative to the former unipolar moment and the present international fragmentation, it needs a corresponding normative mission. Regrettably, a mission that might grasp the global attention — from elites to ordinary people — does not exist and is unlikely to appear. Although intellectuals are trying to formulate an attractive idea of future development, these attempts may not succeed, as a long-term planning horizon — something that the contemporary world desperately lacks — is obligatory.

In the near future, prospects for further international fragmentation are very real. The epidemiological situation and the climate change issue remain serious. The COVID-19 pandemic is far from over, as new coronavirus strains come into existence. Regrettably, the international community has been unable to create GVCs of medical products. On the contrary, large pharma companies and governments were quick to make vaccines a political instrument. Concerning the climate change, unsatisfactory results of the 26th UN Climate Change Conference of the Parties (COP26) are worthy of note. The Glasgow Climate Pact turned out to be a compromise resolution rather than brought a breakthrough document [Dehon, 16.11.2021]. Among the main aftereffects of the climate change that will influence on the global economic situation, food and energy insecurity generated by abnormal weather conditions are increasing in significance.

The energy transition further strengthens prospects for the international fragmentation, as many traditional industries cannot shift to low carbon energy. Industries and companies incur losses, which results in a decrease in their productivity and competitiveness. The most recent striking case is the green energy agenda that has become a political instrument, including political blackmail [Simonov, Grivach, 2020].

Another factor to mention in the context of international fragmentation relates to global food insecurity. According to the Global Report on Food Crises 2022, conflict/insecurity, economic shocks (mostly, an uneven global economic recovery from the disruption of supply chains), domestic food price inflation and weather-related disasters play the most important role². Arguably, this challenge is likely to further aggravate the presently glaring contradictions between main global actors rather than reset international cooperation, as the latter might be costly and fraught with setbacks and disappointments.

The processes of de-globalization is also exemplified by a decrease in significance of global and regional security structures. Formally, the characteristics and norms of global security have not been amended. There is the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), the US bloc approach to global security exemplified by NATO, as well as other instruments that were tested back in the bipolar era. Simultaneously, however, the US and its allies (members of the formats Quad and AUKUS) cannot establish effective and, most importantly, long-term security mechanisms. Meanwhile, a non-bloc Russian-Chinese “alliance” looks much more promising in terms of deterring its opponents and expanding its military and political influence. While the Russian-Chinese strategic partnership cannot be an alternative bloc security structure, it has de facto been performing this function over the past 10—15 years.

Bloc and non-bloc security mechanisms form a “conflict multipolarity”, the scale and content of which are not perfectly clear. Observers see only situational reactions of miscellaneous actors as a function of events taking place in the post-Soviet space and other regions. The substance and prospects of this “conflict multipolarity” remain an open-ended question.

The security is of the afore-discussed “conflict multipolarity” are complicated by a gradual erosion of the concepts of the global “core” and “periphery”, “West-East” and “North-South” issues, uncontrolled migration, an escalation of nationalism across the world etc.

² 2022 Global Report on Food Crises // Global Network Against Food Crises, 2022. P. 7. URL: <https://www.fao.org/3/cb9997en/cb9997en.pdf> (date of access: 14.11.2022)

Meanwhile, the “success” of large and small states is based on not only high growth rates of economic growth, but also on social equality, high living standards and ecologically-friendly policy. There is a gradual shift from the Western concept of consumerism to the “left turn” [Kortunov, 04.08.2021].

With those factors in view, the process of de-globalization creates new global political, economic and security challenges, as well as new international realities, including qualitatively different humanitarian and ideological narratives.

Trying to grasp the underlying realities of the contemporary international situation, the Faculty of World Economy and International Affairs, HSE University, has been organizing annual conferences, which focus on prevailing international trends, since 2019. The conference that took place in November 2021 focused on the implications of the COVID-19 pandemic for different countries and regions, as well as issues that move beyond the pandemic, but are of relevance to the contemporary global development.

The conference started from the *Plenary Session*. Its participants discussed the transformation of the concept “globalization” amidst the on-going COVID-19 pandemic, as well as shed light on evolving global and regional security threats. *Section 1* surveyed responses to the pandemic adopted by different countries, outlining their similarities and differences, as well as assessed interim results and prospects for Russia’s vaccine diplomacy. The participants of *Section 2* explored economic, political and social transformations generated by the pandemic, scrutinizing, among other issues, emerging business models and strategies. *Section 3* focused upon innovations amidst the COVID-19 pandemic, grasping the conceptual changes the term “innovations” is encountering, as well as reviewed strategies and approaches to innovations adopted by national governments and business captains. The conference convened a special *Student Section* that considered an impact of the COVID-19 pandemic on the Western and the Eastern integration model, as well as on global value chains.

The monograph is the outcome of the conference. Maintaining continuity with previous volumes, published in 2020 and 2021 respectively, it has a broader scope. It includes selected writings that address the specificity of the present international affairs

(R. Legvold, S. Shein) and anti-COVID measures in Western and Eastern countries (G. Kutyrev, A. Baklanov, L. Okuneva, S. Shaposhnikov and Y. Sadoi). Finally, it traces miscellaneous issues both related and unrelated to the COVID-19 pandemic, but relevant to understanding the evolving global and regional processes (A. Gorbatko and Liu Xingtao, E. Imamkulieva, E. Kanaev and M. Terskikh, T. Kolesnikova).

The book offers original insights in the evolution of the contemporary world and its regions amidst an unceasing COVID-19 pandemic, and a fresh perspective on International Regional Studies as an educational and a nascent academic field. The Executive Editor and the Editorial Board members hope that the analyses and assessments presented in the book will help the academic community, practitioners and policy makers to meet the global changes and the regional challenges.

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Robert Legvold

Two Cold Wars in a New Bipolar World

In the context of the 2014 Ukrainian crisis, a deteriorating U.S.-Russian relationship changed qualitatively and for the worse. It entered a new Cold War, different from the original Cold War, but sharing several of its most destructive characteristics. Now as the United States and China fuel what is evolving from a complex interdependent relationship into an intensifying strategic rivalry, the danger grows that the two countries may also end up in a cold war of their own. In this, case, unlike the US-Russian Cold War, but like the original Cold War, a US-China Cold War will engulf the entire international political order. It will badly warp international economic relations and the institutions regulating them; block already weakened efforts to improve global governance; impede cooperation in dealing with the 21st century existential threats of climate change, an uncontrolled multipolar nuclear world, and future health pandemics; and add to the danger of a catastrophic military conflict between Russia and the United States another between China and the United States. If the two cold wars interlock, as they surely will, the international system will not only become fundamentally unstable, but, again, bipolar. Although leadership in China, Russia and the United States will not easily release themselves from their current, narrow preoccupations, were they to pause and weigh the consequences of two cold wars in a new bipolar world, hopefully, they together would consider choosing another path.

Keywords: *US, Russia, China, Cold War, international politics.*

The two decades between 1989 and 2008 were a peculiar interlude in the last 300-year history of international relations. For those two decades, unlike the rest of modern history, the international political system was not marked by great power strategic rivalry. Great power strategic rivalry is when one or more major powers define one or more other major powers as the primary national security threat, when one or more major powers arm primarily against that or those

other powers, and when one or more major powers mobilize alliances against that or those other powers. Its absence over those two decades deserved to be thought of as “the blessing.” The blessing, however, began to disappear toward the end of the first decade of the 21st century, when the US-Russian relationship grew adversarial and then, in the context of the 2014 Ukrainian crisis, sailed off the rails into a new cold war [Legvold, 2016].

This new cold is obviously unlike the original Cold War in important respects. It is not driven by a fundamental ideological animus. The shadow of nuclear Armageddon does not (yet) hang over the relationship. And it does not encompass and suffuse the entire international system. Other major players, such as China and India, are not part of it.

What the New US-Russian Cold War Does Have in Common with the Original Cold War

But it does share critical characteristics of the original Cold War, and these have had a severely destructive impact reaching far beyond the two countries’ bilateral relationship. As in the early harsh phases of the original Cold War, each side assigns 99% of the blame for the deterioration to the other side, hence, neither side is ready to consider its own role in the downward spiral. Little introspection exists on either side. Second, the blame assigned to the other side stresses not merely the actions of the other side, but the nature of the other side — that is, the nature of its political regime. The essence of the problem is the essence of the other side. As a result, the core issue, in the eyes of each side, is not simply one of conflicting interests, but of conflicting purpose. Third, both governments assume that the situation will not change until there is a fundamental change in either the other side’s political regime or its purpose. Hence, cooperation can only be transactional and limited to a few specific issues, not transformational and cumulative in a way changing the trajectory of relations. No “reset” is possible. Fourth, on both sides there is a near absence of empathy — that is, a capacity and readiness to understand accurately what drives the other side’s behavior.

These four features of the new US-Russia Cold War make their recrudescing strategic rivalry more rigid, more intense, and potentially more dangerous.

Over the seven years since the Crimea events and the eruption of the civil war in the Donbas, a badly damaged the US-Russian relationship has hardened into a deep stalemate. New tensions have been added to old: for the United States, Russia's alleged interference in the US electoral politics; for Russia, the US and NATO's escalating military actions nearer to Russian borders. Punishments have been added to punishments; retaliation to retaliation: sanctions piled on sanctions; diplomatic tit-for-tat to diplomatic tit-for-tat. As a result, rather than considering how the wreckage since 2014 might be cleared, or at least reduced, the two sides continue to add to it. And a new US-Russian cold war that need not be — that should not be — congeals.

Sad, destructive, and potentially dangerous as this may be, the still greater danger lies in the prospect that the currently intensifying strategic rivalry between the United States and China will end in a second new Cold War. The danger is manifest in the increased centrality either country assigns to the military dimension of the relationship [Brands, Gaddis, 2021]. The United States now defines China as the “pacing” military threat by which it must orient its defense planning and development of forces. China's startlingly rapid modernization of its conventional and nuclear forces is openly directed at the threat that it sees from the United States.

Second, the increased politicization of the economic relationship and steps toward economic decoupling launched during the Trump administration risk undermining the major factor counter balancing the sources of tension and conflict. Countries whose economies are as entwined as the United States and China cannot easily turn the benefits gained from these ties into policy weapons. Roughly 20% of the imported goods that Americans consume come from China; China trade generates nearly 800,000 American jobs; and China bankrolls nearly 4% of the US national debt, holding more than \$1 trillion in the US treasuries [Boyle, 2021]. On the other side, the United States remains China's largest export market, taking nearly 19% of its total exports that amount to 3% of its GDP.

This mutual dependency, however, is no longer viewed by either country as largely beneficial, marred only by disputes over specific trading practices. Rather each now treats it as a potential threat to national security [Vassallo, 2022]. The tariff war initiated by the Trump administration was a hammer intended to force China to correct the imbalance in its trade with the United States, but it was accompanied by steps to sever ties in areas of education and research, blacklist companies associated with China's defense and intelligence agencies, and punish with sanctions Chinese officials said to be involved in repressive actions in Xingjian and Hong Kong. Trump officials spoke openly of the need to decouple the US economy from China's. China, in turn, retaliated with its own tariffs, sanctions, and penalties [Garber, 2021].

Under the Biden administration, the trade war launched by the Trump administration remains largely in place, sanctions have been added to sanctions, and the blacklisting of Chinese companies continues³. China answers each new US action with counter actions of its own, including pressure on Chinese companies to delist from the US stock exchange, while promoting a network of international financial institutions intended as a potential alternative to those dominated by the United States and western governments.

Third, the United States and China are securitizing the role of technology and transforming it from a sphere of normal competition into an arena of intense and destructive rivalry [Chang, 2020]. Each month brings a new action by the United States, such as a decision to blacklist "seven" Chinese supercomputer entities, then another, blacklisting Huawei and four additional major Chinese telecom firms "on national security grounds", the announcement of a new executive order barring American investment into Chinese firms with alleged ties to "defense or surveillance technology sectors", or a ban on the import of solar panel material from Xinjiang, all followed by a campaign to warn American companies and research institutions of "the risks of interacting with China in five key tech sectors:

³ China Briefing Team. US-China Relations in the Biden Era: A Time Line // China Briefing, December 22, 2021. URL: <https://www.china-briefing.com/news/us-china-relations-in-the-biden-era-a-timeline/> (date of access: 01.11.2022).

artificial intelligence, quantum computing, biotechnology, semiconductors, and autonomous systems”⁴. China, for its part, stresses the importance of outperforming the United States in all of these new technological arenas, while at the same time cutting China off from any dependency on the United States for materials and expertise as it presses ahead with its programs. As a result, the United States and China are transforming science and technological advancement into a new battleground.

In still other respects, the two countries are giving tension-raising structure to the geopolitical dimension of a potential cold war. The United States has reinforced its military presence in the East Asian security zones, worked to strengthen the Quad, the collaboration among Australia, India, Japan and the United States, orchestrated a trilateral security pact with Australia and the United Kingdom allowing Australia to acquire nuclear submarines (AUKUS), and encouraged the new Japanese-Australian defense pact — all directed against China. And it will push the NATO alliance to stress the Chinese threat as it develops its 2022 Strategic Concept⁵. It has also moved away from its previous caution and taken steps that China sees as a provocative tilt toward tolerating Taiwanese aspirations for independence.

A New US-China Cold War

True, a US-China cold war, if that is to be, will not unfold unimpeded. Despite mounting frictions, the interweaving of the world’s two largest economies — and the codependency that this creates — will, as noted, impose restraints. So will the cost-benefit analysis of any risky move that could lead to a violent military conflict. Chinese and American leaders are aware of how missteps could lead to unintended escalating violence, and neither can be sure that in an actual

⁴ SCMP Reporters. US-China Tech War: Everything You Need to Know about the US-China Tech War and Its Impact // South China Morning Post, April 23, 2021. URL: <https://www.scmp.com/tech/tech-war/article/3130587/us-china-tech-war-everything-you-need-know-about-us-china-tech-war> (date of access: 01.11.2022).

⁵ NATO/OTAN Press Office. NATO 2022 Strategic Concept. URL: <https://www.nato.int/strategic-concept/> (date of access: 01.11.2022).

military conflict their side would not lose at great cost. And the great global challenges of the 21st century — the existential threat from climate change, the devastation from global health pandemics, and an increasingly uncontrolled multipolar nuclear world — put the two countries in the same boat, with a choice of swimming or sinking together.

More significantly, however, while the US-Russia Cold War, unlike the original Cold War, does not encompass and encumber the entire international political system, a US-China cold war will. The system's economic dimension will be deeply warped and destabilized by economic warfare between the two countries that account for more than 40% of world GDP. The system's institutions and governance mechanisms will be thrown into further disarray as each side seeks to undermine those favored by or created by the other side. Rather than any hope that key international governmental organizations, such as the United Nations, the IMF, the World Bank, and others, may be improved and strengthened or mechanisms, such as the G-20, preserved, the mosaic will shatter into a patchwork of institutional battlefronts.

Finally, the bilateral competition between the United States and China, as in the original Cold War between the United States and the Soviet Union, will inflame and make less manageable regional conflicts. A cold war between the United States and China will not remain a regional affair. It will spread across the globe, and as the struggle to protect economic and increasingly security stakes in critical regions, such as the Middle East, Southeast and South Asia, and parts of Latin America and Africa, intensifies, the familiar pattern of one or both powers intervening in local conflicts, backing opposing parties, and acting not as peace makers, but as contestants will exacerbate regional conflicts, as it did during the Cold War.

If then the two cold wars intersect, as almost surely they will, the effect will be still more profound. [Mearsheimer, 2021] A US-China cold war will transform the international political system in fundamental ways, but alone it is not likely to alter its current amorphous structure. Interlocking cold wars between the United States and Russia and the United States and China will alter the system's structure. It will restore a bipolar structure: a new East-West bipolarity. The

force field of two combined cold wars will extend to all quarters of the global system, and constrain or warp the foreign policy choices of governments nearly everywhere.

This dual cold war bipolarity will obviously be different from the bipolarity of the original cold war. Major countries and key regions will struggle to maintain their maneuverability, and some may do so more successfully than countries did in the first decades of the original Cold War, because they are no longer the vacuums that they were in the years after World II. But, as just noted, even their options will shrink. The costs of great power war — of world war — will remain as high, if not higher, than before, but the deterrent effect that the memory of World II had on a prior generation of leaders will be lost, and the risk that the trigger to a nuclear war entangling two or all three of these cold war adversaries could be pulled by several of the other nuclear powers in this fraught multipolar nuclear world will grow. Finally, while the existential challenges of the 21st century will leave all three countries in the same boat, these are now plural, no longer only the threat of nuclear war. The consequences of a nuclear war may have contributed to the absence of a major war between the United States and the Soviet Union during the original Cold War, but it is not clear that the tensions that climate change and mega health pandemics create will curb rather than stimulate deeper strategic rivalry in dual cold wars. Nor is it clear that the dynamics within an unregulated multipolar nuclear world will have the same deterrent effect as when the model was bimodal.

The Consequences

The consequences of moving from the current level of great power strategic rivalry to a new bipolarity driven by two interlocking cold wars will be immense and tragic. In present circumstances, there is again a growing normative bipolarity at the level of the countries' internal political orders and value systems, but the possibility still exists that at the international level they could reconcile themselves to rules allowing for a *modus vivendi*. The liberal democratic order favored by the West will not be its basis. But the major powers, led by the United States and China, may be able to reach a middle

ground. However unhappy China and Russia may be with what they see as the double standard in the way the western powers approach the question of rules, neither wants a rule-less international order nor does either offer a clear vision of what the rules would be in an alternative international order. Presumably the most realistic basis for rules acceptable to both sides would be the UN Charter — even if, as the past, its rules and norms are often observed only in the breach.

However, in a new bipolar world dominated by interlocking cold wars a possibility of reaching this *modus vivendi* disappears. As in the original Cold War, the two sides will be at such loggerheads that both the rules of the system and the institutions supporting them will be areas of combat, rather than a functioning, albeit imperfect, mechanism of global governance.

Second, a new bipolar dual cold war will produce the opposite of Zbigniew Brzezinski's last published appeal. He argued in a *New York Times* op ed that the three countries with the world's most powerful militaries must cooperate if there is to be global peace and stability in the 21st century [Brzezinski and Wasserman, 2017]. When relations are as deteriorated as they are between the United States and Russia and deteriorating as rapidly as they are between the United States and China, Russia and China have a natural incentive to turn this trilateral relationship against the United States and allow the antagonism in their bilateral relationship with the United States to take precedence. The United States, for its part, has little incentive to imagine how this trilateral relationship might be redirected to address the existential threats that all three face, and instead inevitably dwells on the threat that it sees in each bilateral relationship.

A new bipolar world driven by two interlocking cold wars closes the door to a possibility of the three finding ways to join together to manage the challenges of a multipolar nuclear world, contain the hazards of climate change, enhance the positive effects of globalization and mitigate its negative effects, and create a cooperative global response to future health pandemics. Instead, to the extent that the use or threatened use of military force will be a critical factor endangering global peace and stability in the 21st century, these three countries will be its dominant source.

Third, nothing has dictated that we would inevitably arrive at this point in US-Russian and US-Chinese relations. Where we are is the result of choices leaders in Washington, Moscow, and Beijing have made over the last two decades. Agency is still important. They can choose differently. They, if they act together, can change the trajectory of their relations. Not that this would be easy or, alas, even likely, but the point is that for the moment and in the present context it is feasible. In contrast, if the threshold is crossed into a new bipolar dual cold war, the room for agency will shrink dramatically, and the force of events, perhaps uncontrolled events, will become decisive. In hostilities as intense as those in the early phases of a cold war leaders lose control over their choices, and passions, the extremes in domestic politics, and the tyranny of worst-cast analysis take over.

