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The impact of COVID-19 Crisis on the Global Economy and the North American Hegemonic Cycle: A reading


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ABSTRACT


Based on the theoretical framework that considers contextual and structural long-term perspectives of world hegemonic cycles and transitions of global powers, the aim of this reading is to critically analyze the ongoing and potential impact of the pandemic in the light of a conjunctural and historical perspective. The hypothesis is that although the COVID-19 crisis has already had deep negative impact on the global economy and represents a perfect storm for the US hegemony, seeing as the country is being challenged by many factors with strong magnitude and adverse effects, indeed it would not generate an immediate terminal crisis of the North American hegemony. Just in the long run the COVID-19 pandemic has the potential to trigger another world hegemonic power. The reading is based on the theoretical perspectives of world hegemonic cycles in international relations and is methodologically characterized as an explanatory and descriptive study and is built on a bibliographic review for the collection of theoretical and historical data.

Keywords: COVID-19 pandemic crisis, hegemonic cycle, United States, international relations.

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Los impactos de la crisis COVID-19 en la economía global y el ciclo hegemónico estadounidense: una lectura

RESUMEN

Basado en el marco teórico que considera las perspectivas contextuales y estructurales a largo plazo de los ciclos hegemónicos mundiales y las transiciones de los poderes globales, el propósito de esta lectura es analizar críticamente el continuo y potencial impacto de la pandemia a la luz de perspectivas de coyuntura e histórica. Aunque la crisis de COVID-19 ya tiene un profundo impacto negativo en la economía global y representa una tormenta perfecta para la hegemonía estadounidense una vez que el país está siendo desafiado por muchos factores con gran magnitud y efectos adversos, la hipótesis es que, de hecho, esta crisis no es inmediatamente terminal de la hegemonía estadounidense. Solo a largo plazo la pandemia de COVID-19 tiene el potencial para desencadenar otro poder hegemónico mundial. Esta lectura se basa en las perspectivas teóricas de los ciclos hegemónicos mundiales en las relaciones internacionales y se caracteriza metodológicamente como un estudio explicativo y descriptivo, con base en una revisión bibliográfica para la recopilación de datos teóricos e históricos.

Palabras clave: COVID-19 crisis; ciclo hegemónico; Estados Unidos; relaciones Internacionales.

Introduction

The study of the dynamics of international relations has been an object of a wide range of theoretical and historical perspectives that flourished over time during the construction of this epistemological field. They analyze different actors, forces and facts that impact on the short, middle and long term through conjunctural and structural frameworks regarding the redistribution of power among national states and on the global system in cyclical transitions of different world hegemonic cycles of capital and power accumulation.

The most recent international crisis generated by the Coronavirus Disease 2019 (COVID-19) pandemic has already been causing significant consequences on human reality and on the dynamics of the global economy and the current North American hegemony, turning out to be a new conjuncture and an historical landmark that would change international relations. Caused by a new threat that is an outlier variable in the dynamics of world hegemonic cycles transitions with wide multi-lateral and multifaceted repercussions, this novel pandemic incrementally corroborates as a new episode to the deceleration of the current hegemonic cycle, since it has intra-national and international political, economic and social effects on the US and worldwide.

Taking into account the wide spillovers of COVID-19 and based on a theoretical framework that considers contextual and structural long-term perspectives of world hegemonic cycles and transitions of global powers, the aim of this reading of the ongoing and potential impact of the pandemic in the light of a conjunctural and historical perspective is to critically analyze how the US hegemony is being challenged by many factors with strong magnitude and adverse effects. The hypothesis is that although the COVID-19 crisis has already deep had negative impact on the global economy and represents a perfect storm for the US hegemony, seeing as the country is being challenged by many factors with strong magnitude and adverse effects. Indeed, it would not generate an immediate terminal crisis of the North American hegemonic cycle. In other words, the US hegemony is experiencing a relative decline which opens a window of opportunity for rising global powers, since there were signs that a hegemonic transition has been prevailing since the 1980s after three previous different contesting phases of US hegemony. Notwithstanding, when compared to the pre-existing international crises, one could say that just in the long run the COVID-19 pandemic has the potential to trigger another ascending world hegemonic power in an incremental and consecutively way or that an Asian power would decisively overcome it.

