



The Six Horsemen of the Apocalypse

This time they are six, the Riders about to devastate the Earth. Three are described in the Book of Ezekiel: war, famine, and disease. To these have been added climate change, inflation, and debt. These Horsemen of death, desolation and poverty are mutually empowering and have endless consequences. Leaders around the world are wondering how to get out of this mess.

Although war is inherent to human nature, for seventy-five years it had been forgotten by most. A war for territorial expansion in Europe, initiated by the largest country on the planet, was unlikely. In these past days of the NATO summit, no one even dared to outline an end forecast. On one hand, the offender has said that he will end the war when he fulfills his "military objectives." The military objective in March was to occupy Kyiv and impose a puppet government. Having failed, no one knows what other goal Putin has in mind. Those who believe that Ukraine should surrender and hand over part of the country are not realistic. Ukraine will resist. The pro-Russian movement in Ukraine, until March the majority in some territories in the east of the country, is diminishing as bombings and massacres continue. Furthermore, the West will not waver in its support because Ukraine's surrender would lead to an aggressive blustering Russia, unstoppable in its westward territorial expansion. On the other hand, nobody really knows the limits that Russia will impose on itself in the use of unconventional weapons (including tactical atomic bombs), nor how much its economy can endure without Western spare-parts and excluded from the financial system. Nor is it known what effects new war technologies that are being tested for the first time in Ukraine by both sides will have on the end of the conflict, especially new applications in Artificial Intelligence.

The war will accelerate the division between two worlds that began twenty years ago. One is made up of the main democracies (the United States, Europe, Japan, etc.), which today account for more than 50% of world GDP. The other, very heterogeneous, is made up of various autocracies trying to organize themselves around the emerging power, China. This group represents more than 25% of GDP, but accounts for more than half of the world's population. The first group shares values that, with all their imperfections, are among the greatest achievements of humanity (human rights, democracy, separation of powers, etc.). The second group's main cement is resentment (and often envy) of the West.

If nobody applies a remedy, the war will bring as a consequence a second, forgotten but perennial, scourge, which will affect hundreds of millions of people: hunger. Predominately the Russian blockade of the port of Odessa, but also the contamination of the crops in Ukraine, Western sanctions on Russia and the bad harvests in China (rain) and India (drought) are going to mean a shortage for years of grain and other staple food supplies in many vulnerable countries. Among them, many African countries, both Mediterranean (notably Egypt and Tunisia) and Sub-Saharan. This Rider brings with him greediness (more than 26 countries have already prohibited the export of cereal) and waves of migration. The hungry will try to emigrate en masse to Europe.

The third Horseman is disease, the Covid virus, which, with its variants, continues attacking again the poorest of the poor: the inhabitants of the unvaccinated third world countries. In Europe or the United States, more than 60% of the population has been vaccinated, while in Africa only 16%. The lack of vaccines also generates resentment towards the West in these countries, despite oftentimes being due to local corruption. On the other hand, when it is necessary to contain the disease through strict lockdowns, the value chains are again disrupted, as we have seen in the port of Shanghai. Importers find globalization increasingly unpredictable and unstable and seek to relocate production processes to nearby places (nearshoring) or close allies (friendshoring), disinvesting in other countries and thus delving into the reconfiguration of this new world.

Guerra  en Europa

The fourth Horseman is climate change, which continues unstoppable. The war turns this into a secondary battle and will make it difficult for the most industrialized countries to meet their emission reduction commitments. Climate change is impacting countries unequally, and those that suffer the most are the hottest countries, where the poorest part of humanity is concentrated. Again, despair and migrations.

The fifth Horseman is inflation, a consequence of all the previous ones. There is supply inflation due to the disruption in value chains and the high prices of food and raw materials, especially natural gas, which the war has multiplied by 8. But there is also demand inflation caused by the wealth effect of savings during the cessation of activity and generous state aids to families during the pandemic. There is also a certain feeling of "carpe diem" in the face of so much calamity, which may end abruptly this fall. In the US there are also some ten million jobs to fill, which has an impact on wages, making the inflationary spiral unstoppable. Inflation, as we know from history, destroys the middle classes, increases populism, and encourages revolutions.

And the last of the Horsemen comes precisely from the measures that central banks are beginning to take to cool down their economies and curb inflation, putting an end to the extraordinary monetary impulse that has been fostered since the financial crisis (in 12 years, for example, the FED has multiplied its balance sheet by eight). The rise in interest rates and other monetary measures will lead to overdraft, generating more poverty in families, companies, and the most indebted countries. This will paralyze many advanced economies and will generate an avalanche of restructuring and bankruptcies in emerging countries unable to pay their dollarized debts, with capital flight to countries with solid economies with rising interest rates.

A new world is coming and denying the existence of these threats is naive. But its impact can be minimized. How? The Horsemen of the Apocalypse, led by Putin, seek confrontation, division, and selfishness. It is what feeds them. Against them we must promote unity and solidarity. Solidarity with the most vulnerable. And unity, without fissures, of the moderates of the left and of the right, of the peripheries and the centers, and in general, of the countries that believe in democracy and human rights. The messages from the G-7 and NATO last week go along these lines. They must continue that way until the Riders collapse and disappear. Hopefully soon.

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