

FOOD FOR THOUGHT (FFT) PAPER POST COVID-19 GLOBAL SECURITY LANDSCAPE

EXECUTIVE SUMMARY

The COVID-19 pandemic is a strategic shock to the international community that will have far reaching impacts for the future with many second and third order effects yet to be realised or imagined. This “Food for Thought” (FFT) paper provides an initial analysis of the impact of COVID-19 on many previously observed trends and the related forthcoming challenges and opportunities. For NATO, the crisis presents an opportunity to adapt the Alliance to be better prepared and situated in the post-pandemic environment at the military and political levels.

In the global security arena, COVID-19 has the potential to be a system-altering event. Western powers are likely to continue in relative decline. China will likely continue its ascent both politically and economically and will continue efforts to change the international order to be more aligned with its preferred vision of the world. Russia will likely continue to strive for political position and power and seek to strengthen its relationship with China. The European Union (EU) will likely continue to struggle between competing national priorities and common European priorities. Similarly, Alliance cohesion will be strained in the post-pandemic environment; however, its unity, cohesion, and solidarity, and cooperation with the EU will be vital in addressing challenges. The crisis may also result in continued relative decline of United States (US) global leadership and the international and multilateral institutions that form the foundation of the current world order may be weakened as nations focus on internal challenges.

Developing nations will face even greater challenges going forward, meaning that projecting stability and reinforcing existing governance structures will be increasingly important. Migration will continue as a contentious issue. Developing nations will likely be even more vulnerable to public insecurity, discontent and potential unrest in urban areas.

Although the short-term impacts of COVID-19 are most significant in the human dimension, many mid and long-term human trends will not substantially be affected. One impact of COVID-19 that will likely have significant social impacts in the future is the expanded use of surveillance capabilities. This has the potential to undermine security, privacy and freedom. The use of social electronic surveillance technologies, under the pretext of disease prevention or monitoring, will challenge democratic governments’ abilities to maintain an acceptable balance between individual liberties and the public good.

The global drive for new technologies will continue with surges in health and biotechnologies and acceleration of the global digital transformation. China will likely continue its investments and rapid gains in artificial intelligence (AI) and other technologies, which has implications for the ability of the Alliance to maintain a position of technological advantage. The pandemic accelerated the use and acceptance of AI and other emerging technologies, to include social monitoring tools. Additive manufacturing technologies have the potential to significantly alter patterns of global trade and commerce. However, the pursuit of technologies, particularly in the military, may be limited by constrained defence budgets.

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It is very likely that the global economy will require a significant amount of time to recover from the crisis. As international commerce and collaboration decline, inequality will accelerate, potentially fuelling instability, increased migration and conflict. Disruptions in food production and distribution may significantly impact developing nations and regions. Also, the challenges of addressing the effects of climate change, coupled with economic decline, will affect some Member Nations' abilities to contribute to Alliance operations. Many nations, even developed nations, will become even more vulnerable to catastrophes, including epidemics, pandemics, and natural disasters, which are occurring with greater frequency and compounded by climate change.

NATO has an opportunity to learn from the crisis and adjust its efforts for continuous adaptation. Assistance to civilian authorities in mitigating a pandemic is not a typical NATO military task, and will challenge defence planning and adaptation efforts. The crisis calls for the Alliance to place greater focus on coordination with international organisations (IOs). The crisis could even provide an opportunity to reconsider strategic dialogue between NATO Allies and Russia. The Alliance also needs to consider a holistic strategy that accounts for all instruments of power and accounts for conflict, deterrence and a greater domestic role for military forces, to include their use in public health crises. In strategic communication, NATO should work to mitigate the effects of disinformation to preserve and strengthen confidence in the Alliance.

The future holds potential for an unlimited number of possible scenarios. This paper presents three plausible outcomes in "scenarios" form, not as predictions, but to help today's decision-makers be better informed about potential futures.

INTRODUCTION

The COVID-19 pandemic is a human tragedy of immense proportion and a major strategic shock to world order and the global economy. It has resulted in not only a health emergency and significant loss of life, but also severe economic, social, and geopolitical consequences at the individual, national, regional and global levels. The impacts will likely become clearer as time progresses, but it is already apparent that the COVID-19 pandemic will play an accelerating role in some key global trends. These effects could include influencing the shift in global power, the relative decline of the West, centralisation of power in governments, a trend towards greater national sovereignty, and polarisation within and between states.

