

The World System in transition: a panoramic view

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**The World System
in transition:
a panoramic view**



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Introduction

This book is a collective work written by International Relations researchers who search to understand the current dynamic transformation of the world system through an analysis of the relative decline of the United States in several fields (economic, political, geopolitical and ideological) and its consequences over the interstate system.

Immanuel Wallerstein and Giovanni Arrighi, among other theorists, who founded the World System Analysis (WSA), have already indicated changes on the world economy since the 20th century. After the euphoria caused by the fall of the socialist bloc (1989) and the consequent end of the USSR (1991), the world system has been headed by the United States, a country that found a favorable scenario for the consolidation of a liberal economy under the command of a *Pax Americana*.

In 2008 the world system was affected by the most important economic crisis until now, with its epicenter in Wall Street. Since the beginning of the 21st century, with the world undergoing different crises, we have been experiencing, among other things, the geopolitical resurgence of Russia, the consolidation of China as an economic, geopolitical and technological player, as well as the BRICS, whose consequence is reflected by the aggressiveness of Washington (Donald Trump - 2017/2021) to face these challenges. It is important to say here that China was the main target of the former US president.

The rise of China as a direct concurrent of the United States in the Systemic Accumulation Cycle and the emergence of BRICS (despite many conjectural problems face by some of its members), along with the creation of the New Development Bank (NDB), for example, indicate a transition process of world system financial axis. Another element that

deserves to be highlighted is the Covid-19 pandemic, which has affected the entire world, impacting relevantly the world economy with long-term real effects that have not already been measured.

For all these reasons, the purpose of this book is to bring up some contributions by researchers from Brazil and other countries to shed light on this reality, critically and analytically.

It is worth mentioning the activities promoted by the Laboratory of Geopolitics, International Relations and Antisystemic Movements (LabGRIMA), at Federal University of Pelotas (UFPEL), which has been working, through many research activities based on the WSA theory, to give a voice to these approaches.

To follow the purpose of this book, we begin with the contribution *On the Threshold of Systemic Chaos: A view from Latin America* written by the Italian professor Daniele Benzi, visiting scholar at the Federal University of Bahia and the Ecuadorian analyst Marco Narea. The text analyzes the posts-war liberal order crisis, headed by the USA, creating a power *interregnum*. More specifically, a “systemic chaos” where we live.

Paulo Fagundes Visentini, from the Federal University of Rio Grande do Sul, writes *The BRICS in the face of New World Cleavages: Alliances and Axes of Power*, aiming to analyze the power position of the States within the international system after the Cold War, particularly in the 21st century.

Visentini argues that more than ideological or geopolitical rivalries, what counts is the political and economic position that nations occupy in the world power structure.

For that, he uses the idea of “axis” to study this dynamic: Anglo-Saxon military-rentier, Developed Industrial Axis, Emerging Heterodox Industrial and Agrarian Axis, Mineral and Peripheral Demographic Axis.

Analyzing the international commerce and its structure, we have an article written by Silvana Schimanski, from the Federal University of Pelotas, *Reshaping the WTO: the context of the diagnostic phase*. The researcher offers a vision on the attempts and challenges of the World

Trade Organization reform, through a panoramic perspective on the elements that forge this discussion.

The text *The 2008 financial crisis and the Renminbi internationalization* is a contribution by Ana Tereza Lopes Marra de Sousa, Federal University of the ABC, and William Daldegan, Federal University of Pelotas. This article explores, among other issues, the internationalization process of Renminbi (RMB) as a way to decrease the dollar value in international exchanges at the same time that there is a reduction of China's dependence on the US-led international financial system.

Pedro Vieira, from the Federal University of Santa Catarina, contributes with his article *China as the possible new hegemon: an assessment based on Giovanni Arrighi's theoretical framework*. The Text approaches the concept of hegemony, by Giovanni Arrighi, to verify whether China might be a candidate to occupy the current place of the US as a hegemonic country.

In *The (Re)Emergency of the BRICS and Reordering of Power in Contemporary Geopolitics*, Charles Pennaforte, professor at the Federal University of Pelotas, and Ricardo Luigi, professor at the Federal Fluminense University, undertake the global political rearrangement through an analysis based on the geopolitical, ideological and political weakening suffered by the US, that has allowed the emergence of the BRICS in the beginning of the 21st century. This article is written in a framework that uses the International Relations theories to deepen the debate.

From the Institute of Asian Studies (China Foreign Affairs University), we have a great contribution of Miao Jio, *China's Pragmatic Reformist Approach to the World Order*. The Chinese researcher brings an important analysis about China's perspective on the global political organization, as well as a conceptualization of the current world-system. Moreover, he analyzes the main challenges the country faces in its trajectory of international dynamism.

Closing this volume, we have an article, *America First Strategy: the End of Hegemonic Cycle of Global Power?*, written by Guilherme Sandoval

Góes, from the Brazilian War College and Air Force University. His article approaches the epistemological link between the beginning of the US hegemony and different strategies for international security from 1945 until the America's First Strategy. This analysis includes the Containment Strategy (George Kennan), the Strategy of Engagement and Enlargement (Bill Clinton), the War on Terror Strategy (George W. Bush), the Transatlantic and Transpacific Alliances Strategy (Barack Obama) and, finally, the America First Strategy established by Donald Trump.

We thank in advance all the authors who accepted to be part of this project that searches to elaborate a deeper and plural analysis of the international system, based on the WSA theories.

Have a good reading!

On the Threshold of Systemic Chaos: A view from Latin America¹

Daniele Benzi and Marco Narea

Introduction

In the early 1990s, at the beginning of the post-Cold War era, liberal-cosmopolitan champion, John G. Ruggie, wrote that ‘Times of change are also times of confusion. Words lose their familiar meaning, and our footing becomes unsure on what was previously firm terrain’ (Ruggie 1994, 553). At roughly the same time, in the conclusion to the acclaimed book, *Age of Extremes: The Short Twentieth Century, 1914-1991*, Eric Hobsbawm, the British Marxist historian, stated that:

The Short Twentieth Century ended in problems, for which nobody had, or even claimed to have, solutions. As the citizens of the *fin-de-siècle* tapped their way through the global fog that surrounded them, into the third millennium, all they knew for certain was that an era of history had ended. They knew very little else (Hobsbawm 1995, pp. 558-559).

A quarter of a century later, after the illusory stabilization of what Stiglitz (2004) termed the ‘roaring nineties’—a time when the ‘end of history’ (Fukuyama 1992) and the ‘utopia of the total market and imperial

¹ The first draft of this chapter was presented by Daniele Benzi at a colloquium organized by the LabMundo at the UFBA on 30 May 2019.

power' (Lander 2002) seemed to have become a reality on global scale with the triumph of 'globalization'—we now know that confusion and uncertainty have redoubled. Confusion and uncertainty are undoubtedly the mark of our time. They are equally widespread in geopolitics, the world economy and environmental issues, as well as in the political, social and cultural realms of different regions and national societies around the world. What is perhaps most clearly and acutely striking is their presence in all domains of Western societies.

Drawing on the work of authors such as Giovanni Arrighi and Beverly Silver (1994; 1999; 2007), Immanuel Wallerstein (2013), David Harvey (2003; 2005), and Wolfgang Streeck (2014; 2015), among other theorists concerned with the global political economy, the hypothesis that has long guided our analysis is that the post-war liberal order guided by US hegemony has entered a stage of 'terminal crisis'. This is a crisis that began in the late 1960s and reached maturity in the 1970s, a hegemonic crisis that was identified as the 'signal crisis' of the Long Twentieth Century by Arrighi (1994). And, although it appeared to find a very successful solution in neoliberal globalization as a political-ideological project aimed at restructuring global capitalism (McMichael 2012), the financial expansion that guided it from the 1980s onward was in fact 'a sign of autumn' (Braudel 1984; Arrighi 1994). What marks it as terminal, approximately thirty years after its inception, is the resounding failure of the 'Project for the New American Century' overseen by the neo-conservative government of George W. Bush after 9/11—a failure which could not be reversed by the Obama administration—and the outbreak of the financial crisis in 2007. In other words, the US hegemonic crisis turned into hegemonic breakdown in the space of roughly four decades (Arrighi & Silver 1999, pp. 21-31). According to Arrighi and Silver:

Hegemonic breakdowns are the decisive turning points of hegemonic transitions. They are the time when the systemic organization that had been put in place by the declining hegemonic power disintegrates and systemic chaos sets in. But they are also the time when new hegemonies are forged. [...] The breakdown

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of any given hegemonic order is ultimately due to the fact that the increase in the volume and dynamic density of the system outgrows the organizational capabilities of the particular hegemonic complex that had created the conditions of the systemic expansion (Ibid., pp. 33-34).

Our second hypothesis is narrowly correlated with the first one. It suggests that despite the ‘rise of China’ and resounding warnings of an ‘Asian Century’, unfortunately so far, no viable or less unstable alternative to the current *interregnum* of the global order can be envisioned. Rather, our age of ‘global disorder’ is likely to last, as the capitalist world system might well be entering into a ‘long period of systemic chaos of a new kind’ (Arrighi & Silver 1999, 278). In other words, we are in the middle of a historical crisis in the Gramscian sense, which, regrettably for many, already is and probably will be quite painful for the foreseeable future. Additionally, for some authors, this crisis also has to deal with the future of capitalism as a historical-civilizational system during the moment in which it has fully reached planetary scale (Wallerstein et al. 2013; Streeck 2015; Moore 2015; Li 2016).

‘Systemic chaos’, or simply chaos, is a concept used by Arrighi and Wallerstein to characterize these moments of distressing transition in geopolitical, economic and social structures of the global order during the historical development of the capitalist world system. According to Arrighi and Silver (1999, 32), this emerges ‘out of the interplay of intensifying interstate and interenterprise competition, escalating social conflicts, and the interstitial emergence of new configurations of power.’

By systemic chaos we understand a situation of severe and seemingly irremediable systemic disorganization. As competition and conflicts escalate beyond the regulatory capacity of existing structures, new structures emerge interstitially and destabilize further the dominant configuration of power. Disorder tends to become self-reinforcing, threatening to provoke or actually

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provoking a complete breakdown in the system's organization (Ibid., 33).²

It is our contention that this concept is still useful for sketching out the main contours of our age. However, as will be argued throughout this chapter, we also find it wanting as a means of grasping the huge and multiple transformations the world system is currently undergoing. In particular, the current situation may not be a typical or recurrent moment of hegemonic transition as has occurred in the past, for the same reason that the outcome of the more or less 'long period of systemic chaos of a new kind' foreseen by Arrighi and Silver twenty years ago could no longer transform itself into a new global hegemonic order.³

Notwithstanding, systemic chaos remains a relatively clear point of analytic departure. It was simply and accurately characterized by Wallerstein in 2011 as follows:

We have moved into an era of acute, constant, and rapid fluctuations – in exchange rates of currency, in rates of employment, in geopolitical alliances, in ideological definitions of the situation. The extent and rapidity of these fluctuations leads to an

2 In a previous work, Arrighi maintained that ““Chaos” and “systemic chaos,” [...] refer to a situation of total and apparently irremediable lack of organization. It is a situation that arises because conflict escalates beyond the threshold within which it calls forth powerful countervailing tendencies, or because a new set of rules and norms of behavior is imposed on, or grows from within, an older set of rules and norms without displacing it, or because of a combination of these two circumstances. As systemic chaos increases, the demand for “order” – the old order, a new order, any order! – tends to become more and more general among rulers, or among subjects, or both. Whichever state or group of states is in a position of satisfying this system-wide demand for order is thus presented with the opportunity of becoming world-hegemonic. Historically, the states that have successfully seized this opportunity did so by reconstituting the world system on new and enlarged foundations, thereby restoring some measure of interstate cooperation. In other words, world hegemonies have not “risen” and “declined” in a world system that expanded independently on the basis of an invariant structure, however defined. Rather, the modern world system itself has been formed by, and has expanded on the basis of, recurrent fundamental restructurings led and governed by successive hegemonic states’ (Arrighi, 1994, pp. 31-32).

3 On this crucial point, see Silver and Payne (2020). Unfortunately, we read their paper when this chapter was already finished, so it could not fully incorporate their insightful analysis.

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impossibility of short-run predictions. [...] And although there are many, many positive aspects for many countries because of US decline, it is not certain that, in the wild rocking of the world boat, other countries will in fact be able to draw the profit they hope from this new situation (Wallerstein 2011).

In what follows, we attempt to sketch out some of the most significant moments which illustrate the breakdown of US hegemony and, by extension, current systemic chaos. Even more than at the time when Arrighi and Silver (1999) published their pioneering study *Chaos and Governance in the Modern World System*, today ‘there is no consensus on what kind of world order, if any, we can expect to emerge from the combination of whatever changes are actually occurring in the global configuration of power’ (Ibid., 21).

Four Dates

As a rule, when not referring to major wars, revolutions or other social cataclysms, dates only become historical reference points and symbols long after events have occurred. However, it can be maintained that the twenty-first century has already produced at least four important dates that—unless other and indeed worse events are to follow—are unlikely to be forgotten in the coming decades. These are the years 2001, 2003, 2008, and 2020. If the first three of these represent the start of the ‘terminal crisis’ of US world hegemony, or the US hegemonic cycle referred to by Wallerstein (2003) and Arrighi (2007), the fourth points to a major world historical event in which the former hegemonic power displayed its irreversible fragility as a global leader.

From this perspective, perhaps the key date of 2001 was not September 11, but December 11: the date China became a full member of the World Trade Organization after 15 years of negotiations. This event ratified a huge change in the correlation of forces within global production and trade shaped by neoliberal globalization. At the time, it appeared a suitable arrangement for both the US and China. However, it also meant tremendous misfortune for

most manufacturing workers in core and semi-peripheral countries, which in the Latin American context included Argentina, Brazil and Mexico.

The US invasion of Iraq in 2003 was a major world event for at least two reasons. Firstly, it demonstrated US geopolitical and military failure in the face of its pretension to be, after the implosion of the Soviet Bloc, the first ‘global empire’, the ‘global policeman’, and the good ‘empire and policeman’: exporting neoliberalism, liberal democracy and Western human rights, while offering protection against ‘evil’ and ‘terrorists’. The so-called ‘War on Terror’ and ‘Bush Doctrine’ not only exhibited US geopolitical and military weakness towards several Eurasian governments and Islamist groups, but also revealed the moral hypocrisy of the American government and its European allies, uncovered by the bold work of Julian Assange, Edward Snowden and other international hackers. It had a tremendous impact on the US’ global image, as it entailed the torture and abuse of prisoners in Abu Ghraib and Guantanamo Bay, extraordinary rendition, the onset of drone warfare, the policy of targeted killing during the Obama administration, and above all the Libyan and Syrian wars. The latter also evidenced an even more important circumstance after the end of the Cold War, namely, the fact that an independent State—Russia in this case—could thwart a US-led attempt at regime change. In sum, the failure of the neo-conservative Project for a New American Century began with the invasion of Iraq, and instead of consolidating the ‘global empire’, resurrected the ‘Vietnam Syndrome’ (Arrighi 2007).

Secondly, the ‘War on Terror’ was also the beginning of the end of US-led multilateralism, born after the Second World War and later reshaped in different conjunctures. As some prominent scholars have maintained, “The United Nations, the European Union, the IMF, Davos, G-8, G-20 and other such clubs belong to the epoch of capitalist integration and American hegemony. At present these institutions are weakened or compromised by political manipulation and technocratic aloofness” (Wallerstein et al. 2013, 187).

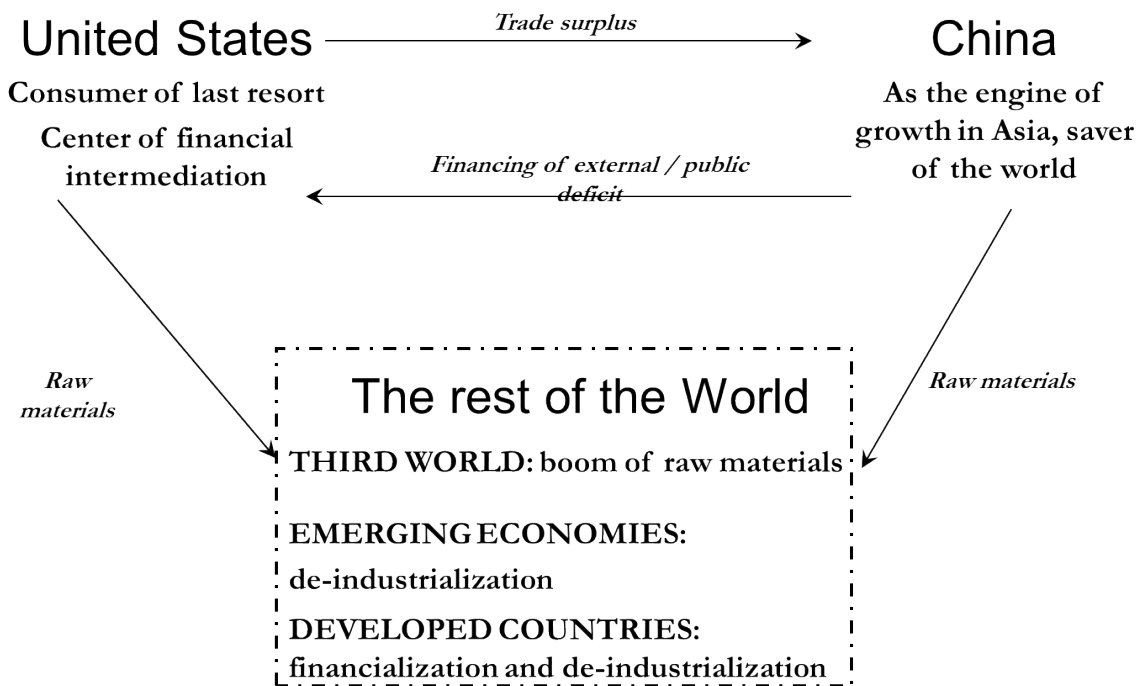
Finally, the bankruptcy of Lehman Brothers in 2008 represents the end of the neoliberal illusion of the financialization of the global economy

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as a viable pattern of capital accumulation. Namely, the illusion that world finance centers, such as New York or London, would be able to remain relatively immune against the inherent and itinerant crises that financial liberalization has produced since the 1980s.

The configuration of the global economy in the first decade of the century was depicted schematically by Robert Boyer in a keynote address at the Danish Institute for International Studies in 2009, shown below in Figure 1.

Figure 1 – Towards a duopoly at the world level?



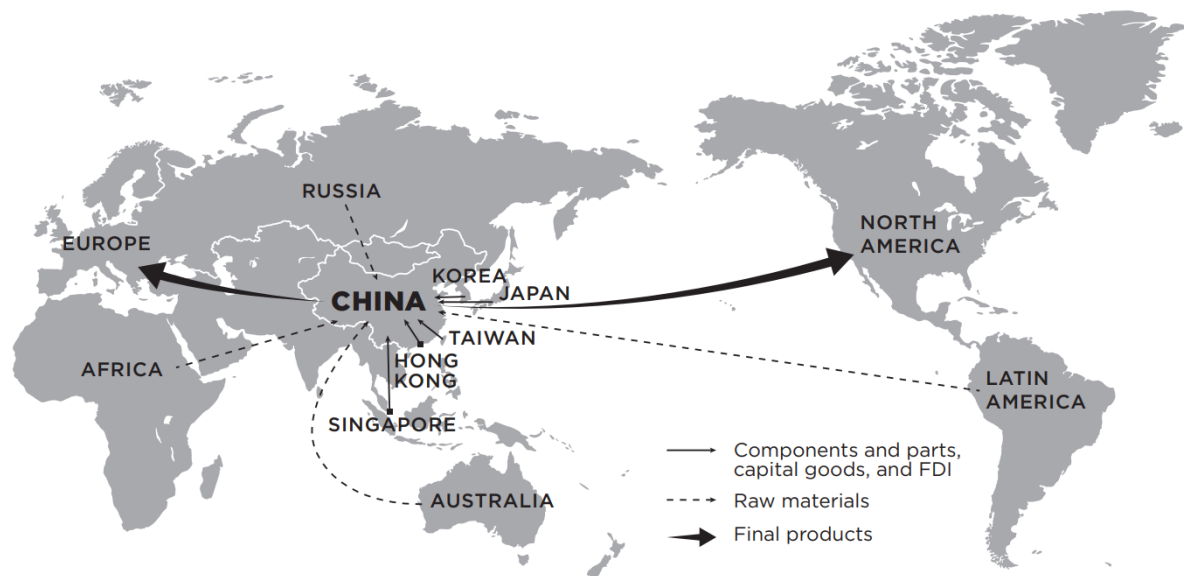
Source: Boyer (2010)

According to Boyer, the US is the consumer of last resort and the center of global financial intermediation, whereas China has become the economic engine of Asia (see Figure 2) and the world's saviour by financing the colossal US deficit. The rest of the world is represented as developed, emerging, and Third World countries involved in dependent dynamics of financialization, de-industrialization and primary commodity booms.

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This semi-formal arrangement between the US and China was supposed to be, if not positive, at least not totally dysfunctional for both countries and for the rest of the world. However, this fragile configuration came to an end in the aftermath of 2008 when the financial crisis immediately spread throughout the globe to the ‘real economy’.

Figure 2 – The Sinocentric and export-oriented network of production in East Asia, c. 1990-present



Source: Hung (2016, 81)

Finally, of all the dates mentioned, 2020 is likely in the coming decades to become the most familiar to the global population. When Covid-19 dramatically disrupted our day-to-day life, the fragility and volatility of the world we live in suddenly became clearer. As unexpected as it may have appeared, although not totally surprising if we consider how healthcare has been attacked in the last forty years for the sake of capital accumulation (Harvey 2020), the global pandemic strikingly exacerbated key features of the crisis of the global political economy, including economic protectionism and authoritarian rule. Of course, Covid-19 did not create these trends, but

in the short run it is likely to deepen them, since it took place and spread throughout an already exhausted capitalist world economy.

To sum up, the years 2001, 2003, 2008, and 2020 taken together represent the phase of terminal crisis for US global hegemony; a situation that has already been described by Arrighi (2007, 150-151) as one of ‘domination without hegemony’. Since then, all the symptoms of ‘systemic chaos’ have become increasingly unmistakable: geopolitical and interstate disputes, harsh economic competition, escalating social conflicts, and most of all, the embryonic manifestation of new configurations of world power.

The Neoliberal Globalization Project

The beginning of the terminal crisis for the US hegemonic cycle should also be considered the end of the project of neoliberal globalization. This project had aimed to restore the conditions of capitalist accumulation under US hegemony following the turbulent 1970s. Several authors have indicated that this was actually a counter-revolution of Euro-Atlantic capitalism, which in the twilight of the 1960s—before the end of the gold standard in 1971 and the first oil shock in 1973—had already experienced a slowdown under the Fordist-Keynesian mode of regulation. At the same time, the ability of the US, as well as that of the Soviet Union, to deal with the centrifugal forces of the Third World seemed to have weakened. Nevertheless, by the early 1980s the ‘strange death’ of the Third World project of achieving national development and political autonomy had taken place (Silver & Arrighi 2001, 63-66).

The globalization project was indeed very successful in the 1980s and the 1990s in dismantling the organized labour movement in the West and the nationalist governments of the Third World. However, according to David Harvey’s theory of the spatial fix, this project would sooner or later reach its limits. To absorb surpluses of capital through geographic expansion and spatial reorganization is to dilate, stretch and postpone a capitalist over-accumulation crisis in time and space (Harvey, 2003; 2014,

pp. 146-163). The spatio-temporal solutions ultimately set the stage for newer and stronger crises. Yet more importantly, the interconnections of different kinds of spatio-temporal fixes reshape power relations throughout the social geography of capitalism, that is, among world regions, states, nations, political actors, social classes, but also among sexes and genders, nationalities, ethnic groups, etc.

Although the project of neoliberal globalization had exhausted itself by 2008, the forces unleashed in the 1980s by the counter-revolution of capital have possibly made globalization irreversible. In fact, today's logic of financialization, as a micro and macro-social control device, is a deeper and qualitatively different process than that observed by Arrighi (1994), following Braudel (1984), i.e., the financialization of the global economy as a recurrent pattern in phases of decline in world hegemony or 'systemic cycles of accumulation' (Sivini 2019). On the other hand, since the 1970s and particularly in recent decades, several technological and organizational capital-led revolutions have pointed towards an anthropological and sociological mutation of huge dimensions. We are just beginning to discern its most disturbing and perhaps dangerous effects. This likely goes far beyond what two quite different critical perspectives have called the 'liberal virus' (Amin 2004) and the 'new way of the world' (Dardot & Laval 2013).

The project of neoliberal globalization came to an end in 2008. Nonetheless, capitalist globalization still functions as a process of time-space compression via the colonization and re-colonization of time and space, which today includes the most intimate time-space of human subjectivities. From a Marxian perspective, this is inherent and necessary to the logic of capital reproduction. However, the problem is that at present this process of globalization has no global leader, nor a seemingly viable hegemonic project; or simply a reasonable 'global governance' project despite a rising global disorder which long predates the Covid-19 pandemic. In other words, according to Arrighi and Silver (1999, 286), there is not an actor or coalition, nor a global institution able to perform 'the task of providing system-level solutions to the system-level problems left behind by US hegemony'.

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Although the concept of ‘systemic chaos’ seems to us considerably more fruitful than the classic realist notion of ‘anarchy’, not to speak of the indeterminacy of the prefix ‘post’—post-American, post-globalization, post-Western, post-hegemonic, etc.—it is probably inadequate for grasping some key aspects of the current transition. The concept of ‘systemic chaos’ has been conceived of to outline the geopolitical contours, economic dynamics and social turmoil between hegemonic cycles, primarily within the worldwide expansion of Western capitalism. Even though it seeks to broaden IR’s theoretical reductionism (and sometimes also IPE’s), it does not go beyond what E. H. Carr defined almost a century ago as the central problem of (Western) international relations, that is, how to achieve peaceful change in an order established and guided by those who created it and benefit from it (quoted in Anderson 2017).

The problem here is twofold. On the one hand, new findings and interpretations of non-Eurocentric Global History and Macro-Historical Sociology require us to rethink the history of European global expansion beyond the tradition of World Systems Analysis (Hobson 2004; Darwin 2008; Anievas & Nişancioğlu 2015; Go & Lawson 2017). On the other hand, if we analyse global affairs via contemporary analytic frameworks, whereas a relatively stable multipolar world order still appears distant, a new hegemonic transition, defined by Arrighi and Silver (1999, 22) ‘as moments of change both in the leading agency of world scale processes of capital accumulation and in the political-economic structures in which these processes are embedded’ appears somewhat doubtful. There are at least two reasons for this.

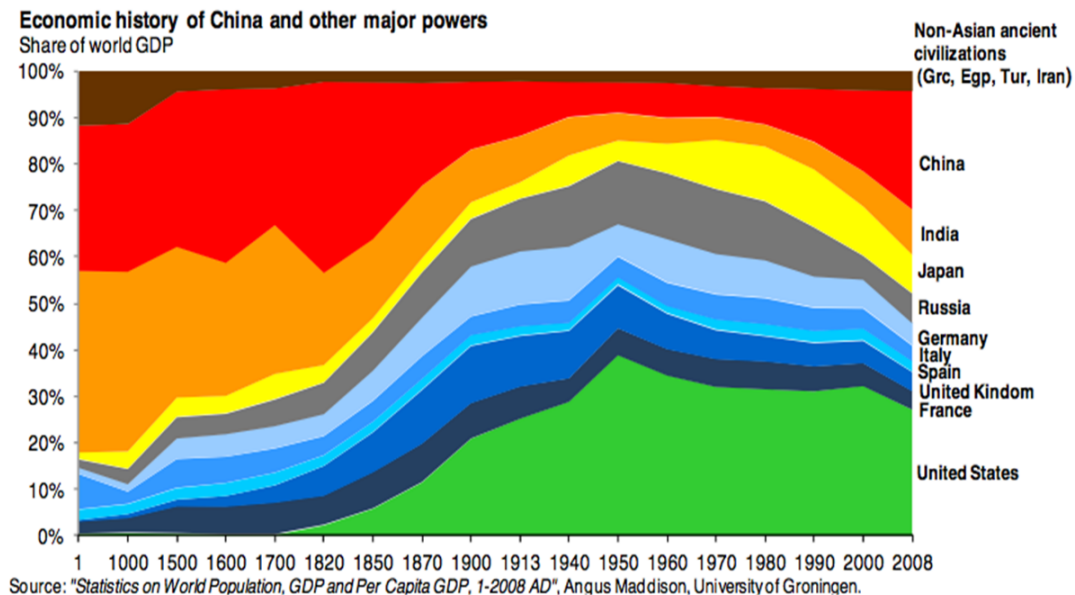
First, there is an unprecedented bifurcation between US military and economic power which was already noted by Arrighi in the early 1990s (Arrighi 1994). Although the US’ colossal destructive capacity has been ineffective in winning wars, as we noted earlier, it is nonetheless a clear deterrent for whoever may challenge the major power in a traditional way. Furthermore, in a nuclear era, any hypothesis of a conventional

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war between major powers, as pointed out by some neo-realist accounts that evoke the so-called Thucydides' Trap (see for instance Allison 2017), would easily become catastrophic for the whole world system even when limited to a small area.

However, as the statistical database created by Angus Maddison and the Maddison Project shows, the economic center of gravity of the world is clearly returning to Eurasia, particularly to China and East Asia, where it had been located for most of the last millennium (see Figures 3 and 4).

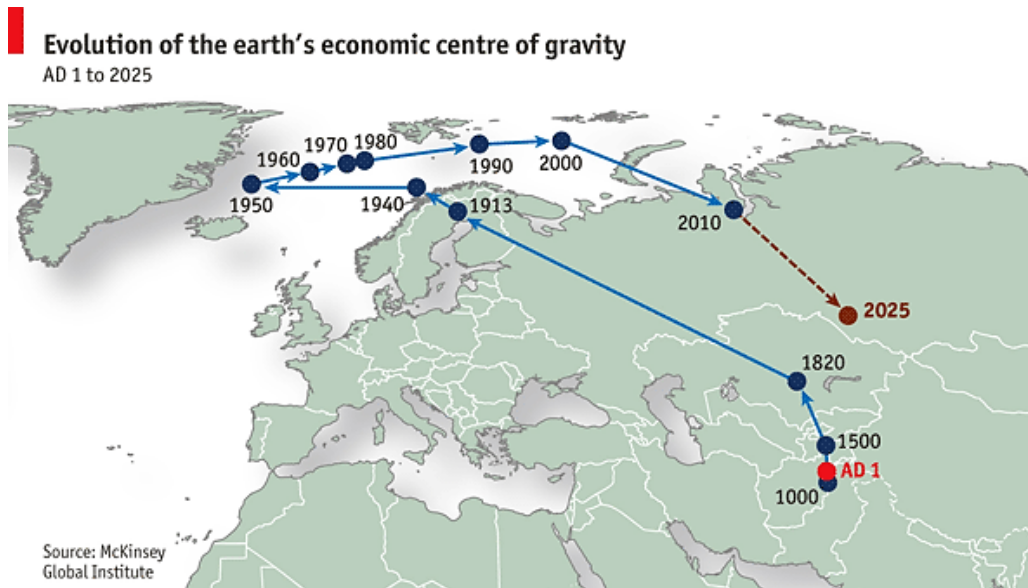
Figure 3 – Economic history of China and other major powers



Source: Thompson (2012)

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Figure 4 – Evolution of the earth's economic centre of gravity



Source: The Economist (2012)

Second, capitalism faces severe problems for it to become a sustainable system of social and natural reproduction on a global scale. The problem is that both the liberal and cosmopolitan Euro-Atlantic ‘universal’ and ‘civilizing’ project and the modernizing and at times progressive nationalist alternatives in the non-Western world, have always existed for the benefit of groups that constitute a small minority of the global population and in opposition to the environment. Broadly speaking, these minorities have been a class, and more often a class alliance or a ‘transnational’ class, or an alliance of class fractions between different countries (this is the core of neo-Gramscian readings of international relations, for example). In some circumstances, these minorities could pretend to represent a nation or small group of nations when a solid hegemonic bloc achieved social legitimacy. Indeed, in the view of Arrighi and Silver:

[E]ach period of global hegemony has been based on social compacts between dominant and subordinate groups. Periods of hegemony have been characterized by a “virtuous circle,” with social peace and material expansions in trade and production reinforcing one another. Periods of hegemonic transition, in

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contrast, have been characterized by a “vicious circle” in which intensifying interstate and interenterprise competition interacts with mounting and increasingly dysfunctional social conflict, leading to periods of system wide rebellion, state breakdowns and revolutions (Arrighi & Silver 1999, 151).

Moreover, this minority has also been a predominantly racial or ethnic minority, mostly white, in addition to a sexual and gender minority, i.e., heterosexual and male, and indeed all the possible and multifaceted historical combinations of the dominant status groups through time and space in the last five hundred years. In any case, the ‘winning’ side in both the liberal and cosmopolitan, as well as modernizing and nationalist projects, cannot be made up of the majority of those who inhabit a capitalist world system.

