

Pop-Up Case: Global Recession Recovery

The COVID-19 pandemic has halted economies in their tracks, causing a global recession. How should the United States respond?

Use the following case to spark discussion and help students to think through what they would do if they were decision makers. See the back of the page for some inspiration for how to structure your conversation.

The Situation:

Coronavirus disease 2019 (COVID-19) has quickly spread to become a global pandemic. As countries adopt severe measures to slow the disease, including travel and trade restrictions, quarantine and social distancing protocols, and mandatory business closures, policymakers around the world are grappling not only with the grave public health crisis but also with the economic devastation COVID-19 poses. Though certain countries have managed to slow the virus' spread, the policies required to do so have caused large-scale economic disruptions to both the supply and demand sides of the economy: factory shutdowns and travel restrictions have fractured supply chains, while mass employee layoffs and social distancing protocols have suppressed consumer demand.

The economic effects of the pandemic have incited a severe global recession. National economies are predicted to shrink dramatically, and financial markets—already roiling—will likely see continued volatility and losses in the coming months. Governments and central banks have mobilized programs to provide temporary relief to workers and businesses and to support financial markets, but such programs can only proffer relief, not initiate recovery. Policymakers will need to consider a larger and longer-term strategy for recovery, once a viable treatment or vaccine has blunted the effects of COVID-19.

The United States has historically played a leading role in responding to global economic crises, coordinating policies bilaterally with countries and through multilateral forums such as the Group of 20 (G20) and International Monetary Fund (IMF). It could do so again, but leading such a response will require committing U.S. taxpayer funds. Given the toll COVID-19 has taken on the U.S. economy, devoting even modest amounts of resources to others could be politically unpopular. The United States could prioritize its own recovery over a global response, but continued turmoil abroad could spill over into the U.S. economy. Moreover, if the United States does not lead a global response, another country could. China has sought to expand its influence through infrastructure investment and greater participation in multilateral forums in the past. Now, Beijing is increasingly positioning itself as a leader in the global response to COVID-19 by providing assistance and supplies to other countries and advising governments on managing their responses. U.S. policymakers will need to consider both the economic and geopolitical fallout of COVID-19 as they address recovery from the pandemic, including the role the United States should play in that recovery.

Learn more:

1. [After the Pandemic: Can the United States Finally Retool for the Twenty-First Century? \(Council on Foreign Relations\)](#)
2. [Why the Global Recession Could Last a Long Time \(New York Times\)](#)
3. [The Coronavirus Could Reshape Global Order \(Foreign Affairs\)](#)



Decision Point:

The IMF has indicated that the COVID-19 pandemic, already a global health crisis, will cause a global recession and possibly a depression without a robust response. The National Security Council (NSC) is meeting to discuss a strategy for both U.S. and global economic recovery. NSC members will need to consider how best to support the U.S. economy while promoting global recovery. Moreover, members should consider the risk of ceding international leadership to another power; with China emerging as a potential international leader in the response to COVID-19, the pandemic and ensuing recovery could reshape geopolitical dynamics for years to come.

NSC members should consider any combination of the following policy options:

- Lead a multilateral response through forums such as the G20 and the IMF to coordinate global stimulus measures and fund lending programs to support struggling economies. This option would advance U.S. leadership in the recovery but would require significant U.S. financial contributions. Forging a global consensus about what needs to be done collectively and individually could also be difficult.
- Work bilaterally to provide loans and debt relief to allies and partners, encouraging others to follow suit. This approach also entails significant U.S. financial contributions at a time of domestic economic struggle, and there is no guarantee it would sufficiently stabilize the global economy. Pursuing this option alone could also allow China to expand its leadership in multilateral forums such as the IMF.
- Prioritize domestic economic policies over aiding an international response. This option allows the United States to focus the brunt of its resources on national recovery but does not address the risk of global recession spilling over into the U.S. economy. It also risks allowing China to gain influence.

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Pop-Up Case Guidelines

Pop-up cases from Model Diplomacy are short case studies on current events that put students in the shoes of policymakers facing the most pressing issues in international relations. There are lots of ways to organize a discussion using a pop-up case. It is always helpful to think about your goals for the discussion and then to consider any time or participation constraints you could have. If you are teaching online and cannot discuss synchronously, consider a short writing assignment or using an online discussion board (see some excellent tips [here](#)). If you are teaching face-to-face or over videoconference and are looking for some inspiration, here are a few ideas:

Gauge reaction:

If you want to show what students are thinking before diving into the discussion, here are two easy ways to do it. In one, often called “four corners,” assign each policy option to a corner of the room, and then ask students to stand in the corner associated with the policy option they support. In the other, if you want your students to think along a spectrum instead (e.g., interventionist-isolationist, unilateral-multilateral, more urgent–less urgent), put the ends of your spectrum at either end of your blackboard and have students stand along the board to indicate where along the spectrum they fall. With both approaches, everyone will sit down again with a sense of where they stand regarding the case. Use this knowledge to shape discussion—eliciting less popular opinions, challenging more popular ones, encouraging like-minded students to further develop their ideas, or having students who disagree discuss in small groups.

Think-Pair-Share:

This exercise is particularly useful for groups where some students are hesitant. Ask everyone to spend a few minutes quietly gathering their thoughts and articulating them in a notebook (“think”), then have them turn to the person sitting next to them to compare notes (“pair”), and then have students report out to the whole group (“share”), knowing that everyone will have had time to think through something to say.

Whiparound:

Ask students to briefly share their position one after the other without responding to each other. Typically, everyone speaks in the order they are sitting. This can be a way to see where everyone stands before launching into a discussion. If you expect a topic to be particularly contentious, you could have students listen to each other and then reflect in writing.



Simple NSC simulation:

If you would like to simulate a simplified version of a more realistic policy debate, you can appoint yourself (or a randomly chosen student) president. Ask students to debate the policy options (or come up with new ones) and try to reach consensus on a recommendation to the president.

NSC simulation with assigned opinions:

While assigning individual roles for a brief case study is complicated, you could assign opinions. For example, assign one-third of the class to be isolationist, one-third to favor a military response, and one-third to favor a diplomatic response. Let the groups caucus for a few minutes, then present their policy options and debate them, leaving the final decision up to you (or a student) as president.

Note: In our experience, simulations are often most productive if students imagine they are advising a generic president rather than a specific one.

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