Governments have already taken unprecedented measures and initiatives to stop the spread of the virus. These actions are likely to have long-term direct and second order domestic and international impacts. As governments have focused on providing immediate aid for businesses and workers to mitigate the economic and financial impacts of the pandemic, the result has created a backlash on globalisation and the free market model, increasing the prospect that countries may retreat into overt geopolitical competition.

The economic fallout from the pandemic is much worse than the 2008/09 financial crisis. Nations have different priorities while managing the current challenges. The consequences of the crisis could be realised in a longer-term realignment of national priorities. The financial mitigation measures necessary to cope with COVID-19 effects could have a negative impact on the provision of funds for agreed increases in Alliance defence spending.

AIM

This FFT paper provides a further analysis of the COVID-19 pandemic focused on potential mid-to long-term impacts on the global security landscape and the implications for NATO.

BACKGROUND

COVID-19 is not the first disruptive event or strategic shock the Alliance has faced. In the last two decades, events such as the 9/11 terrorist attacks in 2001, the economic crisis in 2008/09, and Russia's illegal annexation of Crimea in 2014, to name a few, could be listed as disruptive events invoking global consequences. In most cases, a creative coordinated response involving major countries allowed the international community to contain and mitigate impacts. However, the scale and timing of COVID-19 make it a disruptive event. The origin of the virus is still under debate and it is currently difficult to identify potential consequences of the pandemic as a whole, but many of the COVID-19 implications are likely to present existential challenges to the world order.

NATO, like many successful and enduring organisations, has continuously adapted itself to the changing environment with the resources and resolve to maintain a leading role on the world stage and ensure the security of its members. The rapid spread of COVID-19 around the globe forced members of the

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Alliance to take unparalleled measures to contain the virus and expend significant resources, including calling upon military forces to support medical services and provide logistic and security assistance. NATO will need to adapt wisely and rapidly to address the unprecedented challenges with, quite probably, reduced resources and diverging national interests. Furthermore, NATO should view the COVID-19 pandemic as a constructive opportunity to enhance its standing and reputation within the international community. While members of the Alliance potentially re-orientate their national priorities, NATO's cohesion, solidarity and unity remain its centre of gravity.

ANALYSIS

This following analysis focuses on the COVID 19 impact on NATO's strategic environment using Strategic Foresight Analysis (SFA) framework: Political, Human, Technology, Economy and Environment. It also includes an analysis of Russia and China. Additionally, a number of 'scenarios' are provided to initiate strategic discussion.

IMPLICATIONS ON GLOBAL SECURITY LANDSCAPE

A pandemic of this magnitude has the clear potential to be a system-altering event. A return to normal once the pandemic has passed is unlikely. This crisis will likely leave institutions and relationships stronger or weaker, but certainly not unchanged. The longer the crisis lasts, the deeper the changes will be. Some argue that this event will likely become a defining feature of this era, either by accelerating current trends or creating entirely new dynamics.

It must also be considered that this is unlikely to be the last pandemic of such a magnitude. This is the third time in 20 years that a new coronavirus coming from animals has appeared – there are likely to be more. Lessons learned from this pandemic should be used to maintain and improve the resilience and capability of NATO headquarters, supporting organizations, agencies and forces. This is necessary to enable the ability for continuity of operations to accomplish the Alliance's core tasks under similar future adverse conditions. Additionally, the Alliance's military-industrial complex will also need to adapt in view of the potential impacts to defence spending and likely changes to global supply chains

POLITICAL

The redistribution of geostrategic power.

The COVID-19 pandemic could very well have transformative effects on the international system. The current crisis might result in the entrenchment of the West, a continued relative decline of United States (US) global leadership and weakened institutions that form the foundation of the current world order and multilateralism. The redistribution of economic and military power towards Asia may accelerate, allowing peer competitors to continue to challenge Western institutions and the current world order. China-led international structures could replace Western institutions, subsequently increasing Chinese influence over the

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developing world, particularly in the Middle East, Africa, South America and Oceania.

The evaluation of Russia's national security strategy for 2015 highlights their view of world politics as a constant struggle for position, power and resources, and the pandemic will most likely not change this. On the other hand, if China emerges stronger from this crisis, it is more than likely that Russia will try to strengthen its alliance with China in order to boost its Eurasian partnership. Russia will also extend its influence in Europe and Africa, taking advantage of the temporary weakening of the Western Bloc.