Conclusion

While it is still not too late, leaders in Beijing, Moscow, and Washington need to take a step back from the way they are framing their current foreign policy agendas, and reflect on what it would mean if the security challenges preoccupying them today are tomorrow swamped by those of a new bipolar world dominated by two interlocking cold wars. Richard Haas has written that the US foreign policy paradigm has shifted from one that recognized that “U.S. national security depended on more than just looking out for the country’s own narrowly defined concerns”, one that was ready to put “aside immediate national preference in favor of principles and arrangements that bring long-term benefits” to a narrower and more self-absorbed one under which Americans “want the benefits of international order without doing the hard work of building and maintaining it”[Haas, 2021]. If the United States is guilty of abandoning the hard work of fashioning a safer and more stable international order, what might be said of the efforts of Russia and China? Might all three not want to stop for a moment and think seriously about where they are headed, and then turn their attention to ways of unwinding the current process leading to two cold wars in a new bipolar world?

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Challenges and Opportunities for Spain in Times of COVID-19: the New Institutionalism Approach

Based on new sources, and the new institutionalism approach, the chapter analyzes strategy and tactics of Pedro Sanchez administration in the framework of resolving the COVID-19 pandemic crisis in 2020–2021. In other words, this chapter examines the governance of the COVID-19 crisis in Spain for dealing with an emergency situation in the context of the erosion of international rules and institutions, an impulse to maximize the sovereignty of states as a result of the lockdown. The first wave of the pandemic in Europe occurred in spring 2020 but subsided in summer 2020. A second wave began in early fall 2020. At the end of March 2020, during first two waves of COVID 19, Spain was one of the countries most significantly impacted by the pandemic outbreak.

The chapter explores the Spanish healthcare system's lack of preparedness and its slow and delayed response to the pandemic, highlighting both common European problems (the growth of elderly patients; the growth of chronic non-communicable diseases; the increase in healthcare costs), and specific economic problems. As of late 2020, a massive vaccination campaigns began in the Kingdom of Spain, prioritizing the most vulnerable individuals after the approval of two vaccines (Comirnaty by Pfizer — BionTech, and COVID-19 Vaccine by Moderna) by the European Medicines Agency. A third wave of COVID-19 occurred after Christmas in January 2021 and a fourth in July 2021.

As in the period of financial turmoil of 2008–2009, Madrid was unable to cope with the coronavirus crisis on its own and was forced to resort to external assistance. This time, it included the participation of the Iberian country in “The Recovery, Transformation and Resilience Plan”, adopted by the European Union, which is designed for Next Generation EU program (2021–2027).

Analyzing measures taken by the Sanchez administration in the context of COVID 19 pandemic, special attention is paid to the party system, which is undergoing a new transformation (from an imperfect two-party system to moderate pluralism) and the growth of so-called “fake news” as a direct aftereffect of the COVID-19 pandemic. Those factors strongly influenced the reaction of the Spaniards to the decisions of Prime Minister.

Keywords: Spain, COVID-19, pandemic, infodemic, Iberian peninsula, European Union, political parties

Introduction

The coronavirus pandemic (SARS-CoV-2 or COVID-19, 2019-nCoV), which began to spread from Wuhan no later than December 2019, was a strong blow to the contemporary world order and globalization, the ideals of which are being tested for strength. However, this strike was not so destructive as to generate significant geopolitical changes and the balance of power transformation.

Rather, it has become a catalyst that reinforces global trends. Now it is clear that COVID-19 is another «brick» in the wall of multi-level system of challenges, that the humanity is encountering. According to Under-Secretary-General for Economic and Social Affairs Liu Zhenmin: “The pandemic abruptly disrupted implementation towards many of the SDGs and, in some cases, turned back decades of progress. The crisis has touched all segments of the population, all sectors of the economy, and all areas of the world. Not surprisingly, it is affecting the world’s poorest and most vulnerable people the most. It has exposed harsh and profound inequalities in our societies and is further exacerbating existing disparities within and among countries”⁶.

As of January 2022, at the time of writing this chapter, the world community has already experienced four powerful waves of the pandemic (March—April 2020, September—October 2020, January—June 2021; November—December 2021). According to Johns Hopkins University (JHU) data, more than 303 million confirmed infections and approximately 5 million deaths related to COVID-19⁷. “In many countries, including the United States, COVID-19 is now a leading cause of death, alongside heart disease and stroke” [Mckeever, 2021].

The European Union, like the rest of the world, caught by surprise by coronavirus outbreak, was forced to make decisions that significantly limited the rights and freedoms of its own citizens. The quarantine, which became a forced decision for most European countries, had a devastating effect on the EU economy, launching

⁶ The Sustainable Development Goals Report // The United Nations, 2020. P. 3.

⁷ Covid-19 Dashboard // Coronavirus Recourse Center. Johns Hopkins University, 2021. URL: <https://coronavirus.jhu.edu/map.html> (date of access: 01.11.2022)

another round of the economic crisis. In 2020, according to the UN report “World Economic Situation and Prospects”, Europe, amidst the COVID-19 coronavirus pandemic and restrictive measures “paralyzed economic activities across the board, laying off millions of workers worldwide”, because of which in 2020 the region’s GDP decreased by 7.8%. At the end of the first quarter of 2020, widespread travel restrictions and quarantine measures adopted by the national governments of most EU member states led to freezing of business activity for many sectors, such as brick-and-mortar retail, leisure, restaurants, public services and service-based industries, as well as to a contraction of the labor market.

This situation raises a number of research questions. Under these conditions, how did the EU countries develop national testing strategy due to lack of four essential components (infrastructure, equipment, trained laboratory professionals, and reagents and consumables)? How were COVID 19 vaccines in different EU countries tested? How were the questions about safety and the side effects of COVID-19 vaccines resolved and how does the vaccine skepticism influence on the national governments’ abilities to maintain public safety? What preventive measures to curb the spread of the coronavirus and fiscal support did the governments provide? How did socio-political relations evolve in the context of the COVID-19 pandemic in the EU member states? Are there any fundamental differences between the experiences of different EU member states in the measures against pandemic?

Since the format of the paper is limited, and the experience of the EU member states in combating the pandemic is highly diverse, we will analyze the experience of Spain as an example. The relevance of exploring this case is determined by a number of reasons.

Firstly, from its first weeks, Spain took the leading positions in Europe and the world in terms of the number of people infected and deaths. The weak government of Sanchez hesitated to take decisive action, apparently fearing to lose support (the authorities’ consideration of the special sensitivity of the Spaniards to the restriction of civil rights and freedoms associated with the long-term existence of Francoism could have played a role).

Secondly, in 2020, Spain, which had barely reached stable growth rates, faced the COVID-19 pandemic. Spain took the first

positions in the distribution of EU coronavirus funds, which means even greater uncertainty in forecasting the dynamics of the country's main macroeconomic indicators due to political difficulties in budget execution.

Thirdly, regional and municipal elections were held in the autonomies of Spain in February 2021.

Fourthly, Spain became one of Europe's vaccination champions. As of January 10, 2022, the share of the Spanish population fully vaccinated against COVID-19 reached 81.49 percent.

The proposed article summarizes the results obtained by Russian and foreign colleagues regarding the "case study" of Spain (when considering specific actions and measures to combat the COVID 19 pandemic).

Materials and Methods

Studies in political management typically focus on the architecture of decision-making inside the government, with an emphasis on authority of political leaders, roles of the appointed officials in the decision-making process, as well as on relationships between the constituent parts of government. To analyze the decision-making process of Pedro Sanchez administration from a COVID-19 perspective, the concept of rational choice new institutionalism is used.

To achieve the goal of the research, four general postulates of this approach in the study of institutions, including political ones, are identified:

a. Individuals and institutions. The concept of rational choice is based on the idea of the ideal type of human behavior "homo economicus", striving to maximize his own utility (survival) in a complex world. Individuals operate in a complex world based on incomplete information and simple subjective models for describing it, which, due to many factors (cognitive limitations, transaction costs), are often erroneous. To solve these problems, individuals create institutions (formal and informal). In other words, "we cannot see, feel, touch, or even measure; they are constructions of the human mind" [North, 1990. P. 107]. By creating the "rules of the game", or more formally, the limiting framework, individuals

“structure incentives in human exchange, whether political, social, or economic” [North, 1990. P. 3]. The set of alternatives in the “rules of the game” directly affects the behavior of the individual himself, increasing his confidence in the behavior of others and establishing the institutional equilibrium.

b. Formal and informal institutions. According to the previous point, individuals develop formal and informal rules of the game. “North defines institutions as all types of rules that organize individual behaviors: these rules are submitted to informal constraints as customs, traditions, or taboos, formal constraints as legal rules, property rights or constitutions; and enforcement devices dedicated to the application of all these preceding constraints” [Dutraive, 2009].

c. Institutional transformation and stability. The problem of transformation of institutions is closely related to the problem of stability (in some circumstances they may change). All institutions can potentially undergo changes, but in order to successfully fulfill the functions of the “rules of the game”, they must be stable. According to the concept of self-reinforcing institutions, institutional stability is a result of the interest of decision-makers in adhering to the constraints imposed on them. Every process of institutional transformation may require large expenditures, incomparable with resources available to individuals. As for the transformation of institutions, there are two main mechanisms of creation (transformation) by rational actors of formal endogenous institutions: “legalization of informal institutions” and “import”. Legalization is an evolutionary way of developing institutions from the trends already established at the level of informal frameworks, without their radical correction. Import is a revolutionary way of institutional development — “deliberate borrowing of foreign institutions during radical socio-economic reforms in the country. We can say that the import of institutions is a special case of revolutionary (radical) institutional changes carried out by politicians” [Nureev, Volchik, Strelkowski, 2020].

d. Political institutions. Political institutions, as instruments for rational mobilization of other people and resources for coordinated efforts to achieve political goals, are considered as:

- having coercive nature and sanctions (endogenous-mental and exogenous-penal) for violation of norms;

- striving for “collective benefit”, achieved through rational collective action — the struggle for power between actors, with a subjectively developed model of ideas about what a public good is;
- forming a certain political regime — “sets of implicit or explicit principles, norms, rules, and decision-making procedures around which actors’ expectations converge in a given area...” [Stephen, 1982. P. 186].

A fundamental complex of political institutions is the state, based on three groups of political institutions necessary to defend common interests. Accordingly, two models of the state stand out: the liberal-democratic contractual model and the authoritarian-exploitative one. The purpose of the first model is “to achieve such a distribution of property rights that maximizes the total income of society on the basis of transferring powers into the hands of those economic entities that can dispose of them in an optimal way” [Patrushev, 2006. P. 21].

The need to create the first group of institutions — cognitive-ideological for the first model — is determined by the need for political identification of individuals. These institutions, being subjective models based on a personal interpretation of a complex world of politics, form a certain idea of the individual about himself and his place in the society.

The second group of institutions is necessary to regulate the decision-making process regarding the collective benefit: how to regulate common interests (institutions of the legislative branch); how to implement these decisions (executive institutions); how to resolve controversial situations and conflicts interpreting an application of general rules (institutions of the judiciary).

The third group of institutions, inseparable from the second, regulates the political process of the struggle for power. These include institutions that determine the procedure for the formation of government bodies (the institution of elections, inheritance, appointment), procedures for the formation of relationships between actors fighting for power (political parties, inter-party alliances, social movements), as well as institutions that determine boundaries of what is permissible in the struggle for power.

The new institutionalism approach implies a qualitative research method in order to uncover the formal and informal institutional

rules that guide the Sanchez administration. These rules can be researched using written documents and through interviews with certain actors.

Based on the theory of neo-institutional rational choice, we consider the Sanchez government as a rational player seeking to maximize its own utility — to maintain power. Neo-institutional rational choice will be helpful to understand two sets of basic questions: first, what changes in terms of governance in Spain; second, who the main actor in these changes and why?

In order to answer the first question, we should explore the disruptions of (or continuities in) the path-dependencies of Spanish political history linked to the institutional rules during this critical juncture of COVID 19 pandemic, asking whether new rules replaced or were layered onto old ones. Answers to the second question, lead us to interest-based initiatives analysis of main political drivers.

The Response to the Pandemic

According to the Ministry of Health (MISAN), the first case of coronavirus infection was confirmed on 31 January 2020, when a German tourist tested positive on La Gomera, Canary Islands⁸. The next case was reported on February 9, 2020, when a British citizen was tested positive in Mallorca. On February 24, 2020, according to the statement of the Canary Islands Health Council, tests of an Italian citizen who arrived on the island of Tenerife showed a positive result for coronavirus⁹. Another four cases were recorded on February 25, 2020: in Madrid (two), Castellón (one) and Barcelona (one). By March 13, 2020, cases of infection were already registered in all

⁸ The Junta says the second wave of coronavirus «“has been brought forward” [La Junta dice que la segunda oleada de coronavirus “se ha adelantado”] // La Vanguardia, 2020. URL: <https://www.lavanguardia.com/local/madrid/20200823/482974130522/coronavirus-madrid-reunion-familias-contagios.html> (date of access: 01.11.2022).

⁹ The Local. Tenerife hotel remains on lockdown after four Italian guests test positive to coronavirus, 2020. URL: <https://www.thelocal.es/20200225/hundreds-quarantined-in-tenerife-hotel-after-guest-becomes-spains-third-coronavirus-case/> (date of access: 01.11.2022).

50 provinces of the Spanish Kingdom. The next day the Sanchez administration declared a state of emergency.

Since the beginning of March 2020 (with a lag of more than a month), the number of cases began to grow exponentially: from the first case on January 31, 2020 to 6 391 confirmed cases and 195 death on March 14. This factor indicates that the COVID-19 pandemic caught the Spanish authorities by surprise. After the start of the pandemic, the government of Pedro Sanchez, weakened as a result of recent splits and apparently fearing to lose support, did not take decisive actions.

According to the new institutionalism approach, special attention should be paid to the party system. The party system in Spain has long been dominated by a stable two-party equilibrium with the Spanish Socialist Workers' Party (PSOE) and the People's Party (PP) as the main actors. As a result of the electoral cycle of 2011—2016, however, the two-party system was replaced by a multi-party one (because of widespread public dissatisfaction with the economic situation and a number of allegations of corruption among members of the traditional big parties), in which Podemos, Ciudadanos and Vox began to emerge as important political players in various government coalitions.

Notably, the Sanchez administration came to power as a result of a vote of no confidence in the previous administration of the PP of Mariano Rajoy. This unprecedented operation had an unexpected result in the form of a surge in the popularity of the PSOE. So, in January 2018, according to A.A. Orlov, the gap between the parties was 3.2% (26.3% versus 23.1%), while already in August the PSOE was ahead of the PP by 9.5% (29.9% versus 20.4%), and at the end of October already by 13% (31.6% versus 18.2%).

During the elections in April 2019, Pedro Sanchez managed to create the most representative faction of 123 delegates. Other parties lagged far behind the PSOE. The left-wing coalition Unidos-Podemos won 42 seats, other left-wing parties, the Left Republicans of Catalonia, the Valencian left-wing bloc Compromis, received 15 seats and one seat respectively in the Parliament.

It seemed that creating a left-wing coalition government would not be a difficult task for Pedro Sanchez. However, despite sever-

al rounds of negotiations between Pedro Sanchez and Pablo Iglesias (Secretary General of Podemos. 15 November 2014 — 4 May 2021), an agreement on the creation of a leftist government was not reached. On September 23, Parliament was dissolved by the King Philip VI and on November 10, new elections were scheduled for the Spanish Cortes. Pedro Sanchez remained the Prime Minister after the early elections, but the left weakened their position, while the ultra-right (Vox), on the contrary, strengthened it. An increasing political fragmentation, according to many researchers, was the result of the ambitiousness and lack of response of the two left-wing leaders (Pedro Sanchez and Pablo Iglesias), as well as different views on the formation of the cabinet.

On March 9, the first measures with a broad impact on the population were introduced in areas with significant community transmission by local governments. These measures included social distancing in different area (social, educational, working), limiting all events to a maximum of one thousand members, remote occupation; closing schools and universities. Measures suggested in all Spanish domains included engaging homecare for the senior citizens, avoiding amassed spaces, keeping social distance of something like one meter and staying at home.

The government's reaction followed only on March 14, when first state of emergency (*estado de alarma*) was declared (ended on June 21, 2020). Pedro Sanchez did not cancel football matches and the demonstration in honor of March 8th in Madrid, in which at least 120,000 people participated.

In addition to the weakness of the coalition government of Pedro Sanchez, caused by political clashes between the PSOE and Unidos-Podemos, the regional fragmentation of the healthcare system had an obvious impact on the delay in the COVID-related actions. Each of the 17 autonomies has its own rules, its own bureaucracy, its own budget, and sometimes its own language that differs from Spanish.

Because of this, in the first weeks of the COVID-19 pandemic, the Spanish healthcare system did not quite cope with the pandemic outbreak. There was a shortage of hospitals in the country, and the existing medical institutions lacked ventilators, tests to detect the virus and protective equipment for medical personnel. This resulted

in thousands of infected among doctors and nurses. The government agencies had to handle the situation in time-pressing conditions, which led to an increase in deaths: “between February and May 2020, Spain’s Health Ministry counted around 29,000 COVID-19 deaths. Meanwhile, the truer figure was more like 46,000 deaths, according to the public statistics agency” [McMurty, 2021]. As of January 21, 2022, according to JHU Spain had more than 8 834 363 confirmed infections and approximately 91,599 deaths attributed to COVID-19 after four pandemic waves.

Revealingly, Spain is one of the worst pandemic-affected Eurozone countries. According to William Chislett “the economic impact was also severe. GDP shrank 10.8% in 2020, the deepest recession in 80 years and the harshest in Europe... The unemployment rate, which stood at 14% when the pandemic started, close to double the EU average, rose to 16.2% at the end of 2020” [Chislett, 2021. P. 8]. In the context of the pandemic that swept Spain, a particularly difficult situation was in the manufacturing industry, one of the engines of country economic growth. According to E. Prades and P. Tello, “each week of partial closure during the state of emergency “have driven a contraction in the Spanish economy’s overall gross value added (GVA) of 17% directly and of 28% indirectly, adding in the knock-on effects on other activities” [Prades, Tello, 2020].

The Spanish government introduced numerous emergency economic measures in response to the pandemic, including favorable loans and guarantees for companies. “Eight pieces of legislation — Royal Decree-Law 6/2020, Royal Decree-Law 7/2020, Royal Decree 463/2020, Royal Decree-Law 8/2020, Royal Decree 465/2020, Royal Decree-Law 9/2020, Royal Decree-Law 10/2020 and Royal Decree-Law 11/2020 — provide initial measures to address the coronavirus (COVID) crisis” [Spain. Government and institution measures..., 2020].

On March 12, 2020, the Sanchez government approved an aid package of 2.8 billion euro to support regional governments (17 autonomous communities, two autonomous cities) in dealing with the economic consequences of the pandemic, 1.4 billion euro of additional funding for the national health ministry, and 14 billion euro in extra liquidity for small- and medium-sized companies. On March

17, 2020, the government announced a second aid package with five billion euro of expenditure for economic and social support programs, and 112 billion euro of loan guarantees for self-employed citizens and small- and medium-sized companies. In July 2020, Spain's government approved 3.7 billion euro in support for the automotive sector and 4.25 billion euro for the sector of tourism. But the government found it difficult to implement economic and social measures due to internal political disagreements. The Spanish political context is characterized by a strong division between socialists and populists, and the current government is administered by a coalition of two political parties.

As during the financial crisis of 2008—2009, due to governance problems, Madrid was unable to cope with the pandemic-related economic and social problems on its own and had to resort to external assistance. As a result of a worsening economic and social crisis, Spain became one of the biggest recipients of financial help from Troika of international creditors (National Recovery, Transformation and Resilience Plan — NextGenerationEU Program).

