JOURNAL OF WORLD-SYSTEMS RESEARCH

ISSN: 1076-156X | Vol. 27 Issue 1 | DOI 10.5195/JWSR.2021.1028 | jwsr.pitt.edu

Deglobalization, Globalization, and the Pandemic[1]

Current Impasses of the Capitalist World-Economy

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Abstract

This article is a theory piece focused on causal propositions codification and future trends identification, both supported by descriptive statistical data. It aims to analyze the middle-term dynamics of globalization and deglobalization due to the effects of the 2007-2008 Financial Crisis, in general, and the COVID-19 pandemic, in particular. The broader context in which such dynamics are situated are the processes of capitalist world-economy restructuring, propitiated by the crisis the U.S. hegemony, on the one hand, and by the Chinese rise, on the other. We argue that the COVID-19 pandemic tends to deepen and accelerate ongoing processes of global fragmentation, especially in the productive and commercial dimensions. From the point of view of governments, in particular the United States, there are growing protectionist and manufacturing repatriation efforts. From the point of view of large corporations, the perception of risk derived from the suspension and rupture of global production chains emerges thanks to measures to prevent infection. Somehow, governments and companies can converge on understanding the world market as a growing source of risk and decreasing advantages. The counterpoint here may be China's interest and ability to lead the fight against the pandemic and post-pandemic recovery, restructuring the global order built in the last forty years in new institutional basis and from which it has been the main beneficiary.

Keywords: Globalization, deglobalization, capitalist world-economy, COVID-19, pandemic

[1] This article is an integral part of the research "Globalization in the Spotlight: the Crisis in Europe's World Economy and the Emergence of Disruptive Global Dynamics" carried out under the International Postdoctoral Program (IPP) in Cebrap/SP, by Alexandre Abdal and under the supervision of Alvaro Comin. It corresponds to the expanded, updated and translated version of the essay in Portuguese "Deglobalization, Globalization and Pandemic: Current Impasses of the Capitalist World Economy," in the book *COVID-19: Social, Political and Territorial Aspects*, whose publication is expected to be taken place in the second half of 2021.

This journal is published by the University Library System, University of Pittsburgh as part of its D-Scribe Digital Publishing Program and is cosponsored by the University of Pittsburgh Press.

"With words, every care is little, they change their minds as people do."
***José Saramago**, in Death with Interruptions*

This article is a theory piece. Its main focus is causal propositions codification and future trends identification, both supported by descriptive statistical data. It aims to investigate the intertwining relationships between the dynamics of globalization and deglobalization with the emergence of the COVID-19 pandemic throughout 2020. Globalization is seen as an economic and geopolitical phenomenon proper to the medium duration of the capitalist world-economy. We allocate the article in the field of globalization studies, an outcome of the more general field of development studies (Endelman and Hauderud 2005), and in the approach of world-systems analysis (Arrighi 1994; Wallerstein 1999; 2004).

The reflections made herein are situated in the short term of the COVID-19 pandemic and in medium term of the effects of the 2007-2008 Financial Crisis. They regard the structures and dynamics of the capitalist world-economy in general, and the global integration processes of globalization in particular. In the tradition of world-systems analysis, the world-economy is a unit of analysis and one of three possible historical systems, the empire-world and the mini systems being the others (Wallerstein 1999). A world-economy is characterized by being an integrated piece of the global economy, whose center organizes it, hierarchizes it and stratified it into various economic zones and productive specializations (Braudel 1979).

In this sense, we are interested in discussing whether and in what measure both phenomena—the COVID-19 pandemic and the 2007-2008 Financial Crisis—are related to the capitalist world-economy's fundamental changes. Moreover, we are interested in investigating whether the 2007-2008 Financial Crisis and the COVID-19 pandemic are associated with the fundamental changes of the world-economy, with the aggravation or not of its recent structural change, with the strengthening or relief of tensions, and convergent and divergent effects between them, and if so, how.

We understand that the systemic disorganization and reorganization caused by China's emergence and consolidation as an economic and geopolitical power on the one hand, and by the crisis of U.S. hegemony on the other, have caused fundamental changes in the capitalist world-economy. Giovanni Arrighi (2007), for example, speaks of the definitive shift of the world production axis to East Asia, the epicenter of which is China. Such a change is the most important result of the processes of the geographical dispersion of world production, the emergence of an industrialized semi-periphery, and productive restructuring with the decentralization of large capitalist corporations (Lipietz 1987; Castells 1999; Amsden 2001; Sassen 2001). The roots of this process refers to the 1970s context through the reincorporation of the Chinese economy into the international system and the Chinese government's decision to carry out a gradual, selective and controlled economic opening (Arrighi 2007; Borghi 2015).

The American hegemony crisis, expressed in the United States' loss of capacity to exercise legitimate leadership in the interstate system, is a secular nonlinear process that also refers to the

1970s context (Amin 1977; Arrighi 2007; Guillén 2019). Its determinants are the loss of chronic competitiveness of the American industry due to Germany and Japan's recovery, the emergence of New Industrialized Countries (NICs), the unilateral abandonment of Bretton Woods, and the limits imposed on the largest and most powerful army in the world during the Vietnam War (Arrighi 1996; 2007).

The United States was able to regain leadership capacity between 1980 and 2000, a period which led to a global integration process of production, trade, and finance. We will characterize it as a "specific globalization project" in the next section. However, its partially recomposed hegemony has been experiencing deterioration again for the last twenty years. Emphasis on (i) growing contempt for multilateralism and global consensus-building institutions such as the UN System; (ii) the invention and involvement in wars, grouped under the nickname "War on Terror," with justifications that proved to be untrue, and disconsideration for the Security Council, the ultimate mechanism for the management of peace and worldwide warfare; and (iii) the emergence of protectionist and mercantilist impulses in the 2007-2008 post-crisis, accentuated with the election of Donald Trump (Guillén 2019); and, probably, not eliminated by Joe Biden, the new U.S. president.

In the end, articulating the consolidation of the Chinese ascension with the accentuation of the American hegemony crisis, the current situation is the multipolar and multi-hegemonic division of the capitalist world-economy into three centers: the United States, Europe, and China (Barbosa 2019). This division, however, is less and less consensual. The United States is challenging every kind of hegemony it can sink its teeth into. Europe, with the formation of the European Union, is maintaining the global influence it has left from its economic and cultural weight; albeit squeezed between the United States and China, and threatened by the fragmentation caused by Brexit. And China is seeking to make its growing economic power overflow into geopolitical influence (Barbosa 2019; Guillén 2019; Manzi 2019).

This article is situated within the systemic context of the structural dynamics of the capitalist world-economy. Our more general argument is that the economic and geopolitical effects of the COVID-19 pandemic will deepen current tensions and enhance the fragmentary trends of global economic integration, present at least since the 2007-2008 Financial Crisis. Concretely, we are talking about cooling the pace of integration, stagnation or even shrinking integration in the productive and commercial spheres vis-à-vis relative change in the financial sphere. On the one hand, the background is the tightening of protectionist and "anti-globalist" discourse by populist-authoritarian western political leaders, such as Donald Trump, and the ongoing emphasis on domestic markets and local production even after he left his position. On the other hand, the growing perception by governments and multinational companies that, given the uncertainties brought and amplified by the COVID-19 pandemic in the world market, the alienation of national or regional production to global networks has become dysfunctional and risky, either in the face of sensitive sectors, such as medical and hospital equipment or pharmaceuticals, or to obtain supplies.

The United States, in the most likely hypothesis of insistence on the economic unilateralist and post-Trump partial reconciliation to global governance institutions, will maintain the role it has been playing as herald of systemic chaos; that is to say, the role of agents in the destabilization and disorganization of the global order and, consequently, of the capitalist world-economy since the invention of the War on Terror in response to the terrorist attack on the Twin Towers. China, however, as the main beneficiary of globalization and the global order it has provided may become, ironically, both an advocate of the same order and the only actor capable of leading the post-pandemic recovery process on a global scale, including its central place in the production and distribution of medical and hospital supplies, drugs and vaccines for COVID-19, especially for poor and emerging countries. If this repositioning is successful, in the medium and long term, the bases for the reconstruction of the global order under a new hegemony may be laid. Or, in the event of partial success or failure, a situation of "endless" systemic chaos could be consolidated through "irresolvable" deadlock between the United States and China.

The article is organized into four parts, the last one being the article's final considerations. The first part characterizes and contextualizes globalization from the analytical differentiation between concept, process, and project, with the aim to situate and delimit the object of analysis. The second part, more focused on providing empirical evidence in order to support the analysis, concentrates on the impacts of the COVID-19 pandemic on the global processes of productive, commercial and financial integration. Specifically discusses the global components of the COVID-19 pandemic, that is, a pandemic that has encompassed virtually the entire globe in the speed of gunpowder fuse and in the wake of global integration. The immediate effects have been the global economy debacle and an uncertain recovery, but the medium and long-term effects may be associated with the stagnation of the globalization process and the deterioration of the globalization project. The third part presents and discusses the construction, apogee, and stagnation of the current globalizing cycle in the periods 1980-2007 and 2008-2020. The focus is on the emergence of fragmentary global dynamics in the productive and commercial spheres, as well as the signs of U.S. disruption with the project of globalization.

Deglobalization and globalization

Globalization is concept, process, and project. As a concept, it is ordinarily understood as the international integration of economies and societies at the exclusive supranational level. Because of that, it would imply some tension on both the national and nation-state scales. These would be visible processes of cross-border integration, such as the formation of supranational bodies. For example, the World Trade Organization (WTO), the World Health Organization (WHO), the G20, among others; and the amplification of global economic flows (capital, investments, goods, and skilled workers) and non-economic flows (communicative and cultural).