Capitalism presently faces new problems that did not previously exist, nor could be foreseen in past transitions. Although not the only one, the most widely recognised is that of ‘climate change’, which is in fact a complex socio-ecological phenomenon, i.e., the inherent contradiction between the endless accumulation of capital and the finite resources of the biosphere. To date, unfortunately, no scientific, technical or technological solutions have been seriously considered as solutions to this contradiction. Indeed, there exist only minor adaptive fixes for the benefit of privileged minorities. Interestingly though, most of these fixes are in fact escalating political and socio-economic conflicts both at the micro and macro-social level. This is especially true for what Michael Klare has aptly called *Resource Wars* (Klare 2002) and *The Race for What’s Left* (Klare 2012).

On a more abstract level, the limits of capitalism as a feasible system of social reproduction were already perceived by the fathers of classical Political Economy, including David Ricardo and Karl Marx. The endless competition between capital and the inherent antagonism between capital and labour seem to confirm, over the long-run and on a global scale, the tendency foreseen by Marx concerning the falling rate of profit, social polarization and the technological displacement of labour. According to Harvey (2003; 2014), spatio-temporal fixes to temporarily displace

capitalist crises of overaccumulation are necessary, but probably not limitless features of capitalism. Arguably in contrast to Braudel (1977), Harvey seems to suggest that the ‘flexible’ and ‘eclectic’ character of capitalism is not unlimited over the *longue durée*. Rather, when capital does not find profitable ways to reproduce itself, it simply expropriates, or becomes parasitic, without creating any social value. Yet in doing so, the system of which it is part can no longer be recognised as capitalism. This was the nightmare envisioned by the three finest economists of the twentieth century, namely, John M. Keynes, Karl Polanyi and Joseph A. Schumpeter.

Both Arrighi and Wallerstein were aware of these limitations, although from slightly different perspectives, and have therefore long considered the capitalist world system unlikely to survive the end of the US hegemonic cycle. Indeed, for Wallerstein ‘The question before the world today is not in what way governments can reform the capitalist system such that it can renew its ability to pursue effectively the endless accumulation of capital. There is no way to do this. The question therefore has become what will replace this system’ (Wallerstein 2013, 32). As such, he considered that ‘The rise of the so-called emergent countries, notably the BRICS [...] actually reduces, not increases, the possibilities of the endless accumulation of capital, and intensifies rather than counteracts the structural crisis of the world-system’ (Ibid., 31). In other words, the current situation of chaos is aggravated by ‘the reality of a multipolar world, in which there are eight to ten centers of power, sufficiently strong enough that they can negotiate with other centers with relative autonomy’ (Ibid.).

Contrastingly, in the final stage of his intellectual journey, Giovanni Arrighi revisited the work of Adam Smith to wonder ‘whether, and under what conditions, the Chinese ascent, with all its shortcomings and likely future setbacks, can be taken as the harbinger of that greater equality and mutual respect among peoples of European and non-European descent that Smith foresaw and advocated for 230 years ago’ (Arrighi 2007, 379). Writing just before the great recession of 2008, the new literature on East

Asian economic history provided him with fresh insights (Frank 1998; Pomeranz 2000; Arrighi et al 2003; Hamashita 2008). However, notwithstanding his rather optimistic view, he was well aware that an alternative world order would entail not only the formation of a ‘new Bandung’ ‘to mobilize and use the global market as an instrument of equalization of South-North power relations’ (Ibid., 384). It would also demand ‘that the ruling groups of the global South in general, and of China and India in particular, open up a path capable of emancipating not just their nations but the entire world from the social and ecological devastations entailed in Western capitalist development’ (Ibid., 385-386). Otherwise, ‘a long period of escalating violence and endless worldwide chaos remains a possibility’ (Ibid., 10).

Debates regarding the course of China’s development and its growing role in the global political economy have turned heated in the last decade. The big question for many leftist authors has been whether China is still socialist or has become capitalist. At present, this question is meaningless. As Samir Amin stated a few years ago, ‘the question [...] is badly posed, too general and abstract for any response to make sense in terms of this absolute alternative. In fact, China has actually been following an original path since 1950, and perhaps even since the Taiping Revolution in the nineteenth century’ (Amin 2013). Arguably, many would maintain that China followed an original and unique path somewhat earlier than this. Hence, the proper question should be what kind of capitalism or socialism—or perhaps something else still nameless—is China today. More important still, is the question of whether China’s project of globalization can supplant the exhausted neoliberal one and for how long.

Rather paradoxically, the biggest communist party in the world is the only global player which may save capitalism from itself, through the Belt and Road Initiative (BRI). However, the way in which this has been implemented thus far, is likely to lay the foundations for the next major crisis. This could be financial, environmental, military, social, or all four simultaneously. The problem is that while the magnitude of different

system-level crises is now too great, the Belt and Road Initiative was the direct consequence of the 2008 breakdown, along with growing US aggressiveness towards China. It is, in other words, a kind of capitalist spatio-temporal fix led by a socialist State rather than a new path of world development. Moreover, it remains to be seen how depression of the capitalist world economy, deepened and made qualitatively different by the Covid-19 pandemic, will impact the Chinese government's strategic guidelines regarding the BRI in the coming years.

Therefore, despite Wallerstein's scepticism, a more or less regionalized capitalist multipolar global order seems to many the most plausible option or even the only option today. This would not necessarily be progressive, nor naturally inclined to some kind of 'post-American', 'multiplex' world order, as suggested by Acharya (2014). Neither should it be taken for granted that a 'post-Western' world would be less unstable than the current situation, as imagined by Oliver Stuenkel (2016), or even favourable for left-wing struggles as suggested by some radical thinkers.

A Neo-Orwellian Tripolar World?

The current global dynamics point in the short term towards more conflict and instability. But at the present time it is not clear whether, and more importantly how, permanent conflict and instability will become stable features of the coming decades. Indeed, the uneven effects of the Covid-19 pandemic add further uncertainty to an already extremely complex picture (Karataşlı 2020). We briefly refer to three of these global dynamics.

The first is the rise of a neo-populist, and in some cases neo-fascist, right-wing. This is not simply a political matter, but more dangerously is a socially diffuse and, one might say, 'biopolitical' phenomenon. A symptom of a 'Polanyian moment' in the geo-historical space we know as the 'West' (Streeck 2014; 2016). Increasingly aged, scared and angry societies seem to have forgotten how to think about the past as they have no notion of their future. An everlasting but ever-changing present looks like the

post-modern everyday life conceived of forty years ago by Fredric Jameson as the ‘cultural logic of late capitalism’ (Jameson 1991), or more recently and much more grimly, in Mark Fischer’s notion of an asphyxiating and paralyzing ‘capitalist realism’ (Fischer 2009). In these circumstances, a loose identitarian, xenophobic and chauvinist neo-populism is welcomed by many Europeans as the only escape from neoliberal austerity and the discourse of cosmopolitanism imposed on them by the European Union.

Under the pressure of a deep economic, social and cultural crisis, the ‘West’ is fragmenting. However, it is still not clear whether this is transitory or irreversible. Nevertheless, it would be safe to not forget that the ‘Polanyian moment’ of the twentieth century—during the thirty years of European world wars between 1914 and 1945—occurred during the heyday of Western global domination. Now is a time of sharp decline for Western supremacy. None of the collective and politically organized emancipating ideologies of the past century, such as socialism and Third World nationalism, are still alive to counter the rise of neo-populism and neo-fascism. In fact, this is not a phenomenon unique to Western societies. It also exists and possesses specific features and dynamics within large non-Western countries such as India, Turkey, the Philippines, and Brazil (Kumral & Karataşlı 2020). Neither is a fatigued ‘democratic’ and wholly financialized (neo)liberalism capable of countering the rise of right-wing populism, although it remains alive despite its moribund state. It remains to be seen if the World Social Forum, the ‘Movement of Movements’, will be able to either revive itself or to provide the space through which an alternative could emerge, as some have suggested (Karataşlı 2019a; 2019b).

The second dynamic involves the perilous arrogance of American elites—not just that displayed by Donald J. Trump during his administration—who run the risk of being seduced by Thucydides’s Trap as a self-fulfilling prophecy. They have disagreements, of course, about tactics and strategies, timing and priorities, but at present the issue is not the goal itself of containing China and maintaining US dominance in key spheres of international affairs (military, technology, logistic). However,

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the US containment of China clashes with the consolidation of a national project by the Asian giant, which after 2008 made explicit its aspiration for a place in the world that would leave behind definitively the memory of a long ‘century of humiliation’. While Trump’s administration was more oriented towards an ‘offensive realism’ policy, under Joe Biden’s administration, we could witness the return of the ‘Kissinger-Brzezinski’ foreign policy. Differences are certainly important. They will shape Euro-Atlantic relations, as well as the possibility of escalating conflicts in Iran, Ukraine, Northern Korea, and Venezuela. Nonetheless, despite their differences, American elites seem to consider war inevitable, or rather, a set of localized and regionalized wars. The question is whether ‘offensive realism’ is contributing to making reality the nightmare envisioned by Kissinger-Brzezinski, as Michael Hudson has suggested (2019): a sustained Sino-Russian alliance, and the reorientation of Germany and Eastern Europe towards Eurasia, which was also the ‘classical’ geopolitical nightmare foreseen by Halford J. Mackinder.

The third dynamic is related to the fact that in the coming decades Eurasia is likely to become the geopolitical and economic center of gravity of the world. This suggests that the hypothesis of a multipolar world order led by the ‘rise of the rest’, which essentially meant the BRICS project, is no longer likely to play out. In the aftermath of 2008, it became clear that economically and geopolitically the BRICS were only ever the RIC, i.e., without Brazil and South Africa. In fact, on the threshold of systemic chaos, the space for discourse, norm building and diffusion, as endorsed by Brazilian diplomacy before its recent pro-US *volte-face*, has been dramatically reduced. Similarly, beyond any optimistic expectations, it is still not clear whether Indian capitalism possesses sufficient resources and institutional capabilities to follow China’s path in place of Brazil’s.

Putting the three dynamics together, at present the capitalist multipolar world order is a deeply unstable neo-Orwellian tripolar world, as Michael Klare suggested in 2018.

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In a system of ever-competing super-states, the risk of crisis and confrontation will always be present, along with the potential for nuclear escalation. [...] [S]maller, weaker states, and minority peoples everywhere will be given even shorter shrift than at present when caught in any competitive jousting for influence among the three main competitors (and their proxies) (Klare 2018).

It would be tempting to speculate about the effect of Covid-19 in accelerating the trends already described as constitutive of the crisis of the capitalist world system. However, any analysis offered at this premature stage could well prove inaccurate. With his last words, just a few months before Covid-19 broke out, Immanuel Wallerstein (2019) warned us once again, ‘It is the future that is more important and more interesting, but also inherently unknowable. [...] [T]he world might go down further by paths. Or it may not. [...] [T]here is a 50-50 chance that we’ll make it to transformatory change, but only 50-50’.

Latin America within the Global Turbulence

Throughout the four dates discussed as representative of the phase of terminal crisis in US hegemony, Latin America was among the world regions that most heavily suffered a sustained process of ‘reprimarization’: the large-scale expansion of activities dependent on the primary sector (such as oil extraction, mining, cattle, and soy production for exportation) at the expense of manufacturing. In fact, ‘reprimarization’ is better depicted as ‘neo-peripheralization’. The commodities ‘boom’ or commodities ‘super cycle’ entailed not only the continuity, but indeed the deepening of the dominant pattern of accumulation established from the 1980s onwards. This was especially the case for South America.

However, from 2000 to 2015 South America was also regarded as a ‘global exception’ in the political realm (Anderson 2019, 137). ‘For a decade and a half, relieved of the attentions of the US, buoyed by the commodities boom, and drawing on deep reserves of popular tradition, the continent

was the only part of the world where rebellious social movements coexisted with heterodox governments' (Ibid.). While such coexistence undoubtedly illustrated some important national and sub-regional peculiarities, it was nevertheless a cycle which resulted from the premature exhaustion of the project of neoliberal globalization in the region.

Even before the commodities boom came to an end, US elites had become concerned not so much with Venezuelan Twenty-First Century Socialism or the Brazilian Workers' Party 'weak reformism' (Singer 2012), but with the increasing incursions of the Chinese and Russian governments. Regrettably, the 'pink tide' mostly failed in reforming neoliberal capitalism through a blend of neoliberal and neo-developmental policies and the redistribution of commodities rent. Once again, each process displayed its own history and peculiarity. However, a great deal of common elements and a regional dynamic were also set in motion. Firstly, the patterns of accumulation and development models exhibited by these different governments were essentially similar. Secondly, the populist state-society complexes, in the Gramscian sense, exhibited an analogous pattern. And lastly, the pursuit of regional integration was a shared goal. Unfortunately, a 'South American' project, not to speak of a larger Latin American one, does not seem to have many options in the short term.

When compared from a global and historical perspective to other regions, such as East Asia for instance—the 'success story' of modernization theories, whether neo-classical, neo-institutionalist or heterodox—Latin America exhibits a weak variety of capitalism, especially in the technological realm. This is a variety of dependent capitalism rooted in institutionally weak states and exceptionally heterogeneous national societies, resulting from a profound and violent European colonization. The Americas were subjugated at the foundational stage of the capitalist world system and placed, although not always directly, at the service of European and later US expansionism.

Delinking, decreasing or simply taking advantage of these structural conditions is likely to be the main theoretical and political challenge for

any leftist proposal in the twenty-first century. Yet at present nobody knows how to achieve this. It should be no surprise that these structural features would lead again to failures without effectively confronting, or at least neutralizing, the endogenous material and symbolic roots that shape Latin American heterogeneity into societies fighting a semi-permanent civil war. After all, these societies are both victims and accomplices of what has been termed by Aníbal Quijano (2014) as the ‘coloniality of power’, which may be a Latin American peculiarity rather than a global phenomenon.

In any case, despite its shortcomings, many still think that an autonomous regional integration could be very beneficial, particularly in our age of escalating systemic chaos. However, the ‘progressive’ cycle offered old wine in a new bottle. As Venezuelan sociologist Edgardo Lander told one of the authors of this chapter over ten years ago, a regional integration project without Brazil makes no sense, but an integration project with Brazil is almost impossible. Why? Evo Morales’ first minister of gas and oil, André Soliz Rada, an old revolutionary nationalist, explained it as follows:

The geopolitical force of Brazil is so great in relation to its neighbours, with the exception of Argentina and Venezuela, that it breaks their ribs even when it wants to hug them amicably. In the absence of a Latin American counterpart, the main lines of Bandeirante politics have no brake. This is stimulated by the heritage of Portuguese diplomacy, which displayed professionalism and creativity to prevent expansionist ambitions in the old continent from ending its existence. Defensive geopolitics became geophagy in South America (Soliz Rada 2011, authors’ translation).

Territorially, demographically, economically, but also in the cultural realm, Brazil is a ‘giant full of bonhomie’, as Sergio Buarque de Hollanda famously asserted (De Hollanda 2015 [1936]). Moreover, ‘history and geography have also made it more isolated and self-contained than any other state of comparable magnitude’ (Anderson 2019, XI).

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In South America, language divides it from every other country. In a region of republics long before Europe achieved these as a norm, it alone formed an empire, lasting nearly a century. [...] Culturally and psychologically, Brazilian society in large measure turned its back on the Hispanic world surrounding it to the west, looking away to Europe, and latterly up to the United States. But the South Atlantic is a long way from the North Atlantic, and a geopolitical vacuum whose other shores have figured only as the source of slaves in the Brazilian past. [...] The result is a national culture that remains, among its peers in the ranks of major powers, uniquely self-contained: without the links to its neighbours of a common Confucian past, in China; of the English language to the Anglosphere, in India; of centuries of intellectual and diplomatic interchange with Europe, in Russia; of the intimacy of Cold War bonding with the United States, in Europe (Ibid., pp. XI-XII).

Unquestionably a major power but not a ‘great’ one, it appears that Brazil still cannot detach itself from its imperial past. However, the outside image of a ‘giant full of bonhomie’ is also reproduced internally, as illustrated by Francisco de Oliveira’s vivid metaphor of the ‘capitalist platypus’, ‘a truncated accumulation of capital and an unequal society without absolution’ (De Oliveira 2003, 97, authors’ translation).

When nationalist and progressive Brazilian elites thought about regional integration to favour Brazilian internationalization and Brazilian companies—president Lula’s ‘national champions’, or to solve domestic and border problems, or to secure the autonomy of Brazilian foreign policy in the international domain, they were re-treading, perhaps unknowingly, the footsteps of the ‘giant full of bonhomie’, in other words, the spirit of imperial Brazil. But in doing so, they were also feeding the deformity of the ‘capitalist platypus’, which since 2016 has shown us its most atrocious face.

Today’s barbarism in Brazil and elsewhere in the region is more the consequence of the limits and failures of Latin American ‘progressive’ governments in the turbulent dynamics of a globally escalating chaos, rather than a neoliberal or authoritarian restoration in reaction to the essential success of these reformist projects. In our increasingly

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neo-Orwellian world, one should hope that the very real prospect of the Venezuelan crisis becoming another chapter in a low intensity world war between great powers will be neutralized as soon as possible.

Finally, we consider that the Latin American Left should not obsess over strategies for remaining in power or paving their return to it. Rather, it would be better for them to conceive of new ways to revitalize the forces that were exhausted and often wasted during the ‘progressive’ cycle. They will have to resist and counterattack, as some of them have done since October 2019, without concentrating all their efforts dreaming of impossible reparations or cathartic returns.

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The BRICS in the face of New World Cleavages: Alliances and Axes of Power

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Introduction

The debate regarding the existence of a new BRICS international collective strategy is being characterized by an drafting, even journalistic, approach. The BRICS is an answer to the realignment of forces in the world stage and, therefore, one needs to first understand its origins in the current scenario. One of the primary goals of studies in the areas of International Relations and Defense is the measurement of world power, that identify and hierarchically classify the Great and Medium Powers. However, the criteria used for this are often questionable, since they are based predominantly on quantitative elements arranged according to previously established theories, which are often (a)historical.

Such criteria generally take into account the country's geographical area, its natural wealth (agricultural and mineral), the weight of its economy (usually the Gross Domestic Product and *per capita* income), and the size and structure of its population. Geopolitical position, membership in relevant International Organizations (G-7, OECD, OTAN, UNSC), political-institutional stability and, last but not least, the size and quality of their Armed Forces are also taken into account. Usually these items are quantified and tabulated, producing a *ranking* of powers that, from these references, produce and present a series of strategic reflections and

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geopolitical scenarios (Merle 1981, 119; Morgenthau 2003, 215; Kennedy 1989, 417; Carr 1981, 99).

Undoubtedly, these are significant components, but the way they articulate and their relative importance relate to other qualitative elements. First, one thinks of historical evolution (each Nation-State has its specific features), the level of social and economic development, the degree of articulation of the elites in power, the existence of a national project, international connections and the positioning in the world system, among others (Halliday 2007; Wallerstein 2004, 21; Arrighi 1996, 59; Brucan 1974, 140).

A country may possess significant military power and a large economy, but it can find itself in decline due to changes in the world economy and the emergence of challenging power poles. Moreover, although in possession of a strong economy and quantitative military capabilities, sometimes they have sovereignty limitations, which makes it difficult to convert such elements into effective instruments of action. Thus, the systematization of material elements of power can generate erroneous statistical conceptions and misleading strategic appraisals.

With the emergence and affirmation of the world system in early modernity, the Absolutist Dynastic States, the players of the *Ancien Régime*, were formed in Europe. Then the French Revolution introduced an ideological element (radical change vs. conservatism) and a national element in International Relations. The Congress of Vienna (1815), in turn, introduced the notion of *Balance of Power* between the Powers between Great Britain, France, Russia, Prussia and the Austro-Hungarian Empire (Kissinger 1973). At the same time, the notion of nationalism and the Nation State emerged. Later on, as a result of the First and Second World Wars, the European powers started to be classified as *middle powers* (especially after they lost their colonies), whereas the United States and Russia (now the Soviet Union) became *superpowers*. Some States from the Geopolitical South (the Third World) were also included in the list of *middle powers*

(or regional powers). However, both the explanatory paradigms and the international reality became fluid with the end of the Cold War.

Therefore, a process that was already complicated in an era of a recognized leadership and hegemony, has become even more complex and uncertain in a phase of transition. In this sense, the aim of this article is to contribute to an understanding of the States power position in the framework of the post-Cold War International System, particularly in the 21st century. It is an exploratory vision, whose goal is to take into account current actions and possible trends for the immediate future, in the context of the economic crisis since 2008 and the ongoing disarticulation of 'globalization' itself.

One should consider, more than ideological or geopolitical rivalries, the political-economic position that the States occupy in the world power structure. In this context, the first group of contemporary international politics comprises the *Anglo-Saxon military-rentier axis*: United States, Canada, United Kingdom, Australia, New Zealand and, tangentially, Israel. These are the hegemonic nations that hold military, diplomatic, financial, technological, intelligence and communications resources. Being in the post-industrial rentier phase, this axis lives on the resources of other nations, employing the means mentioned above.

The second is the *developed industrial axis* of the European Union, Japan and the Asian Tigers. With an advanced productive industrial capitalism and a high standard of living, it differs from the first group for lacking the traditional power resources, such as the military, and full sovereignty. They were protected during the Cold War, but today the situation is uncertain and the tensions with the former axis are increasing. Further developments will depend on the political attitude to be adopted by relevant nations in the axis, such as Germany and Japan, the defeated nations of World War II.

The third one is the *semi-peripheral industrially-emergent axis*, comprised of the great nations of the BRICS, especially China and Russia, as well as Turkey and Iran, where the structures of power and participation in the economy are relevant. This is defined as *semiperiphery*. Like

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the previous one, its immediate and primal objective is to avoid an armed conflict of global dimensions and to maintain economic development. They have resources for defense, but fail to project power on a planetary scale and depend to some extent on decisions that will be taken by the second axis.

Finally, the fourth is the *agrarian, mineral and demographic peripheral axis*, comprised of the middle and small nations of Latin America, Africa, and geographical Asia (which includes the Middle East). They have abundant human, agricultural, or mineral resources (including energy) but do not have military capability or diplomatic articulation, and thus tend to act in a fragmented way, making for a contested zone for other axes. Brazil and South Africa seem currently to be absorbed by their internal political agendas and risk becoming part of this group.

The Anglo-Saxon Military-Rentier Axis

The dominant group of world politics is integrated into the *Anglo-Saxon military-rentier axis*: United States, Canada, United Kingdom, Australia and New Zealand. More than a simple 'linguistic community', it represents a continuity of the Maritime Empires and its geopolitics. It is the heir to 19th century British liberal hegemony and its later colonial empire, as well as the alliances (and results) of the two World Wars against the middle powers (Germany and Japan) and the anti-socialist/anti-Soviet Cold War.

These are collectively hegemonic nations, with military, diplomatic, financial, technological, intelligence and logistical, and informational communications resources. They have reached the post-industrial rentier phase (in the last quarter of the twentieth century), and depend on other nations' resources, employing the means mentioned above. With the current Scientific-Technological Revolution under way, particular attention must be paid to the last three aspects, which have revolutionized international relations and defense systems.

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The so-called UKUSA (United Kingdom and United States of America) agreement, established in the second half of the 1940s between Washington and London, gave rise in the 1980s to the system known as Echelon, the electronic intelligence and information system. This system, based in England, collects, processes, and shares information among the Five Eye countries: The United States, Canada, the United Kingdom, Australia and New Zealand. Previously focused on military issues against the Warsaw Pact during the Cold War, from the 1980s onwards, it included industrial and political espionage, including NATO allies in the European Union, as denounced in the European Parliament in 2000 (Silva 2018).

The system does not only encompass the metropolitan territory of the aforementioned countries, but also a cluster of small islands and strategic points in all Oceans and continents. One of the points of the Echelon world espionage system, for example, is located on the British island of Ascension in the middle of the Atlantic Ocean. These are not only the system's 'antennae', but also military bases and/or Tax Havens, the last of which connected to London's financial center. The United Kingdom was able to adapt it to its hegemonic decline, through an alliance with the United States, leading both countries to converge on UN Security Council votes.

The United States is the group leader, with the dollars, diplomacy, the military, the cultural industry, and the almost exclusive control of electronic media and International Organizations. The others, however, are not 'dominated', but rather are integral and active (though discrete) parts. Israel, tangentially, is associated with the group, but has its own regional agenda, being a nuclear power and maintaining some independence. There are also European appendices from a strategic point of view such as Spain, Portugal, the Netherlands, Denmark, Poland, Hungary, Croatia, Romania, Bulgaria, and the Baltic countries (Lithuania, Latvia and Estonia). Although they are members of the European Union, as well as the UK was up until Brexit, their focus in the area of Defense has been the convergence with the Anglo-Saxon axis. In the Geopolitical South (the Third World), Chile, Colombia, Morocco, Kenya and Saudi Arabia

(although Riyadh holds some autonomy) can be mentioned as partners of the axis with agendas of “regional allies”, projecting influence in their surroundings. These countries, however, do not have the power requirements previously listed to be part of the previous group, the ability to influence decisions and strategies, and the Big Five¹ do not desire them as partners.

The Developed Industrial Axis

The second group is the industrially-developed axis of the European Union, Japan and the Asian Tigers. With an advanced productive industrial capitalism and a high standard of living, it differs from the first for lacking the traditional power resources, such as military and full sovereignty (except for France). They were protected during the Cold War, but today their situation is uncertain and tensions with the first axis are increasing. Further developments will depend on the political attitude to be adopted by relevant nations in the axis, such as Germany and Japan, the defeated ones of World War II, and France, which has proven unable to display coherent strategies over time.

Its members are based on the previous middle powers that became industrialized by the late nineteenth century (Central Europe and Japan) and after World War II (the rest of Europe and the Asian Tigers). During the Cold War, they were engaged in East Asia as members of NATO (Europe) or through Bilateral Defense Pacts. In the case of members of the defunct fascist Axis (Berlin, Rome and Tokyo), serious institutional and military limitations to full sovereignty take place. This is due not just because of American troops and military bases in their territory (some on behalf of NATO), but also to the obstacles against the constitution of their own military and aerospace technology and industry. Also, the fact that these states

¹ An allusion to the five African animals capable of self-defense: the lion, the elephant, the buffalo, the rhinoceros and the leopard. In the case, these are the United States, Canada, the United Kingdom, Australia and New Zealand.

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were rebuilt by occupation forces after 1945, shaping their respective elites—nowadays divided and lacking strategic vision—poses a significant weight.

France is emblematic because, among the countries in this axis, it is uniquely positioned: it is a nuclear power, a permanent member of the UN Security Council, with a network of bases around the world and an independent aerospace technology and industry. Along with Germany, it represents the hard core of the European Union, despite being immersed in a strategic identity crisis since the 1970s. In their turn, German and Japanese elites, despite their significant advanced technologies and economies, appear to be suffering from a post-Cold War syndrome, and failing to define a coherent project for their international action. The case of Germany's relationship with Russia and the United States is another example, with its economic interests converging with Moscow and its defense agenda linked to Washington.

In East Asia, with Japan, South Korea, and Taiwan, the same is true regarding the United States and China. Artificially fostered military crises sustain a permanent state of insecurity, aiming to limit the convergence between the Tigers and the Chinese Dragon. Provocations towards North Korea, which reacts in the expected and desired manner, proved to be just enough to maintain alignment with Washington's security plans. However, Trump's US and China trade war goes well beyond a renegotiation dispute among partners, since the real economic and technological conflict, which is much more complex and multidimensional, takes place among the US and the EU, Germany in particular.

By the same token, it is worth remembering that Samuel Huntington (1997, 195) defined that the Western core was located in the North Atlantic, and NATO is its linkage organization. Thus, the EU and Japan/Asian Tigers dilemma is that their relations with the US are getting weaker, whereas they are growing stronger with the BRICS, particularly China and Russia. Nevertheless, diplomatic-security ties with Washington remain strong, as well as the arrangement between the ruling elites of the two shores of the Pacific.

The Color Revolutions arrived in Europe, with Brexit, ‘populist’ political movements and destabilizing radical violence (such as the French Yellow Vests), as well as an open disrespect for community norms. Terrorist attacks, separatism and massive induced migrations are part of the same process. Clearly, there is a sociological basis for such a phenomenon, with the gradual wreck of the Welfare State and the draining out of the universe of traditional politics, but there is also a synchronization. Steve Bannon is not a ‘rebel without a cause.’

The Semi-Peripheral Industrially-Emergent Axis

The third group is the emerging industrial axis, composed of the great BRICS nations, especially China and Russia, as well as Turkey and Iran, in which the state’s participation in development is a determining factor. Conceptually defined as the semi-periphery, they are clearly targeted by Donald Trump’s US and his *America First*. Like the previous one, its immediate goal is to avoid an armed conflict of global dimensions and to maintain economic development. They have resources to defend themselves, but still cannot project global military power and depend on the attitudes that the second axis will adopt. But some of them have deterrent power, and are becoming more assertive as both the crisis that began in 2008 and global tensions deepen.

Russia and China are permanent members of the UN Security Council and are, like India, nuclear powers. China maintains its socialist regime with a globalized multifaceted development project with high growth rates that have already made the country the second largest economy in the world. And this productive advance is being accompanied by the increase of its technological and defense capabilities. The Chinese State covers 22% of the world’s population, and enjoys internal stability and international autonomy. Its ‘socialist market’ development project is similar to the old Soviet New Political Economy (NEP) of the 1920s, but with an internationalized dimension. Its commercial, financial and technological

connections, both with developed and developing capitalist countries, have transformed world geo-economy, particularly in the peripheral areas.

In its turn, Russia represents another re-emerging power, since it is the heir of the defeated Soviet superpower after severe weakening and decline in the 1990s. Technological capacity, the aerospace and arms industry, as well as defense capabilities, makes it the only state able to strategically compete with the United States. However, it has some weaknesses, since its governance is still fragile. It does not have a structuring party (as in both China or the Soviet Union era) and society underwent major transformations and fragmentation. Moreover, from a geopolitical point of view, its surroundings (the 'near abroad') and international connections present weaknesses, despite the creation of the Eurasian Economic Union (which aggravated the Ukrainian problem).

Regarding the Indian elephant, economic growth and an increasing international presence are observed, but with a troubling social backwardness of a rapid growing population, which will surpass the Chinese in a few years. The Chinese population is stabilized and aging, whereas the Russian has aged and quantitatively receded. However, unlike India, these two countries have vast territories and natural resources. Although India's nuclear status has been supported by the United States, the country faces serious security challenges, both external (China and Pakistan) and internal (terrorism, separatism and Maoist Naxalita guerrilla).

Brazil and South Africa (post-apartheid) experienced accelerated development at the beginning of the 21st century and created, with India, the IBSA Trilateral Cooperation Forum in 2003. However, in recent years both nations have experienced serious crises of governability and economic stagnation, currently lacking a strategic project. Similarly, the two nations lost their leadership in regional integration. Brazil, specifically, is on the verge of being downgraded to the fourth axis, which will be analyzed next. Two states that have achieved economic and political-military advances were Turkey and Iran, with position and status now similar to that of the

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BRICS. But both find themselves in an extremely vulnerable line of geopolitical fracture, and present a certain domestic and international fragility.

The BRICS, which became to be characterized as a power pole in 2009 (in response to the unfolding of the 2008 crisis), have developed considerable economic and diplomatic mechanisms, even though they are not a 'bloc', but a forum. In addition to integrating IBSA nations, another important organization can be added, namely the Shanghai Cooperation Organization (SCO), which emerged in 1996 among China, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan. Subsequently, Uzbekistan, India and Pakistan joined this bloc (as well as other observer states). Its focus is on economic and security, and it articulates an Eurasian pole, which represents a strategic nightmare for the US (Brzezinski 1998). However, Russia and China are their allies (though not entirely), as both have partially different and competing agendas.

The great emerging nations constitute some sort of semi-periphery, in which the previous accumulation of capital places them in a position of global economic projection, generating a situation in which the growing economic weight clashes with the existing world political order. Putin's Russia cannot be seen solely as an energy power (gas, oil and uranium), since this sector-internationalized companies mean a growing global presence. In addition, Moscow became, once more, a major exporter of advanced weapons. On its turn, in addition to China's growing economic presence in Africa and Latin America, it launched bold Eurasian initiatives such as the New Silk Road and OBOR (One Belt, One Road). They represent the emergence of a pivotal land zone, bringing together the basic elements of classical geopolitics with new economic elements.

The Agrarian, Mineral and Demographic Peripheral Axis

Finally, the fourth element is the agrarian, mineral and demographic peripheral axis, composed of medium and small nations of Latin America,

Africa and geographical Asia (including the Middle East). They have abundant human, agricultural, or mineral resources (including energy) but do not have military capability or diplomatic articulation. They tend to act in a fragmented way, and form a contested zone for the other axes. Brazil and South Africa, members of the BRICS, seem to be being 'downgraded' on this axis, due to their internal political agendas and disputes, and risk becoming part of it.