Another reason why time was lost and the country received a crushing blow was the Spanish state media, which seriously did not take into account the virus that was already raging in China and Italy. A false sense of security, coupled with extreme distrust of ordinary Spaniards in the official media, was another reason for the country's unpreparedness for the pandemic. Subsequently, growing distrust of the Spaniards in the institutions of power and official sources of information preconditioned the emergence of a broad movement of "COVID dissidents" (although it was not so widespread as in the USA or France). The vaccination campaign in Spain began only on December 27, 2020, but due to disinformation and the lack of political consensus in the government, acceptance of the vaccine against COVID-19 was low. It was revealed in the research commissioned by N. Rodríguez-Blanco et al.: 48.3% of Spaniards wanted to be vaccinated at the end of 2020, just before the start of the vaccination campaign. "In this sense, the Spanish Government insisted on the importance of a good communication strategy and equal access to it before the arrival of the vaccine to Spain" [Rodríguez-Blanco, 2021. P. 2]

After July 2021 the Sanchez cabinet was reshuffled, replacing some of most important ministers in order to “facilitate the post-coronavirus recovery, and to reduce political and social tension over the issue of Catalan independence” [Cue Carlos, Casquero, 2021].

Conclusions

The chapter has mapped the key rules in form and rules in use relevant to government political management in Spain during COVID-19 crisis.

First, under the state of emergency, countries were forced to make decisions that significantly limited the rights and freedoms of citizens. As a result, quarantine caused a decline in the global GDP, a break in trade chains, and a decline in stock indices. COVID-19 crisis hit tourism, aviation and retail.

Second, new institutionalism helps to explain the behavior of actors within the framework of existing institutions, as well as to understand the specifics and features of collective development and adoption of political decisions regarding public good.

Third, the Sanchez government faces a number of unprecedented tasks during the COVID-19 pandemic, which can be compared with the reforms of the democratic transit period. It is necessary not only to find an effective economic strategy, but also to negotiate with the right- and far-right Vox, as well as the separatist regional parties providing simple majority to the current coalition government. More than that, it is necessary to distribute funds received between 17 autonomous communities of the country.

Forth, the reasons for difficult economic and social situation in 2020 in Spain is a subject of considerable debate between scholars and politicians. There are at least three topics: the proportion of the age category of residents in the country, the intensity of international tourism and the managerial weakness of the Sanchez administration.

Fifth, as the research reveals, the measures to support the economy adopted by the Sanchez administration were incomplete. In those circumstances, it could not stop the developing economic crisis without the intervention of the Troika of international creditors (National Recovery, Transformation and Resilience Plan — Next Generation EU Program).

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Liudmila Okuneva

The COVID-19 Pandemic in the Context of Political Transformation in Brazil

The chapter analyzes main directions of the political process in Brazil in 2019—2021. Its distinguishing feature was the deployment in the context of the coronavirus pandemic. The presidential elections will take place in October 2022¹⁰, the election campaign is in full swing and is taking place amidst acute political crisis closely related to the pandemic, the lingering uncertainty, the absence of a national project that can unite society encountering economic and social challenges. Amidst the campaign, its radicalization and polarization of political forces were increasingly clear. The main battle will unfolded between two “political heavyweights”, namely, the incumbent right-wing radical president Jair Bolsonaro and the former president, center-left Luiz Inácio Lula da Silva, described as “the most popular president in the Brazilian history”. As of the late 2021 — early 2022, Lula was significantly ahead of his opponent, whose rating was far behind due to his behavior during the pandemic. In fact, during the period of the highest COVID-19 infection rate and the maximum mortality rate in spring-summer 2020, Bolsonaro openly called not to comply with the necessary sanitary measures. Moreover, after vaccines became available, he urged the population to refuse the vaccination. As a result, not only Brazil’s international image was tarnished, but also a serious domestic crisis arose. It involved both representatives of the executive government agencies and legislative and judicial branches of power. The afore-mentioned processes led to the defeat of the presidential protégés in the 2020 municipal elections that are traditionally considered in Brazil as a rehearsal for national elections. The ongoing election campaign in 2022 demonstrated a radicalization and polarization of society.

Key words: *Latin America, Brazil, COVID-19 pandemic, political transformation.*

¹⁰ The chapter was written in January 2022.

Introduction

Political and social consequences of the coronavirus pandemic, seen from a global perspective, attracts the attention of Russian experts. Recently, many studies have been published, with the focus on the multidimensional impact of the pandemic across the world, ranging from internal processes in different countries to international relations. Even Western countries encountering a hitherto unknown disease experienced major crises and human losses, which affected not only their internal situation, but also foreign economic ties [Mankova, Scherbakova, 2021. P. 65—81; Yakovlev, 2021. P. 5—13]; Dynkin, Telegina, Khalova, 2021. P. 5—10] and integration processes [Chupina, 2021. P. 42—49; Timofeev, Khorolskaya, 2021. P. 72—80]. The Latin American region, where the coronavirus infection “arrived” later, stands in a strong contrast with Europe.

Latin America has been hit the strongest by the COVID-19 in terms of the infections and mortality rate. While in other regions pandemic-related figures are gradually declining, in Latin America the situation remained critical [Budaev, 2020. P. 6—23; Scherbakova, 2021. P. 53—64; Yakovleva, Yakovlev, 2020. P. 73—93; Yakovlev, 2021. P. 5—13]. In 2020, outbreaks of the virus and its individual strains in Brazil, Chile, Argentina and Uruguay caused a surge in deaths, as well as an introduction of new restrictions. The pandemic hit the hardest the most vulnerable segments of the population — poor citizens and people employed in the informal sector. Growing social inequality is one of the main vulnerability factors. Poverty, which receded during the rule of the left, has returned. Amidst the collapse of the healthcare and the financial system, most governments of the Latin American countries reduced or canceled assistance programs, leaving millions of people without any social protection [Volosyuk, Shkolyar, 2021. P. 28—47]. Nevertheless, in many countries’ programs for state assistance to the population are still operating. In this regard, the question is how to ensure sustainable development in the post-COVID world [Ermolyeva, 2021. P. 133—141; Davydov, 2021. P. 11—22]. The personal factor of Latin American leaders is behind both failure and success of medical and social pandemic-related events.

Moreover, the pandemic, closely linked to politics, has led to a reshape of the political landscape in Latin America [Kosevich, 2020. P. 39—53; Okuneva, 2020. P. 21—38].

The situation with the pandemic in Brazil, Latin America and in the world at large has actualized the following questions: how to fight the infection and simultaneously save the economy, how to synergize public health and business activity. But most importantly, how to prevent a large-scale social crisis that may bring devastating consequences to less developed countries (this primarily applies to Latin America) further deepening poverty and inequality.

All the pandemic-related problems were especially relevant to Brazil. There, the pandemic was closely connected with politics. Moreover, in Brazil, the pandemic itself turned into a “political actor” and largely determined the political process [Okuneva, 2020. P. 21—38]. By the end of 2021, the situation had begun to improve gradually, but it was influenced on by a new strain of “omicron”.

Methodology

From a methodological perspective, the chapter is based on the deductive method, the statistical method, the comparative method, as well as on a critical analysis of sources and academic literature.

Main results

On taking office, the right-wing radical politician Jair Bolsonaro reformed Brazil’s domestic and foreign policy and declared the left, who had been in power for thirteen and a half years, to be his main enemies. Simultaneously, he replaced the right-wing conservative Michel Temer, who became the leader of the country after the impeachment of Dilma Rousseff, which ended the rule of the center-left Workers’ Party. Confrontational behavior, a search for enemies, an inability to find consensus with the government agencies and with the society as a whole were typical features of his tenure (2019—2022). During Bolsonaro’s presidential mandate, the turbulent nature of the political process did not weaken, and the radicalization of society was constantly growing. All this was revealed in Bolsanaro’s

actions during the pandemic. In fact, he ordered to do everything to save the population, demonstrated neglect to the disease, demanded not to wear masks and not to observe social distance, and even not to organize a lockdown during the period of maximum infection of the population and maximum mortality rate¹¹. As a result, in spring and summer 2020 Brazil ranked 2—3 in the world in both indicators [Okuneva, 2020. P. 21—38]. Arguably, it had negative implications for Brazil’s international image. Many politicians, scientists, cultural figures, educators and civil society opinion-makers expressed their disapproval. Brazil’s closest neighbors — Argentina, Uruguay and Paraguay — were deeply concerned about an uncontrolled march of the pandemic through the country and closed their borders. Foreign media constantly broadcasted peremptory statements and instructions of the Brazilian President. The international expert community and the media criticized Bolsonaro as one of the world’s worst leaders in combating the pandemic.

Inside the country, a political crisis erupted. It involved both representatives of the executive branch (the state governors and mayors who advocated urgent measures to save the population) and the legislative and judicial branches. Against them, the president waged an open “institutional” war. Bolsonaro’s attacks on the Legislative (the National Congress) and the Judiciary (the Supreme Court) branches, perceived in the civil society as the guarantors of democracy embodied in the 1988 Constitution, took place throughout his mandate, but especially intensified during the pandemic. Those attacks are considered as a direct threat to democracy by the public.

In 2020, Brazil, with its radicalized political elite, became a scene of never-seen-before political demarches. After publishing letter signed by all the foreign ministers who were in office from 1985 to the present, in which the current foreign policy course was sharply criticized, the initiative was undertaken by former defense ministers

¹¹ URL: <https://politica.estadao.com.br/noticias/geral,bolsonaro-desiste-de-pronunciamento-e-indica-que-vai-participar-de-manifestacao,70003305355> (date of access: 16.05.2020); Bolsonaro diz que avalia deixar OMS caso órgão mantenha atuação ‘partidária’. URL: <https://internacional.estadao.com.br/noticias/geral,bolsonaro-diz-que-avalia-deixar-oms-caso-orgao-mantenha-atuacao-partidaria,70003326383> (date of access: 05.06.2020).

and former ministers for human rights and for environment. All of them spoke out for democracy, against attempts to infringe on it by the president personally and by his inner circle¹². All this led to the defeat of the president's supporters in the 2020 municipal elections that are traditionally considered as a rehearsal for national elections in Brazil.

When vaccines were created, the President himself announced his refusal to vaccinate, and urged the citizens to do the same. In September 2021, he went to the UN General Assembly unvaccinated and even from its rostrum called for an abandonment of health passports. In October 2021, a special Senate commission (so-called CPI COVID-19) after six month work issued a report in which the President was declared guilty of crimes against humanity and of facilitating the spread of the pandemic that caused the death of more than 600 thousand people (the results of the pandemic in Brazil, as of late October 2021). According to the polls that followed the publication, 77% of respondents said that their negative attitude towards the president had only intensified.

In 2021 — early 2022, the political process in Brazil took place amidst an unfolding election campaign. At the time of writing, the presidential race was evolving along with an acute political crisis, closely related to the ongoing pandemic. It weakened due to the start of full-scale vaccination of the population (the citizens did not follow the instructions of the president), but flared up again in early 2022 due to a spread of the omicron strain. In addition, uncertainty penetrated the political sphere due to the absence of a nationwide project capable of bringing the society together. As the campaign

¹² Veras Mota C. Bolsonaro substituiu Duterte e virou 'pior vilão internacional', diz Rubens Ricuperio. URL: <https://www.bbc.com/portuguese/brasil-53086999> (date of access: 19.06.2020); A reconstrução da política externa brasileira. URL: <https://politica.estadao.com.br/noticias/geral,a-reconstrucao-da-politica-externa-brasileira,70003296122> (date of access: 08.05.2020); Ex-ministros da Defesa se manifestam contra golpe de Estado. URL: <https://politica.estadao.com.br/noticias/geral,ex-ministros-da-defesa-se-manifestam-contra-golpe-de-estado,70003306023> (date of access: 18.05.2020); O presidente perdeu a condição de governar. URL: <https://politica.estadao.com.br/noticias/geral,artigo-o-presidente-perdeu-a-condicao-de-governar,70003306006> (date of access: 18.05.2020).

went on, its radicalization and polarization became abundantly clear. The main battle was unfolding between two “political heavyweights”, namely, the incumbent right-wing president Jair Bolsonaro and the former president, center-left Luiz Inácio Lula da Silva, rightfully called “the most popular president in the Brazilian history”. In the victorious for Bolsonaro 2018 elections, he won in the absence of Lula who was imprisoned on charges of corruption. It was regarded as a political persecution, and even imprisoned, he was far ahead of Bolsonaro. But Bolsonaro won and became president. Lula was released in November 2019 by the Supreme Court. In March 2021, the Supreme Court dropped all charges against him, providing him with a legitimate basis for participating in the presidential race. As of late 2021 — early 2022, Lula was significantly ahead of his opponent, and the expert community of Brazil predicted his victory. The rating of the current president due to his behavior during the pandemic was far behind.

Both candidates were stepping up their efforts to win the political space. Attempting to attract supporters, Lula was negotiating with the leaders of the centrist parties in order to form a broad anti-Bolsonaro coalition. A major success was an agreement reached by Lula to run as his future vice-president (in Brazil, candidates for president and vice-president go to the polls together) of a prominent centrist politician Geraldo Alckmin. This measure allowed him to attract broad centrist electorate.

Both candidates portrayed social issues as central to the agendas. In an effort to demonstrate support for aspirations of the Brazilian poor, Bolsonaro tried to adopt a new social program, renaming the main program of the Lula government. Nevertheless, this program could not be compared with the lulist Bolsa Família program, which is of historical significance.

Another distinguishing feature of the electoral process accounted for people — according to various estimates, from 30 to 50% — who were “neither for Lula, nor for Bolsonaro” and searched for a “third way”, a centrist candidate, who would be far from the radicalism of the right and left, but would pursue a moderate policy. The paradox of the campaign, however, was the fact that despite the existing political demand for this kind of politician, he had practi-

cally no chance of winning. A gap between political heavyweights — Bolsonaro and Lula — and a cohort of centrist contenders for the highest state post was huge. Therefore, the real struggle was unfolding between the two leaders mentioned above.

Conclusion

The social divisions observed in Brazil, exacerbated by the negative and, according to prominent Brazilian analysts, truly catastrophic consequences of the COVID-19 pandemic, had a direct impact on the reconfiguration of the country's political landscape. This was clearly manifested in the confrontation between the two main opponents in the upcoming presidential elections in October 2022, each of whom represented a certain social alternative. Also, they offered opposite trajectories of social and economic development. In 2018, the victory of the right-wing politician was predetermined by a number of factors. They included the economic crisis that made it impossible to further implement a broad social program of the left, an involvement of the left in corruption scandals, dissatisfaction of the middle class with the results of the reforms) that worked against the left alternative. The results of Bolsonaro's mandate led to a sharp drop in his rating and a turn of the public opinion towards the priorities of the center-left trend that had been rejected previously.

As the chapter was being prepared for publication, the presidential elections in Brazil ended in Lula's victory. Bolsonaro's loss was largely due to his political behavior during the pandemic described above.

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Anton Baklanov

The Perfect Storm: The Political and Economic Aspect of the COVID-19 Pandemic in the Islamic Republic of Iran

This chapter¹³ is devoted to analyzing institutional, political, and economic changes in the Islamic Republic of Iran in combating the COVID-19 pandemic. The author considers the virus to be a political factor that opens up an opportunity for the Supreme Leader to consolidate his power while avoiding widespread public protests. The paper analyzes Iran's socio-political and economic situation before the pandemic identifying problematic areas. Then the steps taken by the Supreme Leader to stop the social discontent, strengthen his political authority, and fight the liberal wing of the political elite are considered. Finally, the role of pivotal institutions amidst the COVID-19 realities are explored.

Keywords: *COVID-19, Islamic Republic of Iran, Supreme Leader, social tensions.*

Introduction

The pandemic of the new disease COVID-19, which swept across the whole world, not only became a stress test for healthcare systems of different states, but also impacted on the socio-economic and political realities. For the Islamic Republic of Iran, the new infection has become a marker that highlighted and exacerbated nearly all social points of tension. At the same time, like any emergency, it provided the elite with a possibility to consolidate the society, stop discontent and suppress liberal sentiments using anti-pandemic measures as a pretext.

¹³ Support to the preparing of this article from the Faculty of World Economy and International Affairs at HSE University is gratefully acknowledged.

Methodology

As part of the research, the following methods are used. First, the political and legal analysis method for determining the normative changes both in the secular legislation of the Islamic Republic of Iran and in the fatwas of the religious elite is applied. Second, the method of comparative institutional analysis that helps to determine shifts in the institutional balance of Iran is applied. Finally, the content analysis method that allows exploring the statements of Iranian officials is employed.

Main part

Officially, the COVID-19 pandemic came to the Islamic Republic of Iran (IRI) on February 19, 2020, when the first cases of the infection were detected in Qom¹⁴. Iran had to tackle the problem in three areas: economic, social, and political.

The economic difficulties warrant consideration. International sanctions bring catastrophic damage to the national economy. According to the Parliamentary Research Center, 35% of the country's population lives below the poverty line. As of early 2020, inflation accounted for 39.5%, and the unemployment rate used to be 16% and above. At the same time, the state tried to maintain a relatively high level of military-related allocations¹⁵. In April 2019, the United

¹⁴ Iran Reports Leap in Death Toll // BBC, March 9 2010. URL: <https://www.bbc.com/news/world-middle-east-51801968> (date of access: 12.06.2021).

¹⁵ 35 darsad-e mardom zir-e xatt-e faqr raft-e-and. Masraf-e sarāne-ye gušt-e qermez-e dahakhā-ye pāyyin faqat 25 gram dar mā [۳۵ فقط پایین های دهک قرمز گوشت سرانه]. 35% of people have gone below the poverty line/percapita consumption of red meat in the lower deciles is only 25 grams // Tasnim News, December 2020. URL: <https://www.tasnimnews.com/fa/news/1399/10/07/2419132/35-%D8%AF%D8%B1%D8%B5%D8%AF-%D9%85%D8%B1%D8%AF%D9%85-%D8%B2%D8%B8%D8%B1-%D8%AE%D8%B7-%D9%81%D9%82%D8%B1-%D8%B1%D9%81%D8%AA%D9%87-%D8%A7%D9%86%D8%AF-%D9%85%D8%B5%D8%B1%D9%81-%D8%B3%D8%B1%D8%A7%D9%86%D9%87-%DA%AF%D9%88%D8%B4%D8%AA-%D9%82%D8%B1%D9%85%D8%B2-%D8%AF%D9%87%D8%A9-%D9%87%D8%A7%DB%8C-%D9%BE%D8%A7%DB%8C%DB%8C%D9%86-%D9%81%D9%82%D8%B7-25-%DA%AF%D8%B1%D9%85-%D8%AF%D8%B1-%D9%85%D8%A7%D9%87%گرم> (date of access 12.06.2021).

States decided not to renew permits for several countries to purchase Iranian oil, which allowed them not to fall under extraterritorial sanctions. This led to a sharp drop in the volume of oil supplied from 1.1—1.3 million to 0.4—0.5 million barrels per day [Kozhanov, 05.07.2019]. That critically affected the stock of foreign currency for the purchase of equipment for petrochemical, automotive and construction industries. In 2020, the Iranian national currency lost up to 80%, which forced the government to make additional appropriations to maintain a balanced budget¹⁶. This adversely affected living standards in the country. According to the “Poverty Monitoring Report” issued by the Iran Ministry of Cooperatives, Labor and Social Welfare, between 2019 and 2020 the number of people living below the poverty line increased by 13.5%¹⁷. According to The Statistics Center of Iran, at the beginning of 2020, about 28 million Iranians in 17 regions suffered from systematic malnutrition. This was mainly due to a sharp rise in the prices of basic food products. The report noted an increase in prices for 96 goods, while 20 of them encountered 100% increase¹⁸.

The abovementioned factors fueled social tensions and protest sentiments. As of late 2020, according to a Gallup study, the level

¹⁶ Barg-e noxost-e gozāreshā-ye kāršenāsi-ye axbār-e tarhhā va lavāyeh-e qavānin-o moqarrāt-e ketābxāne-ye fārābi faslnāme-ye majles va rāhbord dar bāre-ye mā tamās bā mā [ما با طرح اخبار کارشناسی های گزارش نخست برگ] و قوانین لوایح و ها طرح اخبار کارشناسی های گزارش نخست برگ [ما با تماس ما درباره راهبرد و مجلس فصلنامه فارابی کتابخانه مقررات]. Expert reports, news, plans and draft laws, rules and regulations, Mezhliśa’s monthly review // Majilis Statistics Center of Iran, September 28 2020. URL: <https://rc.majlis.ir/fa/news/show/1632201> (date of access: 12.06.2021).