Saskia Sassen (2007) challenges this common sense understanding of globalization, offering a more rigorous conceptualization of the phenomenon. For her, globalization implies a set of global cross-border and inter-escalating dynamics, which connect territories, institutions, organizations, and/or state institutions in transnational networks. Such dynamics consist of both typically supranational integration processes, such as those mentioned above, and processes partially rooted in national and/or subnational territories and institutionalities. For instance, global production chains, financial markets, global city networks, global activism networks, and social movements, among others. In addition, such global cross-border dynamics do not exist by themselves, but must be produced and reproduced on a daily basis through many factors, starting with the nation-states themselves and passing through other organizations such as, but not limited to, private and public companies, banks, non-governmental organizations, social movements, and courts.

This way of understanding globalization implies the destabilization of traditional scale hierarchies, while shedding light on the processes of the global dynamics of production and reproduction (Weiss 2005; Sassen 2007; Brenner 2010). Due to the destabilization of traditional scale hierarchies, it is possible to criticize and go beyond the three implicit assumptions of the social sciences: (i) scale mutual exclusionism (hierarchical and exclusionary relationship between the subnational, national, and supranational levels); (ii) methodological nationalism (prioritization of the national and naturalization of the nation-state); and (iii) the rigid dichotomy amongst state and globalization (the more of one, the less of the other). And the focus on the processes of the production and reproduction of globalization allows the understanding that it is a phenomenon dependent on construction and maintenance, which can, therefore, be deconstructed and fragmented. For its construction and maintenance different actors compete, but the state is the fundamental actor for the formulation and implementation of globalization. This is done through the assumption of international integration as an aim of development, to carry out critical work in order to link national or subnational institutions and territories to global dynamics and networks, and to regulate the performance of non-national actors in national territory.

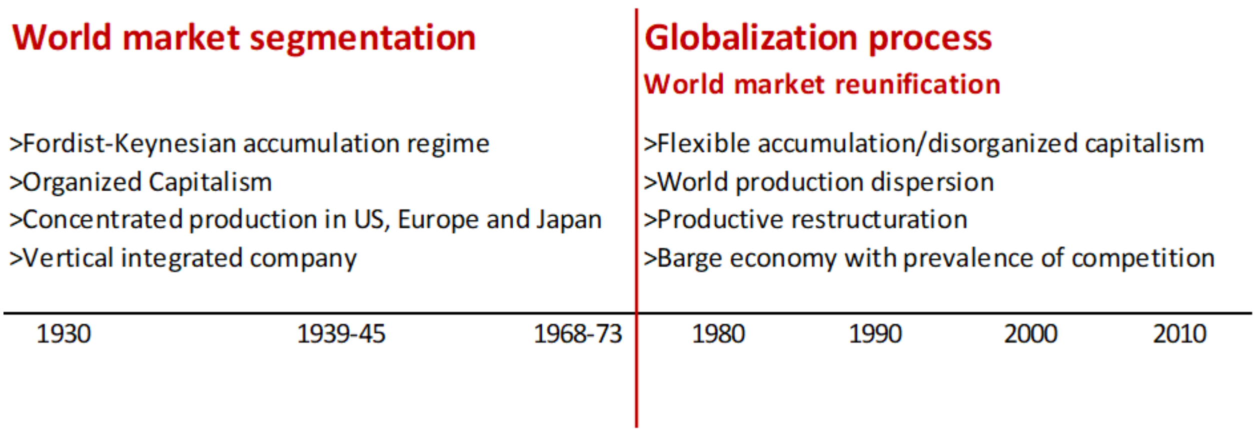
As a process, globalization as we know and experience it is a phenomenon rooted in the consequences of the Fordist-Keynesian accumulation regime crisis, or organized capitalism (Lipietz 1987; Offe 1989; Harvey 1993); directly related to the emergence of the flexible accumulation mode and the new informational economy (Harvey 1993; Castells 1999). It results in the world market (re)unification from the global integrations of production (global dispersion process of world production), of trade (liberalization of trade flows) and finance (financialization and global financial market formation) (Arrighi 1996).

In this reunified world market and in which production, trade, and finance are globally integrated, the competitiveness of the territories became more important than the redistributive efforts made by national states whether in the form of social policy or in the form of regional and/or urban policy (Brenner 2004). Thomas Palley (2018) characterizes it as barge economy. In it, economic activities “float” in search of increasingly cheaper production factors, financial assets “float” in search of ever-increasing and shorter-term profit opportunities, and the comparative advantages law prevails (Rodrik 2011; Palley 2018). From the point of view of countries and territories connected to this economy’s dynamics, the narrow horizon of reducing production costs and maximizing profit opportunities remains. This leads to a dismantling or demotion of domestic institutions; such as social security systems, labor laws, autonomous industrial, and monetary policies, among others (Rodrik, 1997; Brenner 2004).

Given its socially regressive character and its adverse redistributive and concentrating effects (Wright and Dwyer 2003; Piketty 2014), it is not impossible to understand the discontent of those who "stayed behind": locally rooted population groups and different segments of manual and non-manual routine workers (Rodrik 1997; Fraser 2017; Castells 2018). Dani Rodrik (2011) characterizes this profound global integration as being opposed to national democracy; implying, among other things, the use of undemocratic expedients for its support. For example, supposedly technocratic shielding of economic policy decision arenas removing them from public and democratic debate, imposing institutional reforms as if there was no option, blackmail by financial market agents in case of non-adoption of their deregulatory wills, and so on. Such a technocratic shielding occurred, for instance, in the ways in which monetary stabilization policies were formulated, implemented, and maintained in Brazil and Argentina in the 1990s, or how austerity policies were imposed on some European countries such as Greece, Italy, Spain, and Portugal in the post-financial crisis of 2007-2008.

The picture below summarizes the discussion of globalization as a process.

Picture 1: Globalization as a Process (Synthesis)



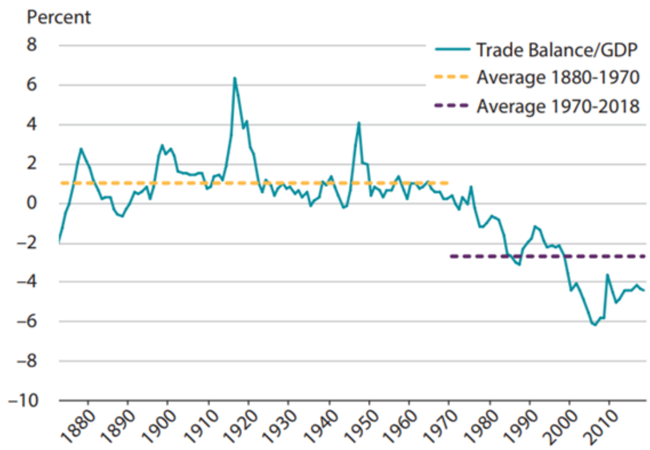
Adapted from Abdal (2020). Own elaboration.

And finally, globalization is a project. Or, rather, it was the American resolution project, in the short and medium term, of its hegemony crisis that began in the late 1960s and 1970s. For Giovanni Arrighi (1996; 2007), hegemony, when applied to the interstate system, implies the ability to exercise legitimate leadership. Its loss leads to "domination without hegemony," that is, leadership based solely and exclusively on violence; thus converting the leading nation, until then consensual, into a factor of the interstate system destabilization (Guillén 2019).

In the late 1960s and 1970s, the United States hegemony was eroded on at least three fronts: (i) economic and productive, through the recovery of Europe and Japan, more emergence of NICs; (ii) economic and financial, given the limitless liquidity in order to boost demand which led to the Bretton Woods' unilateral abandonment; and (iii) military, with defeat in the Vietnam War.

Together, the competitiveness, financial-monetary and military crises involved (i) the conversion of the world's largest economy into the world's largest debtor, whose trade deficit was growing due to their patterns of civic-military consumption; (ii) the increasing injection of liquidity into the economy whose results were no longer growth, but inflation and resources disposal with excess liquidity in the world market; (iii) and the imposition of limits on the largest and most powerful military force in existence (Arrighi 2007).

Chart 1: Secular Trajectory of the U.S. Trade Balance



Source: U.S. Census Bureau, Department of Foreign Trade, Measuring Worth. Elaborated by Reinbold and Wen (2019).

This imbroglio could only be resolved after more than a decade of deadlocks and doubts regarding the hegemonic capacity of the United States through the formulation and implementation of a specific globalization project. Following Dani Rodrik (2011), we will call it "hyperglobalization" or "deep globalization."[2] Hyperglobalization, associated with the neoliberal management of economic policy, implies an absolute and valued belief in the action of markets and, in this sense, antiprotectionist, anti-regulationist, and anti-mercantilist; as well as the change of focus of macroeconomic policy from demand to supply and from growth to inflation. Bresser-Pereira (2017) sees the issue as a change from the management mechanism of world capitalism from developmentalist (Keynesian and social-democratic in developed countries, national-developmental in developing countries) to liberal (or neoliberal).

The roots of this globalization project refer to the Monetary Counterrevolution, propitiated by the elections of Margaret Thatcher in England and Ronald Reagan in the United States. They were exported to the world in the form of the Washington Consensus almost a decade later. In the

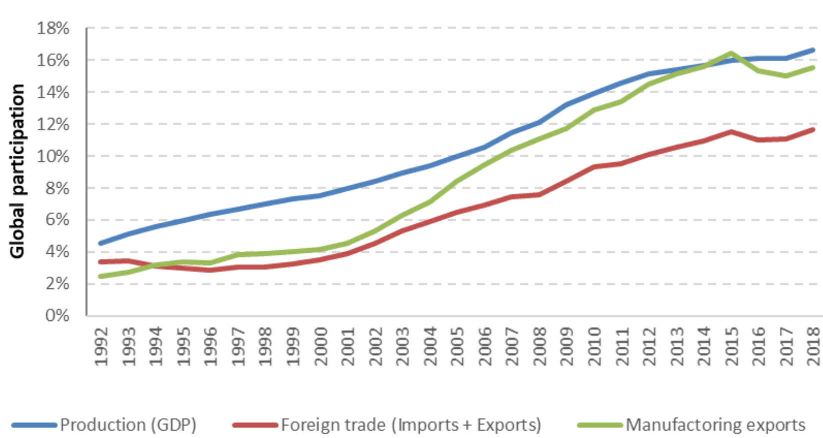
[2] We will avoid the term "neoliberal globalization," also used in literature. In spite of referring to exactly the same object, we will keep the adjective "neoliberal" to designate a pattern of management of capitalist economies, macroeconomic policy, and/or a worldview.

geopolitical dimension, the Monetary Counterrevolution was able to do what the U.S. army could not in Vietnam: put the third world on its knees, given the succession of debt crises it has unleashed, especially in Latin America. In the economic dimension, it implied both the formation, promotion, and deepening of the barge economy (Palley 2018), and the financial deregulation and removal of capital flows (Rodrik 2011). It should be noted that it is because of these characteristics that Thomas Palley (2018) calls hyperglobalization a neoliberal globalization, and that Bresser-Pereira (2018) associates it with financial capitalism.