Structural Dimensions

The Geopolitical South (the Third World) encompasses Latin America, Africa, Western, Central and Southern Asia, where the growth of world population is taking place. Not only they represent a significant reserve of young work force and potential consumer market, but also generate an unoccupied population surplus that leads to migratory and refugee conflicts crises. The United States-Mexico border and the Mediterranean Sea have become extremely vulnerable zones to this phenomenon. The arc from Pakistan to Japan (with the exception of the western half of China) houses more than half the world's population. The Middle East and the northern half of Africa are also experiencing strong destabilization.

On the other hand, the consumer democracies of the North use enormous volumes of food and raw materials (energy and minerals, among others), whose production and reserves are located in the South (Paiva 2011, 32). This phenomenon is further aggravated by the increase of *per capita* consumption in emerging nations and the urban middle classes all over the Geopolitical South. There are vast spaces for profitable investments (infrastructure, mining, services, agribusiness), within a framework of growing inter-capitalist competition, which opposes, mainly, the old industrial powers and the emergent nations of the semi-periphery. Thus, this part of the planet is the stage of an economic and strategic dispute much like the one that preceded the First World War.

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The Geopolitical South houses approximately two thirds of the existing States (quite unequally), with an overwhelming majority of overwhelming political-social fragility and military and economic weakness. Their international agenda consists simply of maintaining their existence as nations, and keeping the local elites in power. Many Cold War era coalition initiatives, such as the G-77 and the Non-Aligned Movement, which sought to formulate a common agenda and to increase the region's political weight at the UN, lost focus with the end of bipolarity. From the 1990s onwards, due to the neoliberal cycle of globalization, several regional integration initiatives were presented, but they faced structural difficulties at both local and global levels. So, even though in many of the Southern nations's GDP is growing, sometimes above the world average, political vulnerability, economic instability and social tension are still increasing.

Despite material differences and foreign policy alignments, these states have structurally a similar position in the world economy. Directly or indirectly, they are subject to the agendas formulated by the North-Atlantic powers and to the actions of powerful states and transnational mega-companies. Nevertheless, some pivot states can be identified in several regions that make up the Geopolitical South, with some political and eventually economic relevance.

Regions and Pivot States

In Latin America, after the "Pink Wave" of center-left governments with advances in the social agenda (without breaking up with neoliberal tendencies), the trend is the reverse (by several means) of most of them. In addition to domestic changes, there is the emptying of integration projects, such as Mercosur, and of Latin American and South American associations, such as CELAC and UNASUR, respectively. Brazil, as mentioned, finds itself in a political and economic situation that is causing it be positioned as a giant member of this fourth axis, where Argentina has been for quite some time.

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In South America, Chile and Colombia maintain a pro-Washington strategic role, the first one with its powerful army and bi-oceanic geopolitical position. Nowadays, the second nation, which has a long-term cooperation with the US in counterinsurgency and in the fight against drug trafficking, plays a significant role in the Venezuelan crisis. Mexico, while still subordinate to the United States economy, has a kind of ‘negative or unwitting activism’, since the issues of migration and drug trafficking are taking center stage. Trump’s administration biggest interest in the subcontinent is the economic agenda and containment of China’s growing presence, with its investments, services, commerce and infrastructure building.

Today, much more than the Ibero-American region, Africa represents a region in fierce geopolitical dispute between former and emerging powers, including the strategic spaces of the Indian and South Atlantic Oceans. Additionally, terrorism is present in its northern half, along with coups d’état, and civil wars (as in the Democratic Republic of Congo and South Sudan), and the collapse of states—(such as the ones in Libya and Somalia). Morocco continues to be a strategic Western ally, with its pending Western Sahara issue and its campaign as a ‘Trojan Horse’ in the South, in favor of the so-called Atlantic Community (thus linking the North Atlantic to the South Atlantic). South Africa is strategically stagnated by the effects of its post-Apartheid transition agreement, no longer being the largest economy in the continent—a position now occupied by the populous Nigeria.

Notwithstanding, the continent has its own dynamics, and many states have advanced economically and politically. In the context of the African continent, Angola, Nigeria and Ethiopia could be considered some sort of regional powers. Ironically, African cooperation agencies have played a growing role in both economic cooperation and conflict resolution. Djibouti, for its part, had become a core center, not only because of its geopolitical position at the entrance to the Red Sea, but also because it shelters bases of countries such as France, the USA and China. Equally,

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Kenya also is a Western strategic pivot. The Gulf of Guinea, with its oil resources, has also turned into a strategic region. The clash between the United States and France to the growing Chinese presence is the main cleavage in the continent. Instead of a narrative of victimization, one can see that such a situation has given African states a leverage of political and economic autonomy that they had never experienced in 60 years of independence (Visentini 2013).

The Middle East, like Africa, is a region in fierce strategic dispute for geopolitical position and energy resources, but much more directly and violently. Even though this is not without precedent, it nowadays presents a new meaning, which is not restricted to regionally restricted conflicts. It became the Great Middle East, with the inclusion of new states of the Caucasus (Georgia, Armenia, and Azerbaijan) and former Soviet Union Central Asia and Afghanistan, stage of the new Great Game or Grand Chessboard. Georgia, Azerbaijan, Turkmenistan and conflicted Afghanistan are a pro-NATO corridor separating Russia and its allies from Central Asia, and also from its other allies: Iran, Armenia and Syria.

Turkey has apparently given up its rapprochement with the European Union and got closer to Russia and Iran, which Israel considers a threat, Saudi Arabia and the Gulf Petro-monarchies, except for Qatar and Oman. Yemen's domestic political cleavages (blocked by Riyadh and devastated by civil war) were contained by Iran and Saudi Arabia. The Saudi Kingdom undergoes an internal struggle within the ruling elite (dozens of factions of rival princes) and constitutes a fundamentalist theocracy and absolutist monarchy that admitted its association with Israel. The country has a significant oil and financial weight and is a mentor and financier of fundamentalist Islamic movements. In addition to the internationalized civil wars of Syria and Yemen, Iraq remains a battleground, with the Kurdish issue occupying a central position.

However, it would be wrong to think that this is a clash between Sunnis and the West against Shiites. At stake is the attempt by conservative monarchies and Western powers to overthrow secular and modernizing regimes,

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which include Syria, Yemen, Egypt, Iran (which is modernizing), and Turkey, which has cooled its relationship with NATO and got closer to Russia. The formally ‘counter-terrorist’ intervention in Iraq and Afghanistan was a failure, and the attempt to overthrow the Ba’as regime in Syria was also unsuccessful, making room for Russia’s intervention in the region.

In South Asia, in addition to India (analyzed above), Pakistan (a nuclear power) has approached China and Iran. It is worth mentioning the prominence and relative autonomy of the Association of Southeast Asian Nations’s (ASEAN) 10 member states. Made of both rich (Singapore and Malaysia) and poor states (Philippines), monarchies and republics, large and small, socialist and capitalist, stable and unstable and democratic regimes Western-like (Thailand) and considered authoritarian (Myanmar), ASEAN manages to develop a common autonomous political agenda. The Association represents a balance between the giants China and India, despite tensions in the South China Sea. On the Korean peninsula (along with Japan), local tensions are framed by global antagonisms.

The immense Pacific Ocean space is controlled by sea powers, with Australia and New Zealand playing an important role and controlling numerous archipelagos, as well as with the United States, France and UK. The Indian Ocean is a disputed space, where all of these countries (except for New Zealand) occupy a dominant position, but have to face the growing Chinese and Russian naval presence. On the other hand, the strategic spots of the South Atlantic are at its center, in sea-corridors to other Oceans, quietly controlled by the United Kingdom. Finally, even the Arctic and Antarctic polar spaces have become regions where economic and military presence of developed capitalist powers rival with emerging ones.

Structures, Processes and Trends

The end of the Cold War and its bipolar system produced both new realities and theoretical challenges. Many attempts to interpret it have been sought,

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although it seems clear that the US and the Anglo-Saxon powers, which are part of the first axis of power, remain dominant, though in a framework of accelerated mutation, and leaning towards multipolarity. Just as Kissinger (1973) very well defined in his doctoral thesis regarding the European balance of power, there is an unstable Global Balance of Power at the beginning of the 21st century. There are two levels of international cleavages, which do not overlap exactly: one is political and the other is economic, which may indicate an asynchrony between political power structure and economic power structure.

Political cleavages that affect the distribution of world power oppose China and Russia (the BRICS hard core) on one side, and the Anglo-Saxon powers on the other, with the European Union/Japan group working as reluctant allies. In turn, economic cleavages go beyond the 'emerging vs. declining' view, as shown by the Trump administration. It is true that Asia has become the great industrial manufacturing center of the world, but international economy is characterized by a dynamics of both integration and conflict (of uneven and combined development). As Arrighi (1996) pinpointed, the world system's main feature is the coexistence between territorial states and capital, with transnational mobility.

Therefore, whereas on the one hand emerging countries, as *national states*, demand a share of power compatible with their increasing economic weight, on the other they are linked to large developed or post-industrial nations. In this context, the US-China 'Trade War' resembles the US-Japan war of the 1980s. China has a symbiotic relationship with the United States, and the current dispute seems to contain traces of renegotiation of the economic 'pact' between them. The real target of American attack is Germany-centered Europe (an advanced capitalist rival) and the new containment of semi-peripheral states of the region that it geopolitically controls (as in the case of Brazil).

It does not mean that everything will remain as such, or that the American/Anglo-Saxon power will keep its dominant position. Historian and demographer Emmanuel Todd (2003, 4) argued that

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there will be no American empire. The world is too vast, diverse and dynamic to accept the dominance of a single power. The examination of the demographic and cultural, industrial and monetary, ideological and military forces that transform the planet does not confirm the current vision of an invulnerable America. (...) A realistic picture [shows] a great nation whose power was incontestable, but that the relative decline seems irreversible. The United States was indispensable to the balance of the world; today they cannot maintain their standard of living without the world's subsidies. America, by its military theater activism, directed against insignificant states, tries to mask its ebb. The fight against terrorism, Iraq and the 'axis of evil' are no more than excuses. Because it no longer has the strength to control the larger actors that are Europe and Russia, Japan and China, America will lose this last match for world domination. She will become a great power among others.

The trends brought up by the postmodern and neoliberal world hit the axes differently. The Anglo-Saxon axis has a post-industrial finance (finance, technology, services) that is more *administrative* (budget balancing), whereas the developed axis and the emerging axis are *productive* (commodity producers). In the South, state weakening, surplus population and insufficient development further increase crime and migration, though not of the poorer strata.

In addition, social consequences alter society's structure. In the North, cities are degraded (Detroit is the most radical case), whereas in the South chaotic megalopolis arise that boast crime and pollution. Drug use on growing scale, in addition to profitable business, represents a way of socially controlling the youth, which seeks niches and does not engage in politics, either in the North or the South. Outsourcing and mobile apps have fragmented jobs, and the 'creative economy's' 'entrepreneur' replaces the old syndicated working class.

How does this stage of capitalism affect international relations and the hierarchy between powers? Immigration transforms the North from within, just as it did with the Roman Empire, although in a different fashion. In post-colonial states (historical immigrant recipients) there is some assimilation,

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whereas in Europe tensions are growing in a society that ages quickly with no new political projects. In the South, a producer of commodities, the elite's attitude is different: they lack national projects and speed up economic downturn, Latin America being the worst case. Due to the Technological Revolution and the progress of other regions, an irrecoverable *gap* is being formed.

In Africa and the post-Arab Spring Middle East, there seems to be a reshaping of the ruling elites, with the signaling of new national projects and changes in international alliances. As Todd (2003) shows in his work, the Arab and Islamic world is undergoing a process of demographic and political modernization. In Asia, especially in its eastern portion, there are now more committed projects and elites, despite systemic contradictions. Curiously, little is being said about the fact that, for decades, the People's Republic of China, a socialist state, has been the country with the best economic performance been.

The shaping of a larger interconnected Eurasian space (which links the Middle East by land) seems to be the greatest fear of US strategists and their allies. As America is gradually no longer useful to other nations, how long will 'counter-terrorism' be an effective means of action? Nothing seems to lead to an update to the United Nations structure, venturesome leaders rise and tensions build up, in the absence of defined strategies. Thus, more than ever, it is necessary to think over the ongoing changes and their impact in the great power game.

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Reshaping the WTO: the context of the diagnostic phase

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Introduction

The World Trade Organization (WTO) celebrated its 25th anniversary in 2020 in a context that is far from celebration. The WTO is the successor of the 1947 General Agreement on Tariffs and Trade (GATT). Since January 1995, the WTO is the multilateral forum where governments negotiate trade agreements, settle trade disputes, and promote a rule-based system of trade, with transparency and predictability. As trade relations often involve conflicting interests, the WTO faces challenges to manage increasingly complex negotiations, especially due to the active participation of emerging economies.

The multilateral trading regime, with the WTO at its core, has been established through principles, norms, rules, and decision-making procedures around which actors' expectations can converge (KRASNER 1983). Currently, the organization has 164 member countries—two-thirds of which are classified as developing countries¹—and struggles to align expectations of all members. Consequently, negotiations are characterized by deadlocks, stagnation, or meager results.

¹ At the WTO, members are grouped as 'developing countries' and 'least developed countries', according to self-selection. The developing country status at the WTO brings certain rights to the member country, as, for example, provisions in some WTO Agreements, which provide developing countries with longer transition periods before they are required to fully implement the agreement. Developing countries can also receive technical assistance (WTO, 2020).

Even though discussions of reforms to the WTO are not new (HOEKMAN 2012; WILKINSON 2019), some members recognize the institution needs a change to remain at the heart of the world trade liberalization (G20 2017; EC 2018; CANADA 2018; CHINA 2019; US Trade Representative 2019; LDC 2019; WTO 2019). This chapter is not intended to exhaust the reform's full range of specific topics and proposals. Instead, it suggests a panoramic view of the elements that drove discussions in this direction.

Initially, WTO's main functions will be covered, presenting the challenges that reinforce the reform argument. The focus is on Trade Negotiations, Dispute Settlement, and Transparency Mechanisms. Next, the movement for a reform to the WTO is explored, which is characterized as a diagnostic phase (ZARTMAN, BERGMAN 1982), since formal negotiations on the topic have not yet started.

1. The Main Functions of WTO

The WTO has three main functions: guiding negotiations, resolving trade disputes, and promoting transparency and monitoring. All three of them are currently at risk. Summarizing the essence of these functions is essential to understand the challenges that pave the way for the WTO reform discussion.

The multilateral trading regime is the result of several rounds of negotiations, some of which took years to be concluded. Before the WTO, the GATT 1947 was the treaty with international trade rules that contributed to progressive rounds of trade liberalization. Beyond the norms and rules, the GATT 1947 also established guiding principles² as well as decision-making procedures.

2 Several fundamental principles that run throughout all the legal documents, being the cornerstone of the multilateral trading regime. For example: the principle of the most-favored-nation (MFN) treatment (Art. I); Predictability through binding and transparency of concession lists (Art. II); the National treatment that suggests treating foreigners and locals equally (Art. III); Transparency (Art. X).

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The regime was designed to be dynamic, introducing the practice of periodic rounds of negotiations. During the GATT 1947 era, eight negotiation rounds were conducted³. Even though negotiations were essentially focused on reducing tariff barriers, until the 1960s, by the end of that decade, members expanded the thematic scope to include topics like anti-dumping measures.

The Uruguay Round (1986-1994) was highlighted in the context of the GATT negotiations, being ambitious in terms of complexity. In addition to including sensitive sectors—previously excluded from negotiations, such as agriculture, services, intellectual property, among others—it also promoted improvements in the dispute settlement mechanism and gave rise to the World Trade Organization (WTO).

The active participation of developing countries in the Uruguay Round was an important inflection point, compared to previous rounds. Since its origin, GATT negotiations were mostly influenced by developed countries, which were not called the “rich club” by accident. Developing countries, which had been marginal participants in the Kennedy Round (1964-67), were more active in the Tokyo Round (1973-79). But especially during the Uruguay Round, the growing disillusionment with the North-South discussions of unresolved issues—non-tariff barriers, agricultural subsidies, and other problems related to trade in goods—had originally headed the agenda. The United States, Japan, and other industrial countries⁴ usually pressed for the inclusion of new themes in the negotiation agenda, and some developing countries resisted (ABREU 1989; MURÓ 1994). This dynamic is still present and deeply rooted in multilateral trade negotiations.

3 Geneva (1947), Annecy (1949), Torquay (1950), Geneva (1956), Dillon (1960-61), Kennedy (1962-67), Tokyo (1973-1979), Uruguay (1986-1994).

4 A traditional like-minded group at multilateral trade negotiations is the Quadrilaterals or simply “QUAD”: Canada, the European Union, Japan, and the United States.

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The establishment of the WTO⁵, in addition to formalizing an international organization for the administration of the entire context of trade negotiations and their results, also favoured the establishment of important mechanisms that ensure compliance to norms and rules. As said: “The WTO was born out of negotiations, and everything the WTO does is the result of negotiations” (WTO 2020). In this institutionalized context, two important mechanisms were agreed to guarantee compliance: (i) the single undertaking approach of negotiations and results’ implementation; (ii) the strengthening of the dispute settlement mechanism.

Regarding the Single Undertaking Mechanism, it is important to mention that, essentially, the term has two meanings. The first one refers to how negotiations are conducted, where all topics should move forward simultaneously—not sequentially. The second one defines how negotiation results are grouped and adopted at the end of each round of negotiation (WOLFE 2009. KENNEDY 2011. VANGRASSTECK 2013).

Under the auspices of the WTO, the adoption of the set of agreed legal instruments became mandatory for all members⁶, except for Plurilateral Agreements (optional). The practice of the previous period was an approach known as “*a la carte*”, in which, at the end of the negotiations, each state decided to which agreements it would be bound. Thus, one of the limitations of this approach was that the results were implemented fragmentedly.

5 The Marrakesh Agreement establishing the World Trade Organization, defines, among other subjects, the scope, functions, structure, secretariat activities, and decision-making processes. The annexes cover specific rules: Annex 1 A: Multilateral Agreements on Trade in Goods; Annex 1 B: General Agreement on Trade in Services and Annexes; Annex 1 C: Agreement on Trade-Related Aspects of Intellectual Property Rights; Annex 2: Understanding on Rules and Procedures Governing the Settlement of Disputes; Annex 3: Trade Policy Review Mechanism; Annex 4: Plurilateral Trade Agreements.

6 The Marrakesh Agreement mentions: “2. *The Agreements and associated legal instruments included in Annexes 1, 2, and 3 (hereinafter referred to as “Multilateral Trade Agreements” are integral parts of this Agreement, binding on all Members.*” (Art. II)

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The single undertaking approach is intricately linked to the broadening of the thematic scope of negotiations. Since themes have become increasingly diverse, countries could balance their interests, considering the various topics on the table. Thus, the possibility exchanging concessions between different topics could help complex negotiations move forward. At the same time, it offers the risk that “*nothing is agreed until everything is agreed*” (KENNEDY 2011).

Despite bringing uniformity to the adoption of agreed results, the single undertaking had far more implications. With the increasing number of members and the expansion of the range of topics on the table, the impasses to reach an agreement became frequent (ELSIG, DUPONT 2012). Furthermore, developing countries needed to be involved in extensive domestic reforms, in several areas, in order to adapt to the new and diversified commitments undertaken during the Uruguay Round, increasing the resistance to agree with new commitments (HOEKMAN, KOSTECKI 2009).

Consensus is how decisions are made at the WTO. In practice, it means that no delegation from any member should object to any aspect raised⁷. In consensus-based decisions, all countries have veto power and express respect for the sovereignty of Member States. This aspect represents an increasingly significant challenge, once the WTO membership has increased and diversified since its establishment.

Considering the Dispute Settlement Mechanism, it is important to say that in the GATT 1947 period, there was a political-diplomatic mechanism for resolving trade disputes. The mechanism provided consultations and, subsequently, if the parties did not reach an agreement, the establishment of a Panel of specialists to carry out a report on the matter. The lack of transparency, delays, and the possibility of a party to block both, the request to

⁷ Although there is a provision in Art. IX of the WTO Constitution Agreement, stipulating that, if consensus cannot be reached, the issue will be decided by votes. There is strong resistance in this regard. It is considered that the consensus is a useful device for ensuring that only decisions are taken for which there is no major opposition. Consequently, the greater the chances of being implemented (HOEKMAN, KOSTECKI, 2009).

opening a Panel and the recommendations were heavily criticized (MURÓ 1994; LAFER 1999).

The establishment of the WTO elevated the trade forum to an unprecedented, institutionalized level, and the absence of an efficient mechanism to resolve possible conflicts could lead to the weakening of the rule-based system, once rules could not be enforced. To deal with this possibility, it was necessary to improve the rules for settling disputes, to provide security and predictability to multilateral trading system.

The dispute settlement mechanism has undergone considerable modifications. Authors often mention that there was a trend towards judicialization of the mechanism (LAFER 1999), once standard procedures, deadlines and the creation of a second instance - the Appellate Body - were established⁸. Moreover, the new mechanism also makes it possible to sanction members who maintain measures incompatible with the WTO rules.

Due to its strengthening, it was common to refer to the mechanism as “GATT with teeth”. It has the power to enforce panel decisions and allow controversy winning members to adopt retaliation measures against those members appointed as users of measures that are incompatible with the WTO rules (BARRAL 2007). The WTO Dispute Settlement System is an important tool for strengthening the multilateral trade system and since 1995, 595 disputes have been brought to the WTO (WTO 2020b)

The transparency mechanism represents an essential part of members’ work in the WTO. Through different tools, members inform and monitor how the negotiated agreements are being implemented. In the various councils and committees, members present notifications on trade policies and other measures as well as how these measures are

⁸ Article 17 of the Understanding on Rules and Procedures Governing the Settlement of Disputes defines the rules for the functioning of the Appellate Body. It is a standing body of seven people that hears appeals from reports issued by panels in disputes brought by WTO Members. The Appellate Body can uphold, modify, or reverse the legal findings and conclusions of a panel. (WTO, 2020b).

compatible with commitments made at the WTO. All WTO members must also undergo periodic peer review of their trade policies and practices by Trade Policy Reviews (WTO 2020c).

In summary, the three essential functions of the WTO are the negotiating pillar, the dispute settlement pillar, and the transparency and trade-monitoring pillar. The negotiating pillar is the core of the WTO once it represents the essence of a *member-driven* institution, in which all decisions are made by converging expectations. All rules—including the WTO itself—are results of negotiations, in which members need to reach consensus. The conflict resolution pillar, for decades, has been recognized as one of the most effective in the international system, for being norm-oriented. Finally, the transparency pillar allows the monitoring and continuous evaluation of implementation of existing rules, promoting exchange of information and confidence building.

The WTO has been quite effective in sustaining cooperation between members, considering that most of what was agreed in the Uruguay Round was implemented, and that the dispute settlement mechanism has worked. However, in the decade after establishing the organization, a new round of negotiations would begin and thenceforth new and old challenges would coexist, bringing serious tensions for the multilateral trade regime.

2. Uphill Tensions

There is evidence showing frustration among WTO members concerning the performance in its three main functions. At first, dissatisfaction was mainly towards the negotiating pillar, but tensions have reached other functions, like dispute settlement system and transparency & monitoring.

2.1 Negotiation Function

The WTO negotiating pillar is under pressure since the first new era's round of negotiations, launched in 2001 during the IV Ministerial Conference in Doha, Qatar. Negotiations of the Doha Round⁹ were expected to be completed in three years; however, they remain unfinished so far. The combination of an ambitious negotiating agenda with the strengthening of developing countries' positions on core issues has been challenging (ELSIG, DUPONT 2012; NARLIKAR 2019).

The Doha Round faced successive delays and impasses until a multilateral agreement was reached in 2014, the remarkable Trade Facilitation Agreement, which entered into force in February 2017. As multilateral agreements are becoming increasingly difficult, Plurilateral agreements—celebrated by groups of like-minded members—have been successfully updating some instruments (like the Information Technology Agreement and the Agreement on Government Procurement). However, negotiations on new agreements—such as the Trade in Services Agreement (TiSA) and Environmental Goods Agreement—have stalled.

The launch of the Doha Round was marked by dissatisfaction of developing countries—regarding the results of the previous Round—and by pressure from developed countries to include new topics on the negotiation agenda. At this stage, however, developing countries would not agree with the inclusion of new topics if they were not sure that areas in which they had offensive interests would also not be included.

The WTO membership has become increasingly diverse over the years, resulting in increasing complexity of interests. The organization currently has 164 members, 117 of which are developing countries or separate customs territories (WTO 2020). It had already become evident 20 years

⁹ It is worth mentioning that the *sui generis* term “Doha Development Agenda” was proposed by the Director-General in the closing speech of that Conference (WTO, 2002, p.4). This was meant to distinguish the new venture from the Uruguay Round and emphasize that developing country interests were to be given priority.

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ago, at the third ministerial meeting¹⁰ in Seattle¹¹ that the decision-making process, still dominated by the developed countries with the Quad—namely the United States, the EEC, Japan, and Canada—in the lead, no longer worked. Negotiations collapsed and were retaken in Doha when necessary agenda concessions were made to include the interests of developing countries, which had by then further established their negotiation blocs (ELSIG, DUPONT 2012; NARLIKAR 2019; WTO 2017).

The turn of the century saw the rise of the BRICs, a group formed by five large emerging countries¹²—Brazil, Russia, India, China, and South Africa—which combined represent around 42% of the world population, 23% of the global GDP, 30% of the world territory, and 18% of the world trade. These countries would comprise, with the United States, the world's five largest economies in the 21st century (BRASIL 2019a). China and Russia joined the WTO in 2001 and 2012, respectively. This new dynamic, as well as the more assertive role of developing country coalitions in negotiations (TUSSIE 2009), demonstrated negotiations by consensus became even more complex than in previous decades.

10 The WTO is member-driven, with decisions made by consensus among all members, at Ministerial Conferences. Major decisions are made by the membership, represented by ministers (who meet at least once every two years) or by their ambassadors or delegates (who meet regularly in Geneva). The document produced after a Ministerial Conference is a Ministerial Declaration.

11 The WTO Ministerial Conference of 1999 was a meeting at the Washington State Convention and Trade Center in Seattle (USA). A week before the meeting, delegates admitted failure to agree on the agenda and the presence of deep disagreements with developing countries. Developing country representatives became resentful and uncooperative on being excluded from talks as the United States and the European Union attempted to cement a mutual deal on agriculture. The negotiations thus collapsed.

12 The growth and economic improvement in emerging economies have led some developed countries to call for greater differentiation among the WTO's developing country members, with implications for the Special & Differentiated Treatment (CAFORAL, GERSTEL, 2018). It is argued that the economic realities of many of these countries can take on fuller obligations to WTO rules. For example, 10 Group out of Twenty (G20) members claim developing country status at the WTO. Building on the decisions of Brazil and Korea to forego special and differential treatment in future WTO negotiations, a broader group of emerging-market economies could adopt that path too (BRASIL, 2019; CHUNG, ROH, 2019).

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Each new impasse in negotiations made it clear that developing countries have played a decisive role in shaping the negotiation agenda. This moment represented the emergence of new actors in the trade diplomacy scenario, whose commitment would be related, above all, towards eliminating historical distortions regarding the Multilateral Trade Regime (AMORIM 2004).

The irony of this process is that as soon as the developing countries started to participate more actively, negotiations started to take longer than expected by market forces. The globalized economy allowed companies from all over the world to advance their internationalization processes in different ways and forms, and the global value chains have risen (UNCTAD 2013; UNCTAD 2015). Pressure on governments for harmonization on rules, liberalization of trade, finance, investments, and other topics has pushed for new sets of rules, like digital trade or direct investment.

In that context, the WTO was unable to advance negotiations on the agenda with conventional themes of international trade, considering that it no longer represents the needs of the 21st-century trade. Some developed players have moved rulemaking away from Geneva, with Regional Trade Agreements (RTAs) and bilateral negotiations including new and broader trade areas¹³.

The financial-economic crisis of 2008-2009, combined with the slow economic growth of Brazil, China, the European Union, India, and the United States, added weight to the context since it could encourage an increasing wave of protectionist measures (GANZ 2013). Given the worsening of this scenario, despite all complicating matters on the status of the Doha Round, members have made some poor agreements in a variety of formats, demonstrating that

13 The United States and the European Union started negotiations on the *Transatlantic Trade and Investment Partnership* (TTIP); the United States pushed the *Trans-Pacific Partnership* (TPP), with several countries in the Pacific Coast which after the withdrawal of the United States was called *Comprehensive and Progressive Agreement for the Trans-Pacific Partnership* (CPTP); The *Trade in Services Agreement* (TiSA) is a plurilateral trade agreement currently being negotiated by 23 members of the World Trade Organization (WTO), including the EU.

there is space for flexibility to rescue the negotiating pillar from lethargy. Even so, the general perception is that the WTO rule-making function has declined¹⁴.

A series of protectionist trade measures implemented since March 2018, by the Donald Trump Administration, and responded to by key trading partners, such as China, has placed pressure on the system (DONNAN, BASCHUCK 2018; NARLIKAR 2019; WILKINSON 2019). Added to the United States' dissatisfaction with the negotiating pillar, the Trump Administration called into question the US membership to the WTO, arguing that the functioning of the WTO Dispute Settlement Body and Appellate Body was not a case of success (DONNAN, BASCHUCK 2018).

2.2 Dispute Settlement Function

Some countries (but primarily the United States) have concerns with the WTO Dispute Settlement System. This system is held in high esteem as one of the most successful international dispute settlement mechanisms. Accumulation of precedents under the panels and the Appellate Body have clarified agreement provisions, and enhanced stability and predictability in international trade under the WTO (KAWASE 2019). However, this enforcement and monitoring system is also showing increasing signs of institutional fatigue.

The United States and the European Union are the dispute settlement system main users, participating either as complainants or respondents, in a total of 279 and 187 cases, respectively. This level of usage is to be expected, given that they cumulatively accounted for 42% of world merchandise traded in 2017. From 1995 to October 2019, advanced economies triggered the system as complainants in 55% of cases and served as

¹⁴ The Ministerial Conference in Nairobi (2015) was unprecedented in recognizing the lack of consensus and the statement displayed fundamental division among the WTO members on whether or not reaffirming the Doha mandate; The Ministerial Conference in Buenos Aires (2017) membership failed to produce a Ministerial Declaration.

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respondents in 57% of cases. Developing countries issued 45% of complaints and were respondents in 43% of the cases (WTO 2020b).

Both developed and developing countries have used the system to defend their interests as both complainants and respondents. China, India, Brazil, Mexico, and Korea have participated in a total of 249 cases as complainants and respondents, accounting for about three-quarters of this group's participation. They are also the most active third parties (Table 1).

The 15 largest developing countries mostly activate the system to defend themselves against measures from developed countries; the five largest developing-country users brought some three-quarters of the cases against developed countries, mostly against the United States and, to a lesser extent, the European Union.

Table 1: The 15 largest developing economies' participation in the WTO DSB (1995 – 2019)

	As complainant	As respondent	As complainant and respondent	Third party
China	21	44	65	177
India	24	32	56	162
Brazil	33	16	49	145
México	25	15	40	105
Korea	21	18	39	127
Indonesia	11	14	25	42
Thailand	14	4	18	96
Turkey	5	12	17	95
South Africa	0	5	5	21
Vietnam	5	0	5	33
United Arab Emirates	2	1	3	12
Malaysia	1	1	2	23
Saudi Arabia	0	2	2	49

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Table 1 (Continued)

	As complainant	As respondent	As complainant and respondent	Third party
Hong Kong	1	0	1	22
Singapore	1	0	1	56
Total of the 15 economies	164	164	328	1,165

Source: WTO Dispute Settlement Gateway (WTO 2020b).

The developing countries—especially big emerging-market economies like Brazil, Mexico, India, China, Korea, Thailand, and Indonesia, among others—have actively and successfully used the WTO’s dispute settlement system. Despite some difficulties, these groups’ members have benefited from a legalized dispute settlement system, rule-oriented instead of power-oriented.

The number of cases and members’ participation do not tell the whole story about the DSB: the jurisprudence resulting from decisions extend the reach of the dispute settlement system. The specificities of the Appellate Body’s decisions (rulings) are transformed into jurisprudence, and thus command attention, since they could be taken into account not only in its members’ trade policies, but also in the enterprises’ strategies (THORSTENSEN, OLIVEIRA 2013).

Specifically, the United States is concerned with the Appellate Body decisions. It considers that the Appellate Body has exercised decision-making and arbitration power beyond its original mandate:

Successive US administrations have claimed that the Appellate Body, through its rulings, adds or diminishes the rights of WTO members by reinterpreting WTO agreements, despite WTO members having never agreed to those interpretations (CAPO-RAL, GERSTEL 2018, p.2).