¹⁷ Poverty Monitoring Report // Ministry of Cooperatives Labour and Social Welfare, August 8, 2021. URL: https://d-karafarini.mcls.gov.ir/icm_content/media/image/2021/08/480758_orig.pdf (date of access: 12.06.2021).

¹⁸ Barg-e noxost-e gozāreshā-ye kāršenāsi-ye axbār-e tarhhā va lavāyeh-e qavānin-o moqarrāt-e ketābxāne-ye fārābi faslnāme-ye majles va rāhbord dar bāre-ye mā tamās bā mā [ما با طرح اخبار کارشناسی های گزارش نخست برگ] و قوانین لوایح و ها طرح اخبار کارشناسی های گزارش نخست برگ [ما با تماس ما درباره راهبرد و مجلس فصلنامه فارابی کتابخانه مقررات]. Expert reports, news, plans and draft laws, rules and regulations, Mezhliśa’s monthly review // Majilis Statistics Center of Iran, September 28 2020. URL: <https://rc.majlis.ir/fa/news/show/1632201> (date of access: 12.06.2021).

of trust in the current government fell below 50%¹⁹. After the 1979 revolution, the policy of protecting the “socially vulnerable” was declared, but their well-being has not improved in the following years, while the general living standards were low. The populist policy aimed to form a loyal electorate, has fueled protest sentiments and subsequent political destabilization. In Iran, protests have long been an integral part of the political landscape.

High hopes associated with the courses of Rafsanjani and Khatami did not resonate with reality. The low turnout (49%) in the elections of the “uncontested” President of Iran demonstrated deep-rooted protest and undermined political stability²⁰.

At the beginning of the pandemic, Iran’s leaders reacted on the COVID-19 with restraint. Several factors influenced this:

— the proximity of the February Parliamentary elections. The IRI leadership expected a sharp decrease in turnout amidst COVID-related fears of the population;

— unwillingness to inflict damage on the national economy. Closed borders might have disrupted religious and secular tourist flows, as well as significantly reduced foreign trade turnover. Closing communications with Asian countries, which accounted for 92% of Iranian oil exports [Losev, 22.09.2015], was especially painful. Anticipating loss of tourism-related revenues, Qom’s mayor’s office spoke out strongly against the lockdown measures and the restricted access to the city [Parhizi, 03.03.2020]. An internal lockdown was also regarded as highly undesirable, as evidenced by the failure in the Mejlis to put forward a bill on a total monthly lockdown in April 2020²¹.

¹⁹ Iranian Confidence in Government Under 50% for First Time // Gallup, October 29, 2020 URL: <https://news.gallup.com/poll/323231/iranian-confidence-government-first-time.aspx> (date of access: 12.06.2021).

²⁰ На выборах президента Ирана проголосовали 28,4 млн человек [На выборах президента Ирана проголосовали 28,4 млн человек]. 28.4 Million People Voted in Iran’s Presidential Election // TASS, June 19 2021 URL: <https://tass.ru/mezhdunarodnaya-panorama/11693207> (date of access: 21.06.2021).

²¹ Iran’s Parliament Rejects Bill to Introduce One-Month National Lockdown // Radio Farda, April 7 2020. URL: <https://en.radiofarda.com/a/iran-parliament-rejects-bill-to-introduce-one-month-national-lockdown/30540091.html> (date of access: 12.06.2021).

The measures were limited to partial short-term closure of shopping centers and markets. On April 7, 2019, President Rouhani stressed that in case of a massive closure of businesses, “the streets would be filled with a 30 million starving crowd”²². Strengthening social stability and unity became the main task for the first period of the pandemic.

The danger of the COVID-19 pandemic has been labeled a “Western conspiracy” by the Supreme Leader Ali Khamenei. The pandemic began to be considered as another instrument for unifying the nation in the face of the “Great Satan”. Conspiracy theories about the virus’ origin were actively formed in the state media and the government agencies. The Masaf Institute, an organization affiliated with the Islamic Revolutionary Guard Corps (IRGC), advanced an idea of a connection between the United States and the virus’ origin [Mahsa Alimardani, Mona Elswah, 23.06.2020]. The authorities also launched an extensive campaign to link the new infection and the fight against Iraq during the Iran-Iraq war, calling on the population “to resilience and self-sacrifice, despite difficulties and hardships”²³.

²² Extesāsi - Ruhāni: Agar fa’aliyathā-ye eqtesādi rā motavaqqef konim, 30 miliyun gorosne be xiyābān miāyand. [متوقف را اقتصادی های فعالیت اگر: روحانی - اختصاصی]. [آیند می خیابان به گرسنه میلیون کنیم، ۳۰]. Exclusive - Rouhani: If we stop economic activities, 30 million hungry people will come to the streets // Iran International, April 16 2020. URL:<https://old.iranintl.com/%D8%A7%D9%8A%D8%B1%D8%A7%D9%86%D8%A7%D8%AE%D8%AA%D8%B5%D8%A7%D8%B5%DB%8C-%D8%B1%D9%88%D8%AD%D8%A7%D9%86%DB%8C%E2%80%8C-%D8%A7%DA%AF%D8%B1-%D9%81%D8%B9%D8%A7%D9%84%DB%8C%D8%AA%E2%80%8C%D9%87%D8%A7%DB%8C-%D8%A7%D9%82%D8%AA%D8%B5%D8%A7%D8%AF%DB%8C-%D8%B1%D8%A7-%D9%85%D8%AA%D9%88%D9%82%D9%81-%DA%A9%D9%86%DB%8C%D9%85%D8%8C%DB%B3%DB%B0-%D9%85%DB%8C%D9%84%DB%8C%D9%88%D9%86-%DA%AF%D8%B1%D8%B3%D9%86%D9%87-%D8%A8%D9%87-%D8%AE%DB%8C%D8%A7%D8%A8%D8-%A7%D9%86-%D9%85%DB%8C%E2%80%8C%D8%A2%DB%8C%D9%86%D8%AF> (date of access: 12.06.2021).

²³ Going to War with the Coronavirus and Maintaining the State of Resistance in Iran // Middle East Research and Information Project, January 9, 2020. URL: <https://merip.org/2020/09/going-to-war-with-the-coronavirus-and-maintaining-the-state-of-resistance-in-iran/> (date of access: 12.06.2021).

Economic assistance for those affected by the COVID-19 played a significant role in strengthening social stability. After the protests of 2019 and the mass victims among the protesters, it was necessary to clean up the affected image of IRGC. Therefore, in April 2020, General Gen. Hossein Salami announced that the IRGC had invented a device capable of detecting a virus-infected person within one hundred meters. Simultaneously, the IRGC distributed food for those in need²⁴. Thus, in the opinion of the ruling elite, the image of a strict but fair institution has strengthened.

In parallel, a policy of strict suppression of any sources of information that ran counter to the official position was pursued. Jahane Sanat was closed in record-setting time for publishing the opinion of epidemiologist Mohammad Reza Mahboobfar who claimed that official statistics disclosed only 5% of all the registered deaths from COVID-19²⁵. The expert was dismissed from the Ministry of Health. In March 2020, a distribution of printed versions of all newspapers was banned. Using the fight against disinformation as a pretext, the liberal opposition was suppressed. On February 25, 2020, twenty-four people were arrested, and another one hundred eighteen received warnings for “false speculation about a new infection”²⁶. In August 2020, six members of the human rights community, who had actively protested against the anti-virus measures of the Iranian leadership, were arrested. In April, the opposition politician Mehdi Hajati was detained for criticizing the authorities’ approach to the quarantine-related measures in Qom²⁷.

²⁴ Iran’s Revolutionary Guard capitalizes on pandemics to strengthen its grip on the country // Washington Post, April 22 2020. URL: https://www.washingtonpost.com/world/irans-revolutionary-guard-capitalizes-on-pandemic-to-strengthen-grip-on-the-country/2020/04/22/36569db8-8349-11ea-9728-c74380d9d410_story.html (date of access: 12.06.2021).

²⁵ Iran’s coronavirus strategy divides health experts, government. // Deutsche Welle, October 2 2020. URL: <https://www.dw.com/en/iran-coronavirus-cases-treatment/a-55127145> (date of access: 12.06.2021).

²⁶ Iran: Government Mismanagement Compounds Covid-19 Crisis // Human Rights Watch, August 19, 2021. URL: <https://www.hrw.org/node/379700/printable/print> (date of access: 15.09.2021).

²⁷ Critics of Government’s Inept Health Policies Arrested in Iran. // Iran Wire, March 16, 2020. URL: <https://iranwire.com/en/features/6814> (date of access: 12.06.2021).

For the IRI leadership, it is a big challenge to strike an optimum balance between the necessary measures to combat the COVID-19 pandemic and administering the religious cult in order to secure support from the religious majority. In this regard, an inconsistency of policy is visible. Despite an increase in the number of infected persons, it was decided to organize an overcrowded farewell ceremony for Qasem Soleimani and mass celebrations dedicated to Nowruz. At the same time, the Ministry of Health came into conflict with religious officials. To exemplify, the ministry banned 10-day mourning events in the month of Muharram, and the order of the Supreme Leader disavowed this ban under pressure from the clerical lobby [Farnaz Fassihi, 13.08.2021]. Meanwhile, as part of a consensus with the clergy in Qom, it was possible to minimize the number of cases through appeals to maintain social distance and wear personal protective equipment. Nevertheless, the state did not prosecute religious leaders such as Imam Ayatollah Tabrizian, who stubbornly and consistently criticized secular treatments and denied a mass usage of personal protective equipment [Mahsa Alimardani, Mona Elswah, 23.06.2020]. As a result, the policy of the Iranian elites did not cause mass resentment among religious figures, but completely confused ordinary citizens.

Since the pandemic started, the Supreme Leader has taken several decisive steps to strengthen political stability. The idea that COVID-19 is an “act of bioterrorism,” which brought the fight against the epidemic under the jurisdiction of the National Security Council (NSC), was advanced. It was necessitated by the intention to circumvent Article 79 of the Iranian Constitution, which allows restricting rights and freedoms in emergency situations and wars only with the approval of the Mejlis every 30 days²⁸. Although formally, the NSC is headed by the President, all its decisions come into force only after their approval by the Supreme Leader. From this perspective, Khamenei excluded the elected branches from the decision-making process to combat the pandemic and delegated more power to a fully

²⁸ Konstitucija Islamskoj Respubliki Iran [Конституция Исламской Республики Иран]. Constitution of the Islamic Republic of Iran. URL: <https://worldconstitutions.ru/?p=83> (date of access: 12.06.2021).

controlled institution. As an additional measure, the NSS established a new structure — the National Headquarter to Combat Corona (NHCC), equal to the NSC. In its decisions, however, it could only rely on the support of the Supreme Leader.

An excellent example of dependence was the episode with vaccines from the US and the UK. Despite the initial support for those vaccines from many members of the NHCC Scientific Committee and even the President, after Khamenei's strongly negative speech the decision in favor of Russian and Chinese vaccines was made²⁹. The NHCC become the facilitator of unpopular decisions like a temporary closure of mosques and a mandatory electronic tracking of sick people and their contacts. At the same time, the Supreme Leader could always formally remain not directly involved, consequently, without reputational losses. In many cases, he could intervene and amend the orders of the NHCC. In can be exemplified by a demand for the mass closure of mosques. Following the intervention of the Supreme Leader, the NHCC limited the measure to partial compliance with Department of Health protocols and a temporary closure of selected facilities. NHCC become an effective instrument for taking the initiative from the Majlis. The law on assistance to tenants to extend the lease terms and fix the maximum increase in rent payments of 20% did not pass through parliamentary hearings. The NHCC announced that it would permanently renew leases on its own without legislative action [Sanaz Alast, 24.04.2020].

A decrease in the role of the Mejlis in the new Iranian political reality can be demonstrated by the legislative crisis in March 2020, when the Mejlis could not pass a budget law because NHCC had banned its session using the spread of coronavirus as a pretext. After numerous appeals from the Speaker to the Supreme Leader, the session was convened in the videoconference format [Marzieh Tofighi Darian, 12.03.2021].

²⁹ Minu Mohraz nazar āyatalla Xāmeneyi dar bāre-ye vāksan-e koronā ra radd kard [کرد رد را کرونا واکسن درباره ای خامنه‌شاه آیتا نظر محرز مینو]. Mino Mahrez rejected Ayatollah Khamenei's opinion about corona vaccine // BBC, January 19, 2021. URL: <https://www.bbc.com/persian/iran-55694318> (date of access: 12.06.2021).

A significant role in stabilizing the situation with the pandemic and the socio-political agenda was played by military and paramilitary formations. In March 2020, the Supreme Leader instructed General Mohammad Baqeri, Chief of the joint staff of the Iranian Army to establish and operate the Imam Reza Health and Medical Treatment Headquarters in order to open some 1,000 hospitals to combat COVID-19³⁰. The IRGC and the Basij were entrusted with huge tasks, from monitoring compliance with the quarantine measures and combating misinformation to disinfecting public areas. In many ways, the functions of the military overlapped with those of the public institutions, which led to inevitable conflicts. However, the Supreme Leader was able to build a parallel structure with supreme authority, independent from civil institutions, in combatting the pandemic.

Conclusion

As part of the current situation, the Iranian regime uses anti-pandemic measures to strengthen the top-down governance using anti-pandemic measures as a pretext. It means gradually ousting civilian leadership from resolving the most pressing issues, and increasing control over the mass media. Arguably, the consolidation of a society tired of unfulfilled promises and of the confrontation with the “Great Satan”, is possible only as part of the fight against the external threats like, for instance, the COVID-19 pandemic. The conservative elites have a free hand to suppress the remaining liberal-minded politicians and the press. The Iranian regime is militarizing and increasing its resistance to external and internal threats. Although effective in a short-term perspective, this policy preserves rather than eliminates economic, social, and political tensions in the country.

³⁰ Khamenei’s Military Man To ‘Empty Roads’ As Iran’s Coronavirus Cases Top 11,000 // Radio Farda, March 13 2020. URL: <https://en.radiofarda.com/a/khamenei-s-military-man-to-empty-roads-as-iran-s-coronavirus-cases-top-11-000/30486150.html> (date of access: 12.06.2021).

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Extesāsi - Ruhāni: Agar fu'aliyathā-ye eqtesādi rā motavaqqef konim, 30 miliyun gorosne be xiyābān miāyand. [روحانی - اختصاصی] های فعالیت اگر متوقف را اقتصادی ۳۰ میلیون به خیابان می آید. Exclusive — Rouhani: If we stop economic activities, 30 million hungry people will come to the streets // Iran International, April 16 2020. URL: <https://old.iranintl.com/%D8%A7%D9%8A%D8%B1%D8%A7%D9%86/%D8%A7%D8%AE%D8%AA%D8%B5%D8%A7%D8%B5%DB%8C-%D8%B1%D9%88%D8%AD%D8%A7%D9%86%DB%8C%E2%80%8C-%D8%A7%DA%AF%D8%B1-%D9%81%D8%B9%D8%A7%D9%84%DB%8C%D8%AA%E2%80%8C%D9%87%D8%A7%DB%8C-%D8%A7%D9%82%D8%AA%D8%B5%D8%A7%D8%AF%DB%8C-%D8%B1%D8%A7-%D9%85%D8%AA%D9%88%D9%82%D9%81-%DA%A9%D9%86%DB%8C%D9%85%D8%8C%DB%B3%DB%B0-%D9%85%DB%8C%D9%84%DB%8C%D9%88%D9%86-%DA%AF%D8%B1%D8%B3%D9%86%D9%87-%D8%A8%D9%87-%D8%AE%DB%8C%D8%A7%D8%A8%D8-%A7%D9%86-%D9%85%DB%8C%E2%80%8C%D8%A2%DB%8C%D9%86%D8%AF> (in Persian).

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Clean Energy in the Arab Countries

The Arab countries have adopted a course towards developing a low-carbon economy as part of the sustainable development (SD) strategy. To date, some results have been remarkable. However, those countries are not homogeneous in socio-economic and political terms. Because of this, they adopted a differentiated approach to the implementation of SD programs and to low-carbon development strategies. Moreover, the terms “green economy”, “clean energy sources” etc. are interpreted differently in the Arab region, embracing solar, wind and hydro energy sources, as well as the development of nuclear energy.

The paper³¹ demonstrates broad differences in the SDG agendas of the Arab countries. It explores the scale of the changes and dynamics of the indicators with relevance to green economy related parameters. Specifically, owing to economic growth transformation paradigm, some Arab countries have achieved considerable success in the field of using high-tech renewable energy sources, while neighboring states still use archaic methods of energy production.

Keywords: *sustainable development, Arab countries, SDGs, green economy, low-on development, decarbonization.*

Introduction

A differentiation of Arab countries in the context of their transition to sustainable development is evidenced by the development of “green” or “clean” energy. With several similarities as well as differences, the Arab countries’ SD transition plans and strategies may have different priorities due to unequal starting points and wide

³¹ Support to the preparing of this article from the Faculty of World Economy and International Affairs at HSE University is gratefully acknowledged.

variations in their values. The key socioeconomic characteristics of the countries in the region vary considerably. Between 2000 and 2019, the regional averages of the indicators were not reliable, as they did not grasp the entire population of Arab countries (the coefficient of variation exceeds 1). This required different approaches and methods of comparative analysis and a selection of clusters of the Arab countries due to high heterogeneity and uneven development of the Arab world at the beginning of the 21st century.

Methodology

A multifactor clustering of the entire array of states under study to identify groups (clusters) in the context of the transition to SD was made. According to the results of the analysis, four cluster groups were identified as: “green”, “blue”, “yellow” and “red”.

The “green” cluster (Bahrain, Qatar, Kuwait, Oman, UAE, Saudi Arabia) are the most developed oil and gas producing Arab countries, paying relatively little attention to the environmental agenda of sustainable development, and actively developing social projects. The “blue” group (Algeria, Egypt, Jordan, Lebanon, Morocco, Tunisia) is characterized by limited own hydrocarbon resources, which incentivizes them to develop “green” energy. The “yellow” cluster (Djibouti, Mauritania, Sudan) consists of the most backward representatives of the region with the least pronounced progress in achieving SD, while the “red” group (Iraq, Yemen, Libya, Syria) are experiencing military and political conflicts, which makes achieving peace their absolute priority.

At the same time, a few Arab countries of the “green” cluster declare their readiness to switch to “clean” energy sources, as their elites actively support the development of renewable energy sources, even though their actual commitment to fossil fuels in the fuel and energy sector remains in place. For the countries of the “blue” and “yellow” clusters that do not possess their own hydrocarbon resources, green energy is of significant help and, to some extent, a least-evil solution.

Nevertheless, there is an extremely archaic and even primitive form of RES energy production in the “yellow” cluster countries by

burning biomass energy (for instance, wood, household waste and dung). In contrast, the countries of the “blue” cluster actively resort to the assistance of Western funds and develop technologically advanced types of RES using solar and wind energy. This necessitates tracing the specificity of the low-carbon development strategies in the realities of the East in their archaic and modern formats.

The Development of Low-Carbon Strategies in the MENA Region

The development of clean (green) energy generation projects plays an important role in building green economy and, to some extent, is present in all the cluster groups outlined above. The International Energy Agency estimates that low-carbon development strategies will be “measures to improve energy efficiency and reduce global greenhouse gas emissions by 40% by 2050” [Safonov, 2016. P. 2]. The Arab countries mainly use fossil fuels for energy production, which contributes to an increase in greenhouse gas emissions and creates additional pressure on the natural environment. The World Energy Council predicts that electricity consumption in the Middle East will increase from 81% to 114% between 2010 and 2050 [Konukhov, Khalil, Khlopkov, Chekina, Erdurmaz, Taysir Al-Hunaisi, 2016], which will entail additional environmental risks. Currently, Saudi Arabia, for example, generates about 43% of its electricity from natural gas and the remaining 57% from oil and petroleum products³². In the UAE, 97% of electricity is generated by burning gas; in Egypt, 70% comes from gas and 20% from oil and only 10% comes from hydropower and other renewables³³.