Based on the theoretical perspectives of world hegemonic cycles in international relations which is methodologically characterized as an explanatory and descriptive study according to its ends and as a qualitative research according to its means, this reading of COVID-19 crisis impact on the global economy and the North American hegemonic cycle is structured as follows: the first section, "Theoretical and contextual considerations", starts with the theoretical framework explanations of the world hegemonic cycles and brings a historical perspective and contextual analysis of the macro, microeconomics and political consequences of the pandemic. Based on a bibliographic review for the collection of theoretical and historical data, as well as on an internationalist hermeneutic one for the data analysis of the impact of the pandemic on the current hegemonic cycle, the second section, "The US Hegemonic Cycle and the impact of COVID-19 crisis" deals with previous contesting phases of North American hegemony and the rising potential of other global powers in the world order to broadly discuss the current crisis. The third section provides a reading of "Possible scenarios" especially considering conjunctural facts. The conclusion offers the final word concerning the impact of the COVID-19 pandemic on the global economy and on the North American world hegemony, which does not mean an immediate terminal crisis of this global power.

1. Theoretical and contextual considerations

The cyclical transitions of global political and economic powers have been analyzed by a plurality of theoretical and historical perspectives in the Social Sciences and Humanities epistemological fields. They reflect the discussions of concepts and points of view of hegemonic cycles from divergent analytical interpretations and different ideological matrices. Therefore, the state-of-the art on world hegemonic cycles in international relations is permeated by a diverse set of ideological and theoretical paradigms regarding capital and power accumulation, such as the Theory of Long Cycles, the Theory of World Systems, the Theory of Accumulation Systems, the Theory of Systemic Transition, the Power Cycle Theory and the Theory of Hegemonic Stability (Arrighi, 2010; Kohout, 2003; Boswell & Sweat, 1991; Wallerstein, 2004; Gilpin, 1981; Modelski, 1987), which mostly acquiesce rationalist discourses and historical analysis of redistribution of power among national states and on the global system. The world hegemonic cycles research starts with eclectic grounds from critical neo-Marxist discussions and undergoes a liberal approach before reaching national-realist debates.

This reading is based on the analytical contributions of those different theoretical frameworks, in regard with cyclical transitions of different world hegemonic cycles, characterized by an evolutionary historical formation of distinctive systems of global powers, periodized by asymmetric institutional architectures from decentralized mini-systems (family, clans, tribes, feuds, city-states) to centralized macrosystems (civilizations, empires and national states). Against this backdrop and carrying out an archeology of knowledge about these contemporary and dynamic world hegemonic and global power systems, one could say that there have been 4 long world hegemonic cycles since the 15th Century: the Genovese Cycle (Mercantile Pre-Capitalism), the Iberian-Dutch Cycle (Mercantile and Trade Capitalism), the English Cycle (Industrial and Trade Capitalism) and the North American Cycle (Oligopolistic and Financial Capitalism), whose natures of political/power and economic/capital centralization and accumulation processes are relatively synchronous in the long term (Senhoras, 2015).

Throughout these four hegemonic cycles that impacted both the political structuring of inter-national relations and the economic construction of capitalist relations, world hegemonic transitions have usually been understood in their origins due to political reasons and identified by conflicting dynamics and wars or, due to economic reasons linked to breakthrough innovations and/or productive and financial and/or market crises.

More recently, the multilateral spread of the new coronavirus pandemic, named SARS-CoV-2, which causes COVID-19 disease, an acronym in English for Coronavirus Disease 2019 (Senhoras, 2020a; Senhoras, 2020b), brought a different dynamic in terms of North American hegemonic transition, since it corroborates to a relative decline of the US as a world hegemony and an acceleration of the international projection of China as a global power. The latter has potential to be an ascending world hegemonic power in an incremental and consecutively way if compared to the pre-existing crises, the September 11, 2001 terrorist attacks and the crisis of the real estate market, which started in 2007 and reached the investment banks in 2008 (Senhoras & Carvalho, 2009). Both had affected the US current hegemonic power before the COVID-19 pandemic.

In this context, the COVID-19 pandemic is an outlier variable in the world hegemonic cycles transitions dynamics, since it is shaped by political and economic factors as the securitization of health through horizontal and vertical social isolation strategies that have generated a series of negative spill-overs effects with direct and large-scale of political-economic repercussions. Since February 2020, the COVID-19 pandemic has been impacting on a profoundly serious multilateral economic crisis with intra-national and international political, economic and social effects on many countries, including the current hegemon, the US.

The magnitude and specificities of the economic impact generated by the coronavirus pandemic turns this event into a “green swan” (Elkington, 2020) or “environmental swan” or “climate black swan” – an analogy to the drama generated by the Black Swan in Ballet adapted by the Bank of International Settlements (BIS1) which describes adverse events outside the scope of regular expectations with wide-ranging or extreme impact (Randow, 2020). Hence, the concept goes beyond the sanitary crisis and the logistical breakdown in supply of global value chains and consumer chains because of the uncertainties of this outbreak which have generated strong volatility in the international financial market. The “green swan” led to recurring speculative attacks on different stock exchanges and against different currencies, as well as to a trade war. The BIS analysts suggest that COVID-19 pandemic is another global risk that in addition to climate change, was neither fully considered nor priced. It could endanger humanity more than the previous financial crisis, as it has harsh negative externalities that are related to changes in the natural ecosystems (Silva, 2020, p. 1-2) and threaten the global economy in an even more complex, unpredictable and destructive way.