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Besides being displeased with jurisprudence impacts, the WTO rules assume market economies as players, and state intervention in the market is considered the exception¹⁵. Some of the US frustrations¹⁶ with the WTO's Appellate Body stems from the fact that trade advantages that China creates through state-owned enterprises (SOEs) cannot be regulated by rule in force interpretation, and this has been one of the reasons why the US has resorted to unilateral protectionist measures¹⁷ (KAWASE 2019).

Since August 2018, in several occasions, the US government voiced the possibility of withdrawing from the WTO, since it criticized the dispute settlement system, stating that it is unfavourable for the US and that 'it seldom won an appeal' in the organization (US Trade Representative 2019)¹⁸. The opportunity to demonstrate its dissatisfaction was refusing

15 The United States, the European Union, and Japan, in 2018, issued a Joint Statement: '[...] The Ministers reiterated their concern with and confirmed their shared objective to address non-market-oriented policies and practices of third countries that lead to severe overcapacity, create unfair competitive conditions for their workers and businesses, hinder the development and use of innovative technologies, and undermine the proper functioning of international trade, including where existing rules are not effective. The Ministers recalled that market-oriented conditions are fundamental to a fair, mutually advantageous global trading system and that their citizens and businesses operate under market-oriented conditions [...]' (US Trade Representative, 2018), which was reinforced in 2019.

16 "[...] another source of the Trump administration frustration is the perception that the largest developing countries are exploiting the multilateral trading system unfairly because of advantages conferred to them under special and differential treatment they may claim in negotiations.[...]" (GONZÁLEZ, JUNG, 2020 p. 1). Bartels (2019) also mentions that in practice, the Appellate Body exceeded the 90-day limit (Art 17.5 DSU) in 5% of disputes in the 1995-2010 period. From 2010 to 2019, it exceeded this period in over 80% of cases, and some countries are complaining about the delays, while they also know the workload of the Appellate Body is high.

17 The expression 'trade war' is used for the trade conflict between the United States and China. Since mid-2018, the countries have been locked in bilateral trade confrontations that have resulted in several rounds of retaliatory tariffs (11 UNCTAD, 2019).

18 Recently, after the WTO's Director General Roberto Azevedo announced he will leave in August, Donald Trump said: "[...] WTO is horrible. [...] US has been treated very badly by the WTO for a long time [...] the trade organization treats China as a developing nation and thus, China gets a lot of the benefits that the US doesn't." (KBS WORLD, 2020).

to agree on replacement appointments to the WTO's Appellate Body¹⁹, because of perceived derogations from agreed rules and creeping judicial overreach (WILKINSON 2019).

On December 10 2019, the Appellate Body was officially paralyzed, since it lacked minimum number of judges (or members) to operate. The current paralysis threatens to create a system based on power, rather than rules, since in order to solve disagreements, countries would need to engage in bilateral discussions. 'With the world trading system back to being a power-based arrangement, trade disputes risk turning into small and not-so-small trade wars.' (GONZÁLEZ, JUNG 2020 p. 1). Beyond that, with the WTO unable to fully resolve trade conflicts between the diverse membership, this could result in more bilateral trade disputes and states resolving conflicts through retaliation.

In some sense, this behavior is a US reaction to a changing balance of power, as the BRICS (Brazil, Russia, India, China, and South Africa) have reached more political weight at the WTO. Some developed countries believe the gains of globalization have passed them by, attributing increasing inequalities in their society to job losses and lower wages to the costs of international trade. Frustration with trade multilateralism is not unique to the USA or other developed countries, as ministerial conferences have shown.

2.3 Transparency & Monitoring Function

Even though the WTO's work has been satisfactory in executing and monitoring the rules in force, recent complaints regarding the lack of notification from some members have become frequent. WTO members should observe obligations to notify the WTO Secretariat about their trade regimes, trade policies, and other trade measures. This notification is then

¹⁹ The Appellate Body is composed of seven members who are appointed by the DSB to serve four-year terms, with the possibility of being reappointed once. (WTO, 2020b).

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examined in detail by the committees and councils with jurisdiction as well as by the Trade Policy Review Body (TPRB). This multilateral monitoring has worked to prevent the adoption of protectionist trade policies and Wolfe (2013, 5) says:

The ultimate objective of transparency is systemic stability. The trading system is based on diffuse reciprocity, which requires trust, which requires transparency about the beliefs and intentions of actors, part of a mutually constitutive process in which trading partners learn about each other and the nature of the system without which no regime can function.

The challenge is that notification does not work as well as it should. The intensity of the Doha Round negotiations may divert the focus from notification commitments. Some countries (generally active anti-dumping measures users) complied with notifications, whereas others often submitted late or incomplete notifications. Six reasons were pointed out by Wolfe (2013, 16-17) for the lack of notifications by members:

The first is bureaucratic incapacity, which is the case for many developing countries whose trade ministries lack the data, knowledge or clout with other departments to generate the notification; [...] A second issue, related to capacity, is language. Members whose capitals do not work in one of the official WTO languages, especially Asian Members (even Japan), face particular difficulties -they all have to translate WTO documents so that officials in capitals can understand them, and then translate back; [...] The third reason advanced for poor notification is a refusal to see information as a public good. [...] A fifth reason is a lack of trust between trade negotiators and other government agencies in capitals, which is said to be more significant than any lack of trust in Geneva; [...] The final reason advanced for poor notification is an inability to characterize an issue in the WTO language, which is perhaps the case with emerging issues, like green subsidies, or issues where Members still lack an agreed definition of the issues.

The point is that the failure of some countries to comply with notifications and transparency obligations—especially the major emerging economies—contributed to increasing tensions regarding this key pillar, and discussions to enhance transparency at the WTO were reinforced.

3. The Way Forward

In negotiating processes, it is common to start by diagnosing the situation, where the parts carefully explore whether an agreement can be viable²⁰. The diagnostic phase is characterized by parties involvement with the collection of information and discussions that allow them to expand knowledge, whether through joint or parallel activities without compromising themselves. It is the preliminary stage in which the parties seek to identify a possible agreement zone, for the process to proceed (ZARTMAN, BERGMAN 1982).

At the WTO, the diagnostic phase may occur during General Council meetings, Informal Meetings, side events, or even during meetings organized by some members or groups with interests in specific topics. The formal negotiating process only begins after being approved—by consensus—in a Ministerial Conference. Thus, all discussions on the WTO reform can still be framed at this early stage.

Discussions on the WTO reform have been moving forward since the autumn of 2018, when members submitted specific proposals on the respective issues to the General Council and other WTO bodies. These proposals are complex and cover various areas of the WTO²¹. Even though the impasse regarding the Appellate Body has captured the media's attention,

20 Zartman and Bergman (1982) understand the negotiation as a process that starts with the diagnostic, and advance for the Formula phase to finally, reach the Details. According to this approach, negotiations advance in steps (that are more conceptual than practical) in a joint decision-making process and each step shape the timing and potential of negotiations.

21 We will not discuss technical aspects of the reform proposals. Detailed information is available in Bartels (2019), and Soobramanien and Vickers (2019).

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there are many other important areas of reform, such as the transparency function (and the proposed sanctions for States that fail to honour their notification obligations) and the restructuring of special and differential treatment for developing countries (BARTELS 2019). Table 2 presents some of the main developments since some an effort was triggered by some countries to reform the WTO, including demonstrations in other arenas²².

The growing movement for the WTO reform ('Modernisation') started when the EU reached summit-level agreements with the US and China, respectively, on the necessity of an WTO reform (SOOBRAMANIEN, VICKERS 2019). The discussions on the meeting inspired a proposal for reform published as a concept paper. Canada also supported an initiative, hosting a meeting of a small number of like-minded members (Ottawa Group), and publishing a discussion paper on the WTO reform.

Most discussions are considering proposals for the Dispute Settlement Body and Transparency. Whereas the Ottawa Group discussion paper had been primarily designed for shaping future conversations rather than suggesting specific policy proposals, the European Union concept paper is more prescriptive, detailed, and wide-ranging in reform ideas.

Three limitations can be identified in the set of proposals and declarations circulating by now. The first one is that proposals remain restricted to the very WTO's technocratic functioning. The second one is the danger a reform debate will pose for being dominated by the usual players, and this situation could reinforce shared resentments about exclusion from the past, and countries no longer accepting the "rule takers" status; The third one is that the continuous debate to operate in a narrow technical level which takes place largely among those convinced of the system merits. It is time to consider the fears of those who are against globalization (NARLIKAR 2019).

22 According to Soobramanien and Vickers (2019), US ambassador to the WTO, Dennis Shea termed "the Autumn of WTO reform."

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Table 2: Diagnostic events and documents on the WTO reform

Date	Event	Participants	Results
28-29 June 2018	Summit-level	The European Union reached summit-level agreements with the US and China, respectively	Concept Paper
25 Sept 2018	Trilateral Meeting	Trilateral Meeting of Trade Ministers from the United States, the European Union, and Japan	Ministerial statement
24-25 October 2018	Informal Meeting – Ottawa Group	Canada hosted a meeting with 12 countries	Discussion paper on WTO reform JOB/GC/201
Nov 2018	APEC summit Papua New Guinea	APEC	Failed to produce a joint communication—first time that such a thing has happened—because of a clash between the US and China over the WTO reform
30 Nov de 2018	WTO General Council	China	China Communication position paper WT_GC_W_773
30 November 1 December 2018	G20 Leaders' Summit—Buenos Aires	G-20	The G20 leaders' declaration
25 Jan 2019	World Economic Forum Davos	32 countries	Joint Communication WT/L/1057
23 Mai 2019	Trilateral Meeting	Trilateral Meeting of Trade Ministers from the United States, European Union, and Japan	Joint Statement
28-29 Jun 2019	G20 Leaders' Summit - Osaka	G-20	G20 Osaka Leaders' Declaration

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Table 2 (Continued)

Date	Event	Participants	Results
05 November 2019	Informal WTO Ministerial Meeting Shanghai-China.	More than 200 representatives including 33 ministers or minister representatives from the EU, Russia and India and the WTO Director-General Azevedo	Joint Ministerial Statement
15 Nov 2019	11th BRICS Summit	Brazil, Russia, India, China, and South Africa	Joint statement
06 Dec 2019	WTO General Council	Chad on behalf the LDC Group	Communication JOB/GC/223
24 Jan 2020	World Economic Forum Davos	Heads of state, private sector, and labour leaders	Support expressed in ongoing efforts to reform and reinforce the WTO to keep up with changing business realities.

Source: Created by the author.

One of the essential problems continue to be like an elephant in the crystal room: the negotiating function. The basic arrangement of negotiations has remained undisturbed since the multilateral trading system was created. Consensus rule and single undertaking as a negotiation technique will remain the main challenges, especially when considering the more active participation of developing countries. It is urgent, besides the rules to modernize the WTO, that the decision-making process be openly and constructively discussed.

Conclusion

The WTO reform, reshaping, or modernization is the result of three challenging contexts: (i) deadlock of the Doha Round of multilateral

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negotiations; (ii) dissatisfaction with the Dispute Settlement Body; (iii) lack of compliance and transparency in notification obligations. This multilateral trading regime crisis has deep roots, with impacts on norms that some members are failing to meet; rules that no longer represent the business needs of the 21st century; decision-making procedures where the actors' expectations do not automatically converge to, but whose construction of convergence and consensus takes more time than market forces consider acceptable.

Focusing efforts on updating multilateral trading regime to address the changes that have occurred since the WTO was established in 1995 highlights the importance of keeping it alive. The seeds of reform have been sown and it is already possible to observe two trends: (i) the ongoing efforts from key trading countries to articulate the most necessary reforms; (ii) a gradual redefinition of China's—and maybe other developing countries—place and role in global trade governance.

When the multilateral trading regime was established in the late 1940s, China, for example, was an agrarian economy and did not have a seat at the table. The US, on the other hand, had a traditional leadership and accounted for approximately 50% of global GDP. As the US continues to withdraw from its historical leadership role, China and other developing countries are in the process of defining the nature of the role they intend to play, advocating for a rule-based international trade system.

China is today considered the second largest economy in the world, and its role deserves to be closely observed. In recognition of its importance, the country participated in the summit promoted by the European Union, as well as the United States, to prepare the concept paper circulated to WTO members. Although leadership must come from major trading countries, it will be interesting to observe the unfolding discussion between developed economies and a self-declared developing country.

Other developing countries, as well as smaller and medium-sized players, should also take proactive roles, with creative participation in the process. Safeguarding the WTO is preserving the rule-oriented system,

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but rules should not simply be ‘taken’. The documents and declarations circulated by now indicate that even though no one disagrees that a WTO reform is needed, countries have different interests in mind.

If the diagnostic phase that is in progress fails to meet member states’ demands, divisions could eventually disintegrate key pillars of the organization. At the same time, reaching a high-level multilateral consensus in the WTO is likely remote, at least any time soon.

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The 2008 financial crisis and the Renminbi internationalization¹

Ana Tereza Lopes Marra de Sousa and William Daldegan

Introduction

China's ascension in international relations in the last decades along with efforts to internationalize its currency, the Renminbi (RMB), after the 2008 financial crisis, has raised questions of whether there is an emergence of new geopolitics in the financial and monetary system². Although the dollar is still the most widely used currency, there is a nascent interest in understanding the RMB internationalization policy due to the importance that currencies have had historically as an element for the construction of great powers.

In this chapter, we investigate the RMB internationalization. We argue that the 2008 crisis had an important role in changing the parameters of the RMB internationalization policy. In the early 2000s, that policy was pursued as an instrument to accelerate China's financial liberalization. From the 2008 crisis onwards, however, this policy also took the

1 Revised and updated version version of the authors' article published by Conjuntura Internacional (Belo Horizonte. On Line), v. 15, 33-40, 2019. < <http://periodicos.pucminas.br/index.php/conjuntura/article/view/18188>>

2 As an example of this type of questioning, see the anthology series organized in 2018 by "Foreign Affairs" to debate if there was an emergence of a new financial geopolitics (COUNCIL ON FOREIGN RELATIONS, 2018). The review can be consulted in <https://www.foreignaffairs.com/anthologies/2018-01-22/new-financial-geopolitics>.

responsibility of boosting Chinese foreign trade, facilitating the export of capital and increasing China's world economic influence. We have interpreted that the goal of the internationalization policy is not for RMB to replace the dollar's role, but to route a future in which China's financial and monetary influence in the world will be bigger, making the country less dependent of United States (US) currency and financial system.

In addition to this introduction, this chapter is divided into three more sections. Section two discusses the recent process of RMB internationalization. Section three points out to direct mechanisms used by the Chinese government to facilitate international use of RMB and the results achieved by internationalization policy. Section four presents our conclusions.

The RMB internationalization: not only an instrument for domestic financial reform

Since 2003, the Chinese government has developed a more permissive policy for RMB internationalization by allowing the Monetary Authority of Hong Kong to conduct business in RMB (KROEBER 2013). This first movement of RMB internationalization is widely interpreted as a means of agents within the Chinese government to push towards a greater financial liberalization of China (KROEBER 2013; LIAO & MCDOWELL 2014). This would happen since the creation of the offshore RMB market in Hong Kong, a result from an onshore and offshore segregation in the RMB market: over time, arbitrage policies would be implemented, thus forcing a price equalization, which would mean the abolition of capital controls. The effects of this offshore market with rules and norms specific to the currency were modest; however, its creation would fulfill the same function the accession to the WTO fulfilled for trade liberalization, forcing internal opposing sectors to adapt (KROEBER 2013, p.24; PARK 2016; LIAO & MCDOWELL 2014).

With the 2008 crisis, the goal of using RMB internationalization for financial reform remained. However, it was noticeable that such a process

was seen not only as a tool of reform– that it also had other purposes. Chinese authorities increased their concerns about the domain of the international monetary system by a single currency, namely the dollar. Zhou Xiaochuan, governor of the People's Bank of China (PBC), pointed out to the growing impossibility of reconciling demands for global stability and economic growth with the interests of US monetary policy (ZHOU 2009, 1). Chinese authorities reinforced the interpretation that the monetary and financial system, perceived as hierarchical and unequal systems, with 'exorbitant privileges' for the dollar, could disrupt the era of 'peace and development' advocated by China (PARK 2016, KROEBER 2013, COHEN 2017). Eichengreen (2000, p.23) argues that 'the international monetary scheme that a country prefers to adopt will be influenced by the arrangements adopted in other countries' in which Beluzzo (2005) complements about the seignorage exercised by the dollar. Now, the Chinese movement based on the role of the RMB was based on the post-2008 crisis.

China has begun to incorporate a perspective, interpreting that RMB internationalization is desirable given that maintaining a long-term system in a single currency is unfeasible (ZHANG & TAO 2014, GAO 2010). Such a view would not allow the RMB to replace the dollar, given the very composition of Chinese reserves and the destabilizing global effects of a dollar shock. However, Chinese authorities started working with the idea that alongside the Euro, the dollar, and a renewed role for Special Drawing Rights (SDR), the RMB could contribute to establish a more stable and multipolar international monetary system (ZHANG & TAO 2014; GAO 2010; KROEBER 2013).

Such a notion about the role of the Chinese currency is supported by defense of multipolarity on foreign policy (ZHANG & TAO 2014; GAO 2010). As Deng (2008, p.45) states, China prefers a 'more democratic pluralistic world where a set of values does not become a single standard; [...] and a single power cannot dictate world affairs'. In the long term, the country seeks three objectives: to preserve the internal order and the well-being of its population; to defend itself against external threats to its

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sovereignty and integrity, and to obtain and maintain China's influence as a prominent state in international relations—the three objectives are set out in China's 2002 White Paper on National Defense.

To achieve these goals, stability is an important element (MASUDA 2009; DENG 2008; SU 2009). However, the monetary policy of the Quantitative Easing implemented by FED after the crisis, with the potential to devalue the dollar, cause inflation, and reduce China's international reserves, made the country aware of the 'dollar Trap' it was involved in (KRUGMAN 2009). In addition, financial market illiquidity, which contributed to trade decline, highlighted China's dependence of Wall Street's coordinated financial system.

It was in this context, that Chinese government tried to reinforce the country's influence in financial and monetary system governance (PARK 2016, KROEBER 2013, COHEN 2017). Besides taking part in G20 and fighting to increase its voting power in the International Monetary Fund (IMF), the country developed other initiatives to deal with the economic system shortcomings, and additionally expand its international influence. Chart 1 highlights some of these actions; one of them was the promotion of RMB internationalization. In fact, after the 2008 crisis, China has seen a window of opportunity to accelerate the construction of a more multi-polar world.

Chart 1 - Actions to reinforce China's economic influence.

i) intensifying a "Go Global" policy for company internationalization;
ii) establishing more Free Trade Agreements (FTAs) and Comprehensive Economic Partnership Agreements (CEPAs) with diverse countries;
iii) constituting the Chiang Mai Initiative Multilateralization (CMIM) Agreement of Association of Southeast Asian Nations (ASEAN) + 3 (China, Japan and South Korea);
iv) opening the New Development Bank (NBD) and establishing the Reserve Contingent Arrangement within BRICS;
v) constituting the Asian Infrastructure Investment Bank (AIIB);

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Chart 1 (Continued)

vi) intensifying the internationalization of Chinese banks;
vii) launching the One Belt, One Road Initiative (B&R), and;
viii) promoting RMB internationalization.

Source: own elaboration

Go Global policies gained relevance in the 2000s due to ‘chinese economic development and China’s international competitiveness.’ (ZHAOXI 2009, p.31). Through foreign direct investment (ODI) and the internationalization of companies, China has become one of the largest investment economies in the world (ALON et al. 2014).

One element that encouraged the expansion of both TLCs and CEPAs at that time was the advance of the extinct Trans-Pacific Partnership (TPP). Seen as a meddling in its area of natural influence and, at times, as an American mechanism of economic restraint, China has adopted a strategy of pressure for new FTAs. (SONG; YUAN 2012). Hong Kong, Taiwan, Pakistan, Chile, Singapore, Costa Rica, Norway, Switzerland, South Korea, and Japan are some partners in new FTAs. The last two covering Asean +. Chiang Mai is also another important multilateral mechanism that was established as a way to cover its close partners geographically from regional and global economic upheavals.

Under the BRICS, China negotiated the establishment of the New Development Bank (NDB) and the Contingent Reserve Arrangement (CRA). Both with capital of US\$ 100 billion for financing development and a fund for economic pressures, China influenced the definition of the rule of providing the IMF guarantee for withdrawals. (CARVALHO et al 2015). The AIIB, in turn, has a much larger number of members, including Great Britain and Germany, which gave a higher rating and, therefore, a higher funding capacity. (WANG 2017). According to He (2016), NDB and AIIB would be elements of an incremental reform, with impacts on the

speed of reforms demanded mainly after the 2008 Crisis. Still, according to the same author (2016), the success of NDB and AIIB is based on China's ability to operate them as high-standard multilateral development banks in broad aspects: governance, finance, debt sustainability, and environmental and social policy.

The One Belt, One Road Initiative (B&R) is considered an important instrument of China foreign policy, and establishes a series of principles that aim at expanding Asian regional development through infrastructure. Its financing tool is AIIB. According to Yu (2016, p.353), the B&R and the AIIB constitute the 'channel for Chinese companies and capital to invest in other countries by leveraging China's strengths in infrastructure development, financial power and manufacturing capacity'.

More than leading China's financial reform, the RMB internationalization would serve as a policy to expand the country's economic influence, and to protect and boost Chinese exports and investments. Park (2016) thinks that, thought together, Chinese actions aims to accelerate the organization of a more multipolar international financial and monetary system, with less dependence on both the dollar and Wall Street institutions. The Chinese interpretation is that the monetary system currently, dominated by the dollar—as the then President Hu Jintao said—is a “product of the past,” and that RMB internationalization, although ‘a fairly long process’, is directly linked to the update the world needs (BBC NEWS 2011).

Direct mechanisms for RMB internationalization and results

From 2008 onwards, direct mechanisms that promote RMB internationalization were implemented, which reinforces our interpretation that after 2008 crisis this policy is no longer only a means of financial domestic reform. As we present below, RMB internationalization policy took the responsibility of boosting Chinese foreign trade and facilitating capital export. In addition, along with other actions cited in Chart 1, that policy intends to route

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a future in which China's financial and monetary influence in the world will be bigger.

In 2008 China developed the 'Cross-border Trade RMB Settlement Pilot Project', which allowed selected companies in five cities, which accounted for about 40% of Chinese exports, to negotiate and settle their transactions in RMB with Hong Kong, Macao and the ASEAN countries (HONG KONG MONETARY AUTHORITY 2009). In 2010, this program was expanded, and in 2011 it began to cover the whole country. In addition, from 2012 onwards, all importers and exporters based in China were allowed to settle their foreign trade operations in RMB (PARK 2016; HUANG, WANG & FAN 2014 KROEBER 2013).

Such measures facilitated the use of the currency as a medium of exchange, mainly in Asia. SWIFT data pointed out that in 2015 the RMB became the most used currency in Asia to make payments to China and Hong Kong. Between April 2012 and 2015 the weight of the RMB as a means of payment grew by 327% in China/Hong Kong and Asia transactions (TREASURY MANAGEMENT INTERNATIONAL 2015).

These measures were accompanied by incentives for the currency to also be used for external investment. In 2011, the PBC launched the "Pilot Program of RMB Settlement for Overseas Direct Investment", which allowed domestic companies approved to make Foreign Direct Investment (FDI) to do so in RMB (PEOPLE'S BANK OF CHINA 2011). Such measures reinforce the prospect of using currency internationalization as a way of reducing transaction costs, which would have the function of protecting Chinese investors and boosting the export of capital.

In addition, to facilitate trade settlement and investment in RMB, the Chinese government has adopted Bilateral Swap Agreements (BSAs). Originally, BSAs are tools to help countries in liquidity crises. However, since 2008, the PBC has used them as a method to promote trade and bilateral investment in local currencies (KROEBER 2013). The BSAs were the way China found to deal with the retreat of foreign trade after the crisis, providing liquidity alternatives to importers of Chinese products.

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Currently, China is estimated to have conducted BSAs with more than 30 countries, totaling about 3.33 trillion yuan (BLOOMBERG NEWS 2017). While it is still unclear which BSAs contracts have actually been drawn, they demonstrate China's financial strength in the world (LIAO & MCDOWELL 2014).

Chart 2 – Swap Agreements of China

Date of first deal	Economic Partner	Value (RMB)
2008	South Korea	360 bi
2008	Malasia	180 bi
2008	Singapore	300 bi
2009	Hong Kong	490 bi
2009	Belarus	20 bi
2009	Argentina	70 bi
2010	Iceland	3.5 bi
2010	Indonesia	100 bi
2011	Mongolia	15 bi
2011	Kazakhstan	7 bi
2011	Uzbekistan	700 mi
2011	Pakistan	10 bi
2011	Thailand	70 bi
2011	New Zealand	25 bi
2012	Turkey	10 bi
2012	Ukraine	15 bi
2012	United Arab Emirates	35 bi
2012	Brazil	190 bi
2012	Australia	200 bi
2013	United Kingdon	200 bi
2013	Albania	2 bi
2013	Hungary	10 bi
2013	European Union	350 bi

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Chart 2 (Continued)

Date of first deal	Economic Partner	Value (RMB)
2014	Denmark	150 bi
2014	Sri Lanka	10 bi
2014	Russia	150 bi
2014	Qatar	35 bi
2014	Canada	200 bi
2014	Swiss	150 bi
2015	Armenia	1 bi
2015	Suriname	1 bi
2015	South Africa	30 bi
2015	Chile	22.8 bi
2015	Tajikistan	3.2 bi
2016	Egypt	18 bi
2016	Marroco	16 bi
2016	Serbia	1,5 bi
2018	Nigeria	15 bi
2018	Japan	30 bi
2020	Zimbabwe	29 bi

Reproduced and adapted from: Destais (2016); Lin, Zhan, Yin-Wong (2016); Yelery (2016); République Française (2018); Kajimoto (2018); Samaita (2020).

Another action to facilitate the use of the RMB was the expansion of the RMB Clearing Bank network abroad, considered necessary to amplify the geographical diversification of the currency use, and to increase its liquidity (PARK 2016). In recent years, this network has grown both regionally and globally, notably with the authorization given in February 2018 for JP Morgan to take over the role of RMB Clearinghouse in the US (REUTERS 2018).

In addition, from 2011 China began to allow companies approved by the Renminbi Qualified Foreign Institutional Investors (RQFII) to invest in

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the domestic bond market, and from 2014 it extended the RQFII to more countries. In 2015, it opened its interbank bond market for central banks in other countries, sovereign wealth funds and previously authorized international financial institutions. It also opened the domestic foreign exchange market to foreign Central Banks, making access to RMB easier, and from 2016 the issue of the first sovereign bonds in the currency began. In 2016, it announced that a wide range of foreign institutional investors would have free access to China Interbank Bond Market (CIBM) shares in the near future. Another measure aimed at facilitating RMB use was the establishment in 2015 of an interbank payment system, the China International Payment System (CIPS). CIPS is a settlement system that provides a format like other international payment systems. In 2017, a second phase of CIPS was launched to facilitate RMB use in the B&R Initiative and to push the transformation of Shanghai into a financial center. Official data show that CIPS is currently used by about 85 countries to make payments in RMB (XINHUANET 2017).

Another measure that has a direct impact on RMB internationalization (although it represents much more than that) was including it in the basket that composes the value of the IMF's SDR. For the inclusion, the IMF considered two criteria: i) the country's participation in world exports, and ii) if the currency was 'freely usable' (INTERNATIONAL MONETARY FUND - IMF 2017a). Even though the first criterion was indisputably met, the second was debatable, because China does not have an open financial market for foreign investors to freely trade assets in RMB, since the capital account is still considered to be relatively closed. The IMF's decision to even include the RMB in the SDR basket would have been mostly political, a way the IMF has found to increase the pressure on China's financial liberalization, as pointed out by Park (2016, p.80), 'as a strong incentive for China to commit to accelerating its financial reforms and the opening of the capital market.'

In addition to expressing an endorsement for internationalizing the currency, including the RMB in the SDR basket would carry even deeper

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meanings: i) because it means greater international acceptance from China, it would be a form of recognition that the country has followed the right path reforms; ii) it represents geopolitical gains, since the relative weight of other currencies has decreased; iii) it helps to accelerate the monetary system transformation towards multipolarity (PARK 2016).

With the RMB internationalization, China is expected to achieve benefits, such as reducing transaction costs and risks, *seigniorage*, improving international status/soft power gain, greater resistance to external shocks, greater macroeconomic flexibility and influence on the international economy, and less dependence on the dollar (ZHANG & TAO 2014, CHEN & PENG 2010, BA et al. 2010, HAI & YAO 2010). However, the overall results of this RMB internationalization initiative can still be considered very timid.

Regarding the use of the RMB as a reserve currency, despite the fact that the European Central Bank and a number of Asian countries, such as Indonesia and Australia, have started to save RMB, according to IMF data (2020), the RMB had a share of 1.96% of the total reserve in the end of 2019, behind the dollar, euro, pound and yen. As for its use as a unit of account, some authors have pointed out a greater role for the RMB within the baskets of currencies that guide the exchange of East Asian countries (SHU 2010; EICHENGREEN & LOMBARDI 2015), however no study is still conclusive given the very weight that the dollar has in the basket of currencies that guides the Chinese exchange rate.

As for the use of the RMB as a medium of exchange, considering the productive integration between China and other Asian countries, as well as the magnitude of financial and commercial flows between them, Eichengreen & Lombardi (2015) see the possibility for the RMB to emerge as a regional currency. The fact that China participates in various institutional arrangements in the region³ and have a trade deficit with most

3 As an example of regional arrangements where there is Chinese participation and where there may be demand for the use of the RMB, one can cite the B&R Initiative, the Chiang Mai Initiative Multilateralisation (CMIM) Agreement of ASEAN + 3 and the Asian Infrastructure Investment Bank (AIIB).

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of the Asian countries could additionally strengthen the use of the RMB (EICHENGREEN & LOMBARDI 2015). According to SWIFT (2015) data, Taiwan and countries like South Korea and Singapore adopt the RMB for most of their payments to China, whereas in countries like Malaysia and Australia this adoption has been growing. Over time, the use of the RMB as a medium of exchange should also lead to the strengthening of other functions (reserve currency and unit of account) in the region.

In 2019, the Financial Times newspaper⁴ cited the study by S&P Global Ratings on the increasing importance of the RMB in the Asia-Pacific region. The research defends that a “RMB bloc” has emerged due to the interdependence of countries in the region. It stated that fluctuation movements managed by RMB by the Chinese government have an increasing regional impact on other currencies.

Data obtained in the SWIFT reports (2020) show that global participation of the currency is still low, but it is following an increasing pace. In February 2020, it reached 2.11% of global payments. In comparison, in the SWIFT report (2018) in January 2018 it was only 1.66%, going from 17th to 5th position between 2010-2018 as the currency most used for payments. One of the reasons pointed out by researchers to explain the low share is that, despite the official discourse to the contrary, China has had resistance to advance in the convertibility of capital account. It seems to be consensual in the literature the idea that opening capital account is a necessary step for processes of currency internationalization (PARK 2016; BA et al. 2010; ZHANG & TAO 2014; CHEN & PENG 2010; LI & LIU 2010). This poses a major domestic challenge for China, since such action could diminish the effectiveness of monetary policy, a play that has been essential to China's economic policy effectiveness.

⁴ China's new renminbi level set to pressure Asia currencies. Aug.8th,2019. <<https://www.ft.com/content/fbf430a6-b998-11e9-8a88-aa6628ac896c>> Access in 04/16/2020.

Conclusion

China's efforts to internationalize the RMB after the 2008 financial crisis, as we have shown, should be seen not only as a means to pursue domestic financial reform, but also as a way of boosting foreign trade, facilitating the export of capital and increasing China's economic influence globally. The 2008 crisis was a turning point in the RMB internationalization policy. After that, the Chinese government saw a window of opportunity to start chasing an active policy in order to accelerate the creation of a more multipolar world. It is in this context that we should interpret the RMB internationalization policy, as a new means for China to deal with the shortcomings of the international economic system, the dependence on the dollar and the US financial system. Ultimately, RMB internationalization aims to contribute for a multipolar monetary system, and reinforces China's rise with renewed autonomy.

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China as the possible new hegemon: an assessment based on Giovanni Arrighi's theoretical framework¹

Pedro Vieira

Whatever era is thought to be ending- the Cold War era, the longer era of 'liberalism' and the Enlightenment, or the even longer era of the system of national states- uncertainty is seen as engulfing the present and the foreseeable future.