At the same time, the level of environmental impact of energy on the environment (ecological footprint) in the MENA region is 1.3 hectares per person. It is formed mainly by the hydrocarbon

³² BP Statistical Review of World Energy // BP, 2020. URL: <https://www.bp.com/en/global/corporate/energy-economics/statistical-review-of-world-energy/downloads.html> (date of access: 29.06.2022).

³³ Egypt. Total Petroleum and other liquids production 2016 // U.S. Energy Administration Data. URL: <http://www.eia.gov/countries/cab.cfm?fips=eg> (date of access: 29.06.2022).

footprint (equal also to 1.3 hectares per person). For Saudi Arabia, these figures are 3.5 and 3.47 hectares per person respectively. In the UAE, they are 8.5 and 8.5 hectares per person respectively, which is more than seven times of the global average³⁴. Consequently, the use of fossil fuels forms almost the entire ecological footprint in the countries of the region.

In terms of the share of RES in power generation, the leaders are the **“yellow” cluster countries** (Sudan — 45%, Mauritania — 28%), followed by selected representatives of the “blue” group — Morocco and Egypt (20% and 10%, respectively). In the remaining countries, the figure is ≤3%. However, green” energy is developing faster in the “green” cluster countries. In 2019, the record growth was demonstrated by Saudi Arabia — 367%. At the same time, the growth in the previous eight years (2008—2018) was 90.4%. In 2019, the UAE and Kuwait experienced high growth rates, with a one-year increase in wind power generation of 216% and 92%, respectively³⁵. Those results were achieved mainly due to an increase in solar power capacity and initial low rates of RES generation.

The trend for the development of green energy in those countries is due to natural and climatic conditions, namely a high level of insolation and many sunny days in the year, as well as a need to reduce carbon dioxide emissions into the atmosphere and an availability of sufficient financial opportunities.

The most coherent and comprehensive low-carbon development strategies are implemented in the UAE and Saudi Arabia. Those countries have not limited themselves to producing individual documents or carrying out pilot projects, but have elaborated on long-term strategies for the development of green energy. According to Saudi Arabia’s “Clean Energy” strategy, by 2030 the share of “green” energy sources in the country’s fuel and energy complex will reach 50% (in 2015, this indicator was equal to zero). Simultaneously, the

³⁴ Global footprint // European Environment Agency. URL: https://www.eea.europa.eu/highlights/Ann1132753060/Global_footprint_data.xls (date of access: 09.06.2022).

³⁵ BP Statistical Review of World Energy // BP, 2020. URL: <https://www.bp.com/en/global/corporate/energy-economics/statistical-review-of-world-energy/downloads.html> (date of access: 29.06.2022).

Kingdom aims to achieve carbon neutrality (to reduce carbon dioxide emissions to zero) by 2060. The Kingdom's Public Investment Fund (PIF) will provide 70% of necessary financial allocations, and another 30% will be attracted through private investment [Kiyasseh, 2022]. In addition, the 300 MW Sakaka PV solar power plant was launched in 2021. This is the country's first industrial RES project under the National Renewable Energy Program³⁶.

As for the UAE, it has ambitious plans to switch to solar power generation, actively developing renewable energy projects. Since 2015, the country has been performing the Dubai Clean Energy Strategy. By 2030 Dubai plans to cover its electricity needs with solar power (25%), nuclear power (7%), clean coal (7%) and gas (61%), while by 2050, it aims to cover 75% of its electricity needs with clean sources and become a global center of RES and green economy. Among the priority renewable energy projects, Mohammed Bin Rashid Al Maktoum Solar Park deserves mentioning. The park is expected to become the world's largest solar power producer with the total capacity of 5,000 MW by 2030, which requires fifty billion UAE dirhams of investment. To finance clean energy projects, there are also plans to create the Dubai Green Fund with 100 billion UAE dirhams of charter capital.

Perhaps, the representatives of the "blue" cluster (Egypt, Tunisia, and Morocco) exemplify greater interest in renewable energy projects: For those countries, similar projects are an objective necessity due to a significant volume of imports in expensive energy resources. In this group, both solar and wind power generation capacity increased (in Egypt, the growth of wind power generation accounted for 37.5%, and solar power generation for 143.4%, while Morocco the figures are 22.4% and 66.4%, respectively). For example, to date Morocco has had problems with electrification of the country.

One of the sources of funding for solar energy projects is the Desertec-Foundation. Its technological and financial pillar consists of «scientists from the German Center for Aerospace Research

³⁶ A Sustainable Saudi Vision 2030 // Saudia Arabia government. URL: <https://www.vision2030.gov.sa/v2030/a-sustainable-saudi-vision/> (date of access: 22.06.2022).

(Deutsches Zentrum für Luft- und Raumfahrt) <...> German energy companies like E.ON and RWE, technology giants Siemens and Bosch, the financial conglomerate Deutsche Bank and the large insurance company Münchener Rück (Munich Re)³⁷. Its His mission statement is: “Developing regions urgently need clean and reliable energy as a basis for prosperity, food production and drinking water. At the same time, we can accelerate the rich world’s energy revolution with energy imports from desert regions”³⁸. However, “the late start and reactive nature of the corporate energy bloc management system initially constituted the reasons for the low bottom line of Arab advances in alternative energy” [Filonik, Isaev, Morozov, 2018], although they demonstrate high growth rates in these areas.

Hydropower also competes with traditional sources of energy generation in some countries of this cluster. It has become typical for the “blue” cluster countries, Algeria, Egypt, and Morocco, that have hydroelectric power plants and water resources. At the same time, the largest surface water resources are the Euphrates — Tigris — Shatt El-Arab River basins, the Nile and the Jordan. Hydropower is used for energy production in Algeria and Morocco. Egypt produces three million tons in oil equivalent³⁹. Algeria has doubled its hydropower capacity. Egypt’s hydropower capacity remained at the same level, while Morocco reduced its hydropower generation by 24%.

Nevertheless, the region encounters serious constraints in hydropower development. A significant obstacle is a projected increase in demand for fresh water, as well as a threefold or more increase in desalination capacity over the next 20 years. In addition, the problem of water management is extremely acute and presents a potential source of conflict.

As for the *red cluster countries*, their priorities primarily focus on stabilizing the internal economic and political situation rather than

³⁷ Desertec. DW. URL: <https://p.dw.com/p/191k9> (date of access: 29.06.2022).

³⁸ DESERTEC: Sustainable Wealth for Every Human on Earth // DESERTEC Foundation. URL: www.desertec.org (date of access: 29.06.2022).

³⁹ BP Statistical Review of World Energy // BP, 2020. URL: <https://www.bp.com/en/global/corporate/energy-economics/statistical-review-of-world-energy/downloads.html> (date of access: 29.06.2022).

on developing green energy. Nevertheless, Iraq has a track record in this area. The country generates hydropower and even increased its production capacity by 28% between 2018 and 2019. Nevertheless, the development of this group of countries is mostly inertia-driven.

Concerning the countries in the “*yellow*” group, the situation is rather curious. Possessing considerably fewer financial resources for developing renewable energy (compared to the “green” and the “blue” cluster), the share of their use accounts for an unprecedented 45% in the fuel and energy complex in Sudan and 28% in Mauritania⁴⁰.

The structure of renewable energy use in the countries analyzed above is presented in Diagrams 1—3:

Table 1

Sudan, Mauritania, and Djibouti. Structure of energy generation by RES

Country	Hydropower (%)	Solar power (%)	Wind power (%)	Biomass power (%)
Djibuty	0	0	0	100
Mauritania	0	3	2	95
Sudan	14	—	—	86

Calculated and compiled from [IRENA, 2022].

In the countries of this group, there is evident predominance of biomass energy. Given a lower level of economic development, these countries have a correspondingly more specific and low-tech instruments of developing “green” energy. Thus, in the “yellow” cluster RES-related progress is problematic, although formal RES-related figures are relatively high.

In the early 2010s, several Arab countries announced their plans to develop nuclear power as an alternative source of generating electricity. Importantly, the regional states have not yet had relevant experience. Iran was the first country in the Middle East to launch a nuclear power unit in September 2011. Notably, there is a motivating factor of political competition in this field due to the on-going develop-

⁴⁰ Country Energy Profile // IRENA. URL: <https://www.irena.org/Statistics/Statistical-Profiles/> (date of access: 22.06.2022).

ment of nuclear programs in the neighboring non-Arab countries — Iran and Turkey — that began to outpace the Arab countries.

The UAE, Saudi Arabia, Jordan, and Egypt demonstrate growing interest in developing the nuclear component of their fuel and energy complexes. The UAE aims to build small-capacity reactors. Those countries are building physical and institutional infrastructure with the support of the United States and the Korean company KEPCO. At the same time, the project to construct four nuclear units of the El Dabaa NPP in Egypt’s Matrouh region is implemented by the Egyptian government and the Russian corporation Rosatom. The Egyptian NPP is scheduled for commissioning in 2026. The cost of the project is USD 21 billion, and its total capacity is 2,000 MW.

Conclusion

The cluster differentiation of the Arab countries in the process of their transition to SD and “green” energy reveals that there is a leading group from the perspective of the tempo of development and exploration of clean energy (the “green” cluster). This group has political ambitions to develop RES and financial resources to produce or purchase appropriate technologies. Meanwhile, this group encounters high environment-related risks due to significant consumption of cheap hydrocarbons. Nevertheless, this group has low indicators of green energy development (1.04% of total electricity production).

Group Two (which belongs to the “blue” cluster) has fewer financial resources than the first group. At the same time, it imports hydrocarbons, which makes RES a useful instrument of their socio-economic development. At the same time, their average share in the fuel and energy complex accounts for 10.2%, which is almost 10 times higher than an average indicator in the “green” group countries.

The foundations of the “green” economy in some countries of the “red” cluster (e.g., hydropower in Iraq) were laid before the military and political situation deteriorated, and function mostly by inertia. There are no RES development projects. As for the “yellow” cluster, which is the most economically underdeveloped, despite a high share of RES in their fuel and energy complexes, it is provided by burning

biomass energy as about a quarter of electricity production⁴¹. In light of this, low-carbon development strategies reveal an ambiguity of the application of Western approaches in Eastern realities.

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⁴¹ BP Statistical Review of World Energy // BP, 2020. URL: <https://www.bp.com/en/global/corporate/energy-economics/statistical-review-of-world-energy/downloads.html> (date of access: 29.06.2022).

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Tatiana Kolesnikova

The Impact of the US-China Economic Confrontation and the COVID-19 Pandemic on the PRC's Protectionist Policies

The chapter examines the impact of the US-China economic standoff and the COVID-19 pandemic on China's evolving protectionist policies. Using protective measures to ensure rapid economic growth, China has reached a position in the global economy where its further economic development and increased participation in the global economy began to be assessed by the United States as a threat to its national security. The chapter analyzes the interim results of the US-China economic confrontation. In response to American actions, China has taken steps that can be regarded as tactical and strategic measures. The author focuses mainly on the strategic measures. The Chinese government's strategic decisions aim to reduce the PRC's dependence on developed economies, primarily on the United States.

The chapter also focuses on the challenges to China's economy that originate from the pandemic-related restrictions. Based on the analysis of management decisions to regulate foreign trade and domestic production, as well as of the dynamics of China's export structure, the author assesses the degree of protectionism in the PRC's development. The PRC's protectionist policy is determined to correspond to the traditional ideas of mercantilists about economic development and the construction of foreign economic policy.

Keywords: *PRC, US, protectionism, trade war, COVID-19 pandemic.*

Introduction

Among the external challenges which China's economy is facing, restrictive economic actions imposed by the United States and the generated by COVID-19 pandemic are of special note. In response to these challenges, China is taking protectionist decisions aimed at ensuring the country's economic security and the sustainability of its economic development.

Methodology

In the chapter, protectionism is understood as a policy of economic development with reliance on domestic potential, a decrease of dependence on imports, and an increase of exports. This interpretation is close to the traditional understanding within the framework of mercantilist theory, which allows drawing substantiated theoretical conclusions.

The study identifies two factors affecting the transformation of the use of protectionist instruments in regulating the PRC's foreign economic activity: economic confrontation with the United States and the COVID-19 pandemic. An analysis of those factors makes it possible to specify their influence on the PRC's main sustainable economic growth-related decisions. As the issue extends beyond the trade dimension, the paper uses the terms “economic war” and “economic confrontation” alongside with the well-established term “trade war”.

From a methodological perspective, two aspects bear special relevance: investment (including technology), and trade. This allows assessing the key areas of the US-China economic relations. The part focusing on the pandemic correlates the changes in the external environment with the PRC's development programs. In general, the study applies methods of chronological analysis to consider the changes in the international economic context, methods of structural-functional analysis to reflect on the changes in the US-China bilateral investment and trade. To formulate conclusions arising from the foregoing analysis, the inductive method is used.

The Impact of Sino-American Economic Relations on Protectionism in China

The US-China economic war has been addressed by many researchers. K. Friis and O. Lysne examine the issue from a digital security perspective [Friis, Lysne, 2021. P. 1174—1195]. D. Steinberg and Yeling Tan explore the extent to which the proclaimed and implemented protectionist measures enjoy support from the American and the Chinese citizens [Steinberg, Tan Ye., 2022].

In her article which focuses on the impact of the US protectionist policies on the international economy, K. O. Chudinova identifies the role of the US as a trigger in reducing international trade turnover and making the countries turn towards protecting their economic interests [Chudinova, 2019. P. 65—82]. In contrast, A. V. Lipatnikova argues that the main cause of the Sino-US trade war is technological competition. The author highlights the 2015 PRC Program “Made in China — 2025” aimed at developing national industries related to computer technologies, which has led to the US increased apprehensions about China’s dominance in the technological field [Lipatnikova, 2018. P. 232—234].

The article by A. I. Salitcky and N. K. Semenova thoroughly explores China’s and the US’ approaches to the economic conflict. The US instruments of trade war are described in detail among which arbitrary imposition and abolition of customs barriers, as well as banning the export of key technologies, are the most important [Salitcky, Semenova, 2019. P. 60—72].

In his paper, S.S. Dmitriev highlights the geo-economic and geopolitical goals of the parties in the trade war. The author notes the US’ intention “to keep the status of a global leader by any means” [Dmitriev, 2020. P. 70—77] by urging a “technological boycott” of the PRC from both the States and its partners. In his turn, S. G. Luzyanin scrutinizes China’s aim to reduce the dependence of its economy on supplies of American high-tech products by developing national technologically-advanced products, strengthening the PRC’s military-industrial complex and building reliable foreign trade channels with the countries participating in the Belt and Road Initiative. [Luzyanin, 2021. P. 97—107].

The above-mentioned studies contribute significantly to identifying the causes, trends and prospects of the US-China economic confrontation. At the same time, the PRC’s economic protectionism in the context of the Sino-US trade war requires further elaboration.

Importantly, China is actively employing protectionist instruments to secure its infant industries (automobiles, solar panels, alternative energy, ICT) with tariff methods and production subsidies. The “Made in China 2025” program, the goal of which is import substitution, also relies on protectionism. By balancing protection-

ist and liberal measures in its foreign trade, China has achieved rapid economic development within a relatively short period. As the world's second largest economy by GDP underpinned by other substantial resources, Beijing shapes the development of the global economy.

The US President Donald Trump, who proclaimed a trade war, was guided by two interrelated postulates. Firstly, dependence on China was declared a threat to the US national security. Secondly, no less serious threat is seen in China's bid for global dominance. As a result, Washington has two goals in the trade war: to reduce its dependence on China and not to allow the PRC to lead the world economy.

The U.S. accusations against the PRC fall into several groups:

1. In the sphere of product supplies from China: dumping in foreign markets, subsidization of export-oriented production. The most striking cases are claims against China's export quotas on rare-earth metals, and subsidies to the automotive industry, tire and steel production [Razintseva, 17.09.2012].

2. Regarding an access of American goods to the Chinese market: inter alia, by imposing high import duties on vehicles from developed countries, including the US, China accelerated the development of its emerging automobile industry.

3. In the area of technology and investment: Chinese companies invest in the US businesses in order to obtain advanced technology and acquire intellectual property, use cyber attacks to illegally access commercial information.

An additional threat to the U.S. and other developed countries is the ongoing redistribution of markets for high-tech goods and services. The "Made in China 2025" program announced by the PRC in 2015 is implemented in order to replace imports of high-tech products with Chinese production. Goods and services produced by Chinese companies must not only meet domestic demand, but also be in demand in the international market as an alternative to the products made in the US and other developed economies. At the same time, China's partnership with the BRI partner states makes it possible to predict an increase of economic cooperation along the BRI routes.

The U.S.-China trade deal concluded in the early 2020 was foreseen to scale back already imposed duties on imports of Chinese goods in the amount of \$360 billion, as well as to reduce the trade imbalance by increasing imports of American products to China (including the purchase of \$50 billion worth of U.S. agricultural products in 2020). The key condition for the trade deal was to prevent the renminbi depreciation, as it could devalue the agreements reached on tariff rates and trade volumes. The RMB exchange rate has not changed much from 2018 to 2022, although there have been three periods of multidirectional dynamics. In the first period, the exchange rate depreciated from 6.5 RMB per \$1 in January 2018 to 7.1 in May 2020. The second period saw a strengthening to 6.3 RMB per \$1 by the end of March 2022. In the third one, there was a drop to 7.1 RMB per \$1 in April 2022, which stabilized at 6.7 RMB per \$1 in summer 2022⁴². Consequently, the contribution of the RMB exchange rate to the price competitiveness of Chinese goods abroad is still significant.

The intermediate results of the economic confrontation can be traced in the areas of investment and trade.

Reduced foreign direct investment, mostly from the Chinese side. Mutual capital investment between the U.S. and the PRC decreased from 2016 to 2020 by 75% overall (Figure 1), and by 96% in the high-tech sector.

Investments from China decreased to a greater extent — by 85% (in 2016, the amount of Chinese investment in the U.S. was about \$50 billion; in 2020, it was only \$7.2 billion), while American investment in the PRC decreased by 38% (to \$8.7 billion) [Cheng Ting-Fang, Lauly Li, 20.09.2021]. A significant reduction in the inflow of China's capital is due to tightened US investment laws, a suspension of Chinese investment in American technological start-ups, which has turned into a problem of finding alternative sources of raising capital for American firms [Dmitriev, 2020. P. 72].

No significant effect on the trade balance. Despite the terms of the trade deal, specifically, an increase in China's purchase of American goods and services, the US trade deficit has not declined (Figure 2).

⁴² Xe Currency Charts Review historical currency rates URL: <https://www.xe.com/currencycharts/> (date of access: 31.07.2022).

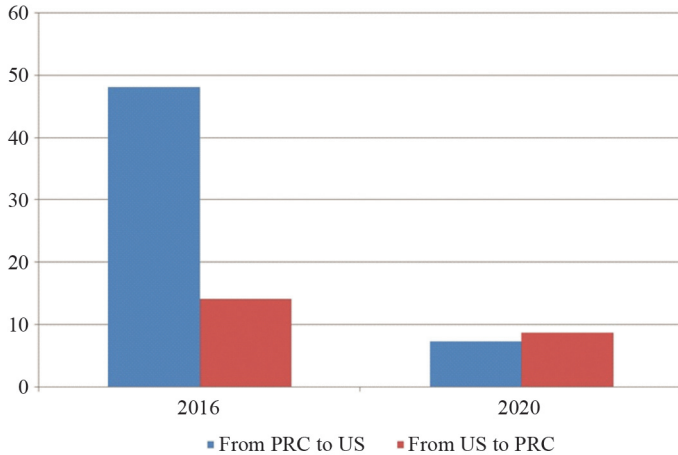


Figure 1. U.S.-China Bilateral Direct Investment, \$ billion

Compiled and calculated by: Nikkei Asian
[Cheng Ting-Fang, Lauly Li, 20.09.2021].