¹ The concept was devised by Nassim Nicholas Taleb. Mathematician, Taleb is a Lebanese American risk analyst who worked as a trader in the US and was considered a “guru” of the financial market.

As a “green” or “environmental swan”, the COVID-19 pandemic effects, on the one hand, reflects on the world hegemonic cycles of business microeconomics, since it impacts the implosion of archaic or low competitiveness structures, leading to the death of a series of companies and sectors belonging to the traditional economy of the 1st, 2nd and 3rd Industrial Revolutions, at the same time as it promotes the growth of companies linked to the new global economy of the 4th Industrial Revolution. Thanks to high technological advances, the world society is more equipped than ever to respond to the pandemic and is interconnected. In this way, the pandemic has a potential of structural impact on accelerating the North American hegemonic cycle transition, which has already been observed since the 1980s in a strong competitive challenge with Japan and Germany, followed by China from the 2010s onwards. This could happen in the wake of the fast technological and innovation progress in the new century, where there is a competition in industrial automation (robotics, 3D printers, nanotechnology), renewable energy (alternative sources of energy), biotechnology (genetic engineering), information technology (big data, new media, internet of things), finance (fintechs and cryptocurrencies to get lower transaction costs) and transportation (drones and smart cars) as well as in e-commerce.

Consequently, the US is challenged by the global competition of companies and governments for technological innovations, investments, data flows and digitization of production processes, apart from global resources and influence (Linn, 2018), especially by China. The reaction of the US government in the case of the Chinese tech company Huawei, in 2019, had clearly showed the fear of North American leader of the US losing its advantages for China in the global technological 5G race. At that time, US President Donald Trump imposed a trade block on companies and entities considered dangerous, claiming national security purposes to protect North American market from Chinese and international competition. But the competition in this 5th generation mobile network is an example of how technologies quickly evolve and how the US still has mechanisms to stem Chinese technology evolution. In this race, after the outbreak of the pandemic crisis, China started to channel all the resources at its disposal to deploy the latest technology to fast mitigate the effects of the virus to a significant extent and profiled people at risk (Chaturvedi, 2020).

On the other hand, the COVID-19 pandemic behaves as an exogenous shock in macroeconomics and international relations, reinforcing the problem of unilateral economic and political stabilization of the world hegemonic center in force before the disease outbreak, with consequent multilateral destabilization of the international order. The pandemic, which has already claimed nearly 120,000 lives in the US, and has a devastating economic impact with some 40 million people currently out of work until June, 2020 (Haass, 2020) has also deep consequences for the

North American stock market, wiping out three consecutive years of gains, and for the slump of consumption as businesses close and as households hold off on major purchases (Miller, 2020). Even though the US still has global financial supremacy and the dollar is a very strong and safe currency, once the value of the US dollar index has risen to near record highs since the Covid-19 crisis begun, the recession caused by the disease has already deep consequences to the US and the global economy.

The economic consequences were added to the slowing of the economic performance that has already been decelerating mainly due to the advances of trade neoprotectionism (Senhoras, 2020c), jointly led since 2018 by the US president, Trump, and the Chinese leader, Xi Jinping. There is also a worldwide trend of fast increase in unemployment and public debts, which have effects in the acceleration of microeconomic changes in the hegemonic business and technological cycles towards the new economy of the 4th Industrial Revolution or 4.0 Industry.

In political terms, the global multilateralism discredited by the US leadership put the country in a position of economic and (geo)political isolationism even before the Covid-19 pandemic². In May and June, 2020, President Trump withdrew nearly a third of US armed forces stationed in Germany and all in Afghanistan, and announced America's departure from the World Health Organization (WHO) and the Open Skies Treaty (Sanger, 2020), not to mention the US relations with the European Union. The European block is a traditional US ally, with which relations are getting worse since 2016, and where there is even a clearer sense of North America's weaknesses being exposed.

