

The Geopolitics of the Novel Coronavirus

by George Friedman - February 4, 2020

Geopolitics is a fairly slow-moving process that unfolds in predictable ways. This is usually the case. There are then moments when a wild card enters the system from the outside, unpredictable yet significant. At the moment, we can't tell if the **new coronavirus** is such an event. We don't know exactly how it is transmitted, how lethal it is, whether it causes long-term illness and so on. We know it has broken out in a Chinese city, Wuhan; that the Chinese government regards it as serious enough to impose significant controls on movement in and out of Wuhan; and that a small number of cases in China, relative to the population, and a smaller number of cases outside of China have been reported. For this we depend on media reports, since our own knowledge of viral medicine is limited.

Geopolitically, communicable disease ranges from the common cold to the Black Death. The former is ever-present but of little consequence; the latter massively disrupted European society and, in some cases, shifted the regional balance of power. There is a trigger point between these two diseases where the political system erects disruptions in everyday life and commerce designed to limit the effect of the disease. To some extent these actions are effective, and to some extent they can be sufficiently disruptive to cause economic problems. We are at the moment teetering between these points, with the consequence of the disease and the consequence of protecting against the disease uncertain.

The major threat would appear to be travelers carrying the virus. The United States has banned travel to the U.S. for foreigners who have traveled to infected regions, while U.S. citizens may return but are quarantined for two weeks. Major U.S. airlines are starting the process of suspending all flights to and from China, but Chinese airlines and U.S. cargo carriers are still flying to the U.S. Other countries like Russia have also imposed travel bans. The U.S. government has imposed very limited barriers, through which the disease is likely to pass. Most important, maritime shipments to and from China have not been significantly disrupted. This is vital, because if they were to be suspended, the situation would transform from a problem to a crisis.

China is dependent on exports to maintain its economy. About 20 percent of its gross domestic product derives from exports, and its single largest customer is the United States, despite the trade dispute. Assume for the moment that the new coronavirus were closer to the bubonic plague than

the common cold, or assume that the panic that arises from the fear of the unknown compelled the governments of multiple advanced countries to place China under quarantine. It is an unlikely but far from impossible outcome.

The Chinese government has been under intense pressure in three ways. First, the crackdown on Xinjiang province generated a massive negative response from Europe and the United States. Alongside that, the United States imposed significant tariffs on China. The contraction in exports hit a financial system that the Beijing government was already struggling to stabilize. This led to fear among Chinese authorities of unrest over economic and financial issues. The result was increasing security, from recognition technology to intrusion into the internet and periodic arrests of those considered dissidents. Economic insecurity led to increased security. This in turn led to Hong Kong. The Hong Kong riots were triggered by a bill that authorized China to extradite Hong Kong residents. This was a desire Beijing did not have before. But as the situation intensified, the desire to assure stability in Hong Kong increased. With the bill, some in Hong Kong recognized that extradition could be carried out for things legal in Hong Kong and could lead to extreme sentences. It represented an existential threat to many in Hong Kong, and the results were transmitted around the world.

A chief responsibility of the Chinese president is to manage relations with its most important customer, the United States. China has deflected American demands to open its markets and not manipulate its currency since the George W. Bush administration. It was expected that President Xi Jinping could continue this process. He failed to manage U.S. President Donald Trump, and the result was that an exporting nation faced a challenge from a consuming nation. To put it more simply, there is a rule in business that you should never have a fight with your best customer. Xi violated this rule by winding up in a tariff fight with the United States.

There is no evidence – but then, there wouldn't be – of a fight in the Central Committee of the Chinese Communist Party over Xi's stewardship. The Central Committee is packed with Xi supporters, of course, but a situation like what has developed must cause concern and generate ambitions. The idea that the Central Committee was content with the financial situation, trade war, Hong Kong and Xinjiang is to me the least likely situation.

Now, to the coronavirus. Assume that the fears that are being expressed do not turn out to be exaggerated. Assume that in response to this, massive trade restrictions and embargoes were imposed on China and that freighters were not permitted to dock in Long Beach or Rotterdam, nor would they be permitted in Shanghai. With the Russians already screening China's northern border, China would be isolated.

China is a nation whose core dynamic is based on international trade. Under pressure from the United States, a dangerous virus would inevitably cripple that trade at best. At this point, the Chinese government, like any government, would be blamed for what went wrong, and it would be blamed for mismanaging the virus and failing to understand the economic consequences. From here you can play out the game.

The reason for this exercise is to point out that the coronavirus is neither a geopolitical nor a political event. Diseases emerge with some frequency. But given the Chinese dynamic and China's current condition, the virus could readily evolve into a geopolitical and political event, in which tension within China might explode, with the coronavirus the last straw and China's international position transformed.

To emphasize, I have no idea what "2019-nCoV" is or what it will do, but judging from what is being said about it and the level of anxiety, I will assume for the sake of argument that it is more dangerous than not. Then, given the evolution of the past year or two, and given the fear that always follows new, deadly diseases, we could see a fundamental transformation of the international system.

Not all events are geopolitical. They do not arise out of relations between nations. But events that are unconnected to geopolitics can connect themselves to the system and disrupt it. This is meant as an exercise in geopolitical theory. It is not insignificant in the case of China, which has had a difficult period and doesn't need to be quarantined by the world.

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