Figure 2. China-US trade performance, \$ billion.

Compiled and calculated by: *China Statistical Yearbook 2021*⁴³

⁴³ China Statistical Yearbook 2021. URL: <http://www.stats.gov.cn/tjsj/ndsj/2021/indexeh.htm> (date of access: 31.07.2022).

As the US deficit in the US-China trade remains huge, it generates apprehensions in Washington. At the end of 2021, China was unable to fully meet the terms of the agreement on the purchase of the US goods. In particular, imports of the US agricultural products did not reach the planned \$14 billion [Lakstygai, 07.02.2022]. The reason stemmed from the pandemic-related restrictions, as well as the PRC's emphasis on domestic production.

In sum, both China and the US use a variety of protectionist instruments, including tariff and non-tariff restrictions, production subsidies, administrative barriers for goods, services and capital to gain an access to the market. Both Beijing and Washington have their own "black lists" of companies whose activities are considered threatening national economic interests. A peculiar feature of the economic war was the predominance of protectionist measures in the field of investment and technology over the trade sphere.

The PRC's Protectionism amidst the COVID-19 Pandemic

As pandemic-related measures have been implemented across the world, they resulted in closed borders and restricted industrial activities, including GVC-related ones, to mention just a few after-effects. Remarkably, China was among few countries whose GDP increased (although the growth rates were the lowest in decades).

The impact of the pandemic on international trade relations and the anti-COVID-19 measures implemented by the PRC have been a hot topic in expert discussions [see, for instance, Hu, 2021. P. 67—69; Hu, 2022. P. 221—223]. The changes in China's macroeconomic indicators amidst the pandemic were behind M. Feng's argument about stability and high growth potential of Chinese economic competitiveness [Feng, 2021. P. 46—54]. In his article, V. Y. Dodonov asserts that China is strengthening its global supremacy due to Beijing's efficient anti-COVID-19 policy [Dodonov, 2022. P. 170—190]. V. L. Erohin notes that China is successfully overcoming major pandemic-related challenges, although main risks to long-term sustainability of China's economy should not be neglected [Erohin, 2021. P. 5—16].

Arguably, the pandemic-related restrictions prevented China from meeting all the terms of the 2020 deal, specifically, to increase the US imports of goods and services by \$200 billion in 2020—2021[Nevelskiy, 07.05.2022]. Revealingly, the PRC’s regulation of foreign trade during the pandemic was one of the toughest in the world. The policy of “zero tolerance to COVID-19” affected imports and exports.

A narrow spectrum of foreign trade opportunities has catalyzed changes in the government economic policy. The aim to create China’s unified domestic market was declared in 2022 [Cheng Yu, 13.06.2022]. This decision has two goals: to increase the security of the PRC’s domestic market by means of accelerating domestic production, especially in technologically advanced sectors, and to strengthen the international competitiveness of the PRC’s economy by increasing the share of the added value in China’s exports.

According to UNCTAD’s Statistics, China’s total exports grew by 60.3% in 5 years (from 2016 to 2021). Its structure is dominated by high technology manufacturing that accounts for more than 33% over the entire period. An increase in the share of exports of medium technology manufactures at the expense of a decrease in exports of low technology products is another conspicuous feature. The following groups of goods demonstrated above-average growth rates: vehicles, including their components (by 102.7%), medical and pharmaceutical products (by 411%)⁴⁴. Healthcare-related exports increased due to supplies of vaccines and other medical equipment.

Lifting barriers in order to intensify the movement of goods, services, capital and labor resources within the country have ample chances to reduce production costs. Thus, conditions are created to meet domestic demand on the part of domestic supply and to reduce import dependence. The commodity structure, changed by an increase in the share of high-tech products will have a commensurate export-related impact, especially, as the BRI gains traction. If so, further reinforcement of the PRC’s protectionist policy can be expected.

⁴⁴ UNCTAD Statistics. URL: <https://unctad.org/statistics> (date of access: 31.07.2022).

Conclusion

The paper demonstrates that the protectionist component in economic regulations has ensured the development of the People's Republic of China. It is exemplified by supporting the emerging industries, for instance, the automotive industry. A rapid growth of China's economy and its commercial presence around the world are regarded by the US and its allies as a threat to their national security, as well as increased competition in international markets. The US economic restrictions and China's retaliatory measures have resulted in a significant decrease in mutual investment, although with very limited effect on the US-China bilateral trade. At the same time, the US economic pressure stimulates an acceleration of the PRC's import-substitution policy aimed at reducing China's dependence on imports of goods, services and technology from developed countries.

The pandemic-related crisis in the production sphere, international trade and logistics, as well as the implementation of strict policies to limit the spread of coronavirus infection ("Zero tolerance for COVID-19"), has reinforced this trend. China's domestic market program aims to increase the national production capacity by removing barriers and reducing costs. An establishment of unified conditions for entrepreneurship and exports might be a good option. This corresponds to the mercantilist theory, according to which these goals determine the motives and actions of the country in international economic relations.

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The ASEAN-Led Multilateral Venues and the South China Sea Issue: the Asia-Pacific SLOC Security Connection

The chapter explores the ASEAN-led multilateral security mechanisms in synergy with the South China Sea (SCS) issue, including its sea lanes of communication (SLOC) security dimension. Specifically, main imbalances in the ASEAN Regional Forum (the ARF), the ASEAN Defence Ministers Meeting Plus Eight (the ADMM+8) and the East Asia Summit (the EAS) have been explored. Addressing the Code of Conduct of Parties in the South China Sea (COC), the paper reveals factors which undermine negotiations between China and ASEAN substantiating them with a relevant historical retrospect. Finally, the paper turns to the verdict issued by the Permanent Court of Arbitration (the PCA) and analyses it from an instrumental perspective, namely, the potential of global instruments to influence on the South China Sea issue and, by extension, on the SLOC security in the Asia-Pacific region. The paper argues that neither regional nor global instruments have sufficient potential to shape the South China Sea issue, which has a negative aftereffect on the Asia-Pacific maritime security including its SLOC dimension.

Finally, an overview is given of the recent events that have contributed at various times to the fading and inflaming of the conflict in the South China Sea, as well as their potential role in the future process of resolving the dispute. The escalation of confrontation between the USA and the PRC, the world's major powers, has a projection on the relations with countries in the Asia-Pacific region and beyond, which reflects a structural crisis of regional security architecture.

Keywords: *Indo-Pacific, China, US, maritime security, SLOC.*

Introduction

The present international situation in the Asia-Pacific region is in a state of flux. Among the key security challenges the region is

encountering, those related to maritime security are prominent. In light of this, to trace the evolution of the South China Sea issue in synergy with the Asia-Pacific maritime security narrative, including the impact that the issue makes on the sea lanes of communication (SLOC) is a timely and relevant exercise.

Methodology

The chapter employs a variety of methods which are synergized to make research detailed and comprehensive. Among them, the narrative method and the historical-genetic method are used while tracing a shift from negotiating the Code of Conduct of Parties in the South China Sea to the Declaration on Conduct of Parties in the South China Sea signed by ASEAN and China in 2002. Exploring ASEAN-led multilateral dialogue formats, the system method and the structural method are employed. Concerning the aftereffects of the decision of the Permanent Court of Arbitration, components of the cognitive mapping and the content analysis are adopted.

The ASEAN-led Multilateral Venues: Policy Actions and Results

Since the end of the Cold War, the Asia-Pacific region has gone through a profound transformation. At its core, ASEAN-led multilateral dialogue venues (the East Asia Summit, the ASEAN Regional Forum and the ASEAN Defense Ministers Meeting) bear special significance, as, both collectively and individually, they provided their participants with a neutral and inclusive agenda of cooperation.

Among the ASEAN-led multilateral mechanisms, the ASEAN Regional Forum has played an important, in many respects a pivotal, role. Established in the early 1990s (the ARF's first session was convened in 1994), the Forum marked the beginning of ASEAN-led cooperative security system. Later on, the association established the East Asia Summit and the ASEAN Defense Ministers Meeting Plus Eight (in 2005 and 2010 respectively). Collectively, they form the ASEAN-led discussions on pressing Asia-Pacific security issues based on the consensual approach.

Assessing main results of the ASEAN-led cooperative security, the following points are worthy of note. On the one hand, it deserves strong criticism, as no security issue raised and discussed at those

multilateral venues has been resolved. More than that, those discussions have not contributed to decreasing contradictions between China and the US, Japan and China, China and India etc. On the other hand, what this system has been emphasizing since its establishment is confidence building — something the region (as well as the whole world) desperately lacks.

The on-going trends make any progress in upgrading the ARF, the ADMM+8 and the EAS highly problematic. The reason is obvious, as ASEAN (and, by implication, the ASEAN-led multilateral dialogue platforms) are stuck not only between China and the US (this factor alone is troublesome), but also between their mega-projects — the Belt and Road (BRI) and the Indo-Pacific Region (the IPR) respectively.

After the establishment of the military block AUKUS China-US contradictions embraced the nuclear weapons field. Arguably, this factor is detrimental to ASEAN's positions as the “driving force” of the ARF, the ADMM+8 and the EAS, as the association is torn apart by its dialogue partners (ASEAN Foreign Ministers' inability to issue the final declaration due to disagreements about the South China Sea issue is a good case in point).

The South China Sea issue deserves special attention, as it is closely connected with the Quadrilateral Security Dialogue (Quad) that has initially been and remains focused on the anti-Chinese agenda. At present, the South China Sea issue and the Taiwan issue are closely interrelated⁴⁵. The US' focus on China is a serious regional security challenge, at Washington reorganizes the regional playing field, which increases the confrontational component in relations between China and its Asia-Pacific neighbors. Remarkably, the Quad develops a constantly broadening agenda that includes, apart from maritime security issues, cyberspace, climate change issues, logistics etc. Since May 2022, the Indo-Pacific initiative is supplemented by the agreement Indo-Pacific Economic Framework for Prosperity (IPEF), which marks another US attempt to take the initiative from China (although its success is far from guaranteed).

⁴⁵ 2022 National Defence Strategy of the United States of America // U.S. Department of Defence. URL: <https://www.defense.gov/National-Defense-Strategy/> (date of access: 06.11.2022).

The US is trying to offer ASEAN additional incentives. To exemplify, on May 12—13, 2022, at the U.S.-ASEAN Special Summit in Washington, Washington stressed its commitment to ASEAN’s centrality, as well as to the ASEAN Outlook on the Indo-Pacific. In an effort to bring Additionally, Washington announced \$60 million allocated for regional maritime security initiatives⁴⁶. Notably, Washington emphasized the promotion of Maritime Domain Awareness (MDA) and the importance of ASEAN-U.S. collaboration in information sharing, joint operations and multinational cooperation in space-based MDA technology⁴⁷.

After the visit of Secretary Blinken to Cambodia on August 3—5 to the ASEAN-U.S. Ministerial Meeting, Washington announced a plan to sign the U.S.-ASEAN Comprehensive Strategic Partnership⁴⁸. Since the institutional upgrade in 2015 to the level of strategic partnership under the presidency of B. Obama, ASEAN-U.S. have seen contradictory trends influenced on by aftereffects of China-U.S. trade war, the Free and Open Indo-Pacific (FOIP) initiative etc. Considering the forty-fifth anniversary of the U.S.-ASEAN relations, these plans are seen as intention to rectify the existing imbalances of cooperation and focus on functional areas.

Be as it may, ASEAN and its pan-regional multilateral dialogue platforms are encountering challenging times. A mainstream assessment is that ASEAN “emphasizes its unwillingness to choose between competing parties” [Heydarian, 2020. P. 4]. The extent to which ASEAN will succeed in resolving this task remains unclear.

The Code of Conduct of Parties in the South China Sea Revisited

⁴⁶ The United States — ASEAN Relationship // U.S. Mission to ASEAN, August 4, 2022. URL: <https://asean.usmission.gov/the-united-states-asean-relationship/> (date of access: 06.11.2022)

⁴⁷ United States-ASEAN Strategic Partnership // U.S. Department of State, September 9, 2020. URL: <https://2017-2021.state.gov/united-states-asean-strategic-partnership/index.html> (date of access: 06.11.2022)

⁴⁸ The United States – ASEAN Relationship // U.S. Mission to ASEAN, August 4, 2022. URL: <https://asean.usmission.gov/the-united-states-asean-relationship/> (date of access: 06.11.2022)

Since the South China Sea issue, including its SLOC component, remains a pressing security challenge, a timely exercise is to trace negotiations on the Code of Conduct of Parties in the South China Sea.

China-ASEAN Senior Officials' Meeting on the COC started in September 2013. Expectations that a final Code of Conduct for the South China Sea would be agreed upon appeared during the 37th ASEAN Summit in November 2020, when the association reaffirmed its interest in advancing steps towards the COC conclusion⁴⁹. In practice, however, important factors undermine negotiations on the COC:

- the undefined geographic scope of the disputed areas in the South China Sea;
- the legal status of the COC;
- a dispute-settlement mechanism;
- different understanding of the freedom of navigation.

To put the issue in context, in 1992 ASEAN made an attempt to develop the rules of conduct for the South China Sea dispute with an emphasis on non-use of force against the parties to the conflict⁵⁰. Subsequently, ASEAN and China developed their COC drafts, but later on negotiations stumbled, as ASEAN member states were unable to resolve their internal disagreements. As a result, the Declaration on the Conduct of Parties in the South China Sea instead of COC was signed as an interim measure.

Evidence that since 2002 the issue has been evolving in China's favor has been in overabundance. In July 2012, the association failed to issue a joint statement for the first time in ASEAN's history, mainly due to Cambodia's unwillingness to displease China. Ten years later, Cambodia as ASEAN Chair has to face a similar question, namely, how to conduct negotiations on the COC. Remarkably, ASEAN member states reveal serious differences in their approaches to the issue. As a result, despite holding several rounds of

⁴⁹ Chairman's Statement of the 37th ASEAN Summit, November 12, 2020. URL: <https://asean.org/wp-content/uploads/43-Chairmans-Statement-of-37th-ASEAN-Summit-FINAL.pdf> (date of access: 06.11.2022)

⁵⁰ ASEAN Declaration on the South China Sea, July 22, 1992. URL: <https://cil.nus.edu.sg/wp-content/uploads/2017/07/1992-ASEAN-Declaration-on-the-South-China-Sea.pdf> (date of access: 06.11.2022).

negotiations, the parties are still far from reaching a consensus on the key COC-related issues. Specifically, China rejects Vietnam's appeals to mention the 1982 UNCLOS in the COC.

Since 2013, the South China Sea issue has been further complicated precisely due to the unfolding Sino-US rivalry overlapping with controversies between China and ASEAN countries. The last several years witnessed a series of maritime incidents. Among the most prominent, the incident that took place in the Spratly islands area on February 17, 2020, when a Philippine naval ship reported that China aimed its weapons control system, deserves mentioning [Castro, 07.05.2020]. A sinking of a Vietnamese fishing boat near the Paracels and the establishment of two administrative districts in the SCS in 2020 are other cases in point [Huong Le Thu, 06.05.2020]. China-US disagreements on SCS-related issues, ranging from freedom of navigation to exploring the SCS resources, aggravate those contradictions.

In the near future, ASEAN-China negotiations on the Code of Conduct of Parties in the South China Sea are unlikely to produce results. Arguably, this is predetermined by a failure of global instruments to tackle the issue. Among those instruments the decision made by the Permanent Court of Arbitration in July 2016 warrant consideration.

The PCA Verdict and Its Aftereffects

The verdict issued by the Permanent Court of Arbitration (PCA) on the Philippines' lawsuit against China's expansionist activities across the South China Sea on 12 July 2016 is an important milestone in the history of the South China Sea issue, as well as in relations between China and ASEAN member states.

The Philippines raised issues related to the main three aspects. First, whether the PRC can appeal to its historic rights in the SCS and the U-shaped line that defines the boundaries of the Chinese claims in the dispute. The claims are outside the areas that are entitled under the 1982 UNCLOS, the convention has been ratified by the parties in the conflict. Second, whether the PRC's activity in the South China Sea violates freedom of navigation and sovereignty

rights of the Philippines. Third, whether the PRC's Exclusive Economic Zone (EEZ) violates the United Nations Convention.

The PCA did not support the PRC's claims of 80% the South China Sea waters and its historic rights. The PCA refused to qualify China's reference to the provisions of the UNCLOS Article 298 that allows any state not to accept one or more dispute resolution mechanisms in relation to maritime boundaries delimitation, military activities, activities seeking to ensure compliance with laws related to sovereign rights and historic rights.

As a result, Beijing rejected to recognize the Arbitral Tribunal final award, which was in favor of the Philippines, stressing that the ruling runs counter to the convention, as well as declared the verdict non-binding. Moreover, the PRC refused to participate in the case and declared that prefers to solve maritime disputes at bilateral level.

From a SLOC security perspective, the PCA verdict is remarkable. Its main innovative contribution is that it clarified the role of historic rights, the provisions of the 1982 Convention that denies certain types of rocks. To put it differently, the PCA award demonstrated that "islands formation" cannot be categorized as the problem of maritime zone delimitation. Also, amination. Of note is China's actions after the PCA verdict was made: the PRC published a 36 page paper on legal issues in the SCS Arbitration⁵¹.

After the verdict was made, none the claimants renounced its claims. More than that, Beijing did not synergize its U-shaped line with the UNCLOS provisions. Despite the PCA award marked the Philippines' diplomatic victory, it did not produce any instruments to influence on the issue to keep it manageable and eventually resolve.

Conclusion

Attempting to tackle the Asia-Pacific SLOC security issues, ASEAN is encountering serious challenges. The fact that the South

⁵¹ Position Paper of the Government of the People's Republic of China on the Matter of Jurisdiction in the South China Sea Arbitration Initiated by the Republic of the Philippines // Ministry of Foreign Affairs of the People's Republic of China, December 7, 2014. URL: https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/2649_665393/201412/t20141207_679387.html (date of access: 06.11.2022).

China Sea issue, with its freedom of navigation dimension, remains at the same level of complexity (despite discussions at the ARF, the ADMM+8 and the EAS) is ASEAN's serious shortcoming. Progress in the COC-related discussions is undermined by the very same factors the association encountered in the late 1990s and early 2000s, when Vietnam, the Philippines and Malaysia negotiated the ASEAN draft. As a chain effect, this negatively influences upon ASEAN's positions as the coordinator of the ARF, the ADMM+8 and the EAS.

Another challenge is more important. Arguably, the Asia-Pacific security rests on the maritime security with a clearly pronounced SLOC dimension. ASEAN's inability to make the South China Sea issue less serious should be seen in synergy with the Taiwan issue, the confrontational component of which becomes increasingly evident, as well as with no signs of improvement in relations between the Asia-Pacific most influential actors. Taken together, those factors suggest increasing vulnerability of the Asia-Pacific maritime and, more specifically, SLOC security.

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The Russian Dimension of the Indo-Pacific Narrative

The chapter analyses Russia's position on the Indo-Pacific region, its perception in the Russian expert and political communities, as well as its impact on Russia's interests. The paper offers insights into Russia's expert assessments of the Indo-Pacific region, presents mainstream points of view from a political and security perspective. The authors trace Russia's official position on the Indo-Pacific region, scrutinizing how top politicians and Russian government agencies relevant to formulating and implementing Russia's foreign policy, as well as the Foreign Policy Concept of the Russian Federation, comment on the initiative, its individual components and its likely aftereffects. Arguably, the IPR lacks a consolidating agenda of cooperation, as the IPR was initiated and further developed as an anti-China project. Accounting for the present and prospective influence China exerts upon the global politics, economy and security, it is doubtful that many countries will be eager to join the IPR. Anti-Chinese sentiments will hardly become a solid and, more importantly, long-term foundation on which a mega-project can be premised. The paper expands on previous research carried out by Russian scholars on the Indo-Pacific region. As the mainstream perception in Russia's expert and political community, the Indo-Pacific region is a groundless idea since it lacks economic, institutional and normative foundations. The authors conclude that although Russia takes the view that the Indo-Pacific region as a multilateral initiative cannot be developed on a long-term and sustainable basis, nevertheless, its potentially negative impact on Russia's interests, may be considerable.