Within a spectrum of long-term analysis and cyclical hegemonic transitions, the widespread of the COVID-19 pandemic could be taken in the current momentum as an unexpected and unpredictable perfect storm for the US. In addition to the consequences in the health area, as loss of thousands of human lives, the current crisis is a combination of different negative forces, with intra-national and international political, economic and social effects in the US and in many countries worldwide. Certainly, this new crisis will enter to the history of economic thought as one with a strong magnitude in terms of the dynamics of the international relations and of environmental nature and its serious recessive impact in multidimensional terms not yet fully identified. It also looks like that the impact of the COVID-10 pandemic would be structural once it seems to persist for decades and causes a deep global economic depression with asymmetrical effects. It also has the potential to become an accel-

² In 2018 Trump abandoned the Iran Nuclear Accord negotiated by President Barack Obama. In 2019 he left the Intermediate-Range Nuclear Forces Treaty. In 2017, the US withdrew the Transpacific Partnership (TPP) trade deal.

eration trigger to North American hegemonic transition cycle and the international projection of China as a global power.

2. The US Hegemonic Cycle and the impact of COVID-19 crisis

The COVID-19 pandemic brought relevant multifaceted impact on the reality of individuals and nations, adversely and contrastingly impacting different transformations in the sanitary, social, political and economic fields due to their resonance of many different negative vectors *vis-à-vis* a few positive ones.

The short and medium-terms effects of the COVID-19 pandemic brought immediate impact, which was manifested by a serious economic recession of a multilateral nature, arising precisely from the national strategies of social isolation and lockdowns of the population, shut downs of the economies and frontiers worldwide to slow the spread of the coronavirus. The effects were also a relative autarchization of international relations in the face of breaks in global commodities consumption, inputs production and international trade. Starting in China in December 2019, in a bit, the pandemic widespread repercussions were shortages of raw materials and finished goods in the international market, lack of transportation capacity and limits of mobility of people affecting a variety of trade processes, in addition to all supply chains that were reverberated by the need to ensure additional health and safety measures for all participants, affecting their costs and time (OECD, 2020).

The repercussions of the COVID-19 are also perceived disparately in the short and medium terms between different actors regarding the apparatus of economic and science diplomacy (in the national states and international organizations) and economic paradiplomacy (individuals and companies) in the global system (Senhoras, 2013), especially because keeping trade in essential medical supplies flowing meant removing barriers on medical and essentials for combating the disease at a time when there are increasing trade barriers on exchange of these types of goods (Evenett, 2020), most of them related to sanitary and phytosanitary (SPS) requirements. The COVID-19 demonstrated that society needs science in political and economic decisions and will require cooperation for multidisciplinary research and dialogue.

In terms of long-term effects on the structural forces of international relations, the coronavirus pandemic brought the growing differentiated perception that exogenous shocks of an environmental nature may have on the future dynamics of the global economy. In one side, experts forecast that the coronavirus crisis is set to

send current investments back down to levels not seen for two decades. On the other, the crisis will have more impacts on productive and financial innovations and capital and power accumulation with effects on the world hegemonic cycles because they are linked to the capacity of innovative adjustments of the main economic powers in the face of the “green swans”.

For example, with the help of reliable data and precise mapping and imagery, China could build thousands of new makeshift hospitals across the country (Chaturvedi, 2020). Advanced online COVID-19 outbreak tracking and epidemic simulation tools for mapping, modelling, and managing the coronavirus pandemic globally, 3D-microscope technology and photonic biosensors for coronavirus detection are other project technological initiatives, as well as vaccines, medicines and other healthcare tools that are being developed in the US, Europe and Asia to help the fight specially (Attract, s.f.³). Other innovations are also flourishing to adapt the global economy and the society to a “new normal” and involves private and public companies, startups, governments, and non-government actors.

More precisely, in the foreground, the hegemonic power of business microeconomics is affected to a greater extent than proportional to the hegemony of national states, as the pandemic brought an abrupt acceleration in the digitalization of the economy, through a deepening of the new economy, based on the use of information and communication technologies and developed through e-commerce and collaborative strategies via applications (Souza; Senhoras, 2018). In this regard, one could say that the COVID-19 pandemic is accompanied by Joseph Schumpeter’s creative destruction (1943), in a context in which many companies died due to the exogenous shock as they were unable to adjust themselves, the traditional economy accelerates its inertial bankruptcy *vis-à-vis* the growing capitalist dynamism of few innovative sectors materialized by a restricted group of companies that were previously strategically positioned or that very quickly positioned themselves in the new economy to face the crisis.

