When COVID and Conflict Collide
Overview

1. Theory of the case—“multiphase complex emergency”

2. Compounding issues in fragile and conflict-affected states

3. Model complexity and data collection issues

4. Approaches to mitigate
Theory of the Case
 (general)
Complex emergencies are situations of disrupted livelihoods and threats to life produced by warfare, civil disturbance and large-scale movements of people, in which any emergency response has to be conducted in a difficult political and security environment.

Recent examples

- **DRC**: Second Congo War, Eastern Congo Crisis
- **African conflict zones**: Ebola & cholera outbreaks
- **Horn of Africa**: drought, famine, locust plague + war
- **Arab Spring**: Libya/Syria/Yemen wars + humanitarian crises
- **Venezuela**: economic collapse + oil shock + civil unrest
- **South Sudan**: drought + locust plague + war
- **Myanmar**: Rakhine separatist conflict + Rohingya crisis + cholera

*Complex emergencies tend to be multi-phase, with mutually-exacerbating impacts from multiple causes that compound over time and hamper responses.*

© Cordillera Applications Group, Inc. 2020
“This is not an actual economic crisis: it is a government-imposed shutdown and power grab, whereby the state has:

– Made working and operating businesses illegal, while pretending to bail people out with money it pretends to have;

– Suspended or seriously attacked rights of assembly, freedom of movement, access to private property and freedom of speech;

– Demonstrated a mix of arrogance, untruthfulness and incompetence in putting private enterprise out of work yet protecting government employees/unions;

– Imposed mandatory compliance with constantly-changing guidance;

– Fostered a culture of snitching and informing to state entities;

– Proposed a solution that will give government access to every citizen’s DNA, blood test data, infection status, movement tracking and cellphone mobility data as a prerequisite to restore liberties seized during the crisis.”

Whatever the economic or health outcome, this will damage social cohesion, increase state fragility and provoke anti-government sentiment.
COVID-19 as a multiphase complex emergency

- Onset ➔ Peak ➔ Recovery ➔ Recurrence\(_n\) ➔ Reset

- Peak compound impact?

- Public health crisis
- Economic Impact
- Security Crisis

Onset ➔ Peak ➔ Recovery ➔ Recurrence\(_n\) ➔ Reset

© Cordillera Applications Group, Inc. 2020
Each public health impact wave is followed by:

- Lockdowns
- Job losses
- Bankruptcies
- Supply chain disruptions
  → Economic impact

Each economic impact wave is followed by:

- Human security crises (food, water)
- Civil unrest (armed/unarmed)
- Political instability
- Internal security crises
  → Enhanced interstate war risk
SARS-CoV2

First-order (Public Health) effects
- COVID-19 Infection rates
- Excess deaths
- Hospital and ICU overload
- PPE shortages
- Psychological impact
- Medical supply shortages
- Health cost increases

Second-order (Economic) effects
- Lockdowns
- Travel bans
- Supply chain disruption
- Shortages
- Surplus/wastage
- Bankruptcies
- Unemployment
- Inflation
- GDP reduction
- De-globalization/decoupling
- De-urbanization (urban flight)
- Market volatility
- Education disruption
- Disparate class/race/regional impact
- Trade wars / protectionism

Third-order (Security) effects
- Food insecurity
- Increased criminality
- Increased cyber-risk
- Population displacement
- Internal unrest / protests
- Civil disobedience
- Political instability
- Intra-state conflict
- Authoritarian crackdowns
- Civil rights infringements
- Diplomatic disputes
- Inter-state conflict risk

Cascading Effects of Novel Coronavirus
This is a common public view...

"Safe" sectors crushed: tech, healthcare, higher education, finance. No safe havens left.

Zombie corporations rush to borrow billions but this only delays their insolvency.

Pandemic triggers mass layoffs, uncertainty is the New Normal. Capital and trade flows disrupted.

High-cost small businesses fold, money velocity collapses as savings soar.

Defaults and bankruptcies explode higher, triggering catastrophic losses in banking and derivatives.

State / local taxes plummet, Federal bailouts run out, local government employment slashed.

Service sector dependent on top 5% household spending implodes, tech / managerial class layoffs surprise Protected Class.