Alliance cohesion will be strained by diverging national priorities, unequal economic and technological advancements, and the increasing use of soft power and a divisive strategic narrative by peer competitors. In the face of such distractions, the Alliance should also remain concerned with the risks of nuclear proliferation, such as the attempts by the Democratic People's Republic of Korea and Iran to acquire and improve nuclear weapon technology and delivery systems. While the future of China and Russia remain uncertain in terms of their respective abilities to maintain strong economic growth and domestic stability, NATO's unity, cohesion, solidarity, and cooperation with the EU will be vital qualities the Alliance must leverage to address increasingly complex challenges.

Use of power politics.

In recent years, the competition space has evolved, bringing the war of narratives and the asymmetric use of information and the cyber domain to the forefront of power politics. The economic expansion of China in the context of the Belt and Road Initiative (BRI), supported by exporting advanced technologies such as 5G, might be more important than China's ability to project hard power. While Western powers will likely continue to experience a relative decline, China is likely to take advantage of post-COVID-19 opportunities to increase its influence over the Global South, making many of these countries more dependent and interconnected with China economically and politically. China will continue to focus on expanding its soft power by touting its achievements and highlighting the effectiveness of its model of governance.

The post COVID-19 geo-strategic environment is not expected to bring major changes to Russia's opportunistic use of soft and hard power. This will still require NATO's utmost attention and resolve, especially against Russian use of cyber and hybrid warfare tools on Member Nations. In this context, Ukraine might become increasingly vulnerable while other non-NATO Eastern European, Caucasus and Central Asian countries could be further influenced by Russia. The volatility of the environment and growing domestic challenges have increased the potential for confrontation and conflict. Fuelled by growing nationalism, emerging powers might attempt to change the status-quo in frozen crises such as the situation in Donbass. These developments and the threat posed by changes in national nuclear strategy, the collapse of the Intermediate-Range Nuclear Forces (INF) treaty, and the modernisation of nuclear and conventional forces of major and regional powers require NATO to maintain a robust and credible deterrence and defence.

RUSSIA

- **Great Power:** When Putin took power in 2000, no one could have foreseen his role in bringing Russia to the global stage. However, a large part of Russia's success story is due

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to the gradual decline of Western power and influence. While Russia is not the USSR and will not be a global superpower, Russia will continue to punch above its weight, especially in light of a potentially divided Europe. Russia is likely to continue to be more assertive in its foreign policy and continue to challenge NATO and NATO Allies with a range of aggressive actions in pursuit of global ambitions to establish itself as a great power.

- **Russian Regime:** It is difficult to imagine a change in the Russian political system toward a more democratic or liberal one. Post-Putin, there may be a chaotic period of transition, but the regime will restabilize in much the same format it is currently, and has been historically. Russia is in a deep systemic crisis, but there is not a real possibility of change. Putin and the governing elite are expected to increase focus on regime survival by concentration of power in 'firm hands' using traditional methods.
- **Vladimir Putin:** There are diverging views whether Putin remains in power past 2024. However, it has become clear that Putin likes to keep his options open and to keep his adversaries (and potential successors) guessing about his motives. The Russian system is currently very dependent on him and while he remains popular with the public, he is unlikely to create disruption by transferring power. Therefore, Putin is likely to extend his grip on power beyond 2024, maintaining NATO and the West as an imposing threat. He might also use every potential tool in his arsenal, such as the Orthodox Church and other Russia-friendly non-state actors.
- **Russia-China:** Russia has been increasingly looking to China, not unlike nearly every country in the world. Russia's cultural home has always been Europe, so shifting to the East would be no small feat. If Russia were to ally with China, they would serve as a junior partner - a role that Russia would loathe. However, it is anticipated that the relationship between China and Russia will improve in the future, largely because China is showing Russia the respect they believe they deserve and are not receiving from the West.
- **Rapprochement with the West:** COVID-19 will have long-lasting global impacts, including greater nationalization of economics and politics. Russia is likely to continue to challenge Euro-Atlantic security and stability by assertive actions close to NATO borders and violating Allied airspace. These challenges will continue to be accompanied by grey zone activities such as hybrid actions, attempts to interfere in election processes using widespread disinformation campaigns and malicious cyber activities. European response to Russia will be mixed, particularly along the lines of those who are more sympathetic to Russia and those who are not.