Giovanni Arrighi & Beverly Silver

Introduction

Three decades after its beginning, the reform and opening process carried out by China placed the country among the most powerful nations in the Capitalist World-System. The new position brought about questions about how China should behave and what should be its role in world politics. These questions were raised inside and outside China. Inside, as pointed out by Shambaugh (2011:8, bold added), “no nation has had such

¹ A first version of this paper was presented in the Workshop Great Power Competition for a New World Order, on November 15th, 2019, at China Foreign Affairs University (CFAU), in Beijing. I would like to thank CFAU for the opportunity of enjoying the stimulating intellectual environment during my stay as an invited Visiting Researcher. I would also like to thank Fabio Padua dos Santos for his help with the figure and table and for his comments on previous versions of the chapter.

an extensive, animated, and diverse domestic discourse about its roles **as a major rising power** as China has during the [years 2000]”. Sørensen (2015:60) noticed that in 2013, in an interview before the meeting with President Obama, Xi Jinping said that the US and China “must work hard to build a new kind of **great power** relationship of mutual respect and profit.” In addition to using the term “great power” in place of a developing country, which was the expression used by former Chinese leaders, Xi put China on an equal footing with the US (Sørensen, 2105). China’s status as a great power gave rise to a debate on Chinese ambitions, intentions, and capabilities. In 2011, the book “Does the 21st century Belong to China?”, edited by Griffiths and Luciani (2011), was published with transcripts of the guests’ (Henry Kissinger, Fareed Zakaria, Nial Ferguson and David Daokui Li) responses to the question that gave the book its title. In 2019 the debate formula was repeated with other guests and the transcripts of the discussion were gathered in the book *China and the West*, edited by Griffiths (2019). In the field of International Political Economy, I would like to mention *The China Boom: Why China will not rule the World* (Hung 2015) which, among many other publications, highlights the difficulties China faces in becoming a hegemon, and the superb *Adam Smith in Beijing: Lineages of the Twenty-First Century*, by Giovanni Arrighi (2007). These are some examples of a large and growing list of publications on the future of China, its role as a major power, the US reaction to its rise and so on. I will participate in the debate in a very simple way: I will apply Giovanni Arrighi’s concept of hegemony to China’s current situation to see if it can be seen as a candidate to replace the USA as a world hegemon.

To accomplish this task, in the next section (II), I will present a way to deal with the issue of hegemony within the Political Economy of World-Systems (PEWS). Section III describes the decline of the US hegemony and in section IV an effort is made to apply the concepts presented in section II to assess China as a possible new hegemon. In the final remarks, I summarize the arguments to support the thesis that China does not meet the conditions to replace the USA and become the next hegemon.

Hegemony in the Capitalist World-System (CWS)

Within the Political Economy of World-Systems, Immanuel Wallerstein (2011 [1980]) had already employed the concept of hegemony to qualify the Dutch position in the world-economy. Then, hegemony was defined as

a situation wherein the products of a given core state are produced so efficiently that they are by and large competitive even in other core states, and therefore the given core state will be the primary beneficiary of a maximally free world market. Or, given core power can manifest simultaneously productive, commercial, and financial superiority over all other core powers. This momentary summit is what we call hegemony (Wallerstein 2011[1980]:39).

A few years later, Wallerstein enlarged the definition by adding the political dimension:

Hegemony in the *interstate system* refers to that situation in which the ongoing rivalry between the so called “great powers” is so unbalanced that one power can largely impose its rules and it wishes (at the very least by effective veto power) in the economic, political, military, diplomatic, and even cultural arenas” (Wallerstein 2000[1983]:255, emphasis added)

But at the same time, he averted that “we should not invest more in the concept of hegemony than there” (idem 263). Notwithstanding this affirmation, in the Prologue to the 2011 edition of *The Modern-System II*, he dedicated many pages to “restate exactly what I mean by hegemony and why I think it is a crucial concept in understanding how the modern world-system operates” (Wallerstein 2011[1980]:XIII, emphasis added). In the condition of hegemonic power

one state is able to impose its set of rules on the interstate system, and thereby create a world political order as it thinks wise. In this situation, the hegemonic state has certain extra advantages for enterprises located within it or protected by it, advantages not

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accorded by the “market” but obtained through political pressures (Wallerstein 2011[1980]: XII, emphasis added).

Among other aspects of hegemony, Wallerstein (2011[1980]) suggests four moments in the hegemonic cycle, each of which he analyzed with a certain degree of detail.

As far as my knowledge goes, Wallerstein did not go beyond this point in the application of the concept of hegemony to the analysis of the CWS. Within the World-Systems Analysis, it was Giovanni Arrighi who developed an interpretation of the CWS history that has hegemony as one of its fundamental concepts.

In 1982 Arrighi already saw the crisis of the capitalist world-economy as a crisis of the US hegemony, which he interpreted as supremacy and even as Imperial order or, in his own words, “as a state above other states”. (Arrighi 1982, 56) Later Arrighi came across Fernand Braudel’s interpretation of financialization as the end of a certain pattern of capitalist accumulation and as a phenomenon that has been repeated since the 14th century. This discovery became the cornerstone of Arrighi’s reconstruction of the CWS lifetime as a sequence of Systemic Cycles of Accumulation, as presented in the book *The Long Twentieth Century*. In this reconstruction, the concept of hegemony would play a paramount role, since each Systemic Cycle of Accumulation (SCA) is associated with the rise and fall of a type of hegemony, as we will be shown below.

Before dealing directly with the SCA, it is important to make it clear that: 1) the “Systemic cycles of accumulation (...) are thus inherently capitalist phenomena” (Arrighi 2010[1994], 9); and 2) capitalist or capitalism is defined by Braudel (and Arrighi), in contrast with the other two components of economic life, which are material life and market economy. The latter has

many horizontal communications between the different markets: here a degree of automatic coordination usually links supply, demand and prices. Then alongside, or rather **above this layer, comes the zone of the anti-market, where the great predators**

roam and the law of the jungle operates. This—today as in the past, before and after the industrial revolution - is the real home of capitalism. (Braudel 1983, 230)

Therefore, if capitalism is the highest level of economic life, as a capitalist phenomenon a SCA refers only to this part of the economy. It is equally important to note that Braudel's definition of the term capitalist is very different from the Marxist one, because it is not related with the exploitation of labor. With these caveats in mind, I can now address the SCA in more detail.

The SCA has two phases. In the first one, called Material Expansion, the accumulation of capital is mainly obtained by profits coming from productive and commercial activities. For different reasons (increasing competition, inter-state rivalry, etc.) profits eventually fall down and capitalists move to financial applications, which gives birth to the Financial Expansion phase, in which the highest profits come mainly from financial investments.

Despite being a capitalist phenomenon, the reconstruction and reconfiguration of the world-economy as expressed in a SCA is a joint work of capitalists associated with a state. We must remember that capitalists did not get the upper position on the whole economy by themselves. On the contrary, this was only possible with the help of the state, which sometimes allows capitalism to expand and at other times destroys its mainspring. "*Capitalism only triumphs when it becomes identified with the state, when it is the state*" (Braudel 1979, 64, emphasis added). The alliance between state and capitalism was formerly established through the creation of the European interstate system by the Peace of Westphalia of 1648. It was the interstate system that allowed capitalism to become a world system. (Arrighi 2010[1994])² As the promoters of this revolutionary institutional innovation, the United Provinces State poisoned itself as the first hegemon (Arrighi idem), which reaffirmed the leadership of Dutch capitalists over

² "Capitalism has been able to flourish precisely because the world-economy has had within its bounds not one but a multiplicity of political systems." (Wallerstein 1974 [2011], 348).

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the worldwide processes of capital accumulation and the United Provinces as the center of the world-economy. It should be noted that, for Kissinger (2014, 15), with the institution of the interstate system it was conceived “what passes for order in our time”:

The Westphalian peace reflected a practical accommodation to reality, not a unique moral insight. It relied on a system of independent states refraining from interference in each other's domestic affairs and checking each other's ambitions through a general equilibrium of power.” (Kissinger, 2014:16)

It is decisive to make clear that world hegemony means much more than material or military supremacy of one state over all others. It involves

the power of a state to exercise *functions of leadership and governance* over a system of sovereign states. (...) This power is something more and different from “dominance” pure and simple. It is the power associated with dominance expanded by the exercise of “*intellectual and moral leadership*.” (Arrighi 2010[1994], 28-29, emphasis added)

It should be highlighted that a SCA describes, at once, both the economic and political restructuring of the CWS. In its Material Expansion, the processes of capital accumulation and the exercise of hegemony are fully developed; in Financial Expansion, profits wither, capitalists migrate to finance, the incumbent hegemon declines, and all this largely happens because competing capitalists and states have developed more efficient forms of capital accumulation and new rules for the interstate system.

In his reconstruction of the CWS as a sequence of SCA, Arrighi (2010[1994]) found four Systemic Cycles of Accumulation (SCA), each one named according to the origin of the private and public agents that led the capitalist world-economy during this cycle: Genoese (1460-1630), Dutch (1630-1780), British (1780-1930) and American (1930-...). From now on I will focus on the US SCA, mainly on its Financial Expansion, with which

came the decline of the US hegemony and the debate about global order and a new hegemony.

The ongoing crisis of US hegemony

From 1651 to 1815, France and England fought to decide who would take the place of the Netherlands as hegemonic state. England won. From the end of the XIX Century, the USA and Germany competed to be hegemonic. After another “30 year-war”(1914-1945) and heavily benefited by the collapse of the other core countries, the USA were able to offer the world a new world order,

which differed in key respects from the defunct **British world order** and became the foundation of a **new enlarged reproduction of the capitalist world-economy**. By the end of the Second World War, the main contours of this new world order had already emerged. At Bretton Woods, a new world monetary system had been established; at Hiroshima and Nagasaki new means of violence had demonstrated what the military underpinnings of the new world order would be; and at San Francisco new norms and rules for the legitimization of state-making and war-making had been laid out in the UN Charter. ” (Arrighi 2010[1994], 283).

From 1945 to the beginning of the 1970s, the USA were hegemonic in the full sense of the word and was an accepted leader in economic, political, military and even moral terms. It was during this period that the Material Expansion of the US Systemic Cycle of Accumulation (US SCA) took place and the CWS went through what may have been its greatest phase of prosperity, the so called Golden Age of capitalism. However, profits started to fall because of increasing competition, higher wages not offset by increases in productivity, and raw material and energy rising prices; by the beginning of the 1970s, expansion turned into a slowdown. In the face of declining profit rates, capital sought the greatest profits in the world financial market, which had been transformed since the 1950s by

changes in the Eurodollar market, which by late 1960s was a “full-fledged international capital market.” (Helleiner 1994, 89, emphasis added) The Eurodollar market changed with the concur of banks and multinational corporations from the US and Great Britain and the governments of these countries, all wanting to get rid of the restrictions and regulations of the Bretton Woods system (Helleiner 1994).

At the same time, the amount of idle capital looking for profits grew fast in the second half of the 1960s, in a context where the dollar and the pound lost credibility. Pressures on the dollar increased to such an extent that in August 1971, President Nixon unilaterally decided to end the gold-dollar parity, overturning one of the pillars of the Bretton Woods monetary regime, bringing the US SCA Material Expansion to an end and thus initiating the decline of the US hegemony. At that time, “US administration officials realized that a more open, liberal international financial order would help preserve US policy autonomy in the face of growing external and internal deficits. (Helleiner, 1994:112, emphasis added). The speculation against the dollar increased to the point that after two devaluations in the beginning of 1972 and 1973, the floating exchange rate was adopted and US controls on capital movement were removed. Together, the end of the gold dollar, the adoption of floating exchange rates³ and financial liberalization are events in the process of the erosion of the Bretton Woods financial system and the simultaneous development of a global self-regulated financial market, which would expand from 1974 by “vast quantities of money derived from rising oil prices” (Chesnais 2016, 53).

It should be noted that, in addition to introducing a new monetary regime and the unleashing of the Financial Expansion, the three measures mentioned above were aimed at preserving the USA’s global influence, although no longer through genuine hegemony:

³ See (Chesnais 2016, 49) for details on how the floating exchange rates generated a great diversity of financial “products”.

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In a deregulated system, the relative size of the US economy, the continuing prominence of the dollar and US financial institutions, and the attractiveness of US financial markets all gave the United States indirect power via market pressure (...) Drawing on this structural power, the United States aimed to preserve its policy autonomy by encouraging foreign governments and private investors to finance and adjust to growing US deficits. This strategy (...) represented a marked shift from the more benevolent hegemony of the early postwar years. (Helleiner 1994, 114, emphasis added)

In Arrighi's account, the unleashing of the Financial expansion was in fact the beginning of the crisis of the US hegemony:

The coming crisis of the US regime was signalled between 1968 and 1973 in three distinct and closely related spheres. Militarily, the US army got into ever more serious troubles in Vietnam; Financially, the US Federal Reserve found it difficult and then impossible to preserve the mode of production and regulation of world money established at Bretton Woods; and ideologically, the US government's anti-communist crusade began losing legitimacy both at home and abroad. The crisis deteriorated quickly, and by 1973 the US government had retreated on all fronts. (Arrighi 2010[1994], 309)

This decline has been going on for almost half a century and today it is possible to state with some certainty that if, on the one hand, the United States remains the most powerful and the richest nation in the world, on the other hand, they no longer exercise hegemony as political leadership and the ability to offer the world a path of economic development which could benefit—although unevenly—all countries, as it happened in the 1950s and 1960s. This statement is based on the fact that the route chosen to face the ongoing economic crisis was to take advantage of the system of floating exchange rate combined with the privilege of printing the world money and capital movement liberalization, a route that could not

be taken by any other country.⁴ On the contrary, the pure dollar standard gave to US government and enterprises

major competitive advantages in the escalating inter-capitalist struggle over the world's markets and sources of primary inputs. Loose US monetary policies diverted foreign energy resources to the US market and provided outlets for US products at home and abroad at the expense of European and Japanese competitors. In addition, it provided US business with all the liquidity it needed to maintain the momentum of its transnational expansion through direct investment and foreign lending. (Arrighi 2010, 319)

Therefore, instead of benefiting all countries, the US government adopted a strategy which could only succeed at the expense of other countries, including their allies. With some freedom of interpretation, one can see Donald Trump's America First⁵ in this strategy.

Using the freedom given by the dollar as main economic and political weapon, the growing process of world financialization was able to give the US good financial rewards, but did not provide the world economy any stability. The probability of periodic financial crisis is always high, as it was at the end of the 1970s, when the soaring inflation and current accounts deficits overturned the dollar credibility and led US monetary authorities to adopt an orthodox economic policy. This monetary policy became more rigorously under Ronald Reagan, whose presidential term started in 1981. By 1985, the real interest rate reached 7.5% (Marques de Saes & Macchione Saes 2013), turning the US financial market into a suction pump for world capital. Consequently, from being the biggest capital exporter in the 1950s and 1960s, the United States become "the world's main debtor nation and

4 "Under the new regime, with the dollar continuing as the key currency, US governments were left free to pursue the politically preferable option of keeping the economy moving through rising federal deficits and could finance the rising trade and current account deficits that would inevitably ensue, simply by increasing the supply of money" (Brenner 2006, 166).

5 Isolationism seems to have deep roots in US history, but the first organization created to promote it was the America First Committee, founded in the summer of 1940. Available at <https://time.com/4273812/america-first-donald-trump-history/>

absorber of liquidity from the 1980s through the present” (Arrighi 2007, 146, emphasis added) The external indebtedness transformed the 1970s’ crisis into the 1980s’ prosperity, leading to a very positive assessment of the previous decade (Paul W. Rhode and Gianni Toniolo, 2005).

“*Belle époque*” is the expression used by Arrighi (2007, 178, italics added) to equate in size and (in)consistency the “*remarkable resurgence of US wealth and power in the 1980s and specially in the 1990s*” with that experienced by England in the late 19th century. “The [US] resurgence reached its *apogee* after the collapse of URSS, when the US began to present itself—and to be widely perceived—as the greatest military power the world had ever seen.” (Arrighi 2007, 178, italics added)⁶

In fact, in the wake of the fall of the Berlin Wall (Nov, 1989) and in the context of the invasion of Kuwait by Iraq (August, 1990), on September 11th 1990, President George Bush made a speech to a joint session of US congress which reveals the optimism that covered the White House:

We stand today at a unique and extraordinary moment. The crisis in the Persian Gulf, as grave as it is, also offers a rare opportunity to move toward an historic period of cooperation. Out of these troubled times, our fifth objective—a new world order—can emerge: a new era—freer from the threat of terror, stronger in the pursuit of justice, and more secure in the quest for peace. (...) A world where the strong respect the rights of the weak. This is the vision that I shared with President Gorbachev in Helsinki. (...) Recent events have surely proven that there is no substitute for American leadership. In the face of tyranny, let no one doubt American credibility and reliability. (Bush 1990, emphasis added)

While looking “forward to a unipolar world led by the United States, with the Soviet Union as junior partner” (Goldhammer, 2016), Bush was

⁶ This phenomenon was seen by Tavares (1997) as evidence of the recovery of North American hegemony. However, for her and other authors, like Fiori (2004), hegemony seems to mean supremacy. In this essay, hegemony is much more than power, as it involves economic, political, and moral leadership. And that is why it can be said that American hegemony has not been recovered.

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aware that the United States did not have the financial resources the venture required, and that it would be necessary to turn to allies:

(...) At home, the material cost of our leadership can be steep. That's why Secretary of State Baker and Treasury Secretary Brady have met with many world leaders to underscore that the burden of this collective effort must be shared. (Bush 1990, emphasis added)

The President expressed his concern that this grandiose project could be rendered unfeasible by US financial weakness. To fix this problem, he demanded deep changes in the way the US public and foreign financial matters had been conducted in the last decades:

For America to lead, America must remain strong and vital. Our world leadership and domestic strength are mutual and reinforcing; To revitalize our leadership, our leadership capacity, we must address our budget deficit—not after election day, or next year, but now.

Higher oil prices slow our growth, and higher defense costs would only make our fiscal deficit problem worse. That deficit was already greater than it should have been—a projected \$232 billion for the coming year. It must—it will—be reduced. To my friends in Congress, together we must act this very month—before the next fiscal year begins on October 1st—to get America's economic house in order. The Gulf situation helps us realize we are more economically vulnerable than we ever should be. Americans must never again enter any crisis, economic or military, with an excessive dependence on foreign oil and an excessive burden of Federal debt. (Bush 1990, emphasis added)

As we know, Bush's new order has never been and this was so probably because, more than only deep changes in economic domestic and foreign affairs, the first condition for building a new order would be a radical, and therefore impossible, change in how the US saw its role in the world on the eve of the 21st century. The change would imply 1) to admit that a state over other states was a thing of the past and 2) to abandon or leave behind the ambition of being the world's sheriff. If Bush really wanted to promote a new era in international cooperation, rather than going

to war, he would have to genuinely commit himself with diplomacy or economic sanctions (Feffer 2017). And more, “the prospect of a stronger United Nations became instead the a la carte multilateralism of the Bill Clinton years, when the US acted with others only on a selective basis—and on Washington’s terms” (Feffer 2017). Partly due to the overthrow of the USSR, the belief that the US military might was unparalleled was shared by both Republicans and Democrats, and can explain the US relation with the UN, which was confirmed by the US behavior in the Kosovo War under Clinton Presidency. For Arrighi (2008:185), this war “was meant to demonstrate, among other things, that UN support for US police actions backed by NATO was dispensable.”

As his father tried to take advantage of the URSS collapse to recover the condition of a state over other states, trying to take advantage of the September 11th 2001 attacks, George Walker Bush, the son, declared “war on terror” and waged a second war against Iraq, something that “[Dick] Cheney, [Donald] Rumsfeld, and [Paul] Wolfowitz had been unsuccessfully advocating for the best part of the [previous] decade” (Arrighi, 2007:177). In fact,

“in 1992 the office of the Secretary of Defense produced the document *Defense Planning Guidances for 1994-1999 fiscal Years (Draft)*. In 1993, when Dick Cheney was finishing his term as Secretary of Defense, a version entitled *Defense Strategy for the 1990s* was published. The latest version, entitled *Defense Planning Guidances for the 2004-2009 Fiscal Years*, is from 2002” (Vieira & Ouriques, 2016:412)

For Armstrong (2002:76, bold added), the Plan

is for the United States to rule the world. The overt theme is **unilateralism**, but it is ultimately a story of domination. It calls for the United States to maintain its overwhelming military superiority and prevent new rivals from rising up to challenge it on the world stage. It calls for dominion over friends and enemies alike. It says not that the United States must be more powerful, or most powerful, but that it must be absolutely powerful.

From this essay's perspective, the attempt to implement the Imperial Project (Arrighi, 2007) was to exercise "domination without hegemony", something far from the propelled new era of peace and cooperation announced by George Bush, the father, in 1990. The war on Iraq as first move within this Imperial Project did not result as expected. Due to time and space constraints, I cannot go into details about why the Project for American New Century is seen by Arrighi (2007) as a double failure. I shall present, however, the two most salient dimensions of failure. It did not create the economic bases to recover hegemony, and it boosted China's rise.

The war on terrorism⁷ did not solve two structural problems pointed out by President George Bush in his 1990 speech: dependence on oil and public and current account deficits. Without being able to finance war with tax increases, foreign loans or resources generated by war itself, "the exploitation of US seigniorage privileges became the main source of finance for Bush's wars." (Arrighi 2007, 197). As we have seen, this way of living and fighting beyond its own means has been openly adopted by the US government since the beginning of the 1970s and, as we have also observed, the possibility of a currency and/or financial crisis has always been at the horizon. This crisis can only be avoided if somehow, at some point, the US adjusts its spending to the reality of its economy, or, in Arrighi's words (2007, 198) to "its substantially diminished competitiveness in the global economy." As President Bush's innocuous 1990s call for greater fiscal responsibility has shown, the US is unlikely to make this adjustment due to its political costs. Only an external power—such as that represented by the IMF and the World Bank for countries in the periphery and semi-periphery in the 1980s—could impose such measures on the USA. That power does not exist yet and will hardly exist in the coming decades.

⁷ According to Heller and Brussi (2013:50), "War on Terror" refers to the facts between September 11th, 2001 and the retreat of US troops from Iraq in December 2011. In this timespan, the two most important events were the military campaigns in Afghanistan and Iraq, under US leadership, with support of Great Britain and other NATO members.

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The second, and perhaps even greater failure, was to create the conditions for China to become the engine of the global political economy and willing participation in global governance compatible with its weight in the economy.

The mutual beneficial relations between China and the US can be traced since the 1970s, when Richard Nixon decided to establish diplomatic relations with the country. In the 1980s, under the Reform and Opening Up process, China was inserted in the global commodity chains through “manufacturing investment from Japan and the Four Tigers [South Korea, Taiwan, Honk-Kong, and Singapore], particularly from Chinese diasporic capitalists in Hong Kong and Taiwan” (Hun, 2015:54). Therefore, China followed the export-led path of development that has been adopted in East Asia since the 1950s. And ever since, the US has played a central role, as demonstrated by Arrighi et al. (2003). The US were important in China’s renaissance in the 1980s by facilitating its access to the world and American markets, which can be seen in the following measures taken by Bill Clinton: in 1994 the renewal of China’s status as a most favored nation was unlinked from the human rights issue; in 1999, US and China signed a trade agreement “which permanently lowered trade barriers for all kinds of Chinese goods” (Hung, 2015: 69); in return, China would open its market “in exchange for the opening of US and European markets to Chinese products during China’s bid for accession into the World Trade Organization (WTO)”, which eventually happened in 2001 (Hung 2015, 69). With such opportunity abroad and the internal conditions to supply a large quantity and variety of products, China was able to increase its exports⁸ to both the world and the US enormously, as shown in Table 1.

⁸ For Hung (2015, 76), as revenues from export allowed the huge investment rates, they are “the mother of the China boom.”

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Table 1 - China and Japan exports to US and the World (in billions of US\$)

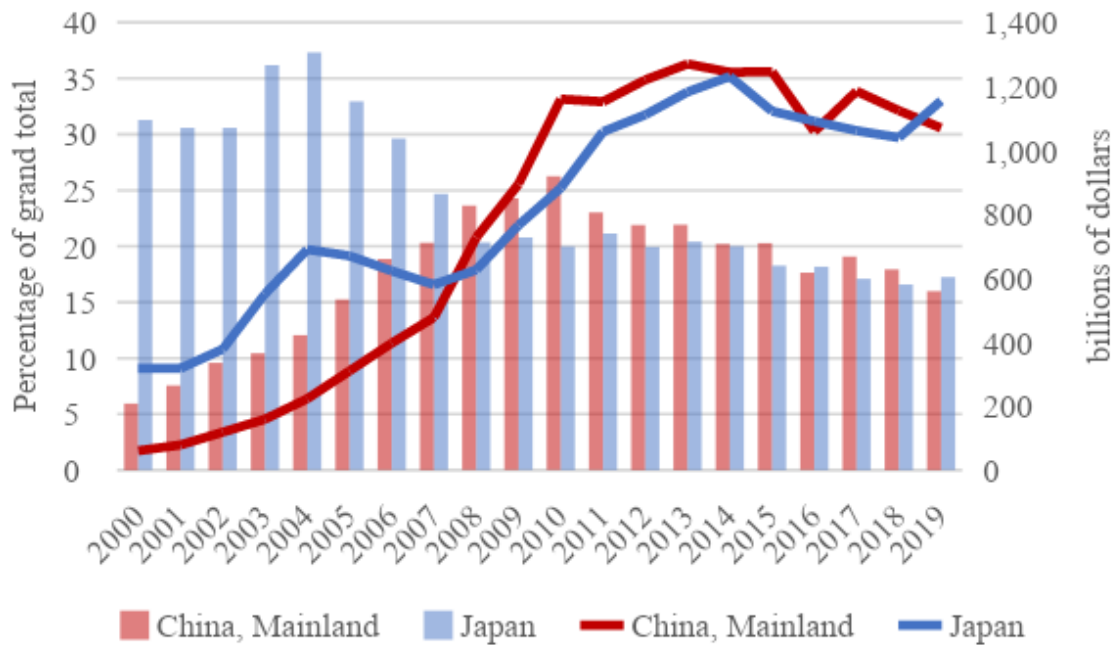
	China			Japan		
	USA	World	%	USA	World	%
1995	25	149	16,6	122	443	27,5
2000	52	249	20,9	142	479	29,7
2005	163	762	21,4	136	595	22,9
2010	284	1.578	18,0	120	770	15,6
2015	410	2.273	18,0	126	625	20,2
2018	480	2.494	19,2	141	738	19,1

Source: UN Comtrade Database.

China exports for both the USA and the World increased spectacularly in the 2000s at a similar speed, so that the China/US and China/World export ratio has remained more or less the same. Hung (2015, 77) notes that in most of the 2000s it was a “debt-finance hyperconsumerism” that boosted demand for Chinese products. As “China’s thriving export sector constitutes a solid foundation for its aggressive investment growth”, by stimulating the expansion of Chinese exports the USA promoted China economic and political power. The other side of this relationship is that, repeating what the other East Asian export countries (Japan, South Korea, Taiwan, etc.) had done before it, China also invested its export surplus in US Treasury bonds. As shown by figure 1, by 2008 China’s surpassed Japan, but since 2010 the amount of annual purchase has been decreasing, which may be a sign that China is trying to stop “helping perpetuate to the [dollar] standard (...) and hence US geopolitical dominance”. (Hung 2015, 132)

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Figure 1 - Major foreign holders of treasury securities (in billions of dollars and percentage of total), holdings at end of December.⁸



Source: Department of the Treasury/Federal Reserve Board.

As uncomfortable as it may be, when viewed in perspective, this dependence on the US market is the very expression of how successful is China's development strategy, and the country's ability to take advantage of facilities and opportunities created by the USA, including opportunities that emerged during the War on Terror.

Therefore, in conclusion, US hegemony—as defined in this essay—has continued to decline after the War on Terror and its attempt to impose itself to the world through its military forces did not succeed. The other side of this steady decline is the impressive economic and financial power with which China entered the 21st century, appearing to many as a serious candidate for a new hegemony. In the next section, I will get into this debate.

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Analysts affiliated to different theoretical streams explicitly admit a world order without hegemony. For instance, Acharya (2018, 4) states that “the age of global dominance by any single power as the world has previously experienced under Britain, then America, is over.” Scholte, Casier and Dutkiewicz (2020, 3) suggest that hegemony could

come from a collection of major states, such as the Group of Seven (G7) or the Group of Twenty (G20), [or] a “multi-order world” with several co-existing regional hegemonies [and even] a non-hegemonic era where legitimated rules of world order do not depend on any dominant state or states.

This is a viable scenario, since it is impossible to know if the Capitalist World-System (CWS) will work in the future as it has done in the past, not least because the CWS may be heading towards its end, as Wallerstein thinks (1996; 2004). Without considering this scenario, what kind of transformation can China—with its huge population, political and economic weight and powerful state—bring about in the way the world-economy has been operating until now? For Li (2008), the CWS will not survive the rise of China. Anyway, to state something consistent about the possibility of China becoming a new hegemon we need to review the concept of hegemony and to outline an answer to the following question: Does China already have (or does it demonstrate any ability of gathering) the capabilities to lead the capitalist world-economy, both politically and economically, which means, above all, to offer the world a new era of economic growth, which is the *sine qua non* condition for exercising hegemony? This prospective line of investigation on hegemony is anchored on the assumption that, despite the transformations that are likely to happen, the two basic principles of the world-capitalist economy will continue to operate: endless capital accumulation, and national states as primary political units. Once these two principles are assured, other institutions can vary considerably, such as the world economy proceeding without an “Arrighinian” hegemony.

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For instance, it is possible that the US will be able to “convert its declining hegemony into an exploitative domination” (Arrighi and Silver 1999:288) and that the CWS will accommodate this situation. Here I would like to remember that all the four past SCA involved

expansions and restructurings of the capitalist world-economy [that] have occurred under the leadership of particular communities and blocs of governmental and business agencies which were uniquely well placed to turn to their own advantage the unintended consequences of the actions of other agencies. **The strategies and structures through which these leading agencies have promoted, organized, and regulated the expansion or the restructuring of the capitalist world-economy is what we shall understand by regime of accumulation on a world-scale.** (Arrighi 2010[1994], 10)

It seems that until now the Chinese Communist Party (CCP) was “uniquely well placed”—in East Asia—to take advantage of the US economic and political initiatives, which, of course, unintentionally made China the most powerful challenger the US has ever faced. As demonstrated by Donald Trump’s trade war, attacks on Huawei, and initiatives to reduce the US dependence on China, from now on the CCP will act in a much more hostile environment once the US are convinced that China is a threat to their *domination without hegemony* and other countries can also see China as a threat as well.

In a such context, will the Chinese “block of governmental and businesses agents” (Arrighi, 2010[1994]), which was responsible for the Chinese renaissance of the last 40 years, be able to create strategies and structures to promote, organize and regulate a new phase of expansion of the capitalist world-economy? If the pillars of the economic success of the last 40 years have been the Chinese state, the state-owned companies and the township and villages enterprises, it is unclear whether these same pillars are qualified for being the leading agents of a new accumulation regime. Therefore, the answer to the above question is no, or, at least, not yet. As an illustration to this point, we should remember that the vertically integrated organizations,

a genuine American invention, were at the basis of the US capitalist competitive strength because, with them, the US capitalists were able—among other competitive advantages—to internalize the transaction costs.⁹ This kind of business organization was easily copied in other countries, mainly those in the core of the world-economy. In this line of reasoning, the next step would be internalizing the environmental costs by the Chinese enterprises. As these costs are extraordinarily high¹⁰, their internalization will increase total costs and affect profitability. In this regard, as in the creation of new sectors and products, China's difficulties seem to come from the very source of its economic boom: the decision taken 40 years ago to follow the Western path of economic development.

China would also have to rebuild the international financial system, as the United States did at Bretton Woods. And that would mean taking the world money status out of the dollar, which is as difficult as removing the foundations of a building without collapsing it. This is even more so if the foundations are capable of resisting. Given that China and all the world are connected to the US through the dollar, the risks involved in such an operation are incalculable.

To escape the dollar trap, China needs to turn to its huge domestic market in order to drastically reduce its dependence on the North American market and make the Yuan an international currency as well. On the latter topic, despite some progress¹¹, there is a long way ahead,

9 "The strategies and structures of capital accumulation that have shaped our times first came into existence in the last quarter of the nineteenth century. They originated in a new internalization of costs within the economizing logic of capitalist enterprise. Just as the Dutch regime had taken world-scale processes of capital accumulation one step further than the Genoese by internalizing protection costs, and the British regime had taken them a step further than the Dutch by internalizing production costs, so the US regime has done the same in relation to the British by internalizing transaction costs." (Arrighi 2010[1994], p. 247).

10 According to Hung (2015, 178), in the mid-2000s, the costs of environmental degradation were around 8 to 12 percent of China's GDP.