As already mentioned, the architecture of the world’s hegemonic power in international relations starts suffering from the COVID-19 pandemic consequences due to incremental and consecutively impacts of hegemonic transitions in the long term. Nonetheless, up to this point, there is no demonstration of a definite irruptive inflection of world hegemony, since the trend of inertial confluence of crisis of global multilateral institutions and migration from the dynamic center of capitalism from the Atlantic to the Pacific continues. In other words, from

³ Attract is a Project of the European Union’s Horizon 2020 research and innovation programme. Available at: <https://attract-eu.com/attract-technologies-help-fight-covid-19/>.

a structural point of view, the rapid diffusion of COVID-19 is a perfect storm for the US, but does not generate a terminal crisis of the North American hegemonic cycle, but rather since the 1980s corroborates to the trend of the US' relative decline and a hegemonic transition (Carvalho; Senhoras, 2013). In addition to the domestic elements related to the North American position that leads to further destabilization, the pace of productivity growth in the Asia Pacific region increased more rapidly in relation to the Atlantic, and even more significantly in relation to the traditional centers of capitalist accumulation in the West even before the pandemic has started.

In this sense, some Asian countries may recover more rapidly from the pandemic crisis of COVID-19 in comparison to the West and following what appears to be a trend of structural transformations of the 21st century. The "Asian Century", led by China, India, and several other East Asian countries, are economies which have better productivity indicators in terms of their higher degree of competitiveness in the new economy once compared to the Western world. Before the pandemic, the region has an increasing global share of trade, capital, people, knowledge, transport, culture, and resources (Woetzel & Seong, 2019).

In other words, from a critical juncture perspective, in the wake of the current perfect storm, the COVID-19 exogenous shock in international relations could be read from a dynamic of political and economic transitions of the North American hegemonic cycle, with no immediate conformation of a terminal crisis to US hegemony based on the conception of the uni-multipolar international order. Only in the long term one could say for sure that this relative decline of the US would have an impact in a hegemonic transition and that an Asian power would decisively overcome it.

Therefore, in the context of relative decline of the US in a perfect storm, that it is still not a terminal hegemony crisis, the COVID-19 pandemic represents another contesting phase after three previous ones. All of them impacted the country, generating spaces for the rise of other powers in the economic scope with no disruption of the working architecture of the international order. During all the three contesting phases, the US persists as a central definer, especially due to its military, financial and monetary prowess. Therefore, in the beginning of the 21st century, the US persists as the world hegemony, despite the existence of other different global powers and poles of cooperation and conflict at the economic, political and cultural levels (Huntington, 1999), whilst the COVID-19 pandemic significantly impacts the US in the short and medium terms with the potential of disrupting its hegemonic cycle and to open up even more space for China and other Asian countries projection/ rising in the long term.

In Table 1 below there is a summary of elements regarding the three phases of contestations of North American world hegemony:

Table 1. Contestations Phases of North American Hegemony

1980	1st Hegemonic Contestation Phase	The first phase of contestation of North American hegemony had an economic nature, as it emerged in the context of the 1980s in the face of greater competitiveness and economic growth of Japan and West Germany. It was responded to with a neoprotectionist agenda by the US in the 1980s, as well as in 1990 through the emergence of the 3rd Industrial Revolution in Silicon Valley. It was based on Information and Communication Technologies and Biotechnology and by deepening multilateral agendas during the US President Bill Clinton administration.
2000	2nd Hegemonic Contestation Phase	The nature of the second phase of contestation of the US world hegemony had a political and cultural nature. Through the September 11, 2001 terrorist attacks, challenges to political-military hegemony emerged, which were quickly responded to by the neo-conservative movement led by the President George W. Bush administration. The response broke with multilateral logic to the detriment of a unilateral and plurilateral agenda.
2010	3rd Hegemonic Contestation Phase	The third phase of response to the US world hegemony has an economic nature due to the financial crises in the North American economy which started in 2007 (real estate market) and 2008 (investment banks, as well as the indicators of greater competitiveness and productivity in Asia, reflecting an increasing deindustrialization in the US contrasting with the formation of international integrated production networks with an epicenter in Asia. The responses to this hegemonic challenge had repercussions with the arrival of Donald Trump to power, through a neoprotectionist agenda based on plurilateralism.

Finally, one can conclude that these three phases of contestations of US world hegemony and the exogenous shock promoted by COVID-19 crisis demonstrate that negative forces have been introjected to reinforce multilateral destabilization of the international order, previously underway due to the international scenario (Carvalho; Senhoras, 2013). In the long-term history, hegemonic transitions are not linear processes, but rather they are susceptible to advances and setbacks, as well as being characterized by cyclical moments of gains and losses, or even of international order and disorder and triggers of stabilization and destabilization of the global system, thus demonstrating that the episodes of political crisis in the US,

such as the Vietnam War after the 1970s economic crises and the September 11, 2001 attacks had confronted the Western power and values. This way, the diffusion of competing economic powers such as Japan and West Germany in the 1980s or China in the 2010s, represents phases of contestation within the North American hegemonic cycle, not necessarily leading to a clear and direct hegemonic transition.