The current cycle of the world market unification, conditioned by the hyperglobalization project, had its heyday in the 1990s and 2000s (Manzi 2019), with (i) the incorporation of the former communist bloc territories (USSR and Yugoslavia); (ii) the consolidation of the European Union project and the creation of other trade blocs, such as the North American Free Trade Agreement (NAFTA), and the Southern Common Market (Mercosur); and (iii) the establishment of a new economy based on Information and Communication Technologies (ITCs), which provided an important growth cycle with job creation, especially in the United States, throughout the 1990s. This pinnacle of hyperglobalization, through the reconfiguration of the world economy under a specific project of globalization by and for the United States, even generated the illusion of a unipolar, free, and democratic post-cold war world, synthesized in the expression "end of history" by Francis Fukuyama (1992).

At the same time, there were contradictory trends at stake. The main one is probably the intensification of the American economy competitiveness crisis, mainly from the 2000s with the rise and consolidation of China as an economic and geopolitical power (Arrighi 2007; Barbosa 2019; Guillén 2019; Manzi 2019). Although China is not the author of the hyperglobalization project, it was its main beneficiary; concentrating global growth, trade, and manufacturing.

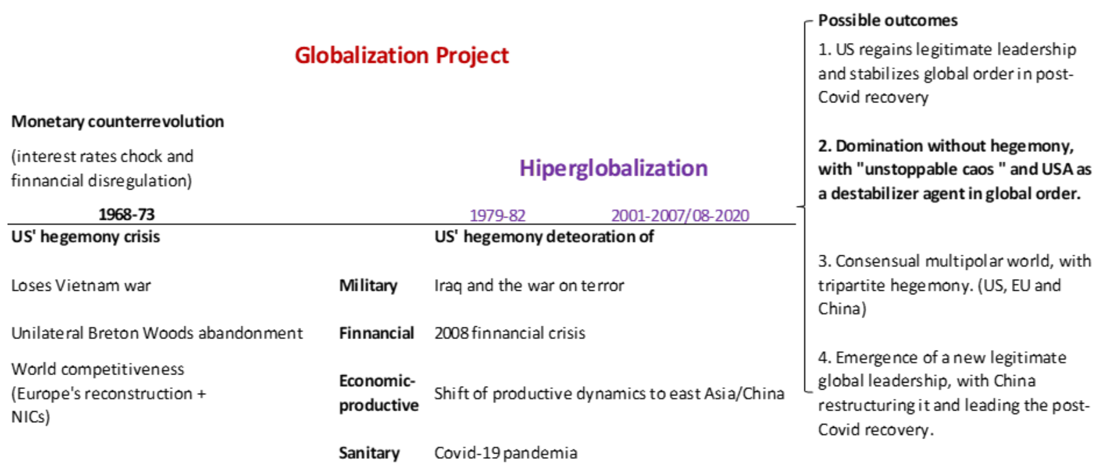
Chart 2: Chinese Emergence: Evolution of Participation in Production, Foreign Trade (Import + Export), and Export of World Manufactured Goods



Source: World Bank (https://data.worldbank.org/). Own elaboration.

China has become the leading U.S. exporter of manufactured goods and major creditor, whose chronic balance deficit has never been resolved (Chart 1). Finances remained unregulated in a global financial market that only increased in scale and scope. The result was the subprime crisis at the end of 2007, whose depth was not greater because, after the Leman Brothers' break, the U.S. and European governments took action to avoid a highly likely cascading effect (Castells 2018; Guillén 2019). Finally, the United States was involved in a set of wars and unwinnable situations, such as Vietnam. The "War on Terror" was an illegitimate response to the terrorist attack on the Twin Towers, since it was (i) based on justifications that proved to be untrue (such as the presence of weapons of mass destruction in Iraq); (ii) unilateral and lacking in endorsement from the UN Security Council; and (iii) carrier of systematic disregard for human rights, whether in the maintenance of Guantanamo, the legalization of torture techniques, or the promotion of extensive surveillance, including U.S. citizens (Arrighi 2007; Castells 2018). The picture below summarizes the discussion of globalization as a project.

Picture 2: Globalization as a Project
(Synthesis; Likely Scenario and Work Hypothesis in Bold)



Adapted from Abdal (2020). Own elaboration.

We argue that the hyperglobalization project went into crisis in the post-Financial Crisis period of 2007-2008, getting worse over the 2010s, and reaching the ultimate point with the COVID-19 pandemic in 2020. By "ultimate" we understand the abandonment of the deep globalization project and the inability and unwillingness or impossibility of the United States to lead the post-pandemic recovery. That includes the response to the health pandemic, for example, formulating and implementing a Green New Deal on a global scale and/or leading global efforts to obtain the vaccine, given the access to poor and emerging countries, and/or access to open medicine. "Ultimate" also means the point from which the abandonment of the globalization project can begin to affect the globalization process. This would imply stagnation or regression of the global integration process in one, some, or all of its economic (productive, commercial and financial) and non-economic dimensions. In the event of a possible large-scale economic deglobalization we would be talking about a new cycle of the world market segmentation.

Among the various elements of the hyperglobalization crisis, we highlight: (i) the emergence of authoritarian and populist political forces, signaling democratic regression, on the one hand, and/or protectionist, mercantilist and anti-integrationist agenda, on the other. The most obvious illustrations of that are Donald Trump and Brexit; (ii) the U.S. insistence on unilateralism through abandonment and renegotiation of multilateral treaties and agreements and contempt for organizations and institutions managing the global order. For instance, the WTO, WHO and the UN System in general; and (iii) the repositioning of China as capable ofleading the economic recovery and combat COVID-19 in the sanitary aspect.

In the next two sections we bring empirical evidence in order to better visualize and characterize our argument. That is, crisis of the globalization project with impacts on the globalization process. This argument implies conceptual sophistication that allows both the characterization of globalization as a multidimensional and multi-scale process dependent on construction and, therefore, capable of deconstruction; and the analytical separation between concept, process and project. In terms of theory and methodology, the objects of investigation are the medium-term dynamics of global integration and disintegration, which refer and relate to the more general process of restructuring the capitalist world-economy and to the United States hegemony crisis. While the next section discusses the COVID-19 pandemic, whose global spread takes place in the background of the global integration process (globalization process) and the beginning of the deep globalization crisis (globalization project); the framework section discusses the take-off, landing and stagnation of the globalization process, as well as the existing signs of the crisis and fragmentation of deep globalization.

A Global Pandemic

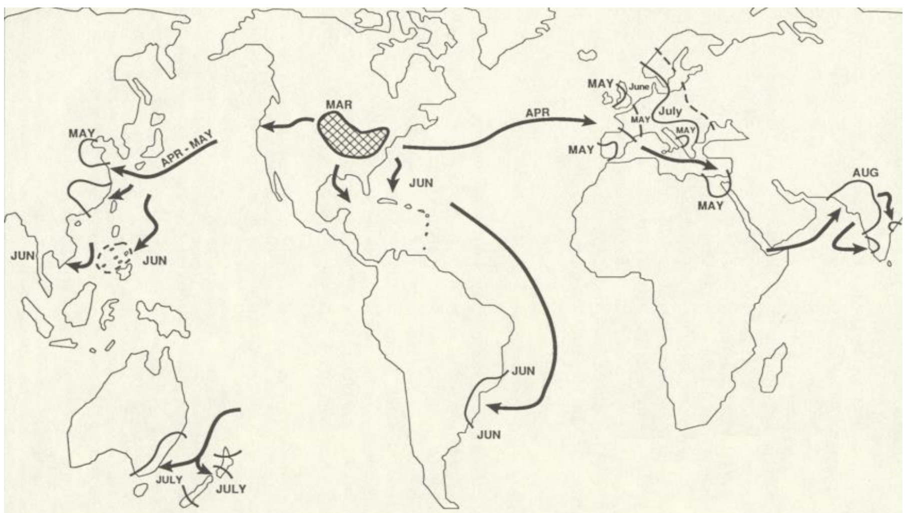
2020 began with an unusual novelty: on the last day of 2019, the Chinese authorities informed WHO about a case of pneumonia with unknown causes. Later identified and named COVID-19, this new disease immediately triggered restrictions and sanitary measures in Wuhan, China's originally affected province; as well as Hong Kong, Taiwan, and Macau. On March 11th, WHO declared a pandemic outbreak, and, in a very short time, it reached virtually all countries of the world. In just over six months,[3] between the time the first draft of this article was written and the first case was reported, according to the WHO itself, almost fifteen million cases and six hundred thousand deaths had been officially recorded. And one year after the first case,[4] there were almost one hundred million cases and two million deaths.

