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GEOPOLITICAL CALCULATIONS IN GLOBAL HEALTH: IMPACT OF COVID-19 PANDEMIC ON GLOBAL ECONOMY, GEOPOLITICS AND INTERNATIONAL LAW

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ABSTRACT

COVID-19 pandemic has negatively impacted global economy. Geopolitical calculations that follow the concept of power measurement have shaped how countries, especially the United States and China, have responded to the pandemic. The way in which geopolitics has influenced the responses to this crisis has not been fully realized, and its impact has been felt in the international legal field. COVID-19 broke out after the balance of power returned to international relations, and major competing forces have turned the crisis into a battleground for their power and influence. The study found two ways in which corona virus impaired economic activity. First, the spread of the virus has fuelled social unrest that has led to the closure of financial markets, corporate offices, businesses and events. Second, the level of exposure to which the virus spread, and increased uncertainty about the severity of the situation, led to insecurity in spending and investment among consumers, investors and international partners. The study focuses on the global economic downturn from early 2020 to March when the corona virus begins to spread to other countries and markets. It uses real-world perceptions in assessing the limited measures, monetary policy measures, and public health measures that had been adopted at this time. It also examines the impact of social segregation policies on economic activity and stock market indicators. The findings suggest that an increasing number of closing dates, monetary policy decisions and international tourism restrictions have had a significant impact on the quality of economic assets and the closure or opening of them at very low or high stock prices. In contrast, restrictions on internal movement and spending on higher policy have had a positive impact on the level of economic activity, although a growing number of confirmed coronavirus cases have a direct negative impact on the level of economic activity.

KEYWORDS: COVID-19, Economic Activity, Geopolitical Calculations, Global Economic Downturn, Monetary Policy.

INTRODUCTION:

A distinctive feature of the COVID-19 pandemic is how balanced geopolitics has responded to

this crisis. The conflict between the United States and China has escalated as a result of the pandemic. Like historical records, intense power competition shapes international relations and international law, including in the context of health cooperation.

During the Cold War, global health services were transformed, in part, because the balancing power of global geopolitics did not suppress world affairs. However, the COVID-19 pandemic reveals that energy imbalance has returned and negatively affects global health. The pandemic has created global geopolitical and legal conflicts that will never end even when its curve is soft and faded.

COVID-19 has raised a number of global health problems that international organizations will also struggle to cope with under the guise of black power. In 2019, there were economic concerns about the effects of the US-China trade war, US presidential elections and Brexit in the global economy. As a result, the International Monetary Fund (IMF) has predicted an average global growth rate of 3.4 percent. But COVID-19, a disease caused by SARS-CoV-2, a novel type of coronavirus of the SARS genre, changed the perspective unexpectedly. Due to fears and uncertainties, as well as rational testing that firm profits may decline due to the impact of COVID-19, global stock markets cut about US \$ 6 trillion in assets in one week from 24th to 28th February. The S&P 500 index lost more than \$ 5 trillion in value in the same week in the US while the larger S&P 500 companies suffered a combined loss of more than \$ 1.4 trillion, though some of them recovered the following week.

Another loss of value is due to rational testing by investors that firm profits will decrease due to the impact of coronavirus. The International Air Transportation Association (IATA) has indicated that the airline industry will lose US \$ 113 billion if the COVID-19 crisis is not solved immediately.

The IMF has slashed its rate of global economic growth as the outbreak of COVID-19 casts doubt on its preconceived notions. The tourism industry was affected as travel opportunities for Chinese tourists, who usually spend billions a year, were severely curtailed. There have been increased flight cancellations, hotel cancellations and also postponements of domestic and international events worth more than \$ 200 billion. Exports through global supply chains have been severely curtailed given that China is the world's largest producer and exporter, and the Chinese government has ordered the closure of the country's largest firms.

Countries such as Iran, Italy, and France have issued “Stay at Home” nationwide policies to curtail the spread of the virus, which has already caused many deaths and suppressed national health care infrastructure. Such home-grown policies sowed seeds of recession in developed countries, and there was a general consensus among economists that the coronavirus would negatively contribute to the global economy (Financial Times, 2020). The International Monetary Fund (IMF) said in

anticipation of a global recession that could be as bad as at least the global financial crisis of 2007-2008 following a 2021 recovery.

1. EMPIRICAL ANALYSIS: IMPACT OF COVID-19 ON GLOBAL ECONOMY, GLOBAL HEALTH, GEOPOLITICS, AND INTERNATIONAL LAW

1.1.Literature Review and Research Methodology: I collected data on the stock market of four continents: North America, Africa, Asia and Europe. I have released stock market data on Closing Price (CP), Low Price (LP) and High Price (HP) in the leading stock market indicators of the four continents: FTSE 500 (UK), SP 500 (US), Nikkei 225 (Japan) and the SA Top 40 index (South Africa). In the measurement, I took the natural logarithm of each pricing data to minimize the significant decline in the distribution of pricing data. I also collected data from the Purchasing Managers Index (PMI) for Japan, UK, US and South Africa during March and April. PMI is an indicator of the current direction of economic trends in the manufacturing and services sector. It is based on a monthly survey of private sector companies. PMI is used as a reference for the level of economic and business activity.

