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Security Nexus Perspectives

## THE COVID-19 CRISIS AND THE COMING COLD WAR

By Dr. John Hemmings\*

The *COVID-19 Crisis* has been a significant global event, putting stress on states in how they respond, exasperating geopolitical tensions between great powers, and impacting manufacturing and shipping. Many are scrambling to understand the long-term consequences, with Foreign Policy's recent [review](#) by 12 leading intellectuals being an obvious example. Notable predictions from them include the possible end of (economic) globalization, or at least the end of US-led globalization; other predictions include the rise of state power, diminishing individual liberties and highlighting the limitations of international organizations ("the state is back"); and others note the implicit ideological struggle between the authoritarian and democratic [models](#) of response to the virus.

Fundamentally, the COVID-19 Crisis has reinforced the predominant trend in the global system: the geopolitical competition of the two largest economic and military powers, the United States and the People's Republic of China. The two have engaged in a war of words over the origins of the virus, which raises three key issues of importance. The first is that the PRC remains a [brittle](#) superpower, and in its quest to retain domestic control, it is willing to [project blame](#) on external states – including the global hegemon, its foremost competitor – in order to retain legitimacy and social control at home. Second, the ideological component that divides the two – the systemic and values differences, so speak – that so defined US-USSR competition is once more becoming a key characteristic of great power relations at the top tier. Third, that the [geopolitical competition](#) between the two is – as with the Cold War – is unlikely to lead to actual warfare. Instead, we are likely to see a [discourse battle](#) for "hearts and minds", aimed at audiences in Europe, the Indo-Pacific, the Middle East, and Africa. This competition is likely to be the most dominant feature of the international system until the

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middle of this century, simply because of the size of the two countries and the resources they bring to the competition.

While many consultancy [reports](#) (and even some [banks](#)) breezily surmise that the PRC will surpass the United States by 2050, usually using GDP as a crude marker, the PRC's rise is not at all clearly ordained (though PRC [messaging](#) would have us believe otherwise). Demographic, governance, and structural issues at home, mean that while the PRC will indeed become a formidable power by 2050, perhaps on a par with the US, it lacks the structural features that will continue to give the US an edge. As some have [argued](#), the US is rich in energy resources, buttressed by two seas: its economy several times wealthier and more efficient than that of the PRC, and lacks the welfare and domestic security burdens that the PRC ageing population and system imposes. While superior PRC infrastructure gives an edge, the US' younger and better educated workforce, drawn from all over the world – keeps it competitive technologically. By contrast, increasing political control over the private sector is reviving state-planning and control of the economy by the PRC's least-efficient sector. As with the USSR, this will ultimately [stifle innovation](#) among the PRC's larger number of scientists and engineers.

This battle for ideas and for framing will be enhanced by the surge toward [increasing online activity](#) of human populations. This is both due to short-term effects of the COVID-19 virus which has forced many millions to work from home and the long-term effects of the ongoing revolution in information communications technology (ICT) – 5G and its basket of attendant technologies in the Internet of Things (IoT) and [the 4<sup>th</sup> Industrial Revolution](#). Simply put, more and more people are spending more and more time online, they are socializing there, working there, picking up their news there, and carrying out more and more of their commercial activity and both the COVID-19 Crisis and the enhanced broadband of 5G will only increase that shift from the high street to silicon valley. Indeed, the US stock market has been [buffeted](#) from the COVID-19 Crisis by heavyweight technology shares and US manufacturing. Both the United States and the PRC are implementing [policies](#) that will attempt to revolutionize manufacturing, and are in a data-led [arms race](#) that includes big data analytics, machine learning, 3D printing, and quantum computing. As is evident in the PRC's own policies, there is an awareness that these new technologies are becoming new pillars of state power, [enabling order-construction](#) – in finance, in trade, in governance, and in shipping – and thus will be one of the primary methods of order-contestation between the two superpowers.

There are doubtless many other knock-on effects of the COVID-19 Crisis, including the possible [vulnerability](#) of states across the developing world, the slight surge of land-transport as sea-based shipping [struggles](#) with shut-down ports and over-capacity. Of course, not all of these trends can be viewed only through the lens of great power competition, but as the African proverb has it, “when the elephants fight, it is the grass that suffers”. It is very difficult for medium and smaller states to avoid becoming entangled in a geopolitical competition when (1) it is taking place between the

international system's two largest powers across most metrics; (2) it is diffused *cold war-style* among various social and state activities, including media, technology, and international order (3) it is based on increasingly-sharper ideological and normative differences, causing both states to advance their system as the better model. As has already been raised, global competition has defined ongoing commercial and technological trends, and it will – of course – do that in terms of responding to the COVID-19 virus itself. In 2019, Henry Kissinger, one of the US leading strategists during the Cold War and a leading architect of the rapprochement with the PRC, [said](#) that the two nations were “in the foothills of a new cold war”. As this paper has sought to argue, the COVID-19 Crisis is not halting that movement toward a new cold war, but rather accentuating it.

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*The views expressed in these articles are those of the author and do not reflect the official policy or position of DKI APCSS, the U.S. Indo-Pacific Command, the U.S. Department of Defense, or the U.S. government.*