Keywords: *Russia, Indo-Pacific region, scholar assessments, official position, implications.*

The Indo-Pacific region is a buzzword of present-day international studies. This narrative has added to the complexity and unpredictability of the processes that shape Asia's economy, politics and security, as well as carries unattended consequences for global development.

As a party that sees itself as a fully-fledged Asian actor, Russia has elaborated on its vision of the specificity of the Indo-Pacific region as a multilateral initiative. To trace the present state of Russia's approach is a timely and relevant exercise.

Methodology

The fundamental research question that the paper aims to raise is the following: why does Russia consider the Indo-Pacific region as a groundless initiative despite its global dimensions, namely, the substantial degree of influence it exerts upon present-day global politics? Responding to this question, the authors suggest the following hypothesis: in spite of the implications of the Indo-Pacific initiative for the global geopolitical landscape, and its potentially negative influence on Russia's interests, it lacks fundamental components like strong economic potential, an efficient institutional foundation and an attractive value agenda. Tracing Russia's expert assessments and official position, the authors employ selected components of the content analysis and the critical discourse analysis, while analyzing the implications of the Indo-Pacific region for Russia's interests, the system method and the structural method are used.

The Main Part

Before moving on to the views of official Moscow on the new geopolitical construct, it is necessary to trace the historical provenance of the term, which helps to explain Russia's attitude to this initiative.

The idea of the "Indo-Pacific" was introduced in the 1920s by the founder of the German school of geopolitics, Karl Haushofer [Houshofer, 2002]. According to him, in order to counter the US-British maritime alliance, it was necessary to strengthen the German-led unity of Indo-Pacific countries. Later on, the term was used by Nazi strategists in their geopolitical plans. For the Russian expert community, this factor initially adds negativity to the Indo-Pacific narrative.

After the Second World War, the term was temporarily forgotten, and the space between the Pacific and Indian oceans was referred to

as “Indochina” for decades. The ideas of the German political scientist were partly developed overseas — Nicholas Spykman, following the ideas of Halford Mackinder, introduced the term “Rimland”, which was reminiscent of the Indo-Pacific idea. Although the term was occasionally mentioned by Australian experts and politicians in the 1960s [Yanik, 2019], since the mid-1980s, the idea of the Asia-Pacific region has been firmly entrenched. Its geographical limits in different countries could vary, but in any case, East Asia remained its centre. Since the Indo-Pacific region as a multilateral project gained a second wind in the early 2000s and was re-energized in the early-mid 2010s and especially after US President Donald Trump’s speech in November 2017, Russian experts and officials have paid close attention to both the idea and its subsequent evolution. Their assessments of the Indo-Pacific idea range from cautious to relatively neutral.

An Expert Perspective

Although in Russia’s expert community extant studies have offered explanations of the IPR origins, evolution and likely implications for Russia, the mainstream have been unambiguous: this idea lacks the necessary prerequisites to become a region-building factor [Kanaev, Korolev, 2019]. More than that, the Russian specialist in Indian studies S. Lunev emphasizes that the Indian model of economic development differs significantly from the export-oriented East Asian new industrial economies, which, among other implications, results in insufficient economic connectivity between the countries of the Indian Ocean and the Pacific Ocean [Lunev, 2020].

Pointing to a high degree of politicization of the IPR discourse, A. Kortunov considers the idea of the Indo-Pacific as a response to the Chinese initiative of the Community of Common Destiny [Kortunov, 28.05.2018], while D. Streltsov sees an attempt to attract India to counterbalance China’s growing influence as the key reason behind the IPR narrative [Streltsov, 2018]. V. Sumsky considers the proclamation of the Free and Open Indo-Pacific (FOIP) as a propagandistic measure, as both the concept of the Asia-Pacific and the formats created there are already as free and open as possible [Sumsky, 18.01.2019].

The Russian expert community is unanimous in the assessment that the IPR narrative is prohibitively politicized. The fact that the renaming of the Pacific Command of the US Navy to Indo-Pacific even before the “Free and Open Indo-Pacific” strategy (FOIP) is by no means a coincidence [Mosyakov, 2019]. At the same time, Russian specialists distinguish between the Indo-Pacific strategies of different states. The American version is considered the most radical and confrontational, while the Indian approach is seen in more neutral terms [Kupriyanov, 14.11.2018]. Close to it is the ASEAN version — the Indo-Pacific Outlook. It is noteworthy that the creation of the Outlook was not followed by any practical steps, namely, declarations, roadmaps, or programs. According to V. Sumsy, this signifies that the association fears to be left on the sidelines of the Indo-Pacific region-building rather than that it supports the IPR narrative.

Remarkably, without denying the anti-Chinese orientation of the American FOIP strategy, Russian experts raise the question of elaborating a Russian Indo-Pacific vision. Thus, the Russian specialist in Indian studies A. Kupriyanov, referring to the ASEAN’s Outlook, notes that “the best way to avoid the negative consequences of someone else’s model is to offer our own, much more suitable for the countries concerned” [Kupriyanov, 14.11.2018]. In line with this analytical focus, the Russian model is supposed to spell out the role of the Russian regions of the Far East. In this case, it could contribute to the further “pivot to the East” [Bespalov, 01.07.2019].

An Official Perspective

With regard to Russia’s official position, Moscow remains skeptical about the idea of the Indo-Pacific, examples of which are in overabundance. The Russian President Vladimir Putin, answering a direct question about the Russian concept of IPR in October 2019, said that different countries may have their own strategies and concepts. The main thing, he added, is to unite the efforts of various already established structures, organizations and concepts to move towards a large Eurasian partnership. This movement should take place with consideration for each other’s interests and respect for each other’s

peculiarities⁵². Notably, the Russian leader has never used the term Indo-Pacific. For example, at the last East Asia summit in November 2020 he spoke about the Asia-Pacific region⁵³.

In a similar vein, the then Prime Minister Dmitry Medvedev in an interview with *The Bangkok Post* in November 2019 stressed that the United States, promoting the FOIP concept, is trying to replace the usual format of Asia-Pacific cooperation. In contrast, Russia stands for the preservation of an effective system of interstate relations, which was formed on the basis of ASEAN⁵⁴.

Russian Foreign Minister Sergei Lavrov has described in detail Russia's approach to the Indo-Pacific region in various interviews. The idea of the Indo-Pacific has a destructive rather than a unifying potential. Its goal is to divide the states of the region into "interest groups", as well as to undermine the newly-established regional system of inter-state relations⁵⁵. Russia views the Quad's creation and activity from the same perspective. The opposite approach, according to the minister, is the ASEAN-Way which prioritizes a compromise approach to regional security challenges. In sum, Russia prioritizes an inclusive dialogue rather than the "club benefits" approach.

Tellingly, the current Foreign Policy Concept of Russia outlines the central role of ASEAN in the Asia-Pacific region, which is referred to as strategically important for Moscow⁵⁶. More than that,

⁵² President of Russia // Valdai Discussion Club Session, October 3, 2019. URL: <http://en.kremlin.ru/events/president/news/61719> (date of access: 19.04.2021).

⁵³ President of Russia // East Asia Summit, November 14, 2020. URL: <http://en.kremlin.ru/events/president/news/64417> (date of access: 19.04.2021).

⁵⁴ Russia's Ties Built on Mutual Respect // Bangkok Post, November 3, 2019. URL: <https://www.bangkokpost.com/opinion/opinion/1785934/russias-ties-built-on-mutual-respect> (date of access: 01.05.2021).

⁵⁵ Interview of Foreign Minister Sergey Lavrov with the Daily News Sri Lankan Newspaper // Ministry of Foreign Affairs of the Russian Federation, January 13, 2020. URL: https://www.mid.ru/en/maps/lk/-/asset_publisher/YI7zRWYeYZm2/content/id/3993275 (date of access: 01.05.2021).

⁵⁶ Foreign Policy Concept of the Russian Federation // Ministry of Foreign Affairs of the Russian Federation, December 1, 2016. URL: https://www.mid.ru/en/foreign_policy/official_documents/-/asset_publisher/CptlCk6B6Z29/content/id/2542248 (date of access: 01.05.2021).

in the joint Russian-Indian statement in 2019, the parties reaffirmed their commitment to the formation of architecture of equal and indivisible security in the region, describing it as “Asia and the Pacific”. While the term IPR was not mentioned, another passage of the statement is remarkable: “initiatives aimed at strengthening the regional order should be based on the principles of multilateralism, openness, inclusiveness and mutual respect and should not be directed against any country”⁵⁷. According to the Deputy Minister of Foreign Affairs of Russia I. Morgulov, “indivisible” means a security architecture in which it is impossible to strengthen national security at the expense of the security of other countries⁵⁸.

A Practical Perspective

The afore-mentioned visions are explicable since the Indo-Pacific region as a multilateral mega-initiative remains underdeveloped. Specifically, the IPR in its present form lacks economic logic. The cornerstone of its economic agenda has been focused on seaborne trade flows through the Indian Ocean and the Pacific Ocean. At the same time, however, FTAs, joint investment projects, technological exchanges and other important components of economic cooperation between Northeast Asia, Southeast Asia and the South Pacific on the one hand, as South Asia on the other hand, are underdeveloped at best. Arguably, the Indo-Pacific Economic Framework for Prosperity launched in May 2022 cannot eliminate those shortcomings.

⁵⁷ Joint Statement Following the 20th India-Russia Annual Summit “Reaching New Heights of Cooperation through Trust and Partnership”// President of Russia, September 4, 2019. URL: <http://en.kremlin.ru/supplement/5438> (date of access: 13.05.2021).

⁵⁸ Deputy Foreign Minister Igor Morgulov’s Interview with the Newspaper Izvestia // Ministry of Foreign Affairs of the Russian Federation, May 4, 2018. URL: https://vietnam.mid.ru/web/vietnam-en/main/-/asset_publisher/JR0sSxNIVFWP/content/deputy-foreign-minister-igor-morgulov-s-interview-with-the-newspaper-izvestia-published-may-4-2018?inheritRedirect=false&redirect=https%3A%2F%2Fvietnam.mid.ru%3A443%2Fweb%2Fvietnam-en%2Fmain%3Fp_p_id%3D101_INSTANCE_JR0sSxNIVFWP%26p_p_lifecycle%3D0%26p_p_state%3Dnormal%26p_p_mode%3Dview%26p_p_col_id%3Dcolumn-4%26p_p_col_count%3D2 (date of access: 13.05.2021).

No less importantly, IPR lacks institutional foundations. The ASEAN-centric institutions and the Indian Ocean Rim Association do not embrace all the countries of the Pacific Ocean and the Indian Ocean. In case a new institutional venue is established as the institutional pillar of the Indo-Pacific region, awkward questions will appear. Among them: which countries are likely to join, on which principles will the dialogue be held and, most significantly, what is its ultimate mission (if it differs from the present-day Quad mission of containing China). In case this dialogue platform is created, could its participants effectively coordinate their prospective plans? The question is important since India is relatively indifferent to how the situation in the Korean peninsula or in the East China Sea evolves, while Japan does not attach much importance to India's relations with Pakistan, Central Asian countries or, as far as territorial disputes are concerned, with China.

Revealingly, the most influential international organizations are in no hurry to instrumentalize the new term. So, the World Bank uses the term “East Asia and Pacific”, the IMF — “Asia and Pacific” (which includes India) while the Food and Agriculture Organization (FAO) of the United Nations refers to the region as “Asia and the Pacific” Pakistan and Bangladesh. More than that, the “Indo-Pacific” is absent in the professional lexicon of the Asian Development Bank. Instead, narrower regions — East, Southeast, South Asia — are used. The latter example is especially representative since people who know the worth of money are cautious about the new term and prefer to use the traditional terminology.

The afore-mentioned factors amply suggest that the Indo-Pacific region as a multilateral project remains more about wishful thinking rather than about a forthcoming reality. If so, the relevant question is the substance and the extent to which the Indo-Pacific region may influence the critical lines of Russia's interests.

Conclusion

The preceding analysis focusing on Russia's approach to the project Indo-Pacific region, reveals that Moscow perceives the Indo-Pacific region as a multilateral initiative with poor prospects. Due to

the present state of the IPR, Russia does not see any substantial topics for a sense-bearing discussion. What Russia clearly sees is that the IPR markedly lacks the components that respond to Moscow's interest. For instance, since the IPR initiative lacks the aforementioned strong economic agenda, it has a narrow spectrum of instruments to stimulate the global economic recovery. From a practical perspective, this suggests that the Indo-Pacific region as a multilateral project remains more about wishful thinking rather than about forthcoming reality.

Nevertheless, the IPR influence on Russia, although modest and indirect, may be destructive. Specifically, the IPR adds to complications in China-US relations, which makes the regional and the global milieu volatile. The IPR adds to the gravity of contradictions between China and India which are Russia's key partners in Asia, as well as Russia's partners in BRICS. Last but not least in significance, the IPR undermines the scenario under which Asia will become the center of global economic gravity and, by implication, decreases the expected benefits of Russia's turn to the East. The confluence of the aforementioned factors should be taken into account in assessing both Russia's priorities and policy with regard to the Indo-Pacific region.

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Impact of COVID-19 Pandemic on Work Style in Japan: the Case of Tokyo Metropolitan Area

For many years, the Tokyo Metropolitan Area (TMA) had a significant population inflow. The negative effects of high urban concentration include long-distance commuting; high housing prices; high living costs. In 2015, the Government of Japan launched the “Regional Development Strategy” to create a social environment where people can live and have good employment opportunities. However, for the last years just a few regions have achieved positive results. In 2020, the COVID-19 accelerated the transition to digital technologies and forced companies to resort to telework. Companies in Tokyo shifted to telework to reduce the number of COVID-19 cases so that employees could work at any place they find convenient. A possibility to choose where to live and work encourages regional migration, reduces the concentration of population in the TMA, and allows accelerating the regional development. The implementation of telework has produced a positive impact on migration processes in the TMA. Simultaneously, it revealed that the traditional features of Japanese company work style and management had to be changed (e.g. time availability and working hours, protocols and rituals, an exchange of business cards, greetings, communication on the phone, the specificity of the decision-making process, etc.).

Keywords: *Japan, work style, telework, migration, Tokyo Metropolitan Area.*

Introduction

The Tokyo Metropolitan Area (TMA) has had a significant population inflow for many years. In 2020, it suddenly experienced outflows, as the COVID-19 crisis forced companies to change their work style. For many years, the regulation of the concentration of the TMA population has been an important pillar of regional development, as it has been behind many social issues. The population of the TMA is

36.6 million (about 30% of the total population in 2019), and, compared to other major cities, Tokyo is the only one that maintained steady population growth (MIC, 2019). Young people accounted for more than 90% of the growth in the TMA population in 2019 (MLITT, 2021), as they move to study and work there. The negative effects of high urban concentration include long-distance commuting, high housing prices, high living costs (the TMA has the longest commute time and the highest living costs in Japan). In 2019, in the TMA the lowest fertility rate in Japan was observed (MIC, 2020) due to high living costs and stressful environment.

In 2015, the Government of Japan launched the “Regional Development Strategy” to create a social environment where people can live comfortably, have good job opportunities, and raise their children. To achieve this goal, it was decided to facilitate local industrial development outside the TMA. To date, however, just a few regions have achieved positive results.

In 2020, the COVID-19 accelerated the transition to digital technologies and forced companies to resort to telework. The implementation of telework exerted a positive impact on migration processes in the TMA. Apart from it, it revealed that the traditional features of Japanese company work style and management had to be revised.

Methodology

This paper adopts an integrated approach based on mixed methods which are focused on two key aspects: (1) an identification of COVID-19 impact on work style and management, and (2) an identification of the impact of telework on migration processes in the TMA. Research articles in English and Japanese were used to analyze pivotal processes in Japanese companies and the TMA.

Main Results

The COVID-19 pandemic has a strong impact on the decentralization process of the Tokyo metropolitan area. Since April 2020, the TMA has demonstrated a sharp drop in people moving in and a constant growth of people moving out. The reason for the decline in inflow to the TMA accounts for worsening economic conditions, as the COVID-19 caused local businesses to cut job offers. Companies in Tokyo shifted to telework

to reduce the number of COVID-19 cases so that employees could work at any place regardless of where a company is located. Large companies are moving even further, as they relocate their headquarters to local areas or establish new satellite offices, which leads to a revitalization of local industries and facilitating local economic development. Among the companies that encourage telework, the following examples are noteworthy.

JTB (Travel Agency) introduced telework in October 2020 to increase and diversify its location options. Telework has become a widespread practice. According to a JTB survey, 73% of employees could increase their productivity by using telework⁵⁹.

Fujitsu (Electronics manufacturer) implemented the “Work-Life Shift” in July 2020. This included an introduction of flexible working hours, an abolition of commuter fares, and an elimination of the *tanshin funin* system (see below for more details). More than 60% of employees are satisfied, as telework improved their work-life balance, while more than 30% said that it had increased their productivity⁶⁰.

Pasona (Human Resource Agency) started to relocate the headquarters functions to a distant region in April 2021 (Awaji Island).

⁵⁹ Tokyo ichi kyoku shuchu no genjou to kadai [東京一極集中の現状と課題]. Current status and issues of concentration in Tokyo // Ministry of Land, Infrastructure, Transport and Tourism (MLITT), 2021. URL: <https://www.mlit.go.jp/kokudoseisaku/content/001390443.pdf> (date of access: 20.10.2021).

COMEMO no ronten tenkin wa hontoni hitsuyou ka [COMEMO の論点 転勤は本当に必要か]. COMEMO’s Discussion Points Is transfer really necessary? // Nikkei, May 21, 2021. URL: <https://www.nikkei.com/article/DGXZQOFM289W00Y1A520C2000000/> (date of access: 21.10.2021).

⁶⁰ Tokyo ichi kyoku shuchu no genjou to kadai [東京一極集中の現状と課題]. Current status and issues of concentration in Tokyo // Ministry of Land, Infrastructure, Transport and Tourism (MLITT), 2021. URL: <https://www.mlit.go.jp/kokudoseisaku/content/001390443.pdf> (date of access: 20.10.2021).

Susumu hataraki kata kaikaku, seisensei koujou wa? Fujitsu Tokida shachou ni kiku [進む働き方改革、生産性向上は？富士通時田社長に聞く]. Progressing Work Style Reform, How to Improve Productivity? Interview with President Tokita of Fujitsu // Nikkei, December 29, 2021. URL: <https://www.nikkei.com/article/DGXZQOUC22D7R0S1A221C2000000/> (date of access: 10.01.2022).

COMEMO no ronten tenkin wa hontoni hitsuyou ka [COMEMO の論点 転勤は本当に必要か]. COMEMO’s Discussion Points Is transfer really necessary? // Nikkei, May 21, 2021. URL: <https://www.nikkei.com/article/DGXZQOFM289W00Y1A520C2000000/> (date of access: 21.10.2021).

By the end of May 2024, approximately 3/4 of the headquarters functions are scheduled to be relocated there⁶¹.

There are some SME-related examples. *Far Yeast Brewing company* moved its Tokyo headquarters to Kosuge village in Yamanashi prefecture. The local communities supported the project, and it resulted in joint product development with local companies and a cost reduction. Komoro City in Nagano prefecture, Niseko City in Hokkaido, Imabari City in Ehime prefecture, and Gifu City in Gifu prefecture also experience the population growth due to a successful implementation of migration policies based on telework⁶².