1.2.Research Findings: The study found that an increasing number of closure days, monetary policy decisions and international tourism restrictions imposed during the coronavirus crisis have profoundly affected the level of global economic activity. The findings that the implementation of monetary policy seems to be more effective in reducing the effects of the COVID-19 pandemic compared to monetary policy decisions because the adoption of monetary policy by many central banks could increase inflationary pressures that could undermine economic stability in the short term. Financial policy decisions and international tourism restrictions imposed because of the coronavirus crisis have profoundly affected the quality of global economic activity. The research has found that the implementation of fiscal deficit policies could appear to be more effective in reducing the effects of the COVID-19 pandemic on world economy compared to monetary policies and investment decisions because the adoption of monetary policy reserves by many central banks could increase inflationary pressures that could undermine economic stability in the short term.

1.2.1. Impact of the COVID-19 Pandemic on the Global Economy: The most significant effect of the COVID-19 disaster on the global economy is the impact of the COVID-19 economic crisis on the global stock market. Global stock markets lost \$ 6 billion in six days from February 23rd to 28th, according to the S&P Dow Jones Indices. Between 20th February and 19th March, the S&P 500 Index decreased by 28% (from 3,373 to 2,409), the FTSE 250 Index decreased by 41.3% (from 21,866 to 12,830), while Japan's Nikkei Index dropped by 29% (from 23,479 to 16,552). At the same time, major international banks have seen a decline in the value of their shares, for

example, Citigroup stock prices have dropped by 49% (from US \$ 78.22 to US \$ 39.64), and the stock price of JP Morgan Chase has dropped by 38% (from US \$137.49 to US \$85.30), and Barclays' share price decreased by 52% (from £ 181.32 to £ 86.45). Although the oil price war, in which Russia and Saudi Arabia slashed oil prices by increasing oil production, contributed to the collapse of the stock market indices, the subsequent collapse of the stock market indices in March was mainly due to investors' flight for safety during the coronavirus pandemic.

Many foreign-dependent countries are highly dependent on the timing of the coronavirus pandemic. Many countries import their essential goods from major exporting countries such as China, India, and Japan, and rely heavily on those countries for the use of essential commodities. The slowdown in global commodities, as well as China's high reliance on imports, has led to a shortage of imports as China closed its many exports. This has led to an increase in the price of the remaining shares of imported goods already imported, which has also led to inflationary pressures on basic commodity prices despite the low import demand due to the coronavirus pandemic. It was difficult to find other imports after China's closure because many countries had fully closed or partially closed their borders, which limited international trade at the time.

Initially, the idea was that the COVID-19 pandemic would only be found in China. Later it spread all over the world with the movement of people. The global economic crisis worsened as people were asked to stay at home, and difficulties were felt in various sectors of the economy with travel industry restrictions, cancellations of sports events affecting the sports industry, and bans on international and global events that also affected the entertainment industries.

There is a similarity between the COVID-19 global economic crisis and the 2007-2008 global economic crisis, because by 2020, many people during the times of global recession previously thought that the impacts would be more significant (in that case based on the assumption that the subprime mortgage crisis could be a minor problem affecting the US only, but ultimately affected the global financial system). The sudden economic disruption caused by COVID-19 is not only destructive but also has far-reaching effects worldwide as it has created demand and given shock to almost every area of human activity.

1.2.2. Impact of the COVID-19 Pandemic on Global Health: In many countries, public hospital services have grown in demand. But many of the public and government funded hospital services are facing dire threats because most of the diagnostic equipment are only available in private hospitals. China has temporarily closed all hospitals in downtown Wuhan, the centre of the outbreak of coronavirus. Iranian hospitals have struggled to deal with the coronavirus outbreak. In Spain, the Spanish government set up private hospitals and health care providers throughout the country as the virus spread rapidly. Singapore has had enough health care facilities and staff

to cater for the growing number of COVID-19 patients, while private hospitals are inviting and accepting both outpatients and COVID-19 patients. The Ministry of Health (MOH) in Singapore thereafter advised all doctors in public and private hospitals, as well as private specialist clinics, to immediately stop accepting new patients who do not live in Singapore.