CHINA

- **Great Power:** Regardless of the many possible outcomes after the end of the COVID-19 crisis, China will be central in influencing the shape of the global order and the geo-strategic environment for many decades to come. There are two commonly noted possible outcomes of the current crisis for China. The first is that China, though suffering some setbacks, will strengthen its global political and economic standing ahead of Western nations. The second most likely outcome is that China will suffer significantly under the global economic crisis and experience resistance to its campaign to bring nations and large parts of the developing world

into its sphere of political and economic influence. However, even this outcome is highly unlikely to alter China's character, objectives, or long-term trajectory. China may be delayed in achieving its goal of being a global leader and may miss its 2049 targets, but this will only likely embolden China to once again reinvigorate its efforts. Regardless of the timeline or potential setbacks, China will continue to challenge Western-led institutions and the world order seeking to influence or change it to be more aligned with its vision of the world.

- **Soft Power and the Use of Information:** China views and leverages the information domain as an essential element of soft power to achieve its strategic objectives. As demonstrated during the COVID-19 crisis, China will continue to make every effort to dominate the information space with news and stories that positively portray its efforts as supporting the global good. China will continue to focus on expanding its soft power by touting its achievements and highlighting the effectiveness of its model of governance. China will also continue to strenuously deny any information that portrays them as anything but a like-minded partner in the struggle against present and future common global challenges. China will use all means of soft power and coordinated information campaigns in an effort to draw other countries in Europe and elsewhere into its sphere of influence, potentially driving a wedge between members of the Alliance.
- **Pursuit of Technology:** Prior to the COVID-19 crisis, China was pursuing a stated goal to become the global leader in technology and innovation by 2035 as a key enabling element of its larger strategic objectives. China will likely continue to aggressively pursue this goal employing all instruments of power in a synchronized holistic effort not rivalled under democratic systems of governance. China will continue to strive to be the global supplier of 5G networks, especially in the developing world and in parallel with its BRI strategy. China will also continue to make every effort to become the global leader in AI by 2030. As demonstrated by the COVID-19 crisis, Western nations must avoid the pitfall of allowing vulnerabilities and potential single points of failure in the supply of resources or goods essential to their continued economic growth and stability, most notably in S&T. This applies even more certainly to those S&T items that are essential to the military and maintaining the security of the Alliance and its members.

Non-state actor influence in domestic and international affairs.

As the role of multilateral/international institutions, regional organisations and other non-state actors is likely to continue to decline over the mid-term, COVID-19 has restored nation states as the key actors in international affairs. The role of multinational corporations, either state-owned or private, is likely to be subjected to continued scrutiny if some of the emergency measures remain in place over the mid- to long-term.

Organised crime and transnational terrorist networks will continue to evolve, exploiting gaps and weaknesses in the international system, taking advantage of dwindling international structures and declining cooperation. Terrorist groups will most certainly be reinforced due to a reduction in operations against them, particularly by western nations. These challenges are likely to be

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compounded by potential radicalisation of young people and other vulnerable groups due to economic crisis, and an intensification in the long-term attacks against the West, whether from abroad or internally. Given the demonstrated vulnerability of the international community to COVID-19, this event might also serve to herald the development of bioweapons. In the future, terrorist organisations might see the significant value of investment in developing such asymmetric capabilities, thus increasing Alliance risk and necessitating the development of preventive and mitigation strategies.

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The Russian government is likely to continue to utilise private military and security organisations (PMSO) to promote Russian interests, such as the so-called humanitarian transportation in Eastern Ukraine.

Russia will continue to use non-state actors when the opportunity arises, such as the most recent 'significant disinformation campaign' against the West to worsen the impact of COVID-19 to generate panic and sow distrust. This also includes creating a wedge between NATO and its Partner Nations and other international organisations (IOs), such as the EU. While Russia uses PMSOs as hybrid warfare tools to influence, China uses private or state-owned companies to expand its influence in the areas of economic and technology investments such as 5G.

Challenges to governance.

The rapid spread of COVID-19 has challenged the abilities of multilateral and IOs to provide a timely and adequate response. In a global crisis that spans borders and continents, a globally coordinated response was especially necessary. As yet, and no doubt hindered by politicisation and an early denial of the pandemic's potency, adequate coordination at a global level has failed to materialise. The World Health Organization (WHO), the most important global governance structure for the COVID-19 crisis, has been criticised for its approach towards China, downplaying the dangers of the virus. China is likely to continue to increase efforts to duplicate or replace other global governance structures while requesting reforms of institutions such as the United Nations (UN), the International Monetary Fund (IMF) and the World Bank, all to China's benefit.

COVID-19 is expected to create severe challenges for countries in developing countries such as India, Brazil, and Pakistan due to lack of sufficient health resources and large percentages of populations living in crowded areas. Fragile states in the Middle East and Africa are likely to be severely affected. Projecting stability and reinforcing existing governance structures will be increasingly important, albeit allocation of resources is likely to be limited.

