

COVID – A COMPLEX CATALYST

Justin Crump highlights several knock-on effects of the global pandemic that organisations need to be ready to respond to

It is a common observation that it is not the first crisis that breaks organisations, but rather the second one that provides the biggest challenge. This is a timely thought for companies already struggling to deal with the huge challenge posed by Covid. While it may not be a universally popular consideration at the moment, the reality is that organisations of all sizes need to be prepared for the acceleration of a wide range of underlying issues that are being exacerbated by the virus. The consequences of which pose clear threats to staff, market access, assets, reputation and their technological base.

The effects of the Covid-19 pandemic need to be put in context in order to predict 'what next'. Here are the most significant factors:

Geopolitics: 67 percent of countries face increasing political risk. Geopolitical tensions such as the Russo-Saudi oil price war and strained US-China relations have been fuelled by the Covid response, adversely impacting supply chains, significantly increasing the risk of state-sponsored cyber espionage and intellectual property theft. These tensions are testing business ethics and forcing some organisations to pick sides, while corporations and Non-Government Organisations will increasingly become pawns amidst rising tensions. Issues such as Brexit have been somewhat overlooked to date, but will fast come back into the limelight later this year.

Civil unrest: 46 percent of countries face surge in civil unrest. Rising unemployment, the fast-track introduction of automation affecting manual jobs, societal tensions, poor climate policies, human rights violations, food shortages and corruption are increasingly mobilising people to take both virtual and physical action. This will likely peak into 2021-2 as the effects of the pandemic become more apparent – and, as is usual with any large economic shock, it takes time for the impact to wash through.

Lone actors: More than 10 significant incidents this year, in France, the US, Canada, the UK, the Maldives, Germany, and Israel. The risk of attacks

from lone actors continues and it remains harder for security services to intercept this threat, especially given the use of basic tactics such as stabbings and run-over attacks using vehicles. Lockdown mitigated incidents, but existing mental health conditions have been magnified by isolation, and there is a steadily increasing chance of individuals being recruited online by far-right or Jihadist groups. Moreover, security forces are heavily distracted by the ongoing demands both directly and indirectly caused by Covid, and budget pressures are likely to have further impacts in 2021-2.

Diversified crime: 51 percent of countries are predicted to face increased crime. The crash of the wholesale drug market, closed borders and difficult logistics has done nothing to stop activity. Instead, organised crime groups have used lockdown as an opportunity to diversify, taking advantage of distracted enforcement agencies. Virtual kidnappings have risen, while cybercrime, such as ransomware attacks on corporate systems, has increased by more than 300 percent in hard-hit Brazil, Colombia and Argentina. Businesses are having to adopt new methods at a much faster rate in order to protect their people, assets and data from the rapidly evolving threats.

51 PERCENT OF COUNTRIES ARE PREDICTED TO FACE INCREASED CRIME FOLLOWING COVID-19

Sibylline's Annual Forecast for 2020 was released in November last year – well ahead of the pandemic (although this is, of course, a scenario that everyone long knew was possible, and some CSOs have won major plaudits from their boards for running readiness exercises based on this eventuality)! The Forecast highlighted eight key trends, and it is educational to see how these have now evolved to become even more applicable than ever due to Covid.



Budget pressure and stretched resources have made post-Covid life hard for the police

Firstly, the principle characteristics of a disruptive and unpredictable US have been evident over 2020, with the Trump administration's continuing use of trade policy as a political tool undermining relations with both China and the EU. Confrontational rhetoric around the origins of Covid-19 is indicative of the President's tendency toward personality-driven and unpredictable policy positions. January's assassination of Iranian General Qasem Soleimani was reflective of Washington's willingness to exchange short-term regional disruption for weakening a strategic adversary, and the competitive environment ahead of the US elections implies that this trend will continue.

