

Looking Ahead: Trends and Solutions for 2022

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It would be good to write a very optimistic piece at the dawn of 2022—and indeed we do try to focus in this piece not just on trends but on solutions. Yet, overall, it is impossible to avoid “telling it as it is”—internationally and for multilateral action, the year has not had an auspicious start. Omicron is sweeping through communities worldwide, with many hospital systems warning of the risk of being overwhelmed. The political instability of which we and many others [have long warned](#), driven by economic and governance links, is coming to pass. Kazakhstan is the most recent example, but this also covers the quintupling of coups in Africa in 2021, and heightened polarization in many Western, Asian, and Latin American [electoral](#) processes.

This period was always going to be difficult, with shifting rankings among global powers and all the consequent potential for violence this has spurred historically (think of the late nineteenth and early twentieth centuries). Yet rising domestic inequality, macroeconomic failures, and COVID-19 have added to this in a dangerous cocktail. We wanted to write at the beginning of the year on how some of these effects interact, but also on the surprisingly simple solutions to contain them.

Here are four thoughts on what is happening, and four thoughts on solutions.

Trends

Omicron will not be the wake-up call in the West that is needed to spur greater global solidarity, because people disagree profoundly about the best public health response. A significant proportion of people in the West argue that Omicron proves exactly what they have said all along—that the vaccines do not work, and that they are risky because they have not been tested properly. The vaccinated, of course, see the situation in the opposite way—that vaccinated people have been massively less likely to die or be hospitalized, and most important in a societal sense, pass the virus to others. Not coincidentally to this polarization, [confidence in democracy is also at a low](#), with majorities in eleven out of seventeen developed countries in 2021 saying that their political systems need “major changes” or “to be completely reformed.” Main drivers include economic performance and inequality, beliefs about economic prospects for the next generation, and pandemic performance. In December 2021, we published [new evidence](#) on the links between political instability and these factors.

In many developing countries, there is an entirely different situation: a sense of rage abounds that the international community (although in many cases the daily blame goes to their national governments) has not only mishandled COVID-19, but also showed its disregard for global solidarity. [More than 90 countries globally](#) missed a WHO target of vaccinating 40 percent of their population by the end of 2021. In low-income countries, [less than 10 percent](#) of people have received at least one dose. These low rates are not because of vaccine hesitancy in the same degree as the Western countries (although it does exist): [one study](#) found that 80 percent of people in lower and middle-income countries were prepared to take the COVID-19 vaccine, compared to 65 percent (and declining in subsequent data) in the US and 35 percent in Russia. Disillusion over pandemic performance may be reshaping conflict parameters—in some countries immediately, and in some as a pressure that will need to be overcome in the future. To quote Funmi Olanisakin, Vice President at Kings College London, *“The virus is fundamentally reshaping conflict in Africa: young people are angry at their governments, for inability to solve the health impacts but even more for the economic effects, which compound their existing vulnerabilities.”* The target is often governments, but most of these governments were not the source of vaccine shortages: that was a failure of the international system.

Box 1: Divisions at the UN

The UN has always had strong group divisions between countries, and ones that sometimes seem anachronistic—for example, it is the only global platform where the non-aligned movement spurred by the Cold War continues to operate powerfully and institutionally as a bloc. Over the three decades since the end of the Cold War, these divisions persisted but gradually weakened. The Group of 77 (G77), a grouping of developing countries that typically votes with China at the UN, was becoming more and more divided. By 2016–19, middle-income countries often did not express the same interests as least developed countries, and regional groupings had become more important.

The pandemic seems to have changed the dynamics in the G77. Anger over vaccine injustice and the great divergence in access to finance has acted to reunify the G77. China has profited, through the perception that it was more prepared than the West to help countries with medical technology, and that it is prepared to use this to reward allies and punish those who diverge. Anecdotes illustrate this—representatives from a number of countries have told CIC that they had strict instructions from capitals during the pandemic not to offend China at the UN, in case Chinese support was needed for access to vaccines and medical technologies.

Increasing polarization at the UN can be seen manifesting itself in responses to the secretary-general’s report, *Our Common Agenda*. While almost all countries, North and South, see things in this agenda that they like, there have also been several cautionary signals from member states:

- (i) A feeling that the SDGs are not sufficiently addressed in the agenda, although “Sustainable Development Goals” or “2030 Agenda” appear fifty times, with another several dozen more general references to economic and social development (more than references to “human rights” and three times more than “climate change”)
- (ii) The use of the social contract framing, although [evidence shows](#) that thinking on what brings legitimacy to relations between governors and the governed occurs historically in all regions, not just in the West
- (iii) The reference to multi-stakeholder approaches and consultations with stakeholders, which some member states feel gives too much weight to civil society (although here again, there are 84 references to member states or governments and 27 to civil society—while the agenda is clearly framed as meeting the aspirations of “we the people,” the secretary-general lays out a primary role for governments).