In this sense and combining the global extent with the outbreak’s speed and lethality, the COVID-19 pandemic is comparable only to the Spanish Flu, an infectious disease that, between 1918 and 1919, hit virtually the entire world and killed millions of people (Picture 5, below, shows

[3] Data updated on July 20th, 2020.
[4] Data updated on January 18th, 2020.

the global diffusion of the Spanish Flu's first wave). However, the contexts of the Spanish Influenza global dissemination and COVID-19 are significantly different. The Spanish Flu first appeared in the United States on March 1918, with the first cases reported to a military camp in Kansas. It spread worldwide due to the advance of American troops at the end of World War I, reaching Western Europe in May, Central and South America in June, Oceania in July, and the Indian subcontinent in August. Therefore, the context of war and the intensity of military movement and civilian populations mostly affected by the war explains the speed of its spread, as well as its geographical patterns of circulation (Patterson and Pyle 2019).

Picture 3: Global Spread of the Spanish Flu's First Wave, 1918



Source: David Patterson and Gerald Pyle (2019).

COVID-19, on the other hand, does not spread in the context of a global war, but in the context of intense global integration of economies and societies. If the Spanish Flu took six months to reach all continents, COVID-19 did so in three. At the end of May, there was a record of deaths in 183 countries. Its main vector of global circulation was also the movement of people, especially by airways. According to the World Bank[5] data, in 2019 there were almost 37.5 million international commercial flights, carrying more than four billion passengers.

The geographical pattern of COVID-19 expansion, at least in its first months of global dissemination, was inverse in relation to that of the Spanish Flu. While in 1918 the expansion took place from the West (United States) to the East, COVID-19 originated in China. From this country, it has circulated to its regional environment at first, and subsequently Europe, the Middle East, Africa, and North America. Over the months, the so-called global epicenter of the disease was, according to the WHO, also moving from China to Europe (Italy, Spain, France, and the United Kingdom) in January, to North America (United States) between February and March, to Latin

[5] Latest annual data available in: https://data.worldbank.org/indicator/IS.AIR.DPRT?view=chart.

America (Brazil, Peru, and Mexico) in May, and to Russia and India between May and June. It is interesting to observe how the succession of world centers of contagion seem to have followed the hierarchy of the capitalist world-economy. It started in China, then it moved to the industrialized countries of the North Atlantic (United States, Western Europe, and Japan) and then to the main emerging countries such as Brazil, Russia, India, Mexico, and Turkey.

Table 1: Global Dissemination of COVID-19, 2020
(Updated On July 1st, 2020; Countries with Recorded Deaths)

Month	Number of countries	Continents hit	Selected countries
Jan/20	1	**Asia**	China
Feb/20	9	Asia, **Europe, Middle East, North America**	US, Italy, Iran, Philippines, South Korea, Brazil
Mar/20	123	Asia, Europe, Middle East, **Americas, Africa, Oceania**	United Kingdom, Russia, India, South Africa
Apr/20	171	Asia, Europe, Middle East, Americas, Africa, Oceania, **Caribean**	Zambia, Somalia, Bahamas, Belarus
May/20	183	Asia, Europe, Middle East, Americas, Africa, Oceania, Caribean	Central African Republic, Camaroon, Kuwait
Jun/20	190	Asia, Europe, Middle East, Americas, Africa, Oceania, Caribean	Lesotho, Comoros, Tajikstan

Source: Our World in Data (www.ourworldindata.org), Johns Hopkins University and Medicine (www.coronavirus.jhu.edu). Own elaboration.

Table 2: Registered Infectious Diseases, 2000-2020
(Updated on January 18th 2020, Countries with Registered Cases)

Vírus	Origin date	Number of affected countries	Territories	Total deaths
SARS-Cov-1	11/2002	30	Asia, North America (China, Canada)	916
H1N1	02/2009	214	Global	19.654
MERS	09/2012	27	Middle East (Saudi Arabia, United Arab Emirates)	912
Ebola	03/2014	10	Africa (Congo, Guinea, Sierra Leone, Liberia)	11.325
COVID-19	**12/2019**	**214**	**Global**	**1.500.000 +**

Source: WHO (www.who.int), Centre for Disease Control and Prevention (www.cdc.gov) and the European Centre for Disease Control and Prevention (www.ecdc.europa.eu). Updated on August 1st, 2021. Own elaboration.

None of the recent infectious diseases with major outbreaks (H1N1, SARS-Cov-1, MERS, and Ebola) were able to combine global dispersal capacity as well as lethality in degree and intensity comparable to COVID-19. Either they were very lethal, but with regionally limited circulation, such as Ebola, MERS and SARS-Cov-1; or they expanded globally, but with very low lethality and the effective vaccine control was almost immediate,[6] such as H1N1.

Perhaps, due to the absence of a combination of rapid global contagion and circulation with relatively high lethality, in the context of the absence of vaccine, effective remedies, and overload of health systems, none of them generated socioeconomic consequences like COVID-19 has. As we will see in the following pictures, the economic impact of the global spread of COVID-19 was acute and widespread in the first half of 2020, with uncertain recovery prospects and especially deadly second waves of contagion. One after another, national societies have adopted several restrictive measures to limit the international movement of people, avoid agglomerations, and promote measures of social distancing including lockdown in the most acute cases. Given the absence of vaccines, effective remedies and overload of health systems, social distancing—as with the Spanish influenza pandemic just over a century ago—emerged as the only effective measure for slowing the rate of contagion and avoiding a health tragedy. In the words of the WHO Director-General himself, Tedros Adhanom, on March 16th, 2020: "Social distancing measures can help to reduce transmission [of COVID-19] and enable health systems to cope [with the pandemic]."[7]

Firstly, in addition to internal social distancing measures, the international circulation of people was restricted. Due to the rise in total border closures or partial restrictions such as quarantines or bans on entry of people from areas at risk, we can say that there was an air blackout between March and April 2020. The decrease in the monthly quota of commercial international flights was around 70%. Since May 2020, the recovery has not been significant enough to restore the pre-pandemic patterns of monthly commercial flights.

Secondly, the COVID-19 pandemic affects the real economy. Economic growth rates, which were already below the average for the period prior to the 2007-2008 crisis,[8] fell significantly in 2020. According to the World Bank (2021), a succession of GDP falls within the year was expected at the time of this writing. With the exception of China, whose growth is forecast to be 1%, all other economies in developed and developing countries should experience GDP decrease.

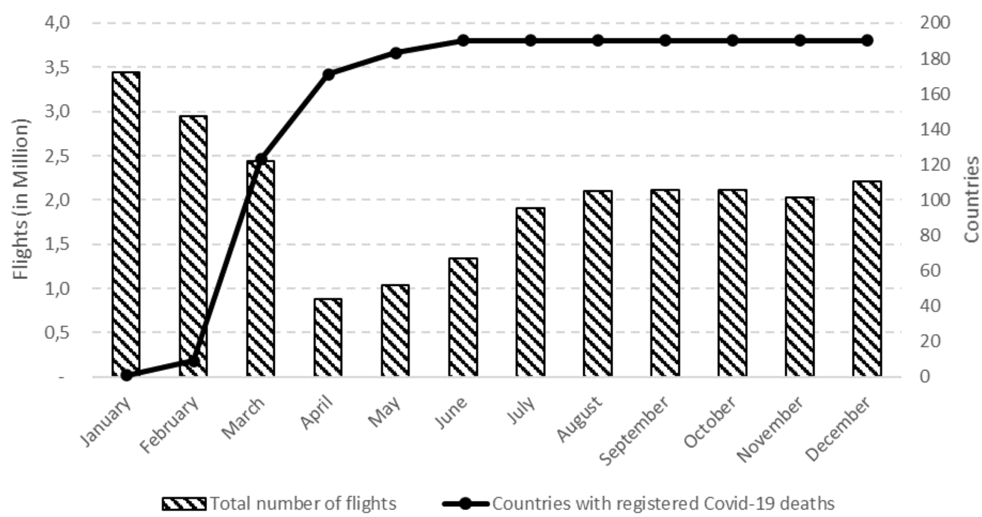
[6] The H1N1 vaccine was developed, produced, and distributed in a record time, only seven months after the disease's first reported case. On average, vaccines tend to take years to be developed, tested and produced safely (HOMMA et al. 2011).

[7] Speech available at: https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---16-march-2020, accessed on June 7th, 2020.

[8] According to the World Bank data, the average annual world GDP growth decreased from 3.4% between 2001 and 2007 to 2.9% between 2011 and 2019, the American from 2.5% to 2.2%, China from 10.9% to 7.3% and Europe (a set of 27 countries in the European Union, United Kingdom included) from 4% to 2.2%. We will go through this later.

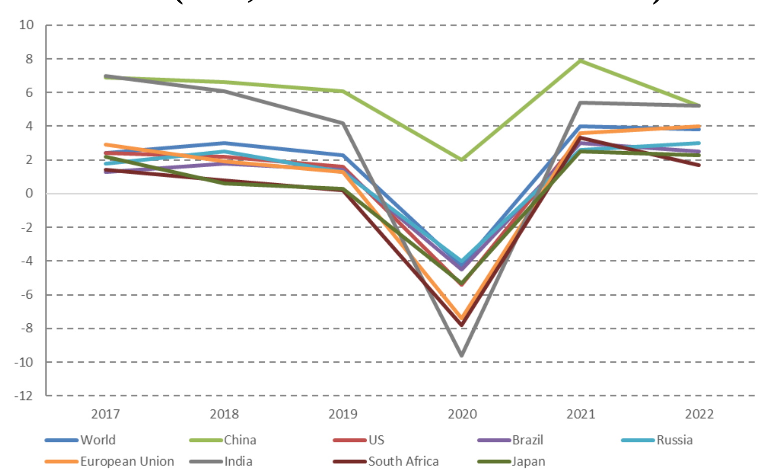
Chart 3: Evolution of International Commercial Flights and the Number of Countries with Air Traffic Restrictions,* Jan-Dec 2020
(*Total Closure and Quarantine or Ban on Risk Regions; Updated on January 1st, 2021)

Number of countries with flight restrictions	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
	20	61	175	178	175	168	161	160	148	140	138	124



Source: WHO (www.who.int), Our World in Data (www.ourworldindata.org), and flight radar 24 (www.flightradar24.com/data/statistics). Own elaboration.