11 "On November 30, 2015, the IMF awarded the Yuan status as a reserve currency. The IMF added the Yuan to its Special Drawing Rights basket on October 1, 2016. This basket currently includes the Euro, Japanese Yen, British Pound, and US dollar." (Kimberly 2019)

and important and sensitive changes must be undertaken by the Chinese government. For example, considerably increasing its financial market transparency, and confidence in the stability of its monetary policy. (Kimberly 2019). According to Hung (2015, 133) this kind of change is difficult “for the party-state because such an opening would be a blow to its command of the economy via its control of credit.” In sum, for internal and external reasons, it will maybe take decades for China to escape the dollar trap and turn the Yuan into an international currency. In the field of global governance, so far China has not taken initiatives aimed at replacing institutions of US hegemony (mainly the UN), but it has been working to create IMF, World Bank and Bank for Reconstruction and Development alternatives, which reveals that China’s main concern is economic development, which is also the absolute priority for peripheric and semi-peripheric countries of the capitalist world economy. As a priority, economic development is expressed in the Belt and Road Initiative (BRI), which is a huge proposal to connect China to the world through road, railways, ports, telecommunications, commerce, finance, and people-to-people relations. The BRI was launched by President Xi Ji Ping in 2013, and since then it has spread to the world.¹² As a proposal directed and open to all countries, regardless of political-ideological orientation and level of economic development, the BRI and the institutions around it (Asian Infrastructure Investment Bank-AIIB, New Development Bank, China Development Bank and Export-Import Bank of China) might be seen as a kind of seed of a post-US hegemony institutional frame for economic world development. But as a seed, it has a long and uncertain path until it germinates, becomes a tree and bears fruit.

¹² According to the BRI official website, “the total trade volumes between China and the countries and regions involved in the Belt and Road Initiative has exceeded US\$6 trillion (...) China has signed 171 cooperation documents with 29 international organizations and 123 countries, including developed and developing countries (...) by the end of February [2019], China-Europe freight trains, considered a significant part of the Belt and Road Initiative, have made 14,000 trips.” Source: <https://eng.yidaiyilu.gov.cn/qwyw/rdxw/81686.htm>

Although uncertainties are inherent to all hegemonic transitions, the present transition seems to have at least four additional sources of uncertainties, conflicts, and turbulence: a) the CWS itself; b) the US; c) China and d) the environmental imbalances. Uncertainties from the CWS include the possibility of going through a terminal crisis and a long period of chaos (Li 2008); from the US, “the resistance to adjustment and accommodation to the new reality of global power” (Arrighi 2008, 165), mainly through attempts to destabilize China, can generate major conflicts and turbulence; uncertainties from China are due to features never presented by any candidate to the position of hegemon: a) China is not a capitalist state inasmuch as until now the Chinese state subdues capitalists and not the other way around. Strictly speaking, this condition would prevent China from creating a SCA, which, as we have seen, is a capitalist phenomenon (in Braudel’s terms). Relations between the Chinese state and native and foreign capitalists may cease to be cooperative and become a powerful source of conflict, potentially involving broad sectors of Chinese society and even abroad; b) China is a non-Western ancient civilization with its own mode of social and political organization, which may resist to the political liberalism that has dominated the West; c) China has a population of 1.4 billion people, which can unbalance the world-economy in terms of demand and supply¹³ of products and natural resources. Finally, environmental imbalances are likely to worsen in the coming decades, making the future of the capitalist world-economy even more unpredictable.

Final remarks

My purpose in this essay was to address the issue of global order and how China fits in it through the lens of the World-System Analysis (WSA).

¹³ The Economist projected that after 2013 China would export 30m-50m tonnes of steel per year, which corresponds to a small part of its 750m tonnes production, but that exceeded exports from countries like Russia, South Korea, Ukraine and Japan. (Economist 2013; apud Hung 2015, 158)

This led me to the concept of hegemony. Although in 1980 Immanuel Wallerstein had already stated that United Provinces were the first hegemon of the capitalist world-economy, within WSA it was Giovanni Arrighi who developed a history of capitalist development heavily based on the concept of hegemony, a condition that is inseparable of political, economic and even intellectual and moral leadership. (Arrighi 2010[1994])

Arrighi (2010[1994]) sees historical capitalism as a sequence of Systemic Cycle of Accumulation, each of which (with the exception of the first, the Genoese) corresponds to a kind of hegemony. I tried to make clear that capitalism is the highest of the three strata into which Braudel divides economic life. At this level, a capitalist economic agent has close relations with the State. From 1945 to the beginning of the 1970s, the US exercised full hegemony, which means that the US state exercised legitimate leadership over the interstate system and its capitalists led a pattern of accumulation that brought the world economy through a phase of great prosperity that became known as the Golden Age. This period, which corresponds to the Material Expansion phase of the US Systemic Cycle of Accumulation, came to an end in the early 1970s, when the Financial Expansion phase and the decline of American hegemony began, though not necessarily the decline of the US economic and military power. Since the 1980s, East Asia has benefited the most from the financialization of North American economy, with emphasis on China in the 1990s and 2000s. Foreign financial investments and the privilege of issuing dollars released the United States from worrying about external deficits and its public accounts, allowing growing imports from China, whose surpluses were invested in US Bonds. Through this arrangement, the US allowed the economic and political resurgence of China, and this country contributed to the continuity of the dollar position as the world currency and of the US *domination without hegemony*. Due to the size of its economy and growing relevance in global politics, China came to be seen as a possible future hegemon. However, the simple exercise of verifying whether China fulfills the conditions to start a new Systemic Cycle of Accumulation revealed that there is no basis for expecting China

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to become hegemonic, in the sense given to the term in this essay. Until today, China has not demonstrated that it is capable of creating the structures and processes to transform the world economy and lead it to a new phase of sustained growth, which does not mean that it cannot do so in the future. However, for China to create those capacities and structures, both China and the world economy itself will need to overcome the imbalances and uncertainties that hover over their respective futures, which are totally interconnected.

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The (Re)Emergency of the BRICS and Reordering of Power in Contemporary Geopolitics

Charles Pennaforte and Ricardo Luigi

Introduction

The world geopolitics and international relations has been transformed along the 20th century. We can cite here, among other more important events, the two World Wars and the world reordering that has taken place in the post-war period.

The post-war reordering of the world-system period has involved not only the *Pax Americana*, but also the creation of a new world order attached to the United States (USA), in a parallel to the ascension of the Union of Soviet Socialist Republics (USSR) as a military and ideological potency. These two states disputed the hegemonic condition of the global power, placed in a bipolar order that fainted the socialist bloc.

As the United States consolidated its power as the *hegemon* (the main hegemonic power)¹, it had to deal with the construction of a new systemic circle of accumulation and its consequent decrease.

The first two decades of the 21th century marked the recrudescence of other potencies, namely the reappearance of Russia and China. Russia recuperates its influence under the government of Vladimir Putin, and

¹ We are going to place a detailed discussion about the US hegemony, further in the text.

China consolidates itself as a global economic potency; both occupy important roles on the geopolitical board.

These countries have gotten profits from gaps created by a new structural capitalist crisis, the 2008 crisis, whose consequences have influenced the USA relative decline of power imposition before the world system, as it had already been done after World War II.

In this essay, our goal is to analyze the rearrangement of global politics that has taken place as a consequence of the USA weakening, which has allowed for the emergence of BRICS as a possible power pole. In order to search for a solid base approach, we use the World System Analysis (WSA) which was mainly elaborated by Immanuel Wallerstein and Giovanni Arrighi. Also, we consider the issue's geopolitical dimension, and establish parallels with International Relations Theories as a way of enlarging the analytic potential of this debate. Regarding that, we use this approach to evaluate how BRICS have been articulated to face the new coronavirus pandemic. The BRICS Bank therefore seems to arise as an external financial agent looking for new economic solutions for the economic crisis that comes as a consequence of the global health crisis caused by the COVID-19.

This paper is thus divided in three sections. Firstly, we try to place a relation between International Relations and Geopolitics theories regarding the WSA analysis. Secondly, we approach the reasons and the effects of a power reordering in global geopolitics. Lastly, we point out the opportunities brought about by the emergence of BRICS in the world system to evaluate how the coronavirus pandemic has influence upon this scenario.

Geopolitics and international relations: the analysis of the world-systems

The relations between Geopolitics and International Relations can be seen through how present geopolitical debates are in the syllabus of a great part of International Relations departments of Brazilian Universities.

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Whereas it effectively takes place by the fact that these two epistemological fields partially share the same phenomenon of analysis in what concerns “power”, there is always another issue that brings us closer: interdisciplinarity.

Geopolitics has never achieved the status of a science itself; this field has always been seen as a knowledge background for different domains. However, International Relations as an academic discipline was just consolidated in the beginning of the 20th century, which does not carry a presumption of becoming a scientific field itself, but rather to enlarge it in a multidisciplinary scenario of discussion (STARR, 1991).

Geopolitics was also created in the 20th century, and suffered a relative decline after World War II, for being appropriated by Nazis in their expansionist project. The discipline had a revival from the 1970s on, and remained “a ‘travelling theory par excellence’ in the sense that it has entered a wide variety of discipline and geographical regions” (GÖKMEN 2010, 141)

In order to explore this sentence, we must consider that Geopolitics theories inform, or are informed by, International Relations theories, all along an a-historic process which produces dialogues between different epistemological currents coming from Hans Morgenthau writings. Morgenthau theories have many intersection points lying upon traditional geopolitics and classic realism, being extended until Immanuel Wallerstein and his World System Analysis that is incorporated not only to the (new)Marxism of International Relations, but also to the lectures of Taylor and his critical geopolitics (1994).

Regarding intersections of these two fields, Teixeira Jr. (2017, 152) claims that “Geopolitics, Marxism and International Relations are a fruitful construction of critical knowledge about different procedures, such as globalization, mondialisation and regionalism”. Here we explore how Geopolitics and International Relations are placed in the middle of the World System Analysis (WSA)

The WSA emerged from critics regarding the social and economic analysis pattern used by Social Sciences since the 20th century. Between 1850 and 1945, the most important intellectual cleavages in the academic community relied upon the following categories: past/present and Occident/rest of the world. Within this cadre, historians studied the past, whereas economists, political scientists and sociologists studied the present.

History, Economy, Political Science, and Sociology were focused on the “occidental world”. The “orientalists” and anthropologists, on the other hand, studied the “rest of the world”². Until 1945, the borders between these disciplines were well delimited. In the post-war period, as claimed by Wallerstein, this cadre could not cover the new reality which had come up with the process of independence battles.

Under critics, the Social Sciences pattern on analysis of that time started to weaken. For Wallerstein, “the greatest change in world Social Sciences during the 25 years after 1945 was the discovery of the contemporary reality of the Third World” (WALLERSTEIN 2002, 231; translated by the authors).

As a result, the research on the occidental world ended up being divided into three domains, particularly due to the modern world’s new configuration: the market (Economy), the State (Political Science), and civil society (Sociology).

A brand-new context was opened in the post-1945 period, coming from the independence battles. The ex-colonies began defending their political and cultural autonomy through national liberation battles as well as in international events, as the Bandung Conference in 1955³. It was a reaffirmation and a self-affirmation process before the occidental

² Anthropologists studied the “primitive” societies, and orientalists studied the “great non-occidental civilizations”.

³ This conference gathered many countries of the then so-called “Third World”, which did not accept the bipolar world order established between USA and USSR as a key for dividing the international system.

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world, being accompanied—in the epistemological domain—by studies regarding these regions—Latin America, Asia and Africa.

Other sectors of the academic community elaborated, on the other hand, theories to justify the former colonies' "delay", backlighted by the idea of the development in stages, according to an evolutive process. That is how the Modernization Theory (MT) has arisen, a theory whose method of analysis was based on a systematic comparison among all the States. MT was born of a premise that is rooted in a model of linear and universal development towards economic growth. Hence, all former colonies would inevitably achieve development once they copied the "success models" of old metropolises—regardless of how each nation had been inserted in the systemic structure of capitalism.

Some analysts see the WSA as an adaptation of the MT, considering that it presents an explanation of the economic development process attached to the dynamics experienced among the Center (rich countries), the Periphery and the Semi-periphery (undeveloped countries) (WALLERSTEIN 2002, 04). Besides, Wallerstein affirms that "(...) the original intention of the world system analysis was the protest against the modernization theories" (2002, 234; translated by the authors). In this process, the poor countries took qualitative disadvantages in the low-value added products (raw material, for example) and high-value added products (industrialized products), from the more developed nations (Center) exchange. The technological gap among nations would be the central aspect to be considered in the economic and social delay, and the maintenance of the *status quo*.

Thus, the World System Analyses starts to be formed mid-1970s, with the writings of authors such as Samir Amin, André Gunder Frank, and Theotônio dos Santos. However, "it only gains a real breath with the theory of Immanuel Wallerstein (1974, 1980, 1989)" (Santos 2000, 55; translated by the authors).

Wallerstein's theoretical construct, which in International Relations is placed inside a neo-Marxist perspective (NOGUEIRA and MESSARI

2005)⁴, has three main influences from its constitution: The *Annales* School, Marxism, and Dependence Theory (VELA 2001).

As we already pointed here, the WSA emerged as a theoretical corpus to challenge MT. Later, all the structure built by Social Sciences since the 19th century was fundamentally challenged. As proposed by Wallerstein, the WSA should be unfolded through three axes. One perspective approaches space, another discusses time and finally the third one is considered epistemological: 1) The World-System (not the Nation-State) is the only basic unity of social analysis; 2) neither idiographic⁵ nor nomothetic⁶ laws are useful for analyzing social reality; 3) the existence of limits among disciplines in Social Sciences does not make any sense intellectually. Wallerstein defined the world system, as the following quote can elucidate, “a territorial division of multicultural work in which the production and the exchange of basic goods and raw material is essential for their habitants’ daily life” (VELA 2001: 04; translated by the authors).

Thus the world we are presently placed in, the modern world system, had its origins in the 16th century. This world system did not stay located in one and only part of the globe, as a region of Europe and America, but spread throughout the centuries until it achieved almost the whole global space. It is, and has always been, a world economy. It is, and has always been, a capitalist world economy (VELA 2001, 111).

According to Wallerstein, the present capitalist world economy (world-system) had its origins in the crisis of the feudal system and the consequent rise of Western Europe to global supremacy, between 1450 and 1670. After Italian city-states and Dutch hegemony, there was a British ascendance that featured a continuous process of expansion, restructuring and financial reorganization of the capitalist world economy. The periods

4 After all, the theory has some strands not directly attached to the Marx lectures.

5 Necessarily attached to the creation of general laws of great explicative explanation.

6 This kind of laws establish general prescriptions for the comprehension of a social phenomenon. In general, they correspond to a method of Exact Sciences.

based on financial expansion (financialization) were seen as moments where competitive pressures increased, not only from governments, but also from commerce and companies. These pressures favored the English industrial expansion that remained supreme as global economy until the beginning of the 20th century.

After the British hegemonic collapse, the USA emerged as the main economic potency. After World War II, they achieved military and technological supremacy, which—all long the Cold War—reached the status of super-potency, until the socialist bloc collapsed in 1989 and the USSR ended two years later. For Wallerstein, American hegemony, just as it took place in other hegemonic times, tends to dissipate, and be succeeded by another one. This is the reason why it is important for us to analyze the power reordering of world geopolitics.

Power rearrangements in world geopolitics

As it was already exposed, the changings of the 20th century and beginning of the 21st century demonstrate that the capitalist world system is always in shift (WALLERSTEIN 2001, 2003, 2004a, 2004b; ARRIGHI 1996, 2008). The 2008 systemic crisis, which deeply affected the core of capitalism, shows us this perspective, especially if we take into account a geopolitical context.

The 21st century presents different political scenarios, displaying a basic pattern as its principal source: the weakening of the USA as a hard protagonist. This century cannot be seen as the “American century” anymore, due to the occurrence of serious problems the USA faces in the economy, as well as in ideological dimension, which is another for accepting the country as a natural world leader.

Even during the 20th century, the USA was not an isolated world protagonist. The idea of an American hegemony was the evaluation analysis of an article by Joseph F. Nye, *Is the American Century Over?* (2015), which indicates the word *primacy* as more appropriated to designate this period.

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The existence of a socialist bloc between 1945 and 1989, added to the preservation of Cuban and Chinese regimes, would put USA hegemony in check. Precisely:

As we have seen, the term “hegemony” is too imprecise a concept to be useful in defining “the American century.” Sometimes it means having a preponderance of power resources, sometimes the behavior of setting the rules for others, and sometimes getting the outcomes one prefers. Because of this ambiguity, we cannot date when it begins or ends. Noam Chomsky even argues that the “‘loss of China’ was the first major step in ‘America’s decline,’” or about the time that many others see ascendance. If there ever was a US hegemony, it would have been from 1945, when the United States had nearly half the world economy as a result of World War II, to 1970, when the US share of world product declined to its prewar level of a quarter of world product. Yet during this period, the United States often failed to get what it wanted—witness Soviet acquisition of nuclear weapons; communist takeover of China and half of Vietnam, stalemate in the Korean War, Soviet suppression of the revolts in Hungary and Czechoslovakia, Fidel Castro’s control of Cuba, and so forth. Thus, instead of “hegemony,” I prefer to use the terms “primacy” or “preeminence” in terms of a country’s disproportionate (and measurable) share of all three types of power resources (Nye 2015, 399)

According to Wallerstein, the USA decline started in the 1970s, following a logic that “economic, political and military factors that contributed to USA’s prominence are the same factors that will produce USA’s imminent decline” (Wallerstein 2004: 21; translated by the authors).

Historically USA’s prominence started after the world recession of 1873, when the country’s economy sharply increased at the same time that the British economy decreased. Between 1873 and 1914, USA and Germany became the main producers of steel and chemical products, dominating industrial procedures.

The search for primacy became a natural process. World War II provided a privileged position to the USA, which did not directly suffer

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the catastrophic effects of the war. Its territory did not suffer any physical or structural damage, unlike Europe and Asia.

According to Wallerstein, the success of the USA in the post-war period is what caused the beginning of its own decline:

The success of the USA as a hegemonic potency in the post-war period has created conditions to undermine its own hegemony. This process can be seen on four symbols: the Vietnam War, the revolutions of 1968, the fall of the Berlin wall in 1989 and the terrorist attacks of September 2001. Each symbol is added to the previous one, culminating in the USA's present situation: a lonely superpotency that lacks true power, a global leader that no one follows and that few countries respect, and a nation dangerously on the edge, immerse in a global chaos that cannot be controlled (WALLERSTEIN 2004, 25; translated by the authors)

The four events pointed out by Wallerstein represent each moment of the American power decline, which bequeathed increasing military expenses and the ideological weakening of the capitalist system as a creator of a "free society".

Without the Cold War's old clash, the USA found itself alone in the middle of the global game. Since the end of the Cold War, the focus of North American foreign policy has been headed towards the Middle East. As a result of new policies, the White House has loosened its "control" over less important areas of the planet. Nonetheless, these regions have gained momentum and the spotlight on the international chess board, especially due to the communist "threat".

The government of Barack Obama (2009-2017) tried to reverse this loss of ideological force, aiming to use soft power⁷ as the easiest way to

⁷ Expression created by Joseph Nye, professor at the University of Harvard, to designate the capacity of a State to use its ideological and cultural influence over other nations, without the use of coercive means, to obtain success in defending its interests. It is the opposite concept of hard power.

recover US prestige. Obama, nonetheless, did not avoid the emergence of new poles of power, such as the BRICS.

The (re)emergency of BRICS and the post-pandemic scenario

Based on the US decline over the last decades, the emergence of important players in the beginning of the 21st century and the questioning about their unilateral positions, the appearance of BRICS has represented a common perspective for a multipolar and multilateral world, facing global problems.

Despite disbelief in capitalism, BRICS has built a global projection of great importance in the beginning of the present century. States that are part of the power bloc possess 26% of the territory on the planet, 42% of the global population, and 14% of world GDP. Brazil, Russia, India, China, and South Africa also contributed to increase the world GDP by more than 50% between 2005 and 2010 (VISENTINI 2015, 155).

However, for many conservative analysts, BRICS did not present any possibility of an organization over a common agenda involving a great articulation of the global scenario.

The original purpose, made by the economist Jim O'Neil in 2002—on the report *Building Better Global Economic*—, was a way to conjointly analyze the economy of these five countries with Goldman Sachs Bank. That is how the acronym was created for the four world's greatest emergent economies (Brazil, Russia, India and China), and South Africa was added in 2010.

The inclusion of South Africa was extremely relevant to the group's "globalization" factor. It enlarged its representation in the emergent world. According to Stuenkel (2017, 82; translated by the authors),

The inclusion by South Africa was important for three reasons. First, it weakened the importance of the civilizational aspect in international politics—after all, the BRICS has, to use the definitions by Samuel Huntington, five different civilizations as its

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origins. Regarding that, the BRICS diverges more radically from the common alliances of international politics.

Despite this enlargement, which was put into practice in 2010, and that for many times suggested the admission of other countries in the bloc (particularly through isolated Chinese initiatives), the center of BRICS is on what is called the “strategic triangle” of RIC (Russia, India, and China). Brazil and South Africa are there to follow the representation of regional potencies and their (sub)continents. India, for example, could be framed on the same cadre. However, it is different from Brazil and South Africa for its growth projections and also for its strategical location, next to Eurasia partners. A GDP analysis is not sufficient to demonstrate this discrepancy, as we can see on table 01:

Table 1: Gross Domestic Product – BRICS (2018)

STATE	Nominal GDP (in billions of dollars)
Brazil	1,885
Russia	1,658
India	2,719
China	13,608
South Africa	368

Source: data from the World Bank (2020):
<https://data.worldbank.org/indicator/NY.GDP.MKTP.CD>.

The distance between Russia, India and China in relation to Brazil and South Africa could be highlighted when the history of these growth indicators is analyzed, showing a different growth rhythm for the RIC since the 2000s. Even though India has a lower per capita GDP when compared to other countries, it has a growth projection that overcomes Brazil and South Africa in the 2020 decade (ALVES 2020).

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This same euphoria concerning the future of BRICS is not shared, nonetheless, by the main theorist of the World System Analysis (WSA). Immanuel Wallerstein approached the emergent countries in two of his articles, in 2013 and 2016, reinforcing his concern about the bloc's economic and geopolitical aspirations. As Wallerstein puts it (2013, 01; translated by the authors):

The structural crisis of the world system is rapidly changing in many uncertain ways willing to assume a relative sufficient stability that lets BRICS, as it is formed, continue to have a special role, either geopolitically or economically. Having globalization itself as a concept, BRICS may become a fleeting phenomenon.

China and Russia, the most powerful countries of BRICS, face competition against the United States when it comes to influence fields. The aggressive discourse that comes from Washington, along with its economic measures against Beijing, shows the great focus of Donald Trump on the Chinese geopolitical and economic development throughout recent years. Despite the decrease of its economic growth, Beijing has boosted its economic influence over the African continent, for example. Even if its companies have competed in an equal level against Western industries (Huawei, for example), China has used economic and geopolitical gaps—created by the USA over the last years—to enlarge his influence.

Moscow has suffered the impact of a several economic measures that attempt to weaken the Russian national project of Vladimir Putin, specially since 2014—when Russia annexed the region of Crimea that represented then a pro-Occident govern on its borders. Washington, for example, has lately seen Moscow as a rising threat to the American strategic interests. In the words of Blackwill and Gordon (2018, 01)

Since Vladimir Putin returned to the presidency in 2012, Moscow has invaded and annexed Crimea; occupied parts of eastern Ukraine; deployed substantial military forces and undertaken a ruthless bombing campaign in Syria to prop up President Bashar al-Assad; significantly expanded its armed forces; fun military

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exercises designed to intimidate eastern European governments; interfered in eastern European political systems; and threatened to cut off gas to the most energy-dependent European states. Putin is a career intelligence officer who is deeply hostile to democratic change anywhere near Russia, paranoid about what he believes to be US efforts to oust him, and resentful of American domination of the post-Cold War world. He seems to have made it a personal priority to waken the United States and counter American influence wherever he can.

As China and Russia are the main protagonists of BRICS, the weakening of both countries would represent the decline of both the bloc and its objectives, which are constructed around a new global governance in a multilateral and multipolar world.

Wallerstein (2013) calls all attention towards the fact that geopolitics is not the only matter of this movement, if we need to observe domestic issues of the countries that are part of BRICS, as well as the relations within the bloc and also ones among its members and other countries.

Contrary to Russia and China, which historically have engaged with national unity—expressly a clear definition about the role to be performed by the State—, Brazil does not recognize its attribution as a regional potency.

Brazilian participation in BRICS has floated since the impeachment process of Dilma Rousseff in 2016. The government of Jair Bolsonaro has presented an ambiguous posture before the bloc. Even though the President exposed, during the 10th BRICS summit in Brazil, in 2019, that the country is interested in the enlargement of business relations with international partners, he has, on the other hand, criticized this policy, affirming that “my government foreign policy has its eyes on the world, but firstly on Brazil” (COLLETA and MELLO 2019, 01; translated by the authors). Despite this, the president also used the opportunity to declare that the interests of the bloc towards a more inclusive global governance is not questionable, reaffirming his commitment to this policy.

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The Brazilian government needs thereupon to give stronger signals that both protectionism and an alignment with the USA politics are not automatic, preventing to pawn its commitments with the BRICS members, to overcome distrusts, such as those exposed by the president of South Africa, Cyril Ramaphosa, during the 10th summit:

If [Bolsonaro] acts against what is defended by BRICS, it is going to be done in function of Brazil and its citizens (...). He will be part of the BRICS family, which is irrevocably committed to multilateralism, he will be part of the BRICS family, that tries to do everything in a mutual beneficial way. If he starts to go towards a different direction, he will end up harming Brazil's interests (AGÊNCIA BRASIL 2018: 1).

There is always an evident concern over the relation of BRICS with the rest of the world, regarding the direction of globalization and effects of USA politics system. It is clearly stated when we read the final declaration of the reunion of 2018. It declares that:

We recognize that the multilateral commercial system faces unprecedented challenges. We reinforce the importance of an open global economy which lets all the countries and people to share the benefits of globalization (PAMPLONA 2018: 01).

The final declaration of the Brasilia summit of 2019 goes deeper in the issue, that had already been exposed in Johannesburg, reinforcing the multilateral commercial system. It shows the defense of the World Trade Organization (WTO), and announce the 12th reunion that was to take place in San Petersburg, Russia, in July 2020 (BRICS 2019). This ordinary summit, however, was later changed to a video conference, on November 17th, due to the Covid-19 pandemic.

It is important to highlight that there is a low expressive commerce within the bloc, which gives a few social results for the countries that may be interested in being part of the group, as it is accentuated by Lobato (2018). In her words, "it may be attributed to the difficulty in making

commitments for extremely distinct national contexts whose social policy structures are different (LOBATO 2018, 2143).

The low cooperation over issues that are not necessarily economic may be seen through this pandemic perspective. There was a virtual summit for BRICS ministers—not health minister, but chancellors—on April 28th, 2020. Albeit it was announced that agreements were established during this reunion with respect to the defense of multilateralism and the progress concerning the BRICS cooperation and its efforts in terms of global health, the effective measures were related to economic issues around the BRICS Development Bank.

The economic initiatives, such as the New Development Bank (NDB), point out towards an increasing reordering of the bloc. NDB still has the opportunity to accelerate an institutionalization of the group, which was seen until then as a debate forum.

The creation of NDB was conceived by several analysts as a reflection about world power changes, whereas other theorists emphasized the fact that the bank might be an illustrative element for China's global ambitions over power projection (DA SILVA 2019). The creation of a possible competitor that can provide financial resources under fairer conditions than those offered by the World Bank and the International Monetary Fund (IMF) would adjust the traditional center of monetary power already consolidated since World War II. As a result, the geopolitical center of power would shift, pointing up the decline of the capitalism's foundation. The NDB consolidation, conceived as a real alternative, could be an important win for the geopolitical architecture of Russia and China, consisting in the emergence of another geo-economic pole of power.

At a moment when the world economy is suffering unpredicted breaks due to the spread of the new coronavirus, caused by a great number of deaths and infections that oblige all regions worldwide to be confined, global cooperation achieves a new relevance once, to face this crisis, the most affected countries—such as Brazil—need financial assistance (UNITED NATIONS 2020).

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In short, the NDB has resurged in the spotlight to be the way of offering more advantageous financial support to overcome the crisis caused by the pandemic. It is one of the banks which Brazil has resorted to. Besides chancellors, other members of the bank have been virtually discussing financial solutions to develop ways to outbrave Covid-19. At first, in April 2020, NDB afforded a credit line of US\$ 1 billion for each country of the bloc. A new credit of US\$ 10 billion is also arranged to be divided among Brazil, Russia, India, China and South Africa (COLETTA 2020).

Table 2: Global production increase (2018-2021)

Growth of world output, 2018–2021

	Annual percentage change				Changes from <i>World Economic Situation and Prospects 2020</i> forecast	
	2018	2019 ^a	2020 ^b	2021 ^b	2020	2021
World	3.1	2.6	-3.2	4.2	-5.7	1.5
Developed economies	2.3	1.9	-5.0	3.4	-6.5	1.7
United States of America	2.9	2.3	-4.8	3.9	-6.5	2.1
Japan	0.3	0.7	-4.2	3.2	-5.1	1.9
European Union	2.1	1.8	-5.5	2.8	-7.1	1.1
Economies in transition	2.8	2.2	-3.5	3.1	-5.8	0.6
Russian Federation	2.3	1.3	-4.3	2.9	-6.1	0.9
Developing economies	4.3	3.7	-0.7	5.3	-4.7	1.0
Africa	3.1	3.0	-1.6	3.4	-4.8	-0.1
Southern Africa	0.9	-0.1	-3.5	2.7	-4.4	0.8
China	6.6	6.1	1.7	7.6	-4.3	1.7
India ^c	6.8	4.1	1.2	5.5	-5.4	-0.8
Brazil	1.1	1.1	-5.2	2.9	-6.9	0.6
Memorandum items:						
World trade ^d	4.1	1.3	-14.6	9.4	-16.9	6.2
World output growth with purchasing power parity-based weights ^e	3.2	2.7	-2.6	4.3	-5.8	0.9

Source: UN DESA.

^a Partially estimated.

^b UN DESA forecasts.

^c Fiscal year basis.

^d Includes goods and services.

^e Based on 2010 benchmark.

Source: World Economic Situation and Prospects as of mid-2020 (UN). <https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/WESP2020_MYU_Report.pdf>

Adapted by the authors.

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An analysis of table 2 let us project the impact of Covid-19 in the economy of the BRICS countries. According to data provided by the United Nations, the average GDP forecast is defined in -5.7%. China is the only country that can provide a better result when compared to the global average.

BRICS is then placed in a movement to correspond to the expectations of achieving half the GDP of 2030—as previewed by the optimistic perspectives before the pandemic (BITTAR, KRAFUNI 2019)—and a decline estimated in 5% of the BRICS GDP in 2020, as exposed by the Analytical Center for the Government of the Russian Federation. Considering the statistics of the World Bank and the International Monetary Fund, a decrease was estimated of 5% of the world GDP for the year of 2020. In that regard, we can infer that the BRICS countries have not suffered an important shock when compared to the global scenario. In this sense, China and India present good recovery expectations for their economy, compensating the bad accomplishment of Brazil, Russia and South Africa.

The Covid-19 pandemic is another component in a geopolitical scenario where BRICS must demonstrate capacity of purposeful alternatives to react against the world order collapse, through globalization revision, multilateralism reordering and international commerce regimes revision.

Conclusion

The BRICS try to establish themselves as an alternative before the reordering that all the world system is currently undergoing. In this context of unpredictability, the BRICS have to deal with the demands for consolidation as an institution and international power bloc, besides being submitted to systemic transformations engendered by the USA that struggle to remain within this hegemonic structure.

Despite Wallerstein being skeptic when it comes the future of BRICS, his analysis of the world-system provides a solid material to evaluate the

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relative USA decline and the emergence of new power blocs that could occupy the vacant spot left by USA primacy.

Likewise, the Wallerstein's construct, with the aid of Geopolitics and International Relations theories, provides instruments to analyze the economic reality of BRICS as well as formal aspects of power, in terms of hard and soft power.

BRICS member countries face the challenge of holding a utopic purpose that is unpractical, however not confirmed as a consolidated economy of the strategic triangle formed by China, India and Russia. To do that, it is necessary to increase commerce among the countries and catalyze the spillover effects of being part of the bloc, particularly through greater enlargement of the New Development Bank. Regarding Brazil, one needs to understand how far the interests of the bloc, expressed in the construction of a more inclusive new global governance that defends globalization and multilateralism, in fact express Brazilian national interests. Following the Brazilian discourse towards the bloc, the synergy seems to be clear, which on the other hand does not confirm official declarations—according to which Brazil expresses its ambiguities and contradictory interests concerning its international strategic insertion.

Shrouded by an uncertain scenario, BRICS searches to be an actor capable of purposing alternatives within a breaking order, facing the global rearrangements of power. The countries of the bloc, considered as emergent, will need to (re)emerge in face of the Covid-19 pandemic and its crisis, which is now another structural element on the geopolitical chess board. The BRICS capacity for economic towards the rest of the world may forecast the future of the bloc.