2020 has, of course, also seen an increasingly strategically assertive China, despite the Covid-19 pandemic and the country's first economic contraction in decades. From consolidating power in Hong Kong and the ongoing repression of the pro-democracy movement in the territory, to its confrontational policies in the South China Sea, Beijing continues to assert itself within the Asia-Pacific region to the detriment of ties with neighbours (particularly Taiwan, India, and Vietnam). Internationally, China is increasingly positioning itself against the US and its allies, as evidenced through recent confrontations with Australia and the UK. US-China tensions are

now unlikely to abate, whatever the outcome of the leadership race in Washington, making this a lasting area of challenge for global companies.

Policy flux and polarisation in the G20 has featured prominently over the year so far, with states forced to enact a range of policy solutions to the economic crisis triggered by the virus. Discussions over longstanding policy questions such as the outcome of Brexit and efforts by oil-producing states to diversify their economies have been sidelined, with further pandemic-related policy flux likely in the second half of the year. This means that larger decisions will potentially be rushed or viewed through an inadequate prism, as leaders struggle to cope with purely national issues. "Vaccine nationalism" will become an increasing trend.

The trend of rising authoritarianism has largely been sustained, with leaders in Poland and Hungary exploiting the pandemic to rollback democratic norms, while Russia's constitutional amendments have further consolidated the Putin regime. Authoritarian states, particularly Russia and China, have used the pandemic to harvest citizen data and augment surveillance. Moreover, it is no surprise that these states are rushing vaccines into production ahead of adequate testing, in part to use them as

diplomatic bludgeons. This signifies the global influence struggle to come.

Destabilising civil unrest was largely stymied by lockdowns. However, issues such as inequality and handling of the pandemic have seen the frequency of protests once again rise, while the consequences of years of stagnation have been highlighted in Lebanon and Belarus. Pre-Covid-19 protest movements in France and Chile have not abated, and anti-government demonstrations in eastern Russia suggest longstanding sources of unrest are unlikely to subside into 2021.

The threat of privately operated assets being used as proxy targets has persisted over 2020, driven largely by the deterioration of relations between China and the US. Instances of IP theft have increased year-on-year, with the US' designation of two Chinese tech firms as national security threats and the UK's exclusion of Huawei from its 5G network indicative of the increasingly politicised environment for private assets.

Trends observed around terrorism and militancy at the start of the year have continued. The far-right terror threat was compounded by a February shooting in Hanau, Germany, that left nine dead. While the emergence of the anti-government Boogaloo Bois in the US is likely to sustain the extremist threat. Islamist-affiliated militants remain an enduring challenge, with the rudimentary knife attacks in London and Reading, UK, reflecting the sustained lone-actor threat.

Finally, while direct anti-corporate activism as seen in 2019 through movements such as Extinction Rebellion has so far been limited in 2020, the trend continues to evolve. The Black Lives Matter movement focused attention on corporate diversity

and scrutiny on companies' response to protests. Environmental activism is unlikely to abate given the activists' willingness use the Covid-19 crisis to influence any 'new normal', with protests against the wider carbon value chain likely to see the range of corporate targets increase into 2021.

This highlights how we are now at an inflexion point, with some governments offering the possibility of wholesale change towards a 'green economy' and levelling perceived injustices, while others choose instead to consolidate power. Of course, worthy motives may yet fall prey to the harsh realities of economic failure, especially as states struggle with mounting debt and an array of security challenges.

In this light, it is important to note that the socio-economic impact of the Covid pandemic has yet to take full effect – the current phase is, really, just the end of the beginning. Rising unemployment and hardship, as well as an increasing focus on inequality, will undoubtedly serve as a key trigger for unrest across the world on a greater scale than we are yet seeing. Young adults and 'blue collar' roles are set to be most affected, worsening longstanding grievances among marginalised communities.

In this challenging environment, organisations and states that take an irresponsible or uncompassionate stance on redundancies, climate change and equality are set to become targets. This underscores how leaders must take a proactive, intelligence-led approach to decision-making and do the right thing for all of their stakeholders, amidst an increasingly complex and uncertain environment. As security professionals, it is our role to present a clear situational picture and provide adequate "decision support" to enable our organisations not only to survive, but also to thrive, during the coming period of turbulence ●

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A disruptive and unpredictable US has been evident during the last 12 months, including right-wing militia taking matters into their own hands