Public discontent/disaffection and polarisation.

The initial responses of most democracies were delayed since the political costs and risk of encroaching upon basic freedoms were extremely high. Despite the restrictive measures applied, many Western countries' initial polling results indicated that support for leaders has increased since the beginning of the pandemic. However, their standing will likely be affected as the economic crisis is prolonged and trust in the democratic process is frayed.

Polarisation of societies within nations is likely to continue as governments struggle to address challenges and balance societal demands. These fractures and the lack of cohesion within society will be reinforced as crises such as COVID-19 are used to foster ideological confrontations and political gain. Increasing political partisanship will further impede a government's ability to implement necessary legislation and reforms. Populism, concerns about globalisation, immigration and a dilution of national identity will drive ethnocentrism and nationalism, resulting in a further erosion of trust within the societies and between nations.

HUMAN

Although COVID-19 has had tremendous short-term social implications, long-term trends will not substantially be affected. That said, while some social trends might be accelerated and reinforced by the current crisis, this event also offers an opportunity to reshape and redesign the social contract between populations and their governments to foster their relationships.

Asymmetric demographic change.

Exacerbated by the crisis and the associated significant increase in public debt, ageing populations in the West will not only result in a decline in the working-age of the labour force, but more importantly, will also challenge social security and health systems. Nations will continue to struggle to provide an appropriate response to potential and recurring events such as pandemics. This could be seen as a fracturing of the social contract and could foster mistrust in governments. Migration will continue to be a major source of additional labour forces, though it will remain a source of disagreement. Anti-immigrant rhetoric will fuel polarisation based on ideological, social, economic, religious and sanitary motives.

Developed countries will likely be forced to re-design their urban environments, systems, and infrastructure based on increased preparedness, self-sufficiency and resilience.

Urbanisation.

Urbanisation, globally increasing at different rates, will generally challenge governments' ability to provide functioning infrastructure and basic services in times of crisis. This will only be exacerbated by the consequences of continuing climate change. Developed countries will likely be forced to re-design their urban environments, systems, and infrastructure based on increased preparedness, self-sufficiency and resilience. Lacking funding and support, developing countries will struggle to prioritise such concepts, thus endangering their urban populations and making them more susceptible to disease, natural disasters and the influence of malevolent actors.

Keeping critical infrastructure permanently working and providing necessary resources to the population will play a key role. In times of crisis, a coordinated intervention to provide basic services could include NATO forces protecting critical infrastructure and offering medical and logistic support.

Increasingly connected human networks.

Driven by COVID-19 and enabled by technological progress, decentralised and non-physical networks are expected to become increasingly important. Besides offering previously unimagined opportunities in facilitating the interaction between a growing number of actors,

especially in times of crisis, they are also presenting unprecedented threats. The lack of accountability and difficulties of monitoring such networks will challenge national economic, social and security systems.

As such, malign actors increasingly will exploit decentralised and non-physical networks in their favour. That said, nations and organisations, especially in times of crises, will constantly feel the need to monitor and use such networks to understand, influence and shape them in their favour, often under the cloak of necessity to support the provision of safety and security. Unprecedented government surveillance capabilities with popular support in times of crisis might outstrip laws that are established to safeguard the right to privacy. These developments have the potential to undermine security, privacy and freedom in the long-term.

TECHNOLOGY

The first obvious impact of the COVID-19 crisis is a very likely surge of research in the health and biotechnologies sector. Beyond that, the pandemic should also fuel a new acceleration of digital transformation, which could radically change work, education and health care. There will be a boom in the use of virtual reality as a substitute for live interactions and in technologies, especially leveraged in the fight against the pandemic (such as AI and big data analytics, additive manufacturing and possibly blockchain).

The US is currently the global leader in science and technology (S&T). However, the US global share of S&T activities is declining as other nations' shares are increasing, especially China. China is making rapid innovation gains in many areas with the aim of achieving world leadership in AI by 2030. China's investment in AI accounted for more than half of the world's total investments in this area in 2018. This trend raises concerns about the impact on Western economies and has implications for the ability of the Alliance to maintain its current technological edge over potential adversaries.

Rate of technology advance.