Chart 4: GDP Growth Rate Evolution (%), World, European Union,[9] and Selected Countries, 2017-2022 (2020, 2021 and 2022 are Estimates)



Source: IMF (www.imf.org/en/Data) and World Bank (World Bank 2021). Own elaboration.

[9] By European Union we consider all the 27 countries that made up the bloc until the United Kingdom left. For reasons of evidence simplification and comparability, we did this aggregation of 27 countries retroactive until 1961 and/or projecting after Brexit.

According to the World Bank, the United States, the European Union, Japan, Russia, India, Brazil, and South Africa have negative growth expected in 2020. And while there are recoveries planned for 2021, on the one hand, they are relatively lower than the 2020 falls. On the other hand, the World Bank itself acknowledges in the report cited, as well as the International Monetary Fund (IMF) in its latest report (IMF 2020), that enormous uncertainty surrounds recoveries. The economic impact tends to be greater than initially predicted, the time for contagion containment may be longer and the predicted high chances of second waves of contagion with the consequent need for the adoption of new restrictive measures and social distancing.

In addition to the real economy, financial markets were also affected. Virtually all of the world's stock markets experienced falls between February and March 2020. And while most of them experienced some recovery between April and June, maintaining uncertainties prevented, at least until the end of May, a more consistent recovery. With the exception of the Shanghai SSE index, all the other ones accumulate falls, some above the two decimal places, in the accumulated January-June period. More consistent recoveries, capable of reversing contractionary trends, only occurred throughout the second semester of 2020. It led to positive results for the accumulation on all stocks, with the exception of the European Union. In any case, it draws attention to the enormous instability that has affected financial markets in 2020.

Table 3: Stock Exchanges' Trajectories, European Union and Selected Countries, January to December of 2020
(Values for the Last Day of the Month)

	Jan-20	Feb-20		Mar-20		Apr-20		May-20		Jun-20		Dec-20		Accumul. jan-dec/2020
	Points	Points	Monthly var.	Points	Monthly var.	Points	Monthly var.	Points	Monthly var.	Points	Monthly var.	Points	Variation	
Dow Jones (US)	28.256	25.409	-10,1%	21.917	-13,7%	24.346	11,1%	25.383	4,3%	25.806	1,7%	30.497	18,2%	7,9%
Euronext 100 (EU)	1.120	1.022	-8,8%	858	-16,0%	900	4,9%	930	3,4%	975	4,8%	1.104	13,2%	-1,5%
Shanghai SSE (China)	2.977	2.880	-3,2%	2.750	-4,5%	2.860	4,0%	2.852	-0,3%	2.984	4,6%	4.275	43,3%	43,6%
Ibovespa (Brazil)	113.761	104.172	-8,4%	73.020	-29,9%	80.506	10,3%	87.403	8,6%	95.055	8,8%	119.306	25,5%	4,9%
S&P BSE 100 (India)	12.083	11.293	-6,5%	8.180	-27,6%	9.951	21,7%	9.698	-2,5%	10.410	7,3%	14.100	35,4%	16,7%
Nikkei (Japan)	23.205	21.143	-8,9%	18.917	-10,5%	20.194	6,7%	21.878	8,3%	22.288	1,9%	27.444	23,1%	18,3%
FTSE/JSE Africa (South Africa)	56.600	51.150	-9,6%	44.323	-13,3%	50.357	13,6%	50.526	0,3%	54.362	7,6%	59.408	9,3%	5,0%
Moex Russia	3.077	2.785	-9,5%	2.572	-7,6%	2.651	3,0%	2.735	3,2%	2.782	1,7%	3.289	18,2%	6,9%

Sources: Bloomberg (www.bloomberg.com/), Yahoo Finance. Own elaboration.

The COVID-19 pandemic, as well as its social distancing measures, brought an economic debacle as a more immediate effect. The world, markets, and national societies tended to standstill in the end of 2020, with the amount of international commercial flights still distant from pre-pandemic standards. As countries implemented containment measures or even closed their borders, growth rates became negative, and financial markets experienced heavy losses and panic in the short run as well as instability throughout the year. And despite recoveries being outlined for the second half of 2020 and/or 2021, depending on the progress of the pandemic in each country, nothing indicates that such resumptions will be strong enough to restore losses or safe enough to ensure recoveries, even if modest. The question remains: what will be the effects of the COVID-

19 pandemic for a longer term, assuming that sooner or later vaccines and efficient treatments will be developed and become accessible for populations, and the most acute health crisis will be resolved? Here, we outline at least two important medium-term consequences; the first of which affects governments, while the second affects companies (Bremmer 2020).

From the perspective of national governments what may be at stake is the growing perception of insecurity regarding the geographical alienation of manufacturing and dependence on imported goods, machinery, and components. Especially when it comes to sensitive sectors, whether related to “old” national security, such as oil, fuel, and telecommunications; or linked to the “new” national security and exposed by the health crisis triggered by COVID-19, such as the medical-hospital equipment and pharmaceutical industry. It is interesting to note that there is an opportunity, both for the expansionist and progressive segments—especially emerging countries—to resume industrializing agendas; as well as the populist-authoritarian segments of central countries, including the possibility to carry out and deepen their anti-globalist, protectionist, and supremacist agendas. As Dani Rodrik (2020) warns us, the COVID-19 pandemic is an opportunity and justification for the intensification of these obscure agendas.

From a company perspective, what may be at stake is a decreasing confidence in global markets and global production chains (Javorcik 2020). If the perception of risk regarding the stability of global production chains becomes equal to or greater than the advantages of access to lower production costs, we may be before the beginning of strategies to recentralize production. The result here would be precisely the weakening of the barge economy, which is a characteristic of the globalization process and it was defended and fostered by the globalization project. Ironically, government and business strategies in the world market can converge to a new consensus of productive economy and segmentation of the world market.

Stagnation of the globalization process and hyperglobalization crisis

The COVID-19 pandemic can be considered a "total social fact" in the sense employed by Marcel Mauss (1954). That is, a social phenomenon that affects, interweaves, and organizes all dimensions of social life and an exogenous element to the economic dynamics. Unlike a strong financial crisis, such as 1929 or 2007-2008, the epicenter of which is the financial sphere with its effects spreading to the whole economy and from there to the whole of social life, the COVID-19 crisis encompasses, simultaneously and intertwiningly, all the dimensions of social and economic life. Perhaps, in this sense, it is more related to one of the world wars than to the great financial crises.

As we have pointed out before, there is a certain perception of a slowdown or even stagnation of the globalization process since the 2007-2008 Financial Crisis (Bresser-Pereira 2019; Manzi 2019; Chavagneux 2020; Lanchas 2020). For these authors, the Crisis marked the peak, constituting a stabilization point and implying a new phase of the globalization process. This stagnation, in our perspective, is inserted in the crisis of U.S. hegemony, a process that comes back due to the invention of the War on Terror and the Financial Crisis (Arrighi 2007), gaining unprecedented dimensions with the rise of the authoritarian-populist right in the United States, represented by Donald Trump (Guillén 2019). It is also inserted in the shift of the world production axis to East Asia and China's emergence as economic and geopolitical power, in an increasingly non-consensual multipolar world (Arrighi 2007; Barbosa 2011; Bremmer 2020). For the first time, the United States shows willingness to change or abandon the deep integration project that allowed it to re-restore its legitimate leadership capacity between the 1980s and 1990s. Despite Trump's electoral defeat and Joe Biden's stated intention to reinsert the United States into global institutionality; everything indicates, starting with Biden's public statements, government plan, and recovery plan (currently in Congress at the time of this writing), that the United States will not give up the emphasis on the domestic market and manufacture. It is no more a histrionic protectionism as Trump's Trade War, but it is also a national pro-industry agenda.

Therefore, we argue that, at the economic and geopolitical levels, COVID-19 will deepen processes already underway, here characterized as the globalization project crisis, inserted in the most general American hegemony crisis, and stagnation of the pace of the globalization process. If our argument is correct, this is the point from which the deterioration of the globalization project begins to affect the globalization process in its productive, commercial, and/or financial dimensions. Next, we will mobilize a set of evidence with the purpose of better characterizing the apogee and stagnation of the globalization process, as well as the globalization project crisis.

We start with a fairly general indicator, the KOF Globalization Index, designed and maintained by the KOF Swiss Economic Institute at ETH Zurich University. According to Savina Gygli et al. (2019) and Axel Dreher (2006), the KOF index is the most widely used synthetic indicator for the complex task of measuring the globalization process. Organized in three dimensions, economic (commercial and financial), social (interpersonal, informational and cultural), and political, with 43 variables, the index constitutes an important and understandable indicator carrying a large historical series. It has been available since the 1970s to 203 countries. Its first version was released in 2002 and reviewed in 2007 and 2019.