The outbreak of coronavirus also disrupted the supply of medicines. Drug manufacturers around the world rely heavily on ingredients made in Chinese factories. About 60% of the world's Active Pharmaceutical Ingredients (APIs) were developed in China before the outbreak of the coronavirus. The outbreak of the coronavirus caused serious supply problems as China shut down most of its industries including the drug manufacturing industries. Many pharmaceutical companies did not keep track of the number of APIs before the outbreak of coronavirus, and as a result, some important drugs were falling short of supply. Pharmaceutical companies that had enough APIs in their warehouse refused to sell them for fear of running out of stock and some were willing to sell at a much higher price. The overuse of Chinese API manufacturers has become a major threat to the global pharmaceutical industry and the pandemic is even more dangerous.

1.2.3. Impact of the COVID-19 Pandemic on Global Geopolitics and International Law: From the very beginning, the United States and China are approaching the pandemic as a very important political event. When the novel coronavirus emerged in Wuhan in late 2019, the geopolitics that implements the ideology of balance of power returned to the global system, and the Sino-American military conflict, political conflict, and economic conflict emerged as the dominant one. Trump's willingness to challenge China's power and influence exacerbated the conflicts even more. While news of the deadly pandemic in China was leaking, the comments from the leaders of the United States created a political slur in blaming Chinese leaders and the Chinese political system for the tragedy and pointing out ways in which the United States can exploit China's suffering.

The political signs of the pandemic were also evident in China. Its supremacy as a major power and its international ambitions are based on a type of political regime that does not tolerate domestic opposition and external criticism. For the Chinese government, the impact of the outbreak was so severe that its response should have included China's view of its sovereignty, world size, and international leadership. China's official news about the outbreak and the government's responses reflect China's political needs and geopolitical calculations in global health.

These patterns continued as the tables turned and the United States began fighting COVID-19 after China controlled its outbreak. American leaders and politicians have blamed China for the

illness and death of the citizens of the United States and other countries around the world. Critics of the American response to the pandemic lamented that Trump's administration gave Beijing a status of world leadership. China tried to make the pandemic a starting point for expanding its global influence and holding on to become the world's leading power.

The geopolitics of the pandemic has created global health problems. The way the World Health Organization (WHO) has been seen to be praising Chinese political figures has raised questions and criticism. The Deputy Prime Minister of Japan has lamented that WHO has become a "China Health Organization". Backed by Chinese consumers, Trump set up a US-based WHO-based support for the review because, the President objected, the WHO was also very "China-centric". In response, China has criticized WHO critics and pledged to increase its support for the organization and the rest of the world in the fight against the global crisis.

International law did not escape the power balancing policy of the pandemic. Allegations that the WHO has supported China and does not comply with the terms of the IHRC (International Human Rights Commission) (2005) give the organization and its director-general the authority to challenge governments for the purpose of universal health. The IHRC also reported allegations that China had violated international law by not reporting its COVID-19 outbreak in a timely manner or by providing the WHO with more information as the outbreak began. Trump's decision to suspend US funding included his position that the WHO was "fighting" the tourism restrictions that the US imposed on China.

Allegations that China had violated international law (2005) indicated that, under the International Criminal Code, this unjustified international act forced China to compensate other countries for the damage caused by the pandemic. The appeal to state law is an uncommon response to an outbreak, but, rather than presenting a credible legal case, this approach has provided another way for Chinese critics to use International Law to highlight the dangers they believe China is creating in the world. The political maelstrom over the COVID-19 pandemic has also had a devastating effect on the international jurisdiction that is vital to national health, particularly the IHRC (2005) and international human rights law. Interest in revising and revitalizing the IHRC (2005) was growing before the introduction of COVID-19.

The shift in political power from other parts of the geopolitical world was very much evident during the COVID-19 pandemic. Russia's campaign to raise awareness against illegal news on COVID-19 has continued its strategy to sow discord, disagreements, and divisions in US politics in order to undermine American power and influence. The use of this strategy during the pandemic reinforces the concern that international law or Non-Binding Cyber Norms do not provide a basis for disputing false information as a means of political enforcement.

2. DISCUSSION AND CONCLUSION:

In the history of the modern world, there was an era when the geopolitical calculations gave health issues a great deal of importance. This practice appeared temporarily and did not change international health cooperation or the International Law that it said were also used to address global health problems. This pattern can recur with COVID-19 disease as well. Scientific, medical, and public health efforts can make adequate progress in the absence of COVID-19 or the WHO which has strengthened the balance of power.

Lawmakers all around the world support an expanded policy of social segregation, condemning the effects of socio-economic interference. The ensuing economic downturn, which many countries experienced, was a manifestation of the difficult choices made by policymakers in choosing whether to save the economy before saving people or saving people before saving the economy; many countries showed their preference to the latter. There were criticisms that policies were too fast, premature or inadequate, and that policies were contradictory in some areas, for example, monetary policy encouraged economic actors to engage in economic activities while "Stay At Home" policies encouraged economic closure problems by preventing economic activities from happening.

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