Global use of technology in response to the crisis is resulting in acceptance of new social norms in exchange for potential game changers:

- AI-assisted cures and vaccines.
- FastTrack approval of AI-assisted testing systems (probably would have taken years of consideration in normal times).
- The balance between privacy concerns and the response to the pandemic will be increasingly debated. For example, allowing connected digital thermometer data to be shared as a potential indicator of infection areas and cellular data used to track the effectiveness of 'stay at home' orders. Governments could use this event as a reason to maintain or increase broader electronic surveillance of the public using disease prevention as a pretext.

Access to technology.

'Stay at home' policies are changing how the world does business. Some changes that may remain following the pandemic include:

- The adoption of remote services across the spectrum will change the way services are rendered. The 'stay at home' rules have rapidly created a large number of online users for public services, commercial activity and private social communication. Absent the COVID-19 pandemic, many individuals would likely have never made the change from in-person services. These services include education, meal and grocery delivery and the provision of health care via telemedicine.
- The 'stay at home' and 'work from home' experience revealed western society's high-level dependency on the internet and its services. This includes the NATO Command Structure and its headquarters. Access to the internet will remain an essential service for the Alliance, and this high-level of reliance on internet-based communications and collaboration may create a single point of failure. There will be increased potential for risk in the cyber domain due to more extensive use of mobile communication assets either for work or private reasons, and acceptance of reduced cyber security in order to receive service at home.
- The demand for 5G network enabled services will further increase, as the enriched internet services of 'Virtual Reality/Augmented Reality' and the 'Internet of Things' technologies will significantly improve productivity of remote work.

Access to the internet will remain an essential service for the Alliance and this high-level of reliance on internet-based communications and collaboration may create a single point of failure.

Global network development.

Although some mistrust between nations has been visible during the crisis, commercial drivers will continue to prevail in the development of technological advances, increased access to technology and global network development. There will be further implications as this crisis encourages innovation.

Increased interest in domestically produced strategic goods and materials will lead to commoditization of the advances of additive manufacturing, robotics, and green energy production such as solar technologies. Additive manufacturing is one technology that has been pushed hard in the past months to deliver components of ventilators and protective equipment. This technology could continue to be highly disruptive, first for manufacturing and later for consumer goods. Significant changes might be expected in global supply chains and for countries that have or are about to become the workbench of the world.

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Major manufacturing disruptions due to interrupted supply chains, primarily from China/Asia, will drive some companies to increase resilience by repatriating (on-shoring) some fabrication back to more secure nations. Realistically, new fabrication facilities will incorporate the latest in automation/AI, reducing labour requirements significantly; therefore, these actions will not result in higher numbers of jobs.

Long-term impacts on technology may be dominated by an extended economic slowdown that makes the 'newest tech' a lesser priority for consumers. There will be cost issues related to increasing resilience/redundancy of supply chains and on-shoring. Technology in general, and military technology in particular, will cost more entering an era where defence budgets will be constrained.

ECONOMICS/RESOURCES

Severe negative consequences for the world economy and its resources are already materialising. It is very likely that the globalised economy will need a significant amount of time to recover from this crisis, which will be characterised by rising unemployment rates as well as increased national debt. Likewise, it will be equally important for all nations to be adequately prepared for any potential future COVID-19 resurgence.

The impacts of climate change will place additional strain on limited resources for a rapid recovery. As evidenced by current events, the current global economic system is vulnerable due to its susceptibility to global interruptions. Since there is no alternative, the global economy will attempt to return to pre-epidemic status. Although the economic downturn is unlikely to impact the status quo of reciprocal interdependence, there will be an increased likelihood that a focus on national priorities could decrease interest in cooperation.

As the COVID-19 epidemic affects nations and parts of the world differently due to political, economic and social reasons, a major consequence could be the acceleration of inequality with resulting social conflict and potential instability. Currently stable regions of developing countries could see dramatic changes due to the economic impact, especially through supply chain disruptions and production transfers. Consequently, the international community will have increased difficulties in coping and managing regions of crisis due to a renewed priority to focus on national issues and concerns.

Globalisation of financial resources.

Globalisation will likely prevail, but certainly will be challenged by those who have been severely affected by the COVID-19 crisis. Efficiency, as the main driver of supply chains and trading relationships, will have to be balanced against other factors such as security and resilience. National security concerns on production and supply chain resilience will reduce out-sourcing, creating more opportunities in developed countries. Some of the negative consequences of the crisis are already being felt. IMF and World Bank projections for economic development in 2020 and 2021 are negative for every nation in the

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Reduced interstate conflict due to reciprocal reliance is unlikely. The economic downturn is unlikely to reduce the intent of nations to maintain the status quo of international cooperation. However, nations may be forced to reprioritise in certain areas as their own economies dictate, at the potential detriment to international collaboration.