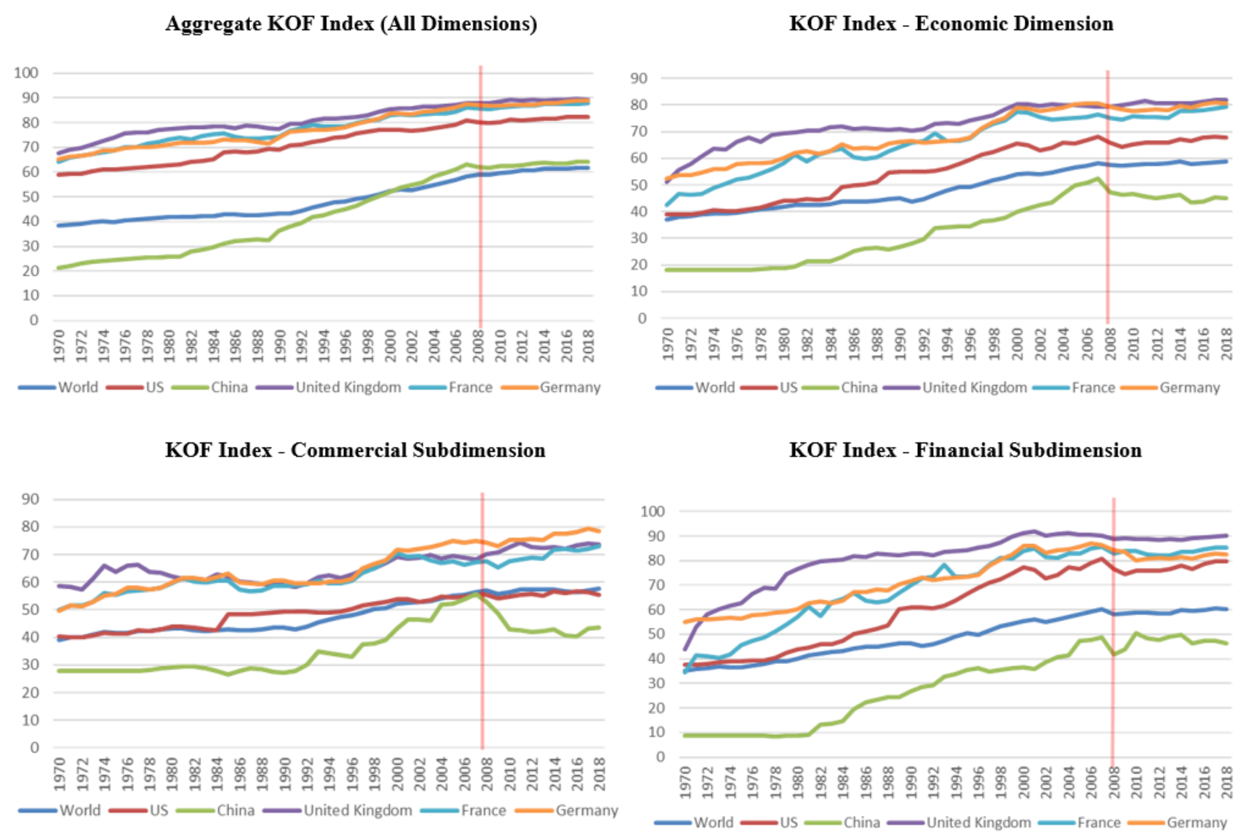
It is interesting to note how the period of greatest acceleration of the global integration process occurs between 1990 and 2008, either for the aggregate index, or for its economic dimension and commercial as well as financial subdimensions. From then on, there is a stabilization of the index evolution, both for the world and for the five selected countries (United States, China, Germany, France and UK)[10].

Despite different initial and final intensities of global integration, the acceleration of the integration process to different global dynamics occurs throughout the 1980s, 1990s, and 2000s for Germany, China, the United States, France, and the United Kingdom, as well as their stagnation after 2007-2008. We highlight, first, the much higher levels of integration of the three European countries in relation to the world average, on the one hand, and relatively lower in China, on the other hand. Secondly, the sharp upward trajectory of Germany, the United States, France, and the United Kingdom, suggesting that it was precisely the Western developed countries that sustained

[10] The KOF index does not provide aggregate results for the European Union. That is why we chose to work with the bloc's three main economies: Germany, France and the United Kingdom.

the process of globalization, excited by the hyperglobalization project. For them, deep integration has become a sustainable development aim. Finally, China also has a strong history of global integration, higher than the global average. However, as its initial level was very low, its integration index remains relatively lower than the world average—an explanation for the difference in China's KOF indices vis-à-vis western countries highlighted is the fact that China has carried out an economic opening process according to its own terms, gradually, selectively, and controlled (Arrighi 2007; Barbosa 2011; Borghi 2015). And, as it is with the United States, Europe, and the world, there is a trend of stagnation from 2007-2008 on.

Charts 5 - 8: Long-Term Evolution of the KOF Globalization Index, World, United States, China and Major European Countries, 1970-2017

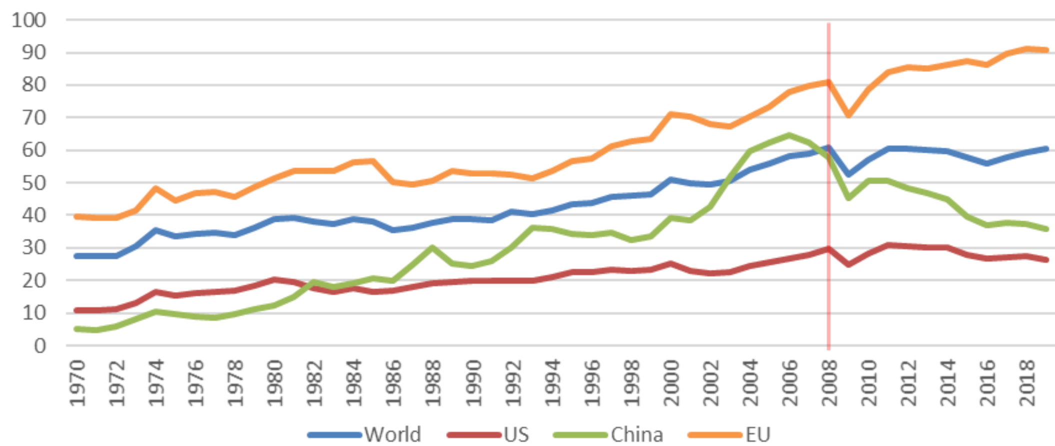


Source: KOF Globalization Index (www.kof.ethz.ch/en/forecasts-and-indicators/indicators/kof-globalisation-index.html), accessed on June 4th, 2020. Own elaboration.

The specific data on international trade (imports and exports added to the GDP), brought by the KOF Index analysis, reinforce the perception that the pace of the globalization process in the 2010s has cooled down. However, they reveal trajectory specificities among the three world potentials. The United States, whose external vocation has never been decisive, sees the increase in the importance of foreign trade until 2010, a time from which stagnation occurs and the indicator slightly retracts between 2016 and 2018. The European Union, after a fall and recovery between

2008 and 2010, is trending towards deepening trade internationalization. China follows the inverse trend compared to Europe, where domestic import of foreign trade has been declining since the mid-2000s. Although its participation in world trade has only grown (Picture 3) over time, foreign trade has been less important for the Chinese economy as a whole. This shows not only the difficulties of dynamism that the world economy has been experiencing, but also the reorientation to the internal market as a way to sustain its path of development and process of structural change. At the same time, it deals with the pressures coming from abroad to encourage their domestic markets and manufacturing. Thus, we can say that this dynamic consists of an anticipation of the Chinese dual circulation strategy, while interacting with the competitive pressures of the post-Financial Crisis of 2007-2008 and intensified by the Trade War.

Chart 9: Evolution of World Trade (Exports + Imports / GDP), World, United States, China, and the European Union, 1970-2018



Source: World Bank (https://data.worldbank.org/). Own elaboration.

The intensification of the capitalist world economy's contradictions in the post-Financial Crisis of 2007-2008 is the background of the globalization process stagnation (Barbosa, 2011; Guillén, 2019; Manzi, 2019). These contradictions are represented by (i) relatively lower rates of economic growth between 2011 and 2019 (Table 3); (ii) stagnation of Foreign Direct Investments flows (FDI; Chart 10); (iii) and China's economic consolidation (Chart 11).

Post-Crisis GDP growth rates and immediate recovery (2008-2010) are relatively lower than for the periods of 2001 and 2007, and even 1991 and 2000. While the average annual growth in the United States was 2.2% in the 2011-2019 range, it was 2.5% between 2001 and 2007, and 3.2% between 1991 and 2000. The same goes for the European Union and China, with 2.2% against 4%, 3% for the former and 7.3% for the second, respectively. Although predominantly neoliberal macroeconomic managements have been unable to deliver higher average growth rates than most developmental macroeconomic managements (Keynesian or national-developmentalist), as the comparison of the periods 1991-2019 and 1961-1980 suggests, it is remarkable to see how the dynamism of the world-economy in the 2010s was relatively inferior to the 1990s and 2000s.

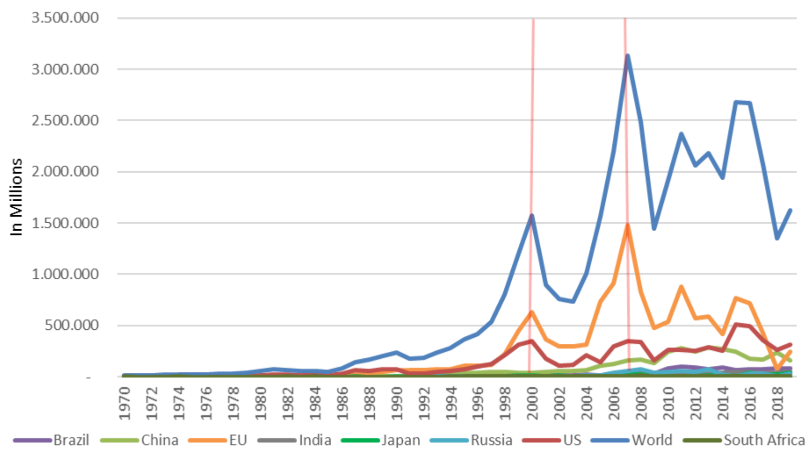
Table 3: Evolution of GDP Growth Rates, World, European Union, and Selected Countries, 1961-2019

	1961-1970	1971-1980	1981-1990	1991-2000	2001-07	2008	2009	2010	2011-19
World	**5,4**	**3,8**	**3,1**	**2,8**	**3,4**	**1,9**	**-1,7**	**4,3**	**2,9**
China	5,0	6,2	9,3	10,5	**10,9**	9,7	9,4	10,6	**7,3**
US	4,2	3,2	3,3	3,2	**2,5**	-0,1	-2,5	2,6	**2,2**
Brazil	6,2	8,5	3,1	2,8	**3,5**	5,1	-0,1	7,5	**0,7**
Russia	-	-	-	-3,6	**6,8**	5,2	-7,8	4,5	**1,5**
EU	5,6	3,9	2,7	3,3	**4,0**	1,2	-5,6	1,6	**2,2**
India	4,0	3,1	5,6	5,6	**6,9**	3,1	7,9	8,5	**6,5**
South Africa	5,7	3,4	1,5	1,8	**4,3**	3,2	-1,5	3,0	**1,5**
Japan	9,4	4,5	4,5	1,3	**1,3**	-1,1	-5,4	4,2	**1,0**

Source: IMF (www.imf.org/en/Data) and World Bank (World Bank, 2020). Own elaboration.