Nevertheless, North American hegemony is experiencing a relative decline which, at the same time, opens a window of opportunity for rising global powers. In this background, the COVID-19 pandemic crisis is an additional important factor that must be considered in the analysis of the ongoing North American hegemonic cycle analysis.

3. Possible scenarios

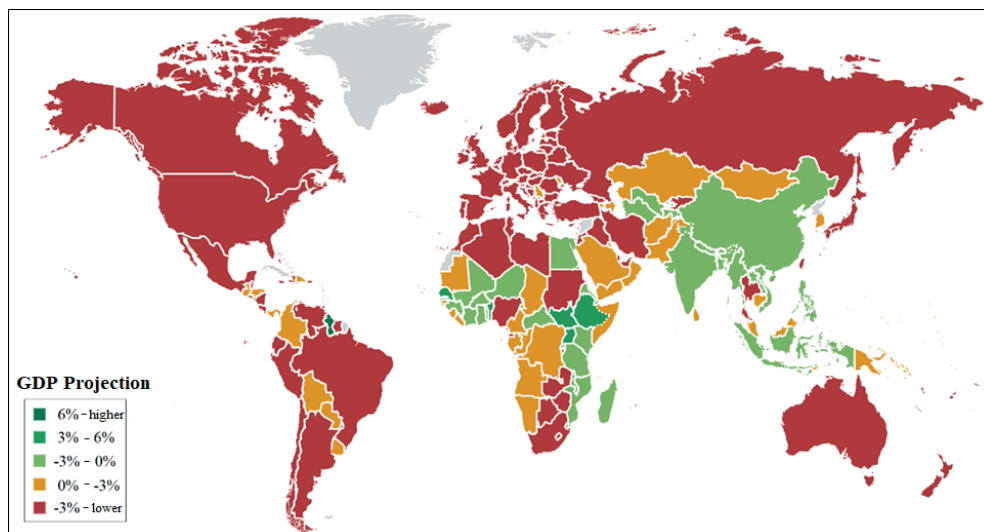
The negative impacts of the COVID-19 pandemic crisis are multifaceted and not uniform, because they depend on the severity of the widespread of the coronavirus and the profile of the health and economic policies adopted in each country, despite its impact in the entire world. As explained, it has been reverberating in a general micro and macroeconomic decline in business and an increase in unemployment and manifested in recessive, crisis or depression scenarios, respectively. The repercussions have been identified by economic analysts as an international crisis with a much greater magnitude than the 2007/2008 financial crisis (Tooze, 2020), and with even lower deflationary impacts than an international depression, such as the 1929 Crack. To make matters worse, there is lack of certainty in the use and responses of economic policies, of the willingness of international coordination and of the potential and time of economic recovery.

In a positive scenario, multilateral organizations such as the International Monetary Fund (IMF) (2020) and the World Bank (2020) forecast that the economic crisis accomplished in 2020 may evolve into a situation of slow recovery, with the global economy showing on average a low growth rate, although India and China could be poles of more greater relative dynamism compared to developed and underdeveloped countries. In a negative scenario, the economic crisis overflowing from the COVID-19 pandemic may eventually lead the world into a depression (Roubini, 2020), if the perfect storm is amplified by the continuity of pandemic uncertainties and fears of second and third waves of the disease contagion, by insufficient anti-cyclical economic policies and the convergence of a series of potential exogenous shocks. In the US, they could be strengthened by the November 2020 US presidential elections and conflicts between the major global players.

Reality could be between both scenarios, shaped by a pre-pandemic global economic context, which was already recessive and with low economic growth. In fact, the global economy has been losing with Sino-American protectionism since 2018 and with the deconstruction of the current multilateral international trade system in the name of “fair trade”, which through the trade war is violating and even straining the systems of international standards (Hur, 2018). For more than two years, the international trading system has been under an increased number of new restrictions and distortions, from tariffs increases among major traders to significant government support in key sectors (OECD, 2020). These neoprotectionist events trigger even more the recessive tensions of social isolation during the extension of the pandemic consequences and measures, which may have more and harsher impacts on the structuring of a crisis map, not to mention the global competition of companies and governments centralized in US-China for technological innovations, markets and investments.

Anyway, in any scenario, the world is on alert due to economic contractions, despite existing asymmetries. The map below shows a comparison of projected growth of Gross Domestic Product (GDP) in the world in 2020:

Map 1. Comparison of projected growth of Gross Domestic Product (GDP) in the world (2020)



Source: Authors' elaboration. Based on IMF (2020) database.