Geopolitical dimension of resources.

The availability of national resources will continue to increase the political power play between nations and will be utilised to assert power status in national interests. Russia or China are especially likely to continue to use their available resources to enforce their interests through hard and soft power assets. Experts already state that the effects of the crisis have been disrupted production, transportation and distribution of food, especially in poorer regions and regions of crisis. Additionally, climate change will continue to have the potential to disrupt the world's food production.

Increased inequality.

Due to economic pressures, the gap between rich and poor is highly likely to increase, especially in the global south. In Europe, differences between the North and the South are likely to emerge, potentially creating vulnerable seams in the Alliance. The full extent of the COVID-19 effects is not yet evident and the effects on the current economy are largely unpredictable since they have not been experienced in association with past epidemics. This fact has the potential to accelerate the level of inequality and could result in higher conflict potential. These conflict potentials can affect societies within nations and be a driver for instability between nations.

Fairly stable regions of the developing world could see dramatic changes due to the negative economic impact, especially through the transfer of production capacities and supply chain changes. This could lead to increased social pressure and support for migration in huge parts of the local population without the existence of a violent crisis. IOs will have increased difficulties managing crises due to the national focus and unilateral decisions of member states.

ENVIRONMENT

Climate Change

The COVID-19 pandemic may lead to a deeper understanding of the importance of resilience against natural disasters such as the increasing frequency and strength of extreme weather events or the expanding range and spread of vector-borne diseases due to climate change. While some nations may escape the extremes of change, there is an increasing likelihood that a member nation could suffer a major disaster, which could affect its ability to contribute to existing or emerging Alliance operations. Long-term stimulus investment could be used to build a better outlook, such as a zero-carbon future in which communities and the global economy are resilient to the impacts of climate change.

Natural Disasters.

The greater frequency and costs of natural disasters and the projected increase of their severity due to climate change are posing significant social, economic and geopolitical challenges and new risks for countries and vulnerable populations. Over the last two decades, South Asia, West

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Africa, Latin America, the Caribbean, Australia, Europe and North America have all suffered significant losses from earthquakes, wildfires and floods. The number of natural disasters has grown from an average of 150 a year in 1980 to over 450 a year in 2017. The frequency of disease outbreaks has also steadily increased. COVID-19 has shown that even the most developed nations' infrastructure and systems are not sufficiently ready to address catastrophic natural disasters that may occur in the future. New approaches and investments aimed at building resilience to natural disasters will be required by all actors to help mitigate future losses.

CONCLUSION

COVID-19 started as a health crisis and was rapidly followed by significant economic and geopolitical impacts. The global situation and ensuing financial crisis creates a perfect storm that challenges the international community and current world order.

COVID-19 is likely to accelerate changes in some previously recognized global trends, which might result in severe economic, social, and geopolitical consequences. While members of the Alliance potentially reorient their national priorities, NATO's unity, cohesion and solidarity will remain key for maintaining Euro-Atlantic stability and security.

Revisionist powers, such as China, Russia and Iran, are likely to exploit the post COVID-19 environment to create a wedge between the members of the Alliance using hybrid warfare tools, including disinformation and economic means. NATO's MIP remains important for deterrence and defence, while the competition space will be dominated increasingly by other elements of national power: diplomatic, economic and information domains. The comingling of Instruments of Power will be reflective of the new normal.

Over the next two decades, NATO's ability to maintain its technological edge will increasingly be challenged as potential competitors continue to allocate more resources in areas like AI, Big Data, 5G Wireless, nano and biotechnology, and robotics. The competition space is likely to see numerous rapid technological advances that could affect the global balance of power.

Aggressive use of AI to control the spread of COVID-19 is likely to create privacy concerns especially in the developing world. Authoritarian countries are likely to exploit AI and other technologies in the post COVID-19 environment to continue invasive personal data tracking, to suppress opposition groups and individuals.

People, companies, malign actors, governments and international organisations are assessing the impact of the pandemic, challenges they will face and opportunities they could capitalise on over the mid- and long-term. Based on their respective assessments, they will position themselves to advance their interests, influence and situations. Therefore, the coming decades will be dynamic and competitive.

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Economic challenges will dominate political agendas, as the cost of mitigation measures for rapid recovery are likely to affect continued defence spending trends. The increased potential for state-on-state conflict and the emergence of new opportunities for non-state actors opposing the Alliance require Nations to continue to commit to their agreed goals over the long-term.