Global availability of FDI has cooled down in the post-Financial Crisis as well as the global growth. After two explosive waves of growth, the first between the mid-1980s and the 2000s and the second between the early 2000s and 2007, in the last decade, the trend of alternating increases and decreases in the global availability of FDI prevailed without the pre-Crisis levels being resumed.

Chart 10: FDI Stock in Current Dollars (Millions), World, European Union and Selected Countries, 1970-2018



Source: World Bank (https://data.worldbank.org/). Own elaboration.

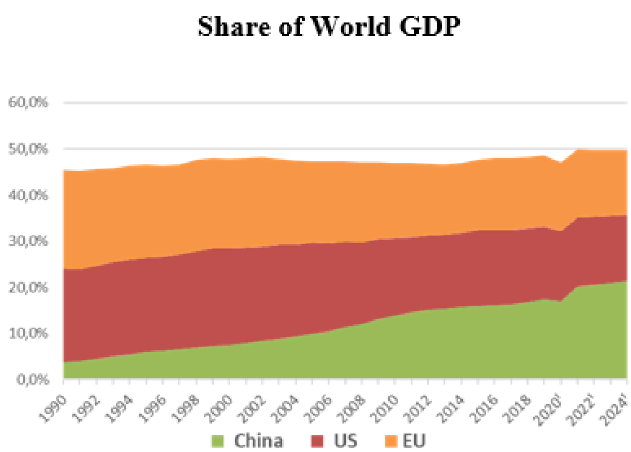
At the same time, China was able not only to maintain economic dynamism,[11] but also to maintain a successful path of sustainable development. This trajectory that combines structural change, developmental management of the economy, and the capacity to integrate into the global

[11] Although there is a relative slowdown in its growth rate from 2011, an average of 7% annually, the magnitude of its growth rate passes virtually unscathed during 2008, 2009, and 2010.

economy according to its own terms with political authoritarianism; or at least a political regime different from liberal democracy (Arrighi 2007; Rodrik, 2011; Borghi 2015; Bresser-Pereira 2017; Castells 2018; Barbosa 2019).

The holdings of China, the United States, and the European Union together currently account for almost 50% of world GDP and 30% of exports. In 1990, these same three economies meant 45.3% of world production, suggesting that the changes of these three decades were more related to composition. While China's share of world GDP jumps from 3.8% in 1990 and to 17.4% in 2019, and it is forecast to be 21.4% in 2024, U.S. and European shares fell from 20% and 21.2% in 1990, to 16% and 15% in 2019, and they are expected to be 14.3% and 13.9% in 2024. Something analogous happens for participation in world exports, with China jumping from a measly 3.5% of world exports in 1992 to 11.6% in 2017; United States declined from 18.2% in 1992 to 7.9% in 2017, and the European Union holding a stable stake between 2000 and 2017 at around 11%.[12]

Charts 11 and 12: **Evolution of China, United States, and European Union Holdings in Production (PPC) and Global Exports, 1990-2019 and 2020-2024 (Forecasts)**



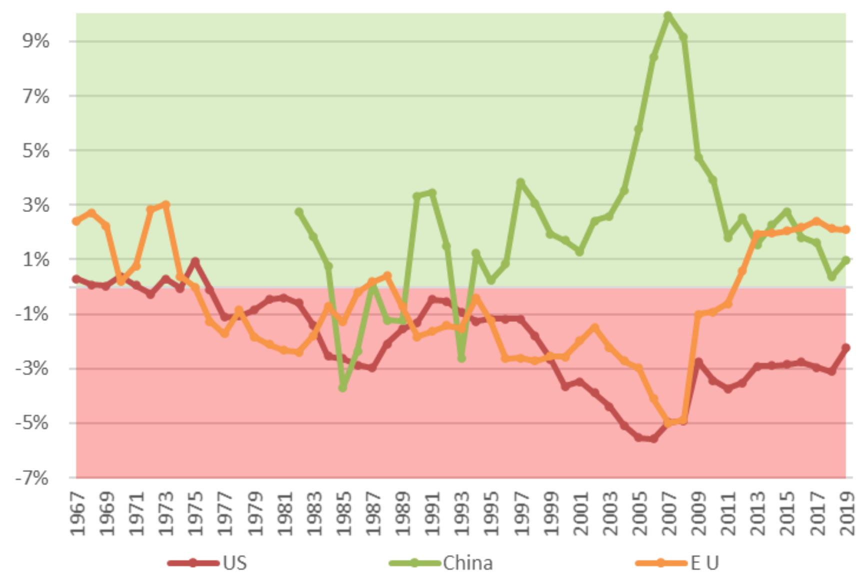
Source: Word Bank (https://data.worldbank.org/); projections by Statista (www.statista.com/statistics/253512/share-of-the-eu-in-the-inflation-adjusted-global-gross-domestic-product/; www.statista.com/statistics/270439/chinas-share-of-global-gross-domestic-product-gdp/; https://www.statista.com/statistics/270267/united-states-share-of-global-gross-domestic-product-gdp/). Accessed on January 9th, 2020. Own elaboration.

This perception of China as the "main winner" of the golden phase of the globalization process is reinforced by trade balance data, derived from China's gains in global GDP and exports. We had seen before (Picture 2) that the U.S. trade balance had become chronically deficient since the early 1970s. Now we see that not only has the U.S. balance become deficient, but that of the European Union as well, while China has accumulated ever-increasing surpluses. Although these trends change after the Financial Crisis (Chinese surpluses decrease, Europe reverses deficit and

[12] 2000 was the first year for which we found aggregated data of the European Union's (27 countries) participation in global exports.

again experiences surplus, and United States reverses the trajectory of deficit expansion, which stabilizes at an average annual level of -3% of GDP), in the context of cooling the dynamism of the world economy, the survival of structural imbalances experienced by the U.S. economy is evident, even after the stagnation of the globalization process.

Chart 13: **Evolution of Balance of Trade (% of GDP) China, U.S., and European Union, 1960-2019**

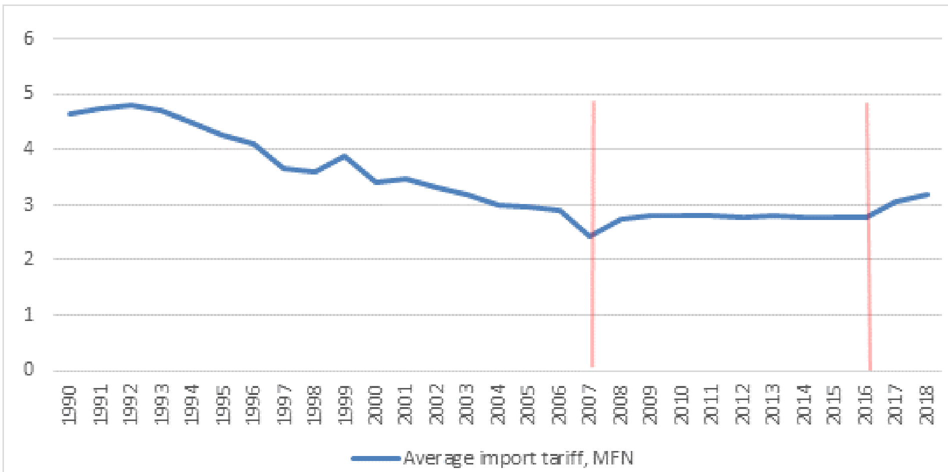


Source: U.S. Office of Economic Analysis, World Bank, State Administration for Foreign Trade (China). Own elaboration.

Finally, there is one more element besides the stagnation in the pace of the globalization process, the growing disengagement of the United States with the globalization project in the context of decrease in the world economy's dynamism and the economic consolidation of China. Anchored in the growing perception that the United States would be the main "losers of the globalization process driven by its project," the American lack of commitment to hyperglobalization has been expressed in attempts to reindustrialize and reverse chronic trade deficits through protectionism. It has also been expressed by the contempt for multilateralism and the international collective action negotiation and coordination forums. This perception can be summarized and explained by Donald Trump's administration as the guide of economic, commercial, and external policies (Bresser-Pereira 2019; Guillén 2019). It is interesting to note, however, that while Trump attacked the productive, commercial, and institutional dimensions of the globalization process, he left the financial dimension apart (Palley 2017), producing specific synthesis between rupture and continuity. The result is destabilizing action of the global order carried out by the project of deep integration, until recently advocated by the United States, and the maintenance of high uncertainties on a global scale, either by the escalation of the Trade War, by the deepening of disruptive action in the context of global institutionality, or by the lack of change in the unregulated financial framework.

The protectionist trend in U.S. trade policy can be seen in the trends of stabilization of average import tariffs between 2009 and 2016 and their increase from then on (Chart 14). And the destabilizing action of the United States can be seen in Table 4, whose images show the escalation of the Trade War, especially with China, and the scale of unilateralism and contempt for multilateralism and the institutions of the global order.

Chart 14: Evolution of Average U.S. Import Tariffs to Most Favored Nations (MFN), 1990-2018



Source: Integrated System of Global Business Solutions (WITS), World Bank. Own elaboration.