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China's Pragmatic Reformist Approach to the World Order

Miao Ji

China's continuous economic development and rapid military modernization in recent decades have led to heated discussions among scholars and policymakers regarding the implications for the existing regional and global order. This article does not hope to add to the already large stock of studies on how Westerners evaluate the scope and depth of the challenge from China. Instead, it will provide a Chinese perspective on the existing world order, the bases of China's world view, and China's evolving conceptualization of the world system today. The article will also outline China's official stances with respect to reforming major international organizations, and evaluate China's new dynamisms, and the limitations constraining its endeavors to reform the existing world order under China's present leadership. I will put forward evidence that, although President Xi has adopted a more proactive foreign policy, launched grand initiatives that may increase China's leverage and taken a China-exceptionalist approach, his pragmatic reformist approach is in fact consistent with his predecessors. That calls into question the Western view that foresees major conflict between dominant and rising powers, indicating instead a more accommodating China. Whether China will choose to adjust itself to the existing order or to challenge it will, after all, be determined not by how Westerners perceive its role, but rather, by how China views its relationship with the status quo.

Views of China and Today's World Order

China's continued development has implications which have divided scholars from both the West and China (Xu 2019; Wertheim 2020; Wright 2020). China's island construction, deployment of defensive equipment, and law enforcement actions in the East and South China Seas are widely cited and criticized as evidence of China's "assertiveness" (Swaine and Fravel 2011, and Yahuda 2013) or of China's attempting to "change the status quo by force" (Carter 2015; Reynolds 2015). For the many who would prefer continued American dominance, China's new economic power and international influence pose a major threat to American hegemony and the liberal order it leads. China will, it is argued, seek sooner or later to push the United States out of the Asia-Pacific region, and security competition between the two leading powers may heighten the possibility of a war between them (Mearsheimer 2014). The "Thucydides' trap", a buzz word which propounds the "inevitability" of a war between a ruling power and any rising power (Allison 2017), is widely referred to in discussion of China-US relations as a cardinal challenge to the world order.

Contrary to such pessimistic evaluations of the implications of China's rise, some scholars' views are more positive. The positivity is most often based on their confidence in American power and its perceived sustainability. John Ikenberry believes that, instead of undermining the liberal world order, the rise of China and other authoritarian powers is actually enhancing it (Ikenberry 2011). In his understanding, China and other emerging great powers do not want to contest the basic rules and principles of the liberal international order; they wish to gain more authority and leadership within it. Brazil, China, and India have all become more prosperous and capable by operating inside the existing international order—benefiting from its rules, practices, and institutions, including the World Trade Organization (WTO) and the newly-organized G20. Some European scholars share that understanding. In fact, there are proposals that one of the EU's explicit policy priorities in its dealings

with China should be to support China's emergence as a successful and responsible member of the international community (Blankert 2009).

But there is a third approach. Instead of expecting the US leadership or China replacing the US as the next hegemon, the third approach tends to position USUS-China competition in a broader context. It foresees a grander power shift or diffusions of power from Europe to Asia, from the West to the rest, and from state to non-state actors. For instance, Brantly Womack sees the possibility of a multi-nodal world order made up of a matrix of interacting, unequal units. Each pursues its own interests within an internationally accepted regime with interpenetrating transnational connections. China could be a primary actor, but there is no bipolarity or hegemony (Womack 2014). Amitav Acharya is another author who foresees the “end of the American world order”, China's rise and America's relative decline. He presents a decentralized, more pluralistic scenario—a multiplex theatre with a choice of plots (ideas), directors (power), and actors (leadership), in which the USUS needs to work with China and other emerging powers and regional forces to shape the world (Acharya 2014). Certainly, the ongoing contextual changes are also creating uncertainties and having unexpected results for world politics (Nye 2011, and Katzenstein and Seybert 2018). Such uncertainties are more strongly felt by many middle or smaller powers who tend to be more sensitive to such massive geopolitical contests. Given the cataclysmic result which must be expected from any unchecked confrontation, and since no power can expect to triumph over the others at an affordable price, “The outcome over time will depend mainly on the capacity (or its absence) on both sides, to understand and respect deep differences in civilizations that are built over hundreds and even thousands of years” (Mahbubani 2020). While academics debate, American political elites seem to share a bipartisan consensus that China is posing a grave challenge to American hegemony and the liberal order it leads. A newly published American congressional report on the South and the East China Sea regards the two seas as a new arena of U.S-China strategic competition (Rourke 2020). The US has been especially vigilant in opposing China's international agenda.

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It takes a competitive approach targeting China's regional policies, and has been making new military deployments, increasing aid, developing new infrastructure, and provoking similar resentment against China worldwide. America's most recent "National Security Strategy Report" has adopted an unusual hardline policy which defines China as a "strategic competitor", the first time the US government has done so explicitly (Anonymous 2017). The US government has claimed in a recent official document that China is "exploiting the free and open rules-based order and attempting to reshape the international system in its favor". And it asserts that the US "...has adopted a competitive approach [with] tolerance of greater bilateral friction" (Anonymous 2020).

These views of China's rise and its implications for the existing order are generally from a Western or even American perspective. Unsurprisingly, China's resurgence as a non-democracy is seen as undermining or ending America's unipolar moment. That is by no means a pleasant or desirable happening from a US-dominated point of view (Ikenberry 2008). Yet many scholars acknowledge that this is different from a real challenge to the America-dominant institutional order. They accept that as China gains power its behaviors will more often be determined by its own interests, experiences and conceptualization, and less by its interactions with Western powers and their perceptions or expectations. Therefore, assessment of China's attitude and policies towards the existing order should be based on a review of its own perceptions, practices, and propensities. Failure to take them as basis will severely undermine the overall reliability of any such endeavor, and may lead to misreading or mis judging Chinese practices.

China's View

China's worldview is based on three conceptual streams. First and foremost is still China's communist revolutionary tradition. It remains the basis of China's political ideology. Reformation and opening-up have relegated some of its Marxist elements to the sidelines, and Chai has explained that

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China's ideological line has shifted from Marxism-Leninism-Maoism to the pragmatism and multilateralism of the Deng-Jiang-Hu era (Chai 2003).

The communist ideal does not have a direct impact on the emerging world system since China no longer seeks to export communism as it once did in the 1960s. Neither does it have any interest in exporting the so-called Chinese model of development that combines a one-party political system with a market economy. Generally, Chinese thinkers have come to believe that the China model will work in China's social reality and that it cannot easily be reproduced elsewhere. It therefore cannot serve as the competitive alternative for other countries, which has worried many Western scholars. This said, Chinese internationalists believe that any emerging order should respect China's choice of rejecting their version of democracy in favor of China's "democracy with Chinese characteristics". The world system must accommodate diverse regimes if it were to be legitimate. China rejects any international attempt to challenge its domestic order.

A second important influence of China's worldview is its Confucian-Buddhist-Taoist tradition. It emphasizes and advocates introspection, respecting differences, compatibility, peace, and harmony in diversity. That allows the Chinese to differentiate themselves from most Western powers which tend to have more of a zero-sum mindset. Some leading Western scholars have explained well China's openness and diversity as a civilization and its ability to attract and assimilate differences (Katzenstein 2013). Such cultural hybridization and plurality tend to make China's vision and practices more adaptable and compatible with other streams of thought. Perry goes as far as to assert that China's leadership has turned to Chinese tradition for legitimacy, wisdom and inspiration in developing its visions and proposals for a future world system (Perry 2012). In turning to tradition, China endeavors to find an alternative to the clear-cut pro-conflict power competition mindset common in the West. Certainly, China never sought to conquer or colonize other cultures or peoples during the long periods when it enjoyed primacy in Asia.

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And of course, memories of China's "hundred years of humiliation" remain very influential. Every Chinese remembers that beginning in the 1840s, when imperialist powers imposed treaties, claimed territory, took China's wealth by force and repressed its people. This serves as important background knowledge for Chinese decision-makers and public opinion, which has become increasingly influential in China's policy formation. The hundred-year humiliation has made modernizing the country and restoring China as a world power a top priority, so the miserable hundred years can never be repeated.

The hundred years of humiliation also provide a primitive incentive for China to reform the existing order that prioritizes the interest of the industrialized West. It makes China a natural reformist power. It also determines the nature and framework of China's ideal order. That ideal is based on coexistence, respecting sovereignty, and giving due share and say to developing countries. As the largest developing country, China shares common understanding and interests with the developing world. The hundred years of humiliation also means that China remains sensitive to any neglect of its regained national confidence and pride. That will make compromise difficult if any other power tries to use coercions instead of persuasion in dealing with China. It also means China will resist the establishment of any new imperialist, hegemonic, racist or interventionist world system.

China's Ideals

China's political leaders have consistently proposed their own vision of a better world order, even before China recovered its legal status within the United Nations and its Security Council in 1971. In 1946, Mao Zedong already expected a bi-polar world order made of two camps respectively led by the Soviet Union and the US, separated by a vast "intermediate zone" of colonies and semi-colonies in Europe, Asia, and Africa. In 1954, China, Myanmar, and India proposed the Five Principles of Peaceful

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Coexistence: mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other nations' internal affairs, equality, and mutual benefit and peaceful coexistence. The five principles remain at the core of China's foreign policy even today. Certainly, China has supported decolonization and independence movements in Asia, Africa and Latin America.

China's policy has not been driven primarily by ideology, but rather by a need to demonstrate independence, by its calculation of national interests, and by its international justice perceptions. Even though China was a key player within the socialist camp led by Soviet Union in the 1950s and once emphasized anti-capitalist "world revolution" rhetoric in the 1960s, it held ambassadorial Talks with the US in Geneva between 1955 and 1970 over repatriation of nationals and other issues of mutual concern. And then in the 1960s China opposed both superpowers and harshly criticized Soviet Union for "great power chauvinism", "socialist imperialism" and "hegemonism". China supported national independence movements in the "intermediate zone", since it believed that its own independence required overall independence of the repressed developing world.

At the United Nations General Assembly in 1974, Deng Xiaoping elaborated a Chinese view of the international order based on Mao's "three worlds" theory, which regarded the US and the Soviet Union as the first world, the vast developing countries in Asia, Africa, and Latin America as the third; with Europe, Japan and other countries in the "intermediate zone" as the second. It was the first time China explicitly expressed its view of the international order. In the 1990s, following the collapse of the former USSR and the cold war standoff, China once again proposed its vision of a multi-polar world and a fair and equitable international political and economic order in which China would serve as one of the major poles. China today believes that a multipolar world can better contribute to democratization of international relations and better serve the public good of humankind than the bipolar setup during

the Cold War, the unipolar world the US has proposed, or a tri-polar one the EU and Japan have supported.

Chinese Initiatives

In the Hu Jintao era, China was relatively more focused on domestic policy and China's leaders displayed pragmatism. At the summit commemorating the 60th anniversary of the United Nations, President Hu conveyed China's view of a new world order centered on the UN. Politically, he proposed common security based on multilateralism, and he highlighted collective security both as a goal and a viable means. He also proposed a new Chinese security concept based on mutual trust, mutual benefit, equality, and collaboration. Economically, he called for a mutually beneficial regime requiring greater responsibility from developing countries and south-south cooperation. Culturally, he called for building an inclusive and harmonious world that respects the diversity of civilizations. Finally, he supported gradualism in UN reform (Hu 2005).

After Xi Jinping took office in late 2012, he also systematically elaborated a Chinese vision of the global order in an interview for *The Washington Post*. It recognized US leadership and welcomed the US to play a constructive role in Asia's peace, stability and prosperity. He subsequently repeated that "The Pacific Ocean is vast enough to accommodate China and the United States" (Anonymous 2017; Anonymous 2018) and called for "a new type of great power relations" between China and US, different from the West's former relations with rising powers which often lead to war (Allison 2017). Wang Yang, then Chinese Vice Premier, addressed the China-US Business Relationship Forum in 2014, openly assured his US audience that "though China is America's global partner, the US is leading the world, and China has neither intention nor ability to challenge American leadership" (Wang 2014). An overview of China's intellectual landscape on key issues of regional order shows that, rather than aiming to replace the US hegemony with a Chinese led tributary system, Chinese scholars advocate mutual accommodation between China and the US (Wang and Meng 2020).

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When President Xi addressed the 95th anniversary meeting of the Chinese Communist Party, he stated that “China will always remain the builder of world peace, a contributor to global development and upholder of [the] international order”(Xi 2016). China is one of the countries that has benefited most from the existing regime’s free trade sustained by the World Trade Organization, and the financial regime of the World Bank, the International Monetary Fund, and the Asian Development Bank. That has made it a major supporter of the existing order. Though US-China relations have become very turbulent and confrontational, the salience of the bilateral relationship has not been diminished. Indeed, it has only become more important. China’s Gross National Income (GNI) per capita (\$10,410 in 2019) remains below the world’s average (\$11,560) (Anonymous 2020) and roughly one sixth that of the US(\$65,760) (Anonymous 2020), China will prioritize its economic development in the decades to come, so it has no reason to undermine this principle. The Chinese leadership is committed to further opening-up the economy by significantly broadening market access, improving the environment for investors, protecting Intellectual Property Rights (IPR), and expanding imports (Xi 2018).

So, what in Xi’s mind is new with respect to the emerging global order? Xi Jinping has proposed building a “human community of common destiny”, the translation of which was later revised to “human community of shared future” to allay international skepticism. The Communist Party’s 19th congress in 2017 revised the Party Constitution to add the party’s aim to “promote building [a] human community of shared future, promote building a harmonious world of lasting peace and co-prosperity” (Anonymous 2018). And of course, there is the grand “Belt and Road Initiative”(BRI), with its massive investments in infrastructure to improve connectivity between China and relevant countries, help expand trade and investment, and promote economic integration and people-to-people exchanges. It could be regarded as China’s version of globalization.

China's Preferred Reforms of Major International Regimes

The existing order generally has three facets: the power structure, the rules, and international organizations. Generally speaking, reforming the power structure often serves as the foundation for reforming any international regime, but it does not necessarily lead to reforms in proportion to power distribution, since newly-acquired hard power cannot easily be translated into institutional influence. The impact of power structure changes on rules is often twofold. In most cases, a rising power seeks a greater share of voting rights or say without significantly changing the existing rules. Such an approach does not often lead to system instability or failure. China's rise and the revisions it seeks generally conform to this approach. In other cases, a rising power will seek to enlarge its share of voting rights and influence within the existing rules while seeking to revise the rules significantly. That approach tends to be more difficult or even violent since the existing powers may see the rising power as a grave challenge to their interests and primacy. A rising power often seeks to expand its influence within major international organizations by increasing the number of its nationals being nominated to lead them. China has been active in this regard.

Although China does not seek to overthrow the existing international order, it is nevertheless unsatisfied with it. Today's institutions—the United Nations, International Money Fund (IMF), the World Bank and the predecessor of World Trade Organization, the General Agreement on Tariffs and Trade (GATT)—emerged in the wake of World War II. The world is very different today. Major reforms are needed to align the existing regime with the “new normal” of world politics and to address the new challenges humankind faces. A sustainable order needs to be inclusive and accommodating to assimilate rising powers and reconcile political and cultural diversity.

In China's view, the United Nations is the most representative and authoritative international organization (Anonymous 2019). But China

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supports necessary reforms of the United Nations, notably its Security Council. China supports more seats from developing countries and suggests that if the Security Council were to enlarge at least one seat must be given to an African country. China's attitude regarding reforming the WTO is similar. China fully embraces the core non-discrimination and openness values of the world's most important trade body, but it holds that the multilateral trade regime should better secure the development rights of developing countries and provide necessary help to solve the problems involved in better integrating them into the global economy. In all these efforts China emphasizes consensus-based decision-making (Anonymous 2018).

Apart from the UN and WTO, China sees even more pressing needs to reform the IMF and the World Bank. Within the IMF, the OECD countries have retained an overwhelming sharing of the voting rights since its establishment, currently still 63.09%. The US alone has retained a voting right of 16.73%, allowing it to veto any decisions regarding personnel or reforms in the voting shares. It rejected Germany's proposal in 2000 to nominate its then deputy finance minister as head of the organization (Kahn 2000) and recent proposals to increase China's share of voting rights. That has led to major legitimacy crisis of the international financial organization (ANONYMOUS, 2010; 2020). The World Bank is committed to reducing poverty while the IMF strives to be a stabilizer, for example during financial crises. Given that developing countries are the major borrowers from both organizations, the voting structure should be reformed to shift the focus from the U.S and Europe to developing countries.

All of China's reform proposals are aimed at increasing the legitimacy and effectiveness of the current regime rather than undermining them. On most occasions, China proposes to increase the share and say of developing countries, which account for the vast majority of the world's sovereign states and population. Even though reform of multilateral international regimes remains very difficult and little progress has been made, China's trust in these existing institutions remains firm,

its commitment to them remains strong, and its support for them has steadily increased. China has never delayed, or cut its funding for these organizations, or threatened to quit them because they have not met China's expectation. Actually, the opposite is true. China has steadily increased its commitment to and support for most of the international organizations of which it is a member. Even leading American scholars believe that the major challenges for the liberal international order arise from American itself, not Chinese (Ikenberry 2017).

In areas where the existing organizations fail to function effectively or sufficiently, China has tried in recent years to initiate some changes or launch some alternative organizations, especially in the finance sector given China's growing economic influence. For instance, in order to fund Asia's infrastructure needs, China established the Asia Infrastructure Investment Bank (AIIB). It is designed to be a major financial cooperation organization in which China will play a key role. China has also unilaterally launched the Silk Road Fund to support the infrastructure projects under the Belt and Road Initiative. Those institutions operate in compliance with international law, however, and China is not openly questioning the fundamentals of the current system (Nathan 2016). This has allowed the World Bank, the IMF, and the Asia Development Bank to openly express their willingness to cooperate with the AIIB (Donnan 2015).

China's attitudes towards some major American policy initiatives reveal its perspective on the US-led order and its own vision for a new one. For example, in 2009 China rejected a G2 proposal by the former US National Security Advisor Zbigniew Brzezinski (Economy and Segal 2009) because it was rooted in the mindset of power politics and dividing up "sphere of influence". China felt that was against its understanding of international justice and its proposals for a multipolar world. However, it accepted the role as a "responsible stakeholder" expected of it by former US Deputy Secretary of State, Robert Zoellick (Zoellick 2005). The

concept indicates America's recognition of China as a key member of the international community with a serious interest in an inclusive, multilateral world. That fits well with China's ideal order and its own identity aspirations. It also signaled US engagement and cooperation with China. Thomas J. Christensen has reviewed China's actions and attitudes with respect to traditional and non-traditional security issues ranging from North Korea, Iran and Afghanistan to global health and energy. His evaluations are generally positive, although he finds China's human rights record military build-up less satisfactory (Christensen 2006). China since expressed positive feedback to the "Strategic reassurance" ideas by Zoellick's successor, James Steinberg. He calls for building a sustainable, generally cooperative relationship between the two superpowers by providing mutual reassurance in key areas such as nuclear weapons, missile defense, operations in space, cyber security, and military basing and deployments (Steinberg and O'Hanlon 2014). China deems such an apparently realist approach necessary and desirable since it helps manage confrontation and prevent major incidents from escalating via political compromise between the two governments. It would show that both countries are willing to stabilize the relationship via dialogue and on an equal basis. Leading Chinese scholars have made similar proposals whereby "China assures the US that it won't challenge the latter's hegemony and its liberal order internationally, while [the] US assures China it won't challenge the CCP's domestic order" (Wang 2015).

• China's Limitations in Pursuing a New World Order

China did not realize its potential role in reforming the world order until recent decade when Western scholars began to focus intensively on China's rise and its implications for the West (Zakaria 2009; Katzenstein 2013; Acharya 2014). In order to encourage China to buy into the core tenets of the US-centered order, the US has tried to accommodate China's interest in some situations. That accommodation falls into the spectrum

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of America's long-term "engagement + containment" strategy that dates to the Clinton times immediately after the collapse of the Soviet Union. The objective is that China finally becomes a democracy which will fit into the existing world order without substantially changing it (Copper 1996; Zhao 2000; Zhao 2006; Chen 2013). As China's expected reform and opening-up continued, Henry Kissinger even called for US-China collaboration in building a truly global World Order (Kissinger 2013). That proposal is consistent with Zbigniew Brzezinski's idea of "a group of Two that could change the world" (Brzezinski 2009). Indeed, many believe in the prospect of coming Chinese leadership. Chinese academia, for one, has wide discussions on a post-American or even "de-Americanized" world. (Zheng 2014).

China's new, grand international Belt and Road Initiative is believed to bear major implications for the international order in the Asia-Pacific region and in the world at large. If successfully carried out, the initiative may help create a well-integrated economic bloc reliant on Chinese capital and expertise and accepting of China's philosophy. By bringing Eurasia and the outside world together, the initiative helps entrench Sino-centric patterns of trade, investment, and infrastructure and strengthen China's importance as an economic partner for its neighbors. That will potentially enhance Beijing's diplomatic leverage in the region and beyond (Kennedy and Parker 2015). It will create new arrangements and institutions based on shared values, interests, and development experience. As many as 140 countries or economies around the world have signed on or are working on projects under the framework, so its implications will be global. China could propose to establish a new international organization based on the initiative's participants. Its experience with the Shanghai Cooperation Organization would help ensure success. There are arguments that the BRI and the AIIB are designed to challenge the current world order, to dethrone the Washington Consensus, and to build a superior world order based on China's ideas.

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Many observers, especially Western scholars, judge China's intentions from its gestures towards its immediate neighbors. They focus on multiple territorial disputes, notably with Japan in the East China Sea and with several nations in the South China Sea. China's legal enforcement operations are regarded as China's "new assertiveness", (Swaine and Fravel 2011) and its revisionist attempts towards the international order. When China and the US remain at odds over various issues, China's relationship with the developing world, the foundation of its diplomacy, is facing severe challenges. The shifting nature and dynamism of China's relations with developing countries have called into question China's "South-South cooperation" rhetoric and its policy of "unity of developing countries" (Miao 2015). Scholarly discussion within China about whether China should shift from its long-standing "keep a low profile" tactics to a more proactive foreign policy has also invited international skepticism (Yan 2014).

China's Limited Goal

It remains unclear whether China has the intention to reform the international order and, if so, whether it has the necessary capacity and experience, even though it now has greater chance to make the incoming reform of the international order in favor of its "national rejuvenation" (Yan 2014). The PRC is today a vigorous and vitally important participant in the world economy, and it has become a member in good standing of a wide array of both global and regional multilateral institutions. China's lessons from its own history as a revolutionary state excluded from the world system and as a reforming state that has benefited enormously from the system have driven it to seek closer integration into the existing system. Reforms had been negotiated or carried out with the support of major international institutions, albeit with China as a participant rather than a leader. Much of China's participation has been without expecting that reforms will substantially favor its own interests.

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China often emphasizes that it was an independent and sustainable civilization long before the modern system took shape. Through constant division and reunification, it survived and thrived. But China has no expansionist tradition. It has no interest in other countries' land. China expanded its territory over time, but such expansion was not achieved by conquest. Rather, conquering Mongols and Manchus were culturally absorbed and adopted Ethnic Han's systems (Gao 2018). The Chinese didn't habitually grab other people's land or wealth, though in the long history they definitely had the capacity to do so (Hsiung 2002). Today, China's recent moves in the East and South China Sea, and its border disputes with India, are not different from any other nation's territorial disputes and should not be regarded as revisionist. Rather, those disputes are closely related to earlier imperialism and colonization by Western powers.

Had it not been brought into the modern capitalist system by violence, China would have remained a wealthy polity independent of the capitalist orbit or have developed capitalism in its own pace. After the Communist take-over, China was isolated by the capitalist world and for most of the Cold War it was against the Soviet Union too. China was not peripheral to the West-dominated world order; rather, it was an independent system paralleling it. China's reform and opening-up were driven by its domestic considerations, and its economic growth remained modest when it enjoyed good relations with the US and Japan during the last two decades of the 20th century. China's economic resurgence after its WTO entry was achieved based on its low-cost, hardworking population, proper developmental strategy, and the comparative advantage that is crucial in globalization. All its wealth and technical progress was accumulated with heavy costs (in terms of human rights and the environmental, for instance). International resources were drawn via trade in a mutual beneficiary manner. Nothing was "grabbed" as many Westerners have claimed. So, China was not free-riding on the "liberal international order" without assuming the international responsibilities of other powers. As a developing country, China has been providing international assistance

disproportionate to the size of its economy. China will choose its own developmental path, political regime and international relations based on its own need and capabilities.

There is a fundamental consensus among Chinese elites that the nation's strength comes from within, and that it can only influence the world by changing itself (Zhang 2002). In the coming decades, China will continue to prioritize its domestic agenda, and it will seek to further integrate itself with the existing system in support of its domestic growth. Even though reforming the existing international regimes would contribute to China's interest, it is not the nation's priority. A China-centered international order is even beyond its expectations.

Sustained US Hegemony and China's Leadership Deficit

American hegemony and the liberal order were realized via institutions and generally accepted norms developed under the very unusual conditions after World War II, supported by American primacy. China must reframe its policies within the existing order characterized by US primacy in material, institutional and conceptual power without challenging it, at least within the next few decades to come. As the regime evolves, China's further adjustment will be needed. It is likely that China will overtake the US economically within one or two decades, but not in military might, science or technology, even less in terms of institutions, values, or more popularly, "soft power". One can hardly expect in the foreseeable future that the Belt and Road Initiative will breed a brand-new regional order accepted by most countries. Even economically, the WTO, IMF, the World Bank, and the principles on which they operate will continue to serve as pillars of the international economic and financial architecture. The US regards the progress of the Asian Infrastructure Investment Bank (AIIB) as challenging the existing financial order and U.S hegemony, but in fact it is not and will not be manipulated by China, given its decision-making

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structure. Instead, it will adopt American dollar as its major currency and run according to international standards. To do otherwise could hurt China's reputation and further call into question China's good intentions. That will penalize any future attempts to reform the world order.

If China wants to reform the system, it needs allies, including strategic allies within major international organizations, especially at the United Nations, the International Monetary Fund (IMF) and the World Bank. It also needs to have allies and supporters within each regional and global multilateral institution it hopes to reform. China does not have such partners in sufficient numbers today. This is partially owing to China's traditional non-alignment and partially due to China's particular position in the world system. Russia has generally been supportive in the UN's Security Council, and there is some coordination of their stances in international politics. But Russia has only a minor say within the World Bank and IMF decision-making. The Shanghai Cooperation Organization started from a security-oriented mechanism to jointly address the international terrorism in Central Asia, and it is emerging as an important regional center of governance. However, economic integration or even cooperation among its member states remain limited, and leadership competition between Russia and China may arise as its influence expands. Its recent extension of membership to India and Pakistan may have complex effects on its roles too. Comparatively, the BRICS may prove more effective as an instrument for further reform of international systems. Its major emerging powers are more representative of the world's geographical and geopolitical landscape. They credibly represent the "global South" and are distinctly non-Western. However, owing to its limited institutionalization, the BRICS "... is best seen as one minilateral forum among others where countries can publicize joint opinions and coordinate positions on specific topics" instead of as a coherent strategic bloc (Patrick 2015).

Owing to China's particular political system and values and the mentality of its leadership, China's chance of pioneering an alternative

value system remains slim. China's vision and proposals for a future international order based on its traditional culture are compatible with existing universal values. They are welcome by some, but hardly agreed or accepted globally. This was the case with the "harmonious society", "harmonious world" and "people-centeredness" of former President Hu Jintao. It remains true for "the right approach to upholding justice and seeking interest" mainly for African countries, the principles of "amity, sincerity, mutual benefit and inclusiveness" (mainly for China's neighbors), and the most recent "human community for shared future" proposed by Xi Jinping. China's Confucius Institutes are generating severe criticism in the US and some European countries. There are various reasons, but the most important seems to be a general fear of China's cultural expansion (Gao 2019; Anonymous 2019; Portman 2019). But Chinese leaders see themselves as rejuvenators of Chinese civilization, emphasizing China's uniqueness. This even though it is modernization and industrialization that made China what it is today (AMAKO 2015). Therefore, China cannot simply take the lead in building a new world order based on accumulated material power. The soft power deficit remains a greater challenge.

China's Belt and Road Initiative is to a large extent a rebranding of many previously proposed or existing projects. Some of the projects would be carried out anyway, regardless of any grand strategy. But China will be coordinating the initiative's many projects, which are often overlapping or even competing. The initiative's first stage involved lots of problem-solving, through which China hoped to alleviate perceptions of any "China threat" and minimize skepticism about China's "assertiveness" in its neighborhood (Swaine 2011; Townshend 2016). However, in more practical terms, China's expectations of economic benefits and the geopolitical benefits of securing its energy and other trade routes may have been overestimated (Miao 2015). The Belt and Road Initiative will not challenge the existing global institutions, nor their values and conventions developed mainly by advanced economies. China's leaders now describe the BRI as an economic rather than a strategic initiative. Even

if the whole grand initiative were carried out successfully, China could at best build a parallel system complementary and compatible with the current ones. It will not replace the U.S.-led order.

Chinese Characteristics and the Existing Order

As China and the US jockey for power and influence, their competition is between two diametrically different models of governance described as Beijing Consensus and the Washington Consensus (Ramo 2004). Beijing favors authoritarian regime, a transformative brand of capitalism and an entirely different conception of the international community. One aspect is unconditional aid, which tends to make it an attractive alternative for many countries ranging in Southeast Asia, Africa, and Latin America. Its acceptance would fuel the diffusion of power from the West (Halper 2010). This has led Kiron Skinner, formerly the director of policy planning at the US State Department, to describe US-China strategic competition as a “clash of civilizations” (Gehrke 2019). Such rhetoric indicates a spillover of US-China competition from the material sphere to the fundamentals of institutions, development paths and governance conceptions. China's leadership has also waged an ideological campaign to enhance confidence in the path, theory, system, and culture of socialism with Chinese characteristics while trying to limit the influence of western values domestically.

With its remarkable economic achievements, China believes some of its development experience may be useful to other countries at a similar stage of development. It tries to share its experience with other societies that are interested. However, China does not believe that it has yet developed a sustainable model. China does not seek to promote such a consensus with other countries for the sake of its own interests. It acknowledges that some aspects of its own development pattern may not fit to the real conditions of other societies.

In fact, President Xi's major ideological campaigns do not constitute a major return to the leftist tradition common in Mao's time. They

are a tactic to address challenges to the CCP's legitimacy, which had long been called into question by an economic slowdown, public anger about corruption, income disparities and persistent, severe pollution (ZHAO 2016). The campaigns have generally been confined to the "thought work" with respect to the party line and have not often been translated into real policies. They have not undermined pragmatism in making domestic and foreign policies.

More importantly, those who promulgate exceptionalist rhetoric may have overrated China's particularities and overlooked the universality of its development. In fact, China's extraordinary rise over the past four decades is not a result of its particularities nor its one-party governance. State-capitalism and China's unique culture may have contributed, but China has grown economically primarily because it accepted industrialization, a market economy, political decentralization, and other proven values consistent with development experiences of other, more advanced economies.

President Xi's doctrine, if reviewed carefully, is a typical reformist one in the spirit of his predecessors in the reform and opening-up era. From Deng Xiaoping to Xi Jinping, each Chinese leader seems to have adopted a China-exceptionalist discourse emphasizing the party monopoly of political power, the communist ideal and China's tradition. None has denied the importance of democracy, the rule of law, and the protection of human rights. Democracies speak similarly. There seems to be a dichotomy, and President Xi has been working unwaveringly to check the influence of western values and build confidence in China's uniqueness. But he has taken further steps towards reform and opening up, with more connectivity and integration with the international community.

That is why China's growing confidence in its unique institutions, its development path and its traditional culture should not be regarded as evidence of an ambition to replace the American model. It is a natural consequence of economic success, a tactic to address a domestic legitimacy crisis and enhance ideological security, and a gesture to maintain China's autonomy internationally.

Conclusion

China remains a focus of academic discussions, regarding its policies and their implications for the emergence of a new world order. However, China's own perspective has not been sufficiently studied. Scholarly assessments have tended to be U.S-centric as a result. Without good knowledge of how Chinese thinking and its vision of the world are determined, one may not be able to understand the logic of China's behavior, and may possibly misread or misjudge Chinese practices.

China's international vision is generally inspired by communist principles, tradition, and its "hundred years of humiliation". As a historical great power, China has kept an eye on the larger picture of the world system and has shown lasting interest in revising regional and world arrangements, knowing its ability to survive and thrive is closely related to countries within the region and beyond. A review of the statements of Chinese communist leaders since the 1940s indicates that their vision of the existing order tends to be pragmatic yet reformist. That has remained consistent. China recognizes the importance of international arrangements for safeguarding international justice and public good internationally. It has tried hard to win its due place within international organizations. Its efforts have been political, diplomatic, and economic. It has gone so far as to adjust and to some extent compromise its economic structure, its legal system and to a lesser degree its political regime. This has been very difficult and costly, and many of the adjustments are not easily reversed. China has an innate drive to develop itself within the existing order and it is in China's interest to maintain that order's effectiveness.

China's official proposals for change in the major international organizations such as the UN, the WTO, the IMF, and the World Bank have been consistent: multilateralism should remain the main channel for global governance with its norms and principles unchallenged and fully practiced; the share and say of developing countries should be increased; reforms should be undertaken after negotiation and dialogue and not be unilateralist or under duress.