Alternatively, the future is not necessarily all negative as the post COVID-19 environment has the potential to bring better cooperation among nations and supranational organisations, and opportunities to strengthen trans-Atlantic relations, Alliance cohesion and commitment for the security of the Euro-Atlantic region and beyond.

ANNEX:

A. Scenarios

The future is not necessarily all negative as the post COVID-19 environment has the potential to bring better cooperation among nations and supranational organisations, and opportunities to strengthen trans-Atlantic relations.

ANNEX A TO

ENCLOSURE 1 OF ACT/SPP/SF/TT-2939/SER:NU:0728

DATED 23 JUN 20

SCENARIOS

Presented below are three scenarios identifying potential trends and associated implications. It is important to present the potential confluence of trends that are likely to shape the future. These scenarios may help decision-makers now to make better choices about the future.

Scenario 1: Towards an overhaul of world order.

COVID-19 has created grave economic conditions at the global level, not sparing any particular country. Countries representing almost 70 percent of the global Gross Domestic Product (GDP), the US, EU, China, Japan, India, Brazil and Canada, have taken unprecedented measures to maintain economic and social stability. While some of these measures, including border closures, might present obstacles for the development of a coordinated effort, it is expected that the G-20 countries will eventually coordinate their actions to support recovery at the global level. This will allow rapid economic recovery while final markets remain connected and trade flows accordingly.

The high-level economic interdependence, the interconnectedness of markets and financial systems, and supply chains established over the last two decades will require collaboration for a rapid recovery for all. Though they are expected to hold back, China, Russia and other authoritarian states might continue using hybrid warfare tools to slow western recovery and rehabilitation.

Multilateral and international organisations such as NATO, the EU and the UN will play important roles through maintaining cohesion, solidarity and providing security and stability for their member countries during the recovery period until conditions are returned to a 'new normal.' This 'new normal' will define how fast the broken trust between countries, including the members of the Alliance, is repaired. It is clear that significant increases in national debt brought about by the substantial government investments in economic stability will impact national spending priorities and likely result in reduced defence spending. These defence reductions will particularly impact warfighting capacities.

Scenario 2: Towards a fragmentation of world order.

The success of a coordinated response to the COVID-19 pandemic required US leadership as was the case during other occasions over the last decades. Protectionism and anti-globalisation will encourage competition for resources, bringing zero-sum dynamics into the international system. Additionally, Chinese and Russian ambitions to weaken NATO by creating a wedge amongst the members of the Alliance might lead to a growing fragmentation of the global international order.

Prioritising domestic production, offering packages to encourage national companies to invest domestically and following protectionist economic policies are likely to result in a retreat from globalisation. Countries will follow a more sovereign policy where they meet their own needs

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through domestic production causing surmountable challenges. Fragmentation of the world order will fuel great power competition in areas extending from strategic narratives to a trade/economic war and even the use of Military Instrument of Power. Hybrid warfare tools will be used extensively and resource competition and economic warfare will delay an economic recovery that might result in public discontent and an increase in polarisation within and between countries. Any proxy wars around NATO's periphery might result in another wave of migration and redirection of scarce resources from military readiness to protection of national interests.

These developments will re-emphasise the importance of territory and the traditional role of deterrence and defence with a particular focus on collective defence. Increased focus will be required on modernisation of nuclear and conventional forces and on high-level readiness of NATO's Military Instrument of Power.

Scenario 3: Between sovereignism and renewed cooperation.

COVID-19 revealed an inability of regional and international organisations to manage the health crisis in a coordinated manner. Each nation chose to defend its population and its own interests, with more or less positive results depending on the country.

In fact, this crisis has shown the weaknesses and vulnerabilities of the countries most affected by the crisis, notably as a result of a succession of budget cuts in the areas of health and safety, excessive relocation of production to Asian countries and even deindustrialisation in certain critical sectors.

In taking stock of this crisis, it is likely that nations will seek to regain a certain degree of sovereignty and strategic autonomy by trying to fill, depending on the impact of the economic crisis, the capacity gaps that have been sorely lacking in key sectors that will guarantee their own resilience. This protectionist process will be accompanied in parallel by enhanced cooperation between nations, mainly bilaterally or within major regional groupings (EU, NATO, etc.). In any case, international cooperation will have to be rethought and the post COVID-19 era could be an opportunity for a new deal between the NATO and Eurasian blocs.