It is interesting to note how this unilateral and destabilizing action of the United States occurs in the form of a non-linear escalation in the context of the Trade War vis-à-vis a greater unification of actions at the multilateral level. The first shows the announcements by the United States government, often in the form of posts on social networks. Some of them do not take place later and are slightly different from what was advertised or are negotiated. The second shows a more concerted action towards the withdrawal, suspension or renegotiation of multilateral trade agreements. For example, the Trans-Pacific partnership and NAFTA, and the withdrawal or unviability of international bodies operation, as in the case of UNESCO, WTO, and WHO. The non-indication of judgments to the WTO arbitration chamber is paradigmatic and of special interest to this article, because in practice, it paralyzes the functioning of the organization responsible for the management of global trade.

Table 4: **Escalation of the U.S. Trade War and Unilateralism, 2016-2020**

	Trade War escalation
12/2016	Trump is elected president of US
01/2018	**30% tariff on solar panel;**
01/2018	20-50% tariff on washing machines, especially south-korean.
03/2018	25% tariff on steel and 10% on aluminium importation;
03/2018	US imposes 25% tariff on south-korean truck imports.
06/2018	**(deflagration of trade war): 25% tariff for chinese exports in the value of USD 50 billions (alleging illegal commercial practices and disrespect for intelectual property);**
06/2018	Tariff totalizing 3 billions USD on mexican products.
06/2018	Announcing the possibility of na extra tariff of 10% on chinese exports totalizing 200 billion USD; China retaliate with corresponding sanctions.
08/2018	China files complaint to WTO about the tariff on solar panels;
12/2018	(G20): truce between US-China to stop further tariff measures for 90 days.
12/2018	China diminui tarifas aos automóveis norte-americanos.
01-04/2019	Negociations US-China;
05/2019	US raises tariffs on a list of chinese products from 10% to 25%.
05/2019	Huawei enters a the US' "list of entities", banning north-american companies to negotiate with the entity.
06/2019	China raises import tariffs;
06/2019	US adds other chinese entities to the list: Sugon, Wuxi Jiangnan Institute of Computing Technology, Higon, Chengdu Haiguang Integrated Circuit, and Chengdu Haiguang Microelectronics Technology.
06/2019	New round of China-US negotiations during the G20 meeting;
07/2019	US removes restrictions to Huawei and other 110 chinese products;
08/2019	**US acuses China of currency manipulation.**
09/2019	New north-american tariffs on chinese products begin to act. Novas tarifas Estadunidenses em produtos chineses entram em vigor;
09/2019	China enters with a representation on WTO against new tariffs.
10/2019	US imposes tariffs on the value of 7,5 billion USD on EU according to dispute filed on WTO.
11/2019	Phase 1 of China-US agreement.
01/2020	US takes out complaint about chinese currency manipulation and both countries sign the phase 1 of commercial bilateral agreement.
01/2020	US raises tariffs on EU's aircraft industry (Airbus) from 10% to 15%.
07/2020	US cancels agreement of preferential commercial trade with Hong Kong;
07/2020	US announces restrictions on visa for Huawei workers under the accusation of violating human rights.
09/2020	WTO finds Washington broke trade rules by putting tariffs on China.
11/2020	US investors barred from shares in China military-linked companies.
01/2021	NYSE anounces delist trading of Three Chinese Telecom Stocks (China Mobile, China Telecom and China Unicom).
	Escalation of USA's unilateralism and disregard for international institutions.
12/2016	Trump is elected president of US;
01/2017	**Cancels the TPP and renegotiates NAFTA;**
10/2017	US declares itself out of UNESCO
05/2018	US revokes Iran nuclear agreement.
06/2018	US empties the council for human rights at UN
12/2019	**US does not appoint WTO judges.**
03-04/2020	US buys massively respirators and security materials from China, being acused of purchasing material already destined to other countries.
04/2020	US does not sign UN agreements of patent break for COVID vaccine.
04/2020	US treatens to pull out of WTO, accusing chinese manipulation.
05/2020	US blocks motion of unity at UM for a truce on COVID crisis.
06/2020	US buys off global production of Remdesivir for the months of July, August and September.
07/2020	**US announces formally withdraw from WTO.**
11/2020	Joe Biden is elected president of US.

Source: BBC, China-briefing, US Census Bureau, Reuters, FT. Own elaboration.

In addition, both escalations during Trump's administration were related, and their separation was more analytical. Although the application of trade tariffs was not restricted to China (there are also important restrictions for South Korea, Mexico, and the European Union), China was a priority target. At the same time, some of the justifications used for institutional rupture have to do with alleged Chinese interference, as in the case of the WHO. In this sense, it is clear the dual U.S. attempt to repatriate industry and contain trade deficits through tariff and non-tariff measures, as well as to dispute hegemony, given China's election as an "imminent danger" to the U.S. leadership. With Joe Biden's election, however, it is presumed to be an incompatibility regarding trade and multilateral dynamics, due to reconciliation efforts with global governance institutions and maintenance of emphasis on national industry. What may be new in this context is the shift of Trump's delegitimizing efforts from the international to the domestic level, given his refusal to acknowledge the election results and insurrectional appeals to his followers. Thus, an aspect, until then, absent from the U.S. hegemonic crisis emerges: difficulties in legitimizing domination at the internal level also.

The extent to which the United States will succeed is still uncertain. However, what emerges is a growing and aggressive unilateralism, whose reversal is on the new federal administration agenda, but it still needs to be done. Aggressive unilaterism, instability and unpredictability in foreign policy, and problems of internal legitimacy points to the role performance of a source of global uncertainties and destabilization of international relations. In the end, perhaps, the United States has definitively lost the ability to exercise legitimate leadership in the interstate system. Its action in the COVID-19 pandemic crisis is expressed paradigmatically in the non-ratification of an agreement for the release of patents of a supposed COVID-19 vaccine, in the crossing of purchases made by other countries of breathers and medical-hospital equipment, and in wiping the world production of medicines.

Final Considerations

In this theoretical article we discussed the short, medium, and long-term impacts of the 2007-2008 Financial Crisis and the COVID-19 pandemic on the trajectory of the capitalist world-economy. We understand that it is going through an important moment of structural change, rooted in China's emergence as an economic and geopolitical power on the one hand, and in the deepening of the U.S. hegemony crisis on the other. We argue that the joint effects of the Financial Crisis and the pandemic point to the abandonment of the U.S. globalization project, precisely the country that, together with the United Kingdom, had pioneered and implemented it in the 1980s, and exported it to the world in the 1990s. If, after the Financial Crisis, the capitalist world economy shifted to a situation of non-consensual multipolarity, in which actions between China, the United States, and the European Union can no longer be taken without tensions; with the COVID-19 pandemic, the incentives for governments and companies to carry out strategies to recentralize national and/or regional production are found and amplified. The result is, therefore, the intensification of competition in the world market by hegemonic powers, especially the United States and China. The first is concerned with maintaining hegemony and reinvigorating its national production, and the second in entering the explicit dispute for leadership in the fight against COVID-19 and in economic recovery.

In the United States (and, in some sense, the UK as well) this deterioration of commitment to the deep globalization project has been led by populist-authoritarian forces. Their anti-globalist agendas incorporate particular synthesis between seeking repatriation of industry and trade protectionism with the maintenance of deregulated finances on the one hand, and authoritarianism, supremacism, and racism on the other. Its permanence, if confirmed, will imply a culmination in which the abandonment of the globalization project also affects the process of globalization. And its generalization, either for central countries or for the industrialized semi-periphery, it may constitute a death blow in globalization, at least as we knew it in 1990, 2000, and 2010. It is in this sense that we characterize the United States as a destabilizing element of the global order and herald of systemic chaos in the capitalist world economy, dominating without hegemony; that is, disproportionate means of violence without legitimate leadership capacity.

Although Joe Biden's election is hopeful taking into account the immediate defeat of this right-wing authoritarian populist, some notes can be made. First, Trump's defeat and what he stands for is partial: while his base remains mobilized, including flirting with a certain insurrectional activism, its destabilizing efforts have been shifted from the international system to the internal level, adding an important element to the U.S. hegemony crisis. Second, authoritarian, racist, xenophobic, and anti-globalist trends are still alive in the United States and throughout the Western world. Finally, if Trump's anti-globalist and unilateral agenda, a more histrionic and affected aspect of his refusal to the hyperglobalization project, is disappearing, the efforts at the national pro-production commercial and productive level seem to be tending towards institutionalization. Based on Biden's public statements, government plan, and project to fight COVID-19 and foster economic recovery, the emphasis on domestic markets and local manufacturing is expected to grow and, thus, exacerbate tensions in the global economy.

However, China's ability to lead post-pandemic recovery and co-fight COVID-19 may change that story. If China succeeds in leading economic recovery and dealing with the pandemic, including ensuring resources, medical supplies, and vaccines for the Global South, it could lay the groundwork for a possible new hegemonic cycle and restoration of some kind of global order. Still, to do so, it must be minimally able to circumvent, minimize, or face the U.S. destabilizing action, which can hardly be completely eliminated with overcoming Donald Trump because it is rooted in secular tendencies of hegemonic corrosion and structural capitalistic world-economy tendencies.

Regarding developing countries and even the European Union, in some sense structural changes in the capitalist world-economy entail not only enormous challenges, but also opportunities. Perhaps the greatest one is the consolidation of a favorable medium-term environment for the articulation of national projects (or regional, in the case of the European Union) for economic and sanitary development and recovery. If such projects are able to combine the development of domestic production with non-automatic alignment with either the United States or China, the economic weight and geopolitical positions of these countries can be strengthened. If such projects are in the least social-democratic, the wellbeing and living conditions of their populations can be amplified.

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Disclosure Statement: Any conflicts of interest are reported in the acknowledgments section of the article's text. Otherwise, authors have indicated that they have no conflict of interests upon submission of the article to the journal.

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