This tense situation will likely also be exacerbated by macroeconomic pressure. By [our count](#), over 100 countries are at risk of [abrupt fiscal consolidation](#) by 2023–24. This includes the thirty or so countries considered by the International Monetary Fund (IMF) to be in debt distress—the total number is three times what we would see in a normal year. Macro and fiscal distress is playing out in different ways. In some countries, such as in Kazakhstan, pressures on energy prices or other commodities are spurring wider grievances about governance. Similarly last year in Colombia, pressures from credit rating agencies and subsequent government measures to raise taxes on food, internet connection, and even funeral services led to massive street protests. In others, the inability of national leaders together with the IMF to reach agreement—[as in Tunisia during 2021](#)—ended up threatening democracy through a fragile balance of central decree, constitutional mechanisms, and popular voice.

Geopolitically, at the UN and elsewhere, this has resulted in a new set of dynamics (see Box 1). The G77 has reunified to a significant degree, moving closer to China. This shift will have impacts in G2 contestation in future. There has been concern about the prospect [of the US facing three wars](#)—in Europe (Ukraine), the Middle East (Iran), and Asia (Taiwan)—as opposed to the capability to fight two wars, which has long been part of US military doctrine. It remains to be seen whether Russia, China, or Iran will test the US directly through military action in 2022. The likelihood may be more threat and standoff than further direct aggression (Kazakhstan here is not determinant of other actions), but this is not guaranteed.

Solutions

First, an obvious win at the UN for either the Western European and Others group (WEOG) or China, but indirectly for the rest of the world, is to get the global vaccine plan done. The president of the General Assembly had called a vaccine summit on January 13 (which due to COVID conditions has just been postponed). The irony of this situation should spur action in the additional time now available. The most obvious action for both WEOG countries and China is to announce a clear and fast implementation plan to provide vaccines sufficient to cover the rest of the world. This means sharing intellectual property—we need to end the circular dispute about intellectual property versus manufacturing capacity, as a wider distribution of both would help. It means funding the \$50 billion the IMF says is necessary to get global coverage. While China and the WEOG should collaborate, the geopolitical advantage to either China or the WEOG group, for a small amount of money, is obvious: if there is no agreement to do it together, one side should do it on its own. It is valid to ask if Omicron has overtaken this imperative: if the virus is mutating to a milder, flu-like variant, is the priority still global vaccination or should it be primarily economic and political (see below)? We are not health experts, but we think this is risky: other more severe variants may evolve, and in addition the sense of abandonment internationally will have consequences in political terms action on other global public goods, including climate.

Second, there needs to be immediate action on international liquidity. Just to recap, all countries were hit hard by COVID economically—it put people out of work, it lost income for informal sector workers, it has seriously disrupted supply chains and prices. This effect has not stopped. It [is resulting](#) in increased episodes of political instability. In developed countries, over one quarter (25 percent) of GDP has been spent on average on stimulus programs for social protection and to protect businesses. But the proportion is much lower everyone

else: in middle-income countries, only 7 percent and, in low-income countries, only 2 percent. The most obvious low-hanging fruit to increase access to liquidity is the reallocation of the \$650 billion in Special Drawing Rights (SDRs) agreed at the IMF annual meetings. This is a political, not just an economic issue—it affects relations between countries. An additional \$650 billion in SDRs was agreed in September 2021 but was not reallocated, [largely because of technical issues that do not take sufficient account of political imperatives](#). In early 2022, centers of government and foreign ministries should engage in ensuring that SDRs are reallocated to countries that need them immediately, aiming to get this done before the IFI spring meetings.

Third, the world will be better off if what some are calling the “new Cold War” results in some virtuous circle competition on who governs better. To the extent that the people of the world are watching politics and not Kim Kardashian, they are judging the outcomes in their daily lives. China is now sending a direct message, [as it did](#) before the Democracy Summit, that it governs better. What would be good for the world right now is a dynamic of virtuous contestation, reminiscent of the better aspects of Cold War competition. The first part of this dynamic is domestic: if the WEOG and China want to convince others that their lifestyle is more desirable, they need to actually show that it works for everyone—improve the incomes of the bottom 40 percent, cap the incomes of the top 10 percent, show that diversity is a strength, recreate the reality of the social contract. And on top of this, compete internationally in a virtuous circle, by demonstrating, for example, that “we solved the vaccine or impending debt crisis.” In other words, go back to the realization that you need to govern better both nationally and internationally to support geopolitical power.

Fourth, it will assist in building in confidence if the multilateral system is seen to be at the center of at least some of these moves. Indonesia’s presidency of the G20 is an opportunity in this regard, with the slogan of “recover better, recover together.” So is the preparation for the Summit of the Future called for in the UN secretary-general’s report *Our Common Agenda*. Let us try to take the dawn of 2022 as the wake-up call it really is and put the maximum effort we can into both local and global solutions. We would like to say, as we often do, “Solutions for global progress and prosperity,” but we fear we are well beyond this. What we need are solutions to prevent further crises, even as they lay the basis for a better world ahead.

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