Depression Dominoes Fall

copyright 2020 charles hugh smith www.oftwominds.com
Initial unemployment claims

Note: Chart shows claims for the week ending on each date.

Chart: Andy Kiersz/Business Insider
Source: US Employment and Training Administration via FRED
Compounding issues
(specific to fragile/conflict-affected states)
Compounding issues—food insecurity

Desert locust outbreak
August 2019-January 2020
- Infestation
- Potential spread (February)

Food insecurity, January 2020
- Emergency
- Crisis
- Stressed
- Minimal
- No data

Source: USAID, FEWS NET

The Economist
© Cordillera Applications Group, Inc. 2020
World Food Programme warns at least 30 million people could die of starvation during pandemic.
Water insecurity ➔ immediate crisis
Conflict entrepreneurs
Divided / contested governance

Hezbollah

Alejandrina Guzman
IDPs and refugees
Modelling and data issues
Complex and static models proliferate...

(OECD)
Most data are country-year, not dynamic

**Coronavirus infections**
per 10,000 people, with seasonality and a doubling of critical care capacity

**Cumulative progress** toward herd immunity

Modified from Stephen M. Kissler et al., Science | Graphics by Jonathan Corum

© Cordillera Applications Group, inc. 2020
Idiosyncratic (country-specific) issues

• Afghanistan—peace talks in progress
• Congo/DRC—ongoing Ebola and Cholera outbreaks
• West Bank and Gaza—functional blockade in place
• Syria—large internally displaced persons (IDP) population
• Somalia/Somaliland—remittance economy collapse
Way forward
Pre-existing Risk Factors—country level

**Conflict risk factors:**
1. Internal conflict or insurgency
2. Presence of external intervention/PKO forces
3. Ethnic/tribal/regional territorial disputes
4. Territorial disputes with neighbouring countries
5. Illegal immigration / border-crossing
6. Indigenous protest movements
7. Major trading partner is not major security partner

**Demographic/structural factors:**
8. Percentage of urbanization
9. Percentage of population over 60
10. Multi-family dwellings
11. Multi-generation households
12. Pre-existing public health crises e.g. Ebola, Cholera
13. Racial/ethnic health disparities
14. Prevalence of diabetes, obesity and heart disease
15. Racial/ethnic health disparities
16. Regional/local or urban food deserts
17. Weak public health system
18. Fragile water infrastructure

**Political Economy:**
19. Performance based legitimacy
20. Head-of-Government or parliamentary election in next 12 months
21. Politicized / polarized media
22. Fractured/polarized political elite
23. Gini coefficient
24. Urban/rural political divide
25. Percentage employed in state-owned enterprises
26. Dollar-denominated debt
27. Major trading partner not major security partner
Risk factors—regional/systemic level

1. Dependence on remittances from diaspora
2. Dependence on tourism for employment/government revenue
3. Size of diaspora
4. Reliance on food imports, especially staples e.g. rice, wheat flour
5. Reliance on food exports to COVID-affected countries
6. Reliance on oil exports
7. Cross-border labour market / Presence of large overseas workforce
8. Air travel/cruise ship hubs
9. Regional rail/road transport hubs, major ports and harbours
10. Industries requiring close indoor proximity e.g. textiles, clothing
11. Indoor air pollution/Outdoor air pollution
12. Effectiveness/overstretch of health care system
13. BRI debt to China and/or major Chinese-owned infrastructure investment
14. Reliance on overseas imports of consumer goods
15. Large overseas tourist or student population
Possible Resilience Factors

1. Legitimacy/effectiveness of local/sub-national government
2. Strong non-government local security forces
3. Technocratic (apolitical) medical services
4. Size of subsistence agriculture sector (non-export agriculture)
5. Low national debt-to-GDP ratio
6. Government transparency
7. Percentage of small/medium enterprises serving domestic market only
8. Closed (i.e. already sealed) borders
Lessons from Afghanistan, Syria, Somalia

- Local sources
- Data gaps
- Archetypes
- Observer effect
- Survey fatigue
- Manipulability
David Kilcullen
djk@cordillera-apps.com