With respect to the US, one could observe that the COVID-19 pandemic inflects an economy that has been in a context of low unemployment rates and accelerating economic growth during Trump's administration. In the pandemic crisis

context, the “America First” mantra was reinforced by the North American President to stabilize the US economy, thus generating vectors for national stabilization and international destabilization. Simultaneously, the discourse of “Make America Great Again” caused multilateral destabilization driven by a proactive agenda of the hegemonic power, which has been seeking to adjust itself unilaterally since the 2015 presidential elections in the United States and that ended up making the country more isolationist and protectionist.

Also, the instability caused by trade US rivalries with China are perhaps the most sensitive point in the relationship between these two countries in recent years because they have more direct repercussions in the media and, therefore, in the public opinion. Indeed, the US has had a massive trade deficit with China for a long time and several North American companies have been moving their production to the Asian countries since 1980s. But given the way the setbacks towards China are presented, the US chose to make it clear that the Asian country is a threat to the international trade system, since the Chinese do not respect the multilateral trade rules. But Trump’s caveats go much further because the president knows that the Chinese are committed to advance in a project of power that has already been making fast technological and military progress, one that threatens North American industry of goods and services. Launched in 2015 by China’s centralized government, the Made in China’s 2025 Project is another great example of conflicts source since it aims to make Chinese manufacturing more competitive globally by introducing artificial intelligence and automation, with targets of investments in research & development (R&D) and emphasis in technological innovation. The East country is also a geopolitical threat to the US because it is increasingly becoming a military rival to the US, especially in the South China Sea (Palatino, 2020).

From the conjunctural perspective, the US nationalist and populist leader’s rhetoric was accentuated by the COVID-19 pandemic when Trump declared war not only against the virus, but above all against China as a whole, accusing the country of being negligent when the coronavirus first appeared, hardening even more the North American neoprotectionist trade agenda. In the face of serious health and sanitary problems and the lack of medical and protective equipment for health professionals to deal with the pandemic, and the high level of contamination in the North American territory, President Trump treated such obstacles as political issues, putting China back in the spotlight of a scapegoat of the US government (Fischer, 2020). The US trade war against the Chinese included an executive order for federal agencies, such as the Departments of Health and Defense, to obtain medical equipment and supplies from North American manufacturers, even though China is the world’s largest world producer of these types of goods.

Then, the US President helped his country to dive in an intra-national socio-racial crisis in the wake of the killing of George Floyd, an African American man, by a policeman in Minneapolis, in May 2020. A series of protests against the murder by undue police action have spanned the country highlighted not just the enduring problem of deep-seated racism in the US, but also of police behavior, which all too often is violent and outside the law (Haass, 2020). Most national and worldwide public opinion were critic to Trump law enforcement and provoked changes in federal states law and companies' procedures to avoid new violent racial episodes, as well as in political international relations. Certainly, this fact undermines the US role as a moral and freedom world leader and probably will impact the next US elections in November 2020.

So, in the midst of a big and multiple crisis in the US, with big and negative internal repercussions and domestic and international doubts about the central government's ability to manage it, while seeing its popularity ratings drop, Trump acts to deflect the focus from the rapid reversal of positive performance of the US economy in contrast to his delay in recognizing the seriousness of the situation with the escalation of contamination and deaths in the US. He prefers to place the blame of the circumstances on the shoulders of China. The presidential rhetoric continues insisting that the consequences of the pandemic are rooted in China due to the country's delay in spreading the danger posed by the virus to the world since late 2019, when the first cases were detected in Wuhan. The President also mentioned that the Chinese created the virus in a laboratory and that this event required retaliatory measures by the US.

The WHO was another President Trump's scapegoat during the COVID-19 pandemic, which the president accused of being "China-centered", a bad adviser and retaining strategic information. In addition to \$200 million in delayed arrears, he soon announced the suspension of all of them. Again, the crisis promoted by COVID-19 sheds light on the discredit that the North American leader confers on multilateral international institutions, such the WHO, as well as the World Trade Organization (WTO) and the United Nations (UN).

Trump's criticism to the WHO is convenient for him at this point of the crisis, but contradicts the use of multilateral agendas and their respective International Organizations which have been the cornerstones for the construction of North American hegemony in international relations since the Second Post-Cold War and backbones for the expansion of the US soft power. They generated a series of economic burdens and political commitments that were contested during President George W. Bush's neo-conservative administration and acquired greater critical mass with President Trump. In this context, the COVID-19 pandemic became a unique

moment to declare death to the multilateralist agenda through the institutional boycott of WHO. The reactions of the Trump administration seem to be derived from the difficulties that the US must bear with the impact and weaknesses that the pandemic crisis generated or deepened.