⁶¹ Totsuzen no honsha iten, tomadoi tenjite sumeba to watashi no ketsudan [突然の本社移転、戸惑い転じて「住めば都」私の決断]. The Sudden Relocation of the Head Office: My Decision to Move to a New City // Nikkei, February 27, 2021. URL: <https://www.nikkei.com/article/DGXZQOFD123WF0S1A210C2000000/> (date of access: 21.10.2021)

⁶² Nagano ken Komoro shi, tonai IT bencha to chihou sosei de renkei [長野県小諸市、都内 IT ベンチャーと地方創生で連携]. Komoro City, Nagano Prefecture, Collaborates with IT Venture in Tokyo for Local Development // Nikkei, May 7, 2021. URL: <https://www.nikkei.com/article/DGXZQOC-C078XZ0X00C21A5000000/> (date of access: 21.10.2021).

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Kosodate setai iju ni saidai 142 man en gifu ogaki shi no shosan [子育て世帯移住に最大142万円岐阜大垣市の勝算]. Up to 1.42 million yen for families with children to move to Ogaki City, Gifu Prefecture // Nikkei, June 29, 2021. URL: <https://www.nikkei.com/article/DGXZQOFD184B70Y1A610C2000000/> (date of access: 05.01.2022)

Tetsudou mo suidou mo nai Higashigawa machi , iju ninki de gyaku tanshin funin mo deta de yomu chiki saisei Hokkaido [鉄道も水道もない東川町、移住人気で「逆単身赴任」もデータで読む地域再生北海道. Higashikawa Town, without railroads or running water, is popular with immigrants, some of whom are "moving back to work alone, Hokkaido: Regional Revitalization through Data // Nikkei, July 16, 2021. URL: <https://www.nikkei.com/article/DGXZQOFC093SM0Z00C21A7000000/> (date of access: 21.10.2021)

Kimitsu jouhou banzen ni Okayama Tsuyama shi ga terewaku kyotenzukuri [機密情報万全に 岡山津山市がテレワーク拠点づくり]. The City of Tsuyama, Okayama, is Creating a Telework Base to Ensure Confidential Information // Nikkei, December 21, 2021. URL: <https://www.nikkei.com/article/DGXZQOCC17EKZ0X11C21A2000000/> (date of access: 21.12.2021)

According to available estimates, about 40% of full-time employees would move to their hometowns if telework became available⁶³. A possibility to choose where to live and work encourages regional migration, reduces a concentration of population in the TMA and stimulates regional development. At the same time, under the new circumstances, employees' satisfaction and good communication patterns between company members are key issues for business. It allows avoiding conflict and social stress, as the implementation of telework impacts on work style and management. The principal effects are presented below.

Time availability and working hours

Telework allows employees to reduce a commute time but often makes difficult to switch between 'home' life and life in a 'distance' office. At the same time, working from home tends to result in longer working hours.

Protocols and rituals

Japanese business follows numerous protocols and rituals. In addition, excessive formal procedures discourage young employees to be active, formalities reduce performance, and encourage group thinking [Okamoto, 10.07.2021]. Telework might change some formal processes, some rituals might disappear, and employees will eventually become more concentrated on substantial aspects of the work rather than on the way it is presented.

Seals

For Japanese document turnover, seals (in Jap. *hanko* ハンコ) are extremely important. Employees have to come into the office to process paper documents and seal them. Owing to work style reforms

⁶³ Tokyo ichi kyoku shuchu no genjou to kadai [東京一極集中の現状と課題]. Current status and issues of concentration in Tokyo // Ministry of Land, Infrastructure, Transport and Tourism (MLITT), 2021. URL: <https://www.mlit.go.jp/kokudoseisaku/content/001390443.pdf> (date of access: 20.10.2021).

and telework, physical seals are becoming obsolete and are replaced by electronic alternatives⁶⁴.

Exchange of business cards

As a number of face-to-face business meetings is declining, employees have fewer opportunities to exchange business cards (in Jap. *meishi koukan* 名刺交換). Employees are turning to social media to build up professional connections [Fujimura, Suruga, 2020]. Telework replaces the *meishi koukan* process with electronic exchange of business cards without excessive ceremonialism.

Greetings

In Japan, a procedure of greetings (in Jap. *aisatsu no shikata* あいさつの仕方) is crucially important and formal. Also, *aisatsu* means visits to suppliers, customers etc. to strengthen business ties. Telework deprives companies of the opportunity to pay courtesy visits or to resolve business issues. Given high importance of such visits, it is likely that *aisatsu* will move from the ‘physical’ to the ‘digital’ telework sphere.

Communication on the phone

In Japanese business, a great deal of attention is paid to telephone communication etiquette (in Jap. *denwa no ukekata* 電話の受け方). Telework is creating new rules of interaction and etiquette, and the importance of telephone communication may diminish. The transformation process is just beginning, but the communication etiquette in the telework format is likely to be simplified.

Decision-making process

The *ringi seido* decision-making system in Japanese companies (in Jap. *ringi seido* 稟議制度) is based on the principle of 'consen-

⁶⁴ Somosomo hanko wa sitsuyo? Bizinesu de tsukawareteiru hanko to sonno ryu wo daikibou [そもそもハンコは必要? ビジネスで使われているハンコとその理由を大解剖]. Do you need a stamp? Find out what stamps are used in business and why // Atled Corp, 2021. URL: <https://www.atled.jp/wfl/article/8555/> (date of access: 08.10.2021)

sus' and on an involvement of employees concerned. Telework might lead to slow decision-making without an involvement of all interested parties. This results in a loss of consensus and harmony in the teamwork.

Work style

Demonstrating effort and results is common for the Japanese work style (in Jap. *shigoto no shikata* 仕事の仕方). The emphasis on a 'physical' office, a face-to-face communication, a collaborative environment is crucial to Japanese business culture and management. A performance is merit-based, and a 'physical' office becomes the place where this effort can be demonstrated. Telework allows demonstrating individual results, and it might be a source of conflict, as responsibilities and tasks are blurred and team-oriented. Apart from it, it reinforces employees' concern that they might lose contact with their colleagues, lose a track of their teammates, fail to gain work experience, and lose an opportunity to be involved in group projects. Importantly, Japanese people are characterized by a high degree of collectivism. For them, being outside a group is a mental stress that generates a feeling of isolation [Sugiura, Okutsu, 2021].

Trust

The 'trust' factor (in Jap. *shinyo* 信用) in the Japanese society is an extension of the sincerity factor. Without sincerity, trust cannot be achieved, and long-lasting personal or business relations cannot be cultivated. Trust is a result of sincere behavior during face-to-face interactions, which is problematic in the telework format.

Employee performance

Telework does not provide a direct contact between employees. This factor creates difficulties in the communication process in the high-contextual Japanese corporate culture. Besides, it is quite difficult to confirm one's actual job status, as misinformation is possible [Fujimura, Suruga, 04.07.2020]. Although telework provides an opportunity for communication, many employees feel that spontaneous and relaxed office communication generates new

ideas. Large projects motivate employees to work in teams with colleagues from different departments, as well as with clients or stakeholders. As a consequence, it is still more effective to work in a ‘physical’ office. Telework makes it difficult to coordinate team efforts, a sense of unity and interdependence is absent [Sugiura, Okutsu, 19.03.2021].

Office workspace

An open space office in Japanese companies allows observing the team hierarchy. From their desks in the far corner of the room, top managers can constantly observe and evaluate the efforts of their subordinates. Everyone can see what others are doing and can hear all conversations that take place, projects could be discussed in teams, each team member knows his or her roles, and supervisors can make their suggestions. Telework limits this kind of work style and creates difficulties for employees.

Long business trips

Long business trips/shift work, a type of employment in which employees leave their families for a long time (in Jap. *tanshin funin* 単身赴任 'to be sent somewhere to work'). Telework allows employees to focus on their new assignments from anywhere without being separated from their families [Eiraku, Fujimoto, 12.10.2020].

Quality orientation and continuous improvement

The Japanese business is known for its strong focus on quality, customer satisfaction and continuous improvement of business processes (in Jap. *kaizen* 改善). To monitor and improve quality, so-called quality circles are created, and their members constantly improve their knowledge and skills through a continuous exchange of information across various levels of the company. In the context of telework, it might be problematic to cultivate such relations, as telework provides fewer instruments to come up with new ideas. If so, an opportunity to consult with colleagues disappears, and *kaizen* might not be achieved [Ishida, Yazawa, 04.02.2021].

Internal-external perception

For the Japanese as a nation, the world is perceived through the concepts of *uchi* (内- 'home', 'inside') and *soto* (外- 'outside'). In a system of lifelong employment, 'insiders' are permanent employees, while 'outsiders' might be, for instance, part-timers. Because of telework implementation, even employees of the same company become "outsiders" due to lack of permanent communication, which leads to a communication collapse, a loss of harmony and unity within a company.

Harmony and group thinking

Open conflicts and contradictions are not common, as employees stick to the team spirit and often leaving their interests unfulfilled. Moreover, harmony can be achieved by demonstrating solidarity and equality in the team. Telework makes it difficult to realize the principle of group thinking. More than that, employees find it difficult to assess a high-context interaction process while sitting in front of a computer. Expectedly, this leads to a loss of team harmony.

Inter-company relations

Socialization, relationships within the company and with partners are important features of Japanese business culture where relations are mainly person-to-person. To establish such relations, meetings inside and outside the company sharing meals and beverages are obligatory. Telework narrows room for face-to-face meetings, going to restaurants and bars to socialize new team members⁶⁵.

Value of time

Japanese companies tend to value the process over the employee's time. This is reflected in numerous meetings that must be attended. In the Japanese corporate culture, the employee's time belongs to the company. At present, however, labor shortages lead to time seen as

⁶⁵ Terewaku no kadaito downyu meritto14no mondai to kaiketsusaku [テレワークの課題と導入メリット(14の問題と解決策)]. Challenges and benefits of telework (14 problems and solutions) // ContractS. 2021. URL: <https://www.contracts.co.jp/useful/3497/#chapter-2> (date of access: 22.10.2021).

a resource to be used efficiently and effectively. If so, telework helps to focus on achieving results, increasing the efficiency of employees.

Overtime work

In a typical Japanese company, hierarchical relations may be too rigid. The tradition of collective overwork (in Jap. *tsukiai zangyo* 付き合い残業) makes people feel guilty towards their colleagues if they want to leave office before the end of the working day. In the case of telework, dependence on the external factor is reduced, and employees are more focused on performance indicators.

Sarariman

In Japan, *sarariman* (サラリーマン, from English — salaried man) is an employee whose income is based on wages. The *sarariman* is usually associated with lack of initiative and originality. Practice demonstrates that a typical *sarariman* is reluctant to switch to telework because he is afraid of not fulfilling his duties (as it is easier to get results in a group) and fears that his employer or colleagues will know about it [Fitzpatrick, 13.06.2021]. Telework supports a different kind of workforce: independent thinkers rather than disciplined personnel. For young employees, telework brings flexibility, opportunities for self-actualization, as well as provides career prospects based on high performance.

Lifelong employment system

For many years, the Japanese human resource management system has been premised on the principle of lifetime employment (in Jap. *shushin koyo* 終身雇用). This practice limits an influx of new ideas from young employees. Telework can help companies to attract new talents, incentivize employees to focus on results and increase person-power mobility.

Conclusion

A shift to telework in Japanese companies has initiated changes in the migration process in the Tokyo Metropolitan Area. In a very

short time, the outcome was much more impressive than the results obtained from 2015 to 2019. However, telework is transforming employment styles, business cultures and management. The fact that changes are taking place simultaneously across all industries indicates their long-term potential for transformation. Companies are forced to find solutions, go through a process of transformation by trial and error. Gradually, managers and employees will realize the inevitability of the process, and the digital transformation of Japanese business will gain traction. The only remaining question is the extent to which this transformation will change the management and business culture. Anyway, it will be interesting to observe the presently unfolding migration process in other Japan's big cities due to telework implementation.

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CONCLUSION

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Conclusion: Conceptualizing the International Regional Studies

The analysis of main trends shaping the contemporary world demonstrates a complex picture that can hardly be captured by any theoretical instruments. Simultaneously, it reveals a demand for revising the priorities and prospective tasks of the International Regional Studies (IRS).

Against the rising global uncertainty, a theoretical framework that would be of help to elaborate on measures to deal with the emerging problems is conspicuously absent. In these circumstances, specialists in university education have to deal with challenging tasks. Among them, the key is how to make the educational process comprehensive, efficient and grasping expectations of the present-day labor market. These questions are especially relevant to the IRS departments and educational programs.

In navigating those minefields, it is pointless to premise a response on theories, since they are of limited utility. Practical demands are much more reliable. From an IRS perspective, the following points are worthy of note.

First, at the present stage of its development, the IRS is not an academic discipline, as it lacks its specific object, subject and methods. More than that, presently the IRS does not meet all the criteria (at least, the principle of verification) and functional characteristics (at least, the predictive function) of scientific knowledge. Arguably, it is an interdisciplinary educational field based on a complex integration of academic disciplines and practically-oriented skills focusing on specific industries and applied areas. In the IRS case, an interdis-

disciplinary integration is premised on intra-subject and inter-subject links, as well as on their synergy with applied practical instruments (like, for instance, International Relations, Economics, International Business Law and International Digital Marketing).

As its name suggests, the IRS must take into account the underlying global and regional trends. Among them, of special note are the consequences of the exceptionally fast digitalization, which ranges from a rise in unprecedented demand for digital technologies, the impact of the COVID-19 pandemic and a decrease in the life circle of technologies to emerging societal risks. From an educational perspective, it is hardly expedient to prepare fundamental scientific research (as its relevance and practical importance will be outdated even before the paper is published). Instead, it seems better to prepare relatively brief articles aimed at exploring applied and, more importantly, quickly changing issues — like, for instance, introducing and improving blockchain technologies in the Chinese FMCG retail sector.

Second, the IRS needs to combine regional studies with targeted subject training. The former must focus on specific regions, their main political, economic, socio-cultural, technological and other factors that shape their evolution. This is important for understanding the logic of regional long-term trends. Arguably, performing this task must include a variety of methods, belonging to *academic disciplines* (*emphasis added* — E.K. and V.V.), mainly to political science, economics, sociology, history, cultural studies, philology etc. They must be supplemented by applied disciplines related to specific practically-oriented fields — economy, project management, mass-media, marketing, various industrial sectors. The aim is to integrate competences from academic and task-performing fields so that students should be able to resolve industry-specific tasks in country-specific circumstances. At the same time, an important point should be stressed from the very beginning: this is teamwork based on multiple educational techniques such as immersive learning, building up multi-cultural networking, mentorship assistance etc. rather than activities performed by individual researchers or practitioners.

Third, the IRS needs to increasingly focus on developing soft skills. This task includes various forms of professional collabora-

tions, ranging from those with companies that aim to explore foreign markets to professional associations. Making professional networking must be an important component in training highly qualified IRS specialists, as it allows integrating the bottom-up and top-down educational processes with a strong multiplier effect.

To sum up, the International Regional Studies is a research of political, economic, and cultural potentials and risks of various regions and countries aimed at promoting Russia's interests there.

To put this in practical educational context, the activities undertaken by Faculty of World Economy and International Affairs, HSE University, are worthy of note. To mention just a few of the implemented projects, those commissioned under the academic supervision of Professor E. Kanaev deserve attention: "Russia and ASEAN: Key Cooperation Projects" (Russian International Affairs Council, May 18, 2016) "How Does the Digitalization Shape Doing Business? Evidence from the Asia-Pacific Region" (Orientalia Rossica, September 3, 2021), "Young Experts on Russia's Scientific Achievements and Their Significance for Southeast Asia" (All-Russian Association of the South Pacific Researchers, December 22, 2021). In the course of project-based teaching and learning, innovative educational techniques were implemented. The students both were guided by their academic mentors and acted as autonomous leaders. More to the point, various learning-beyond-the-classroom activities like field-based learning, teamwork for special events etc. were undertaken.

In April 2021, Orientalia Rossica — Russian Orientalist Studies in XXI Century, the first professional digital platform, — became operational. Its main goal is to bring together Russian specialists in Asian Studies. The platform has no analogues not only in Russia, but also all over the world. On registering, specialists can create their personal accounts and web-pages. By means of the platform, specialists can find partners from other universities or think tanks for sending research grant applications or forming teams for joint research.

Another goal of Orientalia Rossica is to inform its users about the on-going events taking place at various universities and think tanks in the field of Asian Studies, to publish Asia-related news and expert

comments, as well as to provide students with relevant information about academic and teaching activities in the field of Asian Studies.

The platform was created by a team of Russian orientalists at the Faculty of World Economy and International Affairs, HSE University. The team leader was V. Vishnyakova. As of September 2022, more than eight hundred orientalists have registered on this platform, and more than ten joint researches have been completed.

Orientalia Rossica is an initial effort to outline the specificity and originality of Asian Studies, as well as underline the difference between Asian studies and the IRS.

The student activities presented above demonstrate that their participants are involved in interactive interdisciplinary learning. It is premised on practice rather than on theoretical assumptions that are often divorced from reality. Nevertheless, it cannot be excluded that with a course of time, the IRS may become interdisciplinary academic knowledge, like, for instance, Comparative World Politics or Political Geography. For this to happen, sufficient amount of field-work information must be obtained and analyzed.

At the same time, however, the IRS development is encountering serious difficulties. Although some of them are universal, the material that follows relates mostly to Russian IRS educational practices.

First, there is no universal vision of the IRS as an educational area. As things are, the IRS is often regarded as “something related to different regions”, without distinguishing the IRS value added, as compared to other areas of research and study. More to the point, many IRS specialists do not see substantial difference between the IRS and, for instance, International Relations or Oriental Studies, pointing to an inter-disciplinary approach to research and the educational process, as well as to the importance of language training, as the IRS core components. Although it may seem reasonable, at least at the first sight, it does not point to the difference between the IRS and, for instance, the Oriental Studies: the latter adopts an interdisciplinary approach and emphasizes a strong need to study oriental languages even to a more considerable extent than the IRS does.

The same reason is behind a compelling need to train and retrain specialists who teach disciplines at the IRS educational programs. As the IRS is an inter-disciplinary area, university lecturers must be

competent in many different fields, because of which regular vocational training is obligatory.

Second, a link between the IRS programs and employer organizations is relatively weak. Reinvigorating this practice is timely and important. A good example to follow might be the Soviet experience of the so-called sectoral science or collaboration between universities and the corporate sector in Western and Eastern countries, as well as between universities, industry leaders and professional associations. Meanwhile, this cooperation must be long-term, while many companies have mostly short-term planning horizons. This factor makes it exceedingly difficult to make use of obvious advantages of employer-sponsored education.

Third, the on-going politicization of current international relations is an important obstacle to the IRS development. As the IRS focuses on regional developments, it cannot be free from political assessments and, by implication, influence of the political climate. Regarding the IRS, the problem is exacerbated by the following factor: as the IRS focuses on applied aspects, it concentrates upon the *situational* political, economic etc. circumstances influenced by *situational* dynamics (in both cases, italicized by the authors). A comprehensive research of long-term trends is often missing. More than that, many theorists, including internationally renowned figures, cannot resist a temptation to adjust their assessments to the expectations, sometimes to the demands, of grant providers. As a result, a vicious circle appears, as the IRS as an educational and, possibly, a nascent academic discipline, is shaped by situational and often politically motivated priorities.

In sum, the International Regional Studies as an educational area is experiencing teething pains. As in order to be resolved, problems must be acknowledged and discussed. With this comprehensive and cutting-edge vision, the World Economy and International Affairs faculty, HSE University, a globally renowned center of academic and teaching excellence invites colleagues to participate in professional debates at subsequent sessions of the annual conference focusing upon the evolution of the globalization, and how it shapes the contemporary world and its regions.

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