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Under its present leadership, China has displayed greater interest in and has felt greater incentives for reforming the existing regime. The Belt and Road Initiative may add to China's leverages in its bid for a new order that favors its own interests. President Xi has adopted exceptionalist rhetoric domestically, while internationally he proposes grand visions for a new world order in terms of a human community of shared future. His proposals are, however, basically consistent with those of his predecessors.

China's leadership deficit arises from its prioritizing its domestic agenda, its lack of key allies internationally, and the weakness of its soft power. This will restrain China's efforts to effect substantial change on the existing order. China must continue to engage with the US, accept it as the dominant superpower, while seeking to grow within the existing system of institutions. Gradual reform may be achievable, but only via new regimes, complementing and compatible with the existing ones.

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America First Strategy: the End of Hegemonic Cycle of Global Power?

Guilherme Sandoval Góes

Introduction

The present work aims to examine the epistemological connection that exists between the beginning of the United States' global hegemony and its different national security strategies (NSS), from the end of the Eurocentric world, in 1945, to the present, with the promulgation of the 'America First' Strategy. Therefore, one must examine five major US strategies from the end of World War II to the present:

a) **Containment Strategy** (George Kennan), a strategic paradigm designed to halt Soviet expansion and enforced throughout the Cold War;¹

b) **Strategy of Engagement and Enlargement** (Bill Clinton), conceived in the early 1990s and developed from the collapse of the Soviet Empire, being the basis for the phenomenon of neoliberal globalization;²

c) **War on Terror Strategy** (George W. Bush), a post-September 11th configuration, whose dominant line is imposing the so-called *pax americana*,

1 Under the generic label of Containment Geostrategy, a series of United States foreign policies aimed at stopping the spread of communism across the planet. Their main creator was George Frost Kennan.

2 UNITED STATES. U. S. National Strategy of *Engagement and Enlargement*. Administration of William Clinton. Washington, D.C. Press, feb. 1996.

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here envisioned as a unipolar order based on the “either with me or against me”;³

d) **Transatlantic and Transpacific Alliances Strategy** (Barack Obama), a strategic archetype that seeks to reconstruct US hegemony from the resumption of its global leadership and economic aggrandizement;⁴

e) **America First Strategy** (Donald Trump), a strategic conception that denies the triad theory and lays the foundations for the era of economy (de)globalization and US international isolationism.⁵

In fact, to understand the true meaning of the Trump Strategy, it will be necessary first to examine each of these American archetypes, with the academic intent of organizing them systematically and, finally, to point out, in conceptual terms, their theoretical foundation. It is our strong conviction that the 21st century strategist has the challenge of understanding the evolution of world order paradigm in light of these great American strategies, as they are in essence the genesis of its construction.

With such intellection in mind, it is easier to read world order from a more sophisticated scientific framework and that is coherent, at the same time, with the geopolitical power play of dominant states and the degree of effectiveness of their global hegemony structures. In fact, this article will try to show that the Postmodern World Order has been undergoing radical changes as a result of four great moments of paradigmatic rupture in the history of humanity, namely: the fall of the Berlin wall (1989), the fall of the twin towers (2001), the liberal financial crisis (2008) and, now, the coronavirus crisis (2019). Surely, these events have serious consequences,

3 UNITED STATES. *US National Strategy of Defending The Nation Against Its Enemies*. Administration of George W. Bush. Washington, D.C. Press, sep. 2002.

4 UNITED STATES. *US National Strategy of Nation Renewal and Global Leadership*. Administration of Barack Obama. Washington, D.C. Press, may. 2010.

5 UNITED STATES. *US National Strategy of Making America Great Again*. Administration of Donald Trump. Washington, D.C. Press, dec. 2017.

and bring with them the struggle between imperialism, globalization and geopolitics. As Brian W. Blouet states:

From one perspective imperialism involves globalization. Core countries reach across the world to obtain products and resources unavailable in the home territory and create transglobal linkages. But once imperial powers took possession of territory and controlled access to colonies, they partitioned earth space in ways which prevented free interchange. (Blouet 2001, 19)

In times of Covid-19 crisis, geopolitics and globalization mingle in such a way that they form an epistemological oneness, which traces the paths of the international system. The figure below summarizes this idea.

Thus, it is correct to claim that globalization is not only an instrument for regulating international trade (free flow of capital, goods and technology), nor an instrument for the promotion of benign international cooperation by its very nature, but rather a geopolitical instrument of struggle for global power.⁶

Thereupon, this academic work aims to investigate the evolution of the world geopolitical order since the collapse of the Eurocentric world in 1945, passing by the fall of the Berlin wall in 1989, by the fall of the Twin Towers on September 11th, 2001, by the neoliberal financial crisis in 2008, until finally reaching the present, where a new and surprising fact emerges linked to the phenomenon of (de)globalization, in 2017, which tends to accelerate with the world coronavirus pandemic, in 2019.

Ultimately, this is the thematic spectrum of this article.

⁶ In the same direction, Parag Khanna's thinking is: Half a century later, a leather-bound copy of the first edition of Toynbee's narrative was my guide when I started to travel the world to investigate the interaction between two world historical forces that he realized intuitively, without actually naming them: the geopolitics and globalization. Geopolitics is the relation between power and space. Globalization refers to expanding and deepening the links between the peoples of the world through all types of exchange." (Khanna 2008, 9 e 10).

The Strategy of Containment and the Cold War

With the end of World War II, the Eurocentric system was no longer geopolitically relevant and was, thus, replaced by the Cold War. In this post-1945 context of geopolitical bipolarity, the great strategies of the United States come to govern the international relations of the western world.⁷

In general lines, note that, before 1945, the world was Eurocentric, and the United States did not yet have geopolitical muscle to regulate international life. On the contrary, at that time the United States was experiencing the thesis of geopolitical isolationism, also known as the America First Strategy, which is now being reissued by the Trump Doctrine. Therefore, one must understand from the start that the strategic initiative of “America First” is not new and was widely used at different times in US national life, especially in the interwar period, during the Eurocentric world order.

Defended with ardor by a considerable portion of the strategic community of that time, “America First” was the thesis responsible for the splendid American progress between 1919 and 1941, when the country enters World War II, as a result of the attack on Pearl Harbor by the Japanese Imperial Navy.

Certainly, this theme will be taken up again in the analysis of the Trump Doctrine; for now, it is sufficient to point out that the concept of “America First” was the model used by the United States during the life of the Eurocentric world order.

⁷ It is important to understand, therefore, that the evolution of the World Geopolitical Order is a historic phenomenon and, thus, nothing more than the reflex of the binding reality experienced in different historical eras. So, the truth is that, as we will attempt to show along this article, the formation of the international society derives directly from the Grand Strategy of the core states. That is to say, in the Eurocentric Order (1648-1945) from European powers, like Britain, Germany and France, in the Bipolar Order (1945-1989) from the only two superpowers, United States and Soviet Union and, finally, the World Postmodern Order (1989-until today), paradigm still under construction, but which already projects a possible geopolitical excluding dispute of hegemonic global power between the United States and China.

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So, this strategic archetype is not exactly a major novelty implemented pioneered by the Trump administration. On the contrary, it shows that the America First Strategy was used during a hegemonic cycle of European states, which regulated the world order according to their own national interests, and totally disconnected from the United States of America.⁸

With the right sharpness of mind, note that the hegemonic cycle led by the United States has its origins in the geopolitical tension of the Mackinder-Spykman paradigm, in which intentions of expanding Soviet power as opposed to American containment stand out. Noam Chomsky, when analyzing a classic work by John Lewis Gaddis (Gaddis 1986), highlights the author's agreement with Kennan's perception of the primacy given to Russian political power:

He also agreed with George Kennan's systematic view a pattern among political articulators and analysts - that "it is not Russian military power that threatens us, but Russian political power" (October 1947). Despite these flashes of insight, Gaddis did not move away from the conventional framework of "deterrence" and "restraining the Soviet threat", although he acknowledged - by way of addition - that this was not the whole of history at all, nor the central theme. (CHOMSKY 2003, 39).

Thus began the Cold War, with on the one hand the Mackinderian centrifugal expansion of the Soviet Union and on the other the Spykman's centripetal containment of the United States of America.

⁸ In effect, the European cycle of world hegemony appears with the end of the pretension of a global world sponsored by feudalism and religious wars between the Pope and the King, as well highlights the vision of Henry Kissinger: "There was never a world order that was truly global. (...) A century of sectarian conflicts and political upheavals across Central Europe had culminated in the Thirty Years War of 1618-1648 - a conflagration in which political and religious disputes intermingled. (...) The Westphalian peace reflected a practical accommodation to reality, not exceptional moral insight. (...) It was based on a system of independent states that renounced interference with each other's internal affairs and limited their ambitions through a general balance of power". (Kissinger 2015, 10-11).

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In truth, it should be noted that the Cold War was a long-lasting geopolitical phenomenon (from 1945 to 1989) with particularities tied to the actions of the two superpowers within the “World Geopolitical Imperial Condominium”.

In this sense, a “zero-sum geopolitical game” emerged, that is to say, while one superpower wins, the other loses. Thus, the conquest of new allies within the “Geopolitical Condominium” symbolized the loss of its contender and vice-versa.

In fact, the Soviet Strategy, based on Mackinder’s Theory of Land Power, believed on the progressive conquest of the World-Island as a means of controlling the planet, that is, starting from the Heartland (Eurasia). The Kremlin’s expansionism attempted to consolidate its advance towards the three continents (Europe, Africa, and Asia). In other words, from the Mackinder’s Heartland, the Soviet Strategy aimed to reinforce its borders along the Eurasian and Eurafrican landmasses, and conquering, therefore, the World-Island.⁹

Consequently, to turn the Rimland Theory into reality, that is, to materialize a mere theoretical concept of speculative knowledge and organized opinions from its creator (Nicholas Spykman), the makers of American Strategy, under the leadership of George Frost Kennan, conceived a well-articulated framework for controlling the Rimland of World-Island (Fringes of the Mackinder’s Heartland), ensuring the isolation of the Soviet Union at the center of Eurasia.

To achieve this objective, the pragmatic genius of the American strategy constructed the following sequence of multilateral alliances: a) to defend the Western Europe, and the establishment of the North

⁹ This way, a maritime power, supported by European allies, could prevent a land central power from conquering the planet. In this sense, Brian W. Blouet offers the following insight: Mackinder’s view was present in policy-making circles until the end of the Cold War. President Carter’s National Security adviser, Zbigniew Brzezinski, saw the Cold War as a geopolitical struggle for control over the Eurasian landmass. The Soviet Union would prevail if it could eject the West from the western and eastern fringes of Eurasia. The West would be preponderant if it contained the Soviet Union. (Blouet 2001, 11-12).

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Atlantic Treaty Organization (NATO); b) to protect regions of the Middle East and Central Asia, the establishment of the Central Treaty Organization (CENTO); c) to neutralize the communist projection over Asian, and the establishment of the Southeast Asia Treaty Organization (SEATO).¹⁰

Undeniably, there is no doubt that there is an strategic elite (political, economic, military, cultural, technological, judicial and so on) in America, whose abilities can disguise America's vital interests by exporting them as if they belonged to the rest of humanity. Thus, no doubt, this intelligent elite creates the "conditions of possibility" to maintain US global hegemonic power. Therefore, we see the United States' ability to dominate the world.

Note, with the help of the figure below, the system of multinational alliances created to isolate the Soviet Empire at the Heartland, the pivot area in the center of Eurasia, whose bedrock came from Nicholas Spykman's Rimland Theory.

In sum, with sophisticated strategic culture and high capacity for international articulation, the United States, using the Mackinderian-Spykmanian paradigm, won the Cold War, by deconstructing Soviet national power and ushering in a more powerful hegemonic cycle. And more: in the figure above, note that American hegemony becomes global and exercised with the partnership of Europe and Japan, recovered by the Marshall Plan.

Therefore, American strategic thinking evolves from America First (isolationist archetype) to Europe First (model of power projection with new allies). Here the implementation of the triad theory (USA, European Union and Japan) begins, which will be brilliantly worked by Zbigniew Brzezinski.

¹⁰ On a rapid thematic digression, it is no absurd to say that perhaps here is the cornerstone of American dominance of the world. In fact, behind the great US national strategies lies the strategic sophistication of its ruling elite. All people involved in formulating these great strategies fully understand the geopolitical game of power, which evidently enables the US global dominance. When it comes to the Global South, unfortunately, reality is quite different, that is, its ruling elite often even prides itself on its automatic and subservient alignment with the world's power centers.

The Strategy of Engagement and Enlargement and The Apogee of American Hegemonic Cycle World Power

Academically speaking, the end of the Cold War marks the birth of a new world order, now called postmodern, which comes into force with the collapse of the Soviet Empire and endures to this day.¹¹

Indeed, the fall of the Berlin wall eliminated the war of rival ideologies that faced each other under the aegis of a hitherto bipolar world. With the collapse of the Soviet Union, the US hegemonic cycle reaches its peak, insofar as the idea of *pax americana* is projected not only in guaranteeing the international system stability by military power, but also because it enabled financial capitalism to be more free to implant liberal democracy as a final form of human government, as advocated by Francis Fukuyama's "end of history" thesis.

Note, therefore, that the idea of "the end of history" is umbilically linked to the world police initiative in the military field and to the neoliberal globalization controlled directly by the United States in the economic-commercial field. It is in this sense that Clinton's America, governed by the Engagement and Enlargement Strategy, is diametrically opposed to Trump's America, governed by the "America First" Strategy.

That is why we defend here the view that Trump's "America First" Strategy should be analyzed not so much as an academic fetish, but more as a new irrefutable geopolitical reality, which arises from the decline of a world superpower, creating a new archetype of world power relations, very different from this phase of American hegemony represented by Clinton's Engagement and Enlargement Strategy.

¹¹ In this sense, the controversy surrounding the idea of postmodernity in the field of geopolitics is not unknown. Notwithstanding the relevance of this theme, the reader should be warned that such a subject goes beyond the scope of this work, which is why a minimal analysis was chosen, allowing for a scientific path to describe this possible postmodern world order, here envisioned as the world order that comes with the end of the Cold War. (GÓES 2018, 445).

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As we will demonstrate later, the United States withdrawal from the Trans-Pacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (TTIP), made by the NSS of President Donald Trump, has clearly broken with the traditional leadership archetype of his predecessors.

This means that Clinton's America is the final symbol of American power, notably in the economic field, where the idea of "Engagement and Enlargement" enables a new concept of living space (*lebensraum*), which is the conquest of both markets and minds.¹² This is no longer the classic concept of *lebensraum* linked to the conquest of territories; on the contrary, what matters now is to gain geopolitical muscle to conquer new markets, which are open on a planetary scale.

Philip Bobbitt shows that, throughout the history of mankind, international relations have always been based on two major foundations: war and trade. In this sense, the eminent author shows that a new form of state (the market-state) is emerging from this relationship, much as previous forms have emerged since the fifteenth century: because of war. (Bobbitt 2003, 1).

Therefore, regardless of whether the end of Cold War was accepted as the starting point of a postmodern world order, ruled by the *pax americana*, the fact is that the fall of Berlin Wall generated major transformations in world geopolitics, thus justifying the idea of implementing a new age of triumph of liberal democracy, a new paradigm of unipolar world power, whose characteristics can be summarized as follows:

- a) in the field of state social evolution, it represents the mitigation of the Welfare State, operated within a context of state interventionism, in favor of a revitalization of the Liberal State, carried out within the context of world opening of trade;

¹² This shows that there is a disruptive mutation from classical geopolitics as glimpsed by its main precursors, Friedrich Ratzel (1844-1904), founder of Political Geography during the German unification process, and Rudolf Kjéllen (1864-1922), Professor from the Universities of Gothenburg and Uppsala and author of the neologism.

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b) at the international level, it symbolizes the transition from a bipolar order of high strategic stability—generated by the necessary alignment principle in relation to the two Cold War superpowers—to an American world, captained by the so-called *pax americana*, in which the United States, as the only military and technological superpower on the planet, can shape the international order.

All analysis thus far serves to prove the epistemological connection between Bill Clinton's Strategy for Engagement and Enlargement and the phenomenon of neoliberal economic globalization, as well as the implan-tation of the American world. The lack of a clear view on this sort of con-siderations may obscure the true meaning of the new times of a post-1989 world order, within which neo-Darwinian globalization grows, sponsored by worldwide opening of trade, discredit of the Westphalian state, the state's legal reduction and the pursuit of international competitiveness.

Indeed, it must be recognized that the American strategist, with his peculiar strategic sophistication, soon realized that the Spykmanian paradigm was geopolitically irrelevant, insofar as there was no longer an Eurasian superpower capable of developing a centrifugal Mackinderian expansion towards the world island (expansion from the inside out to conquer Europe, Africa, and Asia).

In consequence, the pragmatic genius of the American strategist conceived a grand multilateral scheme involving three major areas of trade integration—namely Free Trade Area of the Americas (FTAA); Transatlantic Market (US Alliance with the European Union) and Asia-Pacific Economic Cooperation (APEC).

To support these three multilateral mechanisms, Clinton's NSS highlighted its traditional structures of global hegemony: the World Trade Organization (WTO), The International Bank for Reconstruction and Development (IBRD) and the International Monetary Fund (IMF).

In sum, based on this double three-dimensional geometry (FTAA-TM-APEC *plus* WTO-IBRD-IMF), the US empire would find the ideal path

to neoliberal capitalist triumph, therefore characterizing the apex of the world hegemony cycle.

The Strategy of Defending the Nation Against Its Enemies and the War on Terror

Originally named *Defending the Nation Against its Enemies*, Bush's strategy receives from the fall of the twin towers on September 11th, 2001, the necessary inputs for a confluence of strategic initiatives focused on protecting US territory against terrorist attacks.

That is why the fight against terrorism, embodied in the figure of Osama bin Laden, will take proportions unimaginable until then, even to the point of disregarding international treaties and conventions, which evidently led the United States to accelerate the invasion of Iraq in the name of a peace that is not yet guaranteed to this day. In this sense, Michael Hirsh highlights that:

Bush's message to the world, first delivered on September 20, 2001, was this: "Either you are with us, or you are with the terrorists." Either you stand with civilization and good (us), or with barbarism and evil (them). Choose. And to those nations that choose wrongly, beware. (Hirsh 2002, s/p).

Here, we must understand that Bush's message reflected America's drastic geopolitical repositioning as the only remaining superpower of the Cold War. It was not merely a unilateral act of a particular national state without major consequences on the world stage, but a volitional act of hegemonic power that challenged the international law itself and its multilateral organizations.

This is the reason why there are authors who radicalize their discordant position with this US geopolitical repositioning; Noam Chomsky, for example, sees signs of state terrorism in US foreign actions:

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Over the past few centuries, the United States has wiped out indigenous populations (millions of people), conquered half of Mexico (actually indigenous territories, but that's another matter), intervened with violence in neighboring regions, conquered Hawaii and the Philippines (killing hundreds of thousands of Filipinos) and, in the last fifty years, in particular, have used strength to impose themselves on much of the world. The number of victims is colossal. For the first time, the weapons turned against us. It was a dramatic change ... We must recognize that in much of the world the US is seen as the leading state of terrorism, and for good reason. We can consider, for example, that in 1986 the US was convicted by the World Court for illegal use of force (international terrorism) and then vetoed a UN Security Council resolution urging all countries (referring to the United States) to adhere to international law. This is just one among countless examples. (Chomsky 2002, 12-25).

Without agreeing with Noam Chomsky's strong exegesis regarding the US framework as the leading state of international terrorism, it is important, however, to consider that the Bush Doctrine has presented itself as an antikantian element of axiological neutralization of Public International Law (PIL) and the Law of War itself (International Humanitarian Law).¹³

In sum, the terrorist attacks on the World Trade Center and the Pentagon, symbols of US power, have inaugurated a new national security archetype aimed at fighting the Islamic fundamentalist organization

13 In this sense, several elements of unipolarity of the Bush Strategy can be pointed out, such as reissuing the "Star Wars" project, a missile defense shield, which had been shelved during the Clinton administration; abandoning the strategic design of the "Shrinking Force", which was expected to reduce military spending by approximately 35% over the coming decades, as stipulated in the then Secretary of Defense's, Les Aspin, 1993 bottom-up review; non-adherence to the Kyoto Protocol, a complementary treaty to the United Nations Framework Convention on Climate Change, setting emission reduction targets for developed countries considered to be historically responsible for the current climate change; failure to recognize the applicability to US military forces of the rules governing the performance of the International Criminal Court (ICC); abandoning the Conference on the elimination of all forms of racial discrimination (anti-racist agreement); and the denunciation of the important Anti-Ballistic Missile Treaty (ABM) nuclear weapons reduction treaty with Russia, which is necessary for resuming the development of the Strategic Missile Defense System (Star Wars Strategy Reissue).

al-Qaeda, to prevent both its freedom of action, by increasing the sense of security in the country, and a new attack on US soil.

This is the root of such radicalizing mutation of US geopolitics: for the first time in its history, their homeland was vilified by foreign actions.¹⁴

So, accurately, Thomas Friedman stresses:

Thus, the forces of the “How to globalize” dispersed, and as the number of people in the Third World that benefited from globalization increased, and as the Bush administration the United States began to exercise greater unilateral military power, the anti-American element in the antiglobalization movement came to have much more voice and role. As a result, the movement itself has become both more anti-American and more unable and unwilling to play any constructive role in shaping the global debate on the form of globalization (Friedman 2007, 348).

With due attention, note that the wide margin of strategic discretion that the USA had to command neoliberal globalization was reduced by Bush’s NSS, as it enabled the rise of China and other emerging powers, which began to gain geopolitical muscle to autonomously face the challenges of the ongoing neo-Darwinian globalization.

The Strategy of National Renewal and Global Leadership, and the “Transoceanic Alliances”

Originally called “Strategy of National Renewal and Global Leadership”, Barack Obama’s NSS faced the 2008 crisis and its impacts on the world

¹⁴ It follows, therefore, that the model of Bush’s pre-emptive strike reversed the Engagement and Enlargement model, i.e., Clinton’s NSS sought to maintain US global leadership by controlling the world economy (soft power) rather than using hard power, whereas Bush’s NSS did the opposite. That is, Bush’s NSS has not maintained the same enthusiasm about Clinton’s Strategic World Trade Constellation (FTAA, Transatlantic Market and APEC/IMF, IBRD and WTO), thus allowing for the gradual Chinese penetration in Africa, Latin America and part of Asia.

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economy, hence the concern with revitalizing the United States, having as its founding core the major initiative multilateral cooperation with its traditional partners (European Union and Japan), which had been forgotten by the Government of George W. Bush.

Highlighting the resumption of economic strength in Barack Obama's speech, Josh Rogin, editor of *The Cable Column of Foreign Policy Magazine*, wrote:

In unveiling his first formal National Security Strategy, US President Barack Obama called for “a strategy of national renewal and global leadership,” emphasizing US economic strength as the foundation of American power and promising to deepen US alliances and partnerships around the world. (...) To get there we must pursue a strategy of national renewal and global leadership — a strategy that rebuilds the foundation of American strength and influence. (Rogin, *Foreign Policy* 2010).

As a matter of fact, the 2008 financial crisis was the driving force behind a true Copernican revolution in the field of world geopolitics, insofar as it brought with it the real possibility of deconstructing the American world and its possible replacement by a multipolar world, or at least by a world without a centric predominance of the United States and its traditional mechanisms of world hegemony.

It is the very strategic name of the Obama Doctrine that makes it clear that its objective is to rebuild its hegemonic cycle of world power. As well points out Gearóid Ó Tuathail: “A hegemonic power like the United States is by definition a “rule writer” for the world community. Those occupying positions of power within the United States “become the deans of world politics, the administrators, regulators and geographers of international affairs”. (Tuathail 1986, 61)

In the same direction, Zbigniew Brzezinski, one of the leading strategists and national security advisers to the American government, from the Jimmy Carter Administration in the 1970s to 2017, the year of his death, points out that the anti-Americanism from which the Bush

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administration thrived on a planetary scale should not prevent America from having a second chance to lead the world:

America has a monopoly on global military reach, an economy second to none, and peerless technological innovation, all of which give it unique worldwide political clout. Moreover, there is a widespread, if unspoken, practical recognition that the international system needs an effective stabilizer, and that the most likely short-term alternative to a constructive American world role is chaos” (Brzezinski 2007, 192).

Regardless of these important considerations, the fact is that this vision of an American world is no longer in line with the geopolitical reality after 2008, whose origin was the bankruptcy of the Lehman Brothers Investment Bank. It was in this adverse context of the 2008 crisis that a new world power distribution framework emerged, in which counter-hegemony mechanisms thrived, now complemented, or even opposed to the traditional hegemonic power structures of the American world, such as:

a) the inability of the G7 (Group of the world’s Seven Richest Countries) to counteract the ill effects of the 2008 crisis, therefore requiring dialogue with the G-20 (Group of Twenty Richest Countries of the world). Note here, with due sharpness of mind, that the formulation of world policies is no longer made exclusively by the traditional G-7 but now also by the G20. It is in this sense that the idea of G-ZERO WORLD arises, as envisioned by Bremmer and Roubini(2011). This concept starts from a disruptive geopolitical reality, where the Old Order (The Old Boys’ Club) represented by the G7 is no longer worth anything, whereas the G20 and its emerging actors such as China, India, Brazil, and Russia, represent too broad of a block to be effective in creating unanimous policies on a planetary scale, hence the G-Zero thesis;

b) China’s grand One Belt, One Road (OBOR) project, whose geopolitical latitude re-inks, with postmodern paints, Mackinder’s Theory, as it projects China’s expansion toward the conquest of the African and Eurasian masses of World-Island. In fact, it should be noted that the Economic Silk Road Belt and the 21st Century Maritime Silk Road symbolize

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the creation of a China-centered geopolitical space where infrastructure projects and investments will be made in countries of Europe, Asia and Africa, part of the Mackinderian Island.

One should see, therefore, that it is in this unfavorable scenario that Obama's Strategy of National Renewal and Global Leadership presents itself as a tool to contain China's inexorable expansion on a planetary scale.

Here is the great paradox of the post-2008 crisis world order: a turnaround in the American world, because of liberal globalization, which escapes or at least gradually moves away from its direct and immediate control.

That is why one can say Obama's NSS is the reedition of the Spykmanianthesis, just as the China Belt and Road Initiative is the reprint of the Mackinderian model, with paints of post-modernity.

It is not possible to deny, therefore, that the great schemes of transoceanic alliances (Transatlantic Trade and Investment Partnership and Trans-pacific Partnership) represent nothing more than the most advanced version of Spykman's theory of Rimland. It remains to be seen whether the resumption of this Mackinder-Spykman paradigm will achieve the same success as the Cold War era. This is the subject we intend to develop next.

America First and the Containment of China

As I said before, implementatingthe "America First" archetype does not mean the US will only now come to think of its vital interests in the first place. It should not be forgotten that, since the end of Eurocentric order, the US has always controlled the international scene with its vital interests in the first place.

Therefore, without strategic ingenuity and academic asininity, one must understand that all the major strategies prior to the implementation of "America First" always put the US first. In this sense, the systematic study hitherto conducted has already demonstrated the hegemonic dimension

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that guides the North American role in the international system, i.e., since the end of World War II, the pragmatic genius of the American strategist has been using axioms that articulate grandiose international alliances for their own benefit.¹⁵

As a result, Trump's NSS departs from Zbigniew Brzezinski's classic theory of the triad (democratic-capitalist alliances with the European Union and Japan), establishing in its place the concept of "America First," a protectionist archetype developed against China, classified now as a rival power, along with Russia, by its own national security strategy:

The United States will respond to the growing picture of political, economic, and military competition that rages around the world. China and Russia challenge American power, influence, and interests, a device to erode American security and prosperity. They are determined to make the world economy less free and fair, to increase its military powers, to control the dissemination of information and data to repress its internal societies and to expand its influence. (United States 2017, 24).

In consequence, one must ask: what are the geopolitical reasons that lead the pragmatic genius of the American strategist to deconstruct their own creation, perhaps their masterpiece of the present times, which is the initiative of the great transoceanic alliances (Atlantic and Pacific), conceived by his predecessor Barack Obama, precisely to contain the Chinese advance in the globalized world?¹⁶

15 Therefore, the novelty the Trump Doctrine brings is not the prioritization of American interests, but the attempt to keep the American world in place since the end of the European world. Please note that America First is a strategic paradigm for strengthening the US state from the protection of its internal market, which, as noted earlier, was successfully used during the Eurocentric world order between wars (1919 to 1939).

16 In general lines, Trump's NSS is apparently contradictory to the position of leader of the neoliberal world order hitherto occupied by the United States. How to understand that, in the 21st century, American geopolitics is deconstructing the neo-Darwinist globalization they have built directly since the fall of the Berlin Wall in 1989?

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The reader will have to agree that the Trump Doctrine not only represents the last epistemological stage of American thought, but rather symbolizes the break with all other models that preceded it. Strictly speaking, what we want to reaffirm here is the change in Trump's NSS essence, which moves away from neoliberal globalization to get closer to a protectionist rationality that enables the "turn off (the)globalization" of the present time.

The figure shows the evolution of the four major US national security strategies that preceded the Trump Doctrine.

Denying previous strategies and returning to "America first" signals American limitations on competing with China within the market economy. Therefore, the resumption of the America First concept can only be fully understood from this perspective of US economic and commercial protectionism towards China. The axiom is simple: in times of neoliberal globalization, those that protect their internal market are the ones that have lost international competitiveness.

Given this scenario, the American strategist did not hesitate to adopt a disruptive movement regarding the large arrangements of multilateral cooperation, replacing them with a protectionist modeling that can strengthen US geopolitical power. Thus, the America First Strategy ends up sending contradictory signals to the process of neoliberal globalization.

Finally, it can be said that the cycle of American hegemony walks in geopolitical uncertainty, since the resumption of neoliberal globalization may now be led by China or, in a multipolar perspective, by a heterogeneous tetrahedron not entirely democratic (USA, China, Europe, Japan).

Conclusion

The scholar of contemporary international relations must be able to understand the epistemological links that bind the actions of central states and their respective structures of hegemonic power, which intermingle in such a way they end up building a specific world order paradigm.

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So, this work sought to analyze the North American strategic models and their impacts on the formation of the world order. To do so, we examined the United States' main global strategies, from the strategic Containment model of George Frost Kennan to the Trump Doctrine of America First, passing through the strategic paradigm of Bill Clinton's Engagement and Enlargement, by the strategic construction of the Bush Doctrine of the post-September 11th era, and finally by Barack Obama's National Rebuilding and Global Leadership Strategy.

We believe that those who study geopolitics have the task of identifying the inseparable links between world geopolitics and the evolution of American strategic thinking. Therefore, from the above systematization, we could attest the international order does not build itself, but rather is the direct result of interferences by hegemonic nations, whose geopolitical dimension can shape the system of international relations. In fact, because of their strategic dimension, US national security models tend to have extraterritorial effects, which advance directly into the internal space of other nations.

Endowed with extraordinary construction logic, US strategies always seek theoretical conceptions that serve as the foundation for the country's geopolitical aggrandizement. From this point of view, it is fair to say that to fully understand the geopolitical dynamics of the Cold War one needs to study Kennan's Strategy of Containment, inspired by Spykman's theory, as well as the Soviet expansion Strategy, grounded in Mackinder's theory.

Similarly, it will be difficult to understand neoliberal globalization without first knowing the grand scheme engendered by Bill Clinton's Strategy of Engagement and Enlargement. Furthermore, to recognize the theoretical elements that inform the War on Terror, as well to understand China's geopolitical rise, one needs first to examine Bush's Strategy and its shift toward hard power (resumption of military power preeminence).

In the same sense, to understand the abandonment of Barack Obama's great transoceanic alliances, one needs to understand the American

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inability to contain the Chinese global expansion from the confluence of the Economic Belt of the Silk Road and the 21st Century Maritime Silk Road.

Finally, it is imperative to know the complex reconfiguration of the world order, which stands out for the geopolitical game, on the one hand attempting to re-establish an American world (*pax americana*) and, on the other, attempting to implant a multipolar world order.

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This book is a collective work written by International Relations researchers who search to understand the current dynamic transformation of the world system through an analysis of the relative decline of the United States in several fields (economic, political, geopolitical and ideological) and its consequences over the interstate system.

Immanuel Wallerstein and Giovanni Arrighi, among other theorists, who founded the World System Analysis (WSA), have already indicated changes on the world economy since the 20th century. After the euphoria caused by the fall of the socialist bloc (1989) and the consequent end of the USSR (1991), the world system has been headed by the United States, a country that found a favorable scenario for the consolidation of a liberal economy under the command of a Pax Americana.

In 2008 the world system was affected by the most important economic crisis until now, with its epicenter in Wall Street. Since the beginning of the 21st century, with the world undergoing different crises, we have been experiencing, among other things, the geopolitical resurgence of Russia, the consolidation of China as an economic, geopolitical and technological player, as well as the BRICS, whose consequence is reflected by the aggressiveness of Washington (Donald Trump - 2017/2021) to face these challenges.

For all these reasons, the purpose of this book is to bring up some contributions by researchers from Brazil and other countries to shed light on this reality, critically and analytically.