Probably due to its recent weaknesses as a world hegemony, the US president give an aggressive and defensive tone to its speech – aggressive in relation to international competition and defensive of its country –, leaving behind the idea of an international order based on power and not based primarily on liberal rules, thus increasing political-diplomatic and geopolitical tensions in international relations. The fragility of North American power shows that the uni-multipolar international order is no longer the same as that of the post-Cold War period, and the multidimensional crisis is creating space for China and other countries to accumulate more capital and power.

To complete the picture regarding the impact of the pandemic on the hegemony of the US, apart from trade, the US maintained neoliberal economic policies in other areas, like finance, although they were confronted by the current need of the State to intervene in order to guarantee the economy recovery and the protection of the society. In that sense, the country, ruled by a liberal-conservative leader, had no choice but to announce trillion-dollar packages of aid to citizens, companies and banks, in addition to urgent high investments in equipping hospitals and health units.

Additionally, the impact of the pandemic crisis in the North American public services sector shows that the choice for static efficiency measures through outsourcing, privatization and spending cuts in the area attested that the government was unprepared and had little radius to maneuver and to respond the urgent demands. They were carried out in recent years within the pro-market policies project in health services since Trump's election. Contrary to the neoliberal creed, so propagated by the US since the 1980s, once again, the State demonstrates that it has a vital role in solving crises and cannot evade its responsibilities (Mazzucatto; Guaggioto, 2020), even in countries whose hegemony is based on the neoliberal mantra for decades. The "America First" mantra seems also not to be a solution to the crisis since it must be international and collective to be effective.

In turn, China seems to be able to overcome the crisis with fewer conflicts, despite having also suffered a lot with the pandemic. The effects of the disease were responded to with a rigid social isolation and lockdowns, and large investments in R&D for the discovery of the vaccine against COVID-19. Unlike the US, China has a traditional strong and centralizing role that in some extent helped the country to respond quickly to the crisis. After having overcome the worst moment in the first three months of 2020, China put in place cooperative actions such as donations both by

the government and by Chinese private companies to countries in other regions, both developed and developing, which started to suffer more when the virus was widespread. This Chinese COVID-19 sciences and cooperation diplomacy is notorious but, in some cases, results in opposite effects, once in the amid of the pandemic the country continues its confronting military incursions and its “debt trap” diplomacy to consolidate its geopolitical power.

As a matter of fact, this action could be interpreted as a sincere sign of help to other countries, although, it also could be read as a new soft power push (Mulakala; Jongbo, 2020). However, from a broader perspective, it is possible to see that China is taking the COVID-19 pandemic as a big chance to place itself in the power vacuum left by the US in this moment of multifaceted crisis, even more because it was able to open its economy before the West. In the specific context of the COVID-19 outbreak, China is engaged in a policy of high prices for its exports of medical equipment, many of them of poor quality (Chellaney, 2020).

Taking into account such Chinese reactions to the pandemic crisis of COVID-19, once incorporated into the country’s incursions into international relations, it is notorious that in recent times China is more emphatically positioned in the diplomacy area, especially in response to president Trump administration’s open accusations and criticisms of the actions of the central government or of the Chinese regime. All these facts can aggravate the current stage of multilateral destabilization of the international order.

Conclusion

Based on a theoretical framework that considers a structural long term perspective of world hegemonic cycles and transitions of global powers from divergent analytical interpretations and different ideological matrices, as well as on a critical conjuncture analysis, this reading of the COVID-19 pandemic crisis effects brings evidences of a relative decline of the US hegemony, which is the 4th and the newest world hegemonic cycles. In fact, the US is experiencing a perfect storm derived from a multiple crisis, once the COVID-19 pandemic is considered an outlier variable in the world hegemonic cycles transitions dynamics and brought big impact to the North American hegemony. There are signs that a hegemonic transition has been prevailing since the 1980s after three different contesting phases and, therefore, the current crisis corroborates a relative decline of the US as a world hegemony and an acceleration of the international projection of China as a global power because it represents a combination of negative forces with intra-national and international political, economic and social effects in the US and in many countries worldwide.

In this sense, the COVID-19 pandemic is another vector of multilateral destabilization of the global economy in the short and medium terms, although it does not mean an immediate terminal crisis US hegemony. The trajectory of an hegemonic cyclical transition will require more definite changes in the structure and not just in the conjuncture of international relations (Carvalho; Amorim, 2019), since there is a persistence of an international order based on a uni-multipolar conception, despite China economically walks at an accelerated pace of change. Despite the country's progress which seems to be able to overcome the COVID-19 crisis with fewer conflicts than the US, it still has limitations in political-military and monetary conditions to surpass the US. This indicates that the possible scenarios depend on and are coupled to the current locomotives of capitalism in this transition from the dynamic center of accumulation from the Atlantic to the Pacific, which has already been recessive and with low economic growth.

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