
INTERNATIONAL RELATIONS IN THE TIME OF CORONA

Torbjørn L. Knutsen

*Department of Sociology and Political Science
Norwegian University of Science and Technology
NO-7491 Trondheim, Norway*

torbk@ntnu.no

Abstract

The consequences of the Covid-19 pandemic vary with level of analysis: on the lower level of individual transactions, consequences may be severe; on the intermediate level the pandemic will affect trade and disrupt commodity chains; on the level of the international system, consequences will be minimal – the pandemic may speed up changes that are already under way, but hardly alter the direction of major trajectories. To explore the likely impact of the Covid-19 pandemic on international relations, this essay takes as its vantage point Joseph Nye's image of the three-boarded chess-game.

Key words: *Covid-19, pandemic, international change, international relations, international political economy, commodity chains, bipolarity*

And then the music ceased, as I have told; and the evolutions of the waltzers were quieted; and there was an uneasy cessation of things as before.

Poe (1994 [1842])

Pandemics have washed across the world before – at least eight big influenza pandemics have swept the world since the birth of the modern world system. None of them significantly changed the game of interstate politics. Not even the so-called Spanish Flu of 1918, which caused the death of some 50 million people – many times more than the losses in the war which preceded it. So, although the Covid-19 virus may deeply affect peoples' lives and the pandemic may paralyze nations and affect interstate relations, the “Corona crisis” is unlikely to change the international system.

How will the virus affect nations? What changes will the Covid-19 pandemic trigger in interstate relations? And what will stay the same? Joseph Nye may offer some help to answer questions like these. Over a decade ago he made the useful observation that international politics resembled a complex game of three-boarded chess:

On the top chessboard, military power is largely unipolar, and the United States is likely to retain primacy for quite some time. But on the middle chessboard, economic power has been multipolar for more than a decade, with the United States, Europe, Japan, China as major players, and other gaining importance. The bottom chessboard is the realm of transnational relations that cross borders outside of government control. It includes non-state actors as diverse as bankers electronically transferring funds, terrorists transferring weapons, hackers threatening cyber-security, and threats such as pandemics and climate change [Nye 2012:215].

PANDEMICS AND TRANSNATIONAL RELATIONS

Joseph Nye locates pandemics at the bottom chessboard. Pandemics are part of the game of ‘transnational relations’ – a complex game with many players; diverse and located in many parts of the world. Power and influence are widely diffused among them and the game is largely out of government control.

Games at this level were disrupted during the first quarter of 2020, when the Covid-19 virus triggered an epidemic in China. The virus then spread to one country after the other, quickly reaching pandemic proportions. Its effects were immediately apparent on the business pages of newspapers throughout the world. The Frankfurt Stock Exchange index (the DAX) fell by nearly 35 % from the middle of February to the middle of March. The stock index of London’s Financial Times (FTSE) fell by 30 %. New York’s Dow Jones’ business index fell by about 25% during the first three weeks of March.

The effect of the Corona-crisis was also reflected in a fall in green-house gas emissions. In China, the world’s largest emitter of climate gases, emissions fell by 28 % in February 2020. In Europe emissions fell by an estimate of over 20% during March. The fall was slightly less in the USA, yet, in April the Los Angeles skyline was pristine and clear over a virtually traffic-free city.

The stock indexes and the emissions reports all testify to a substantial contraction of business transactions and warn of an economic crisis that will ripple through societies. People lose their jobs and their income. Families can no longer pay their loans. In some countries default rates will rise. Poor families will be thrown out on the street, increasing the rate of homelessness and boost misery and social problems. Wealthy families may be hit indirectly, for example by a wobbling housing market that spell trouble for banks and financial institutions.

But every cloud has a silver lining. Emissions indexes bring good news for the environmental movement. It is a gift on a silver platter. The pandemic has done for them what they could not do

for themselves: it has reduced air-travel and provided a unique chance for humankind to reverse the trend of climate-changing greenhouse-gases. What all the environmental movement has to do, is to keep emissions low and prevent them from climbing. Chances are slim, however, that they will not be able to prevent emissions from rising in the longer run. Because environmentalists are likely to face dogged opposition both from governments that want to get the economic wheels moving again, and from people who want to get back their jobs. Environmentalists have traditionally faced opposition from groups that want secure employment and economic growth. The pandemic may strengthen the opponents of environmentalism, because large segments of society will suffer from unemployment, economic crisis and material distress.

Besides, many governments are likely to soft-pedal the green shift. They have softened the economic blows of the crisis by bailing out collapsing companies and by sustaining unemployed workers. Their budgets are deeply in the red as a result. And they have strong incentives to get the economy up to speed again, convert unemployment recipients into salaried workers so that they can tax them and use the taxes to get their budgets back in the black.

The environmentalists' agenda will be further pressured by the fact that the Corona crisis hits different groups unequally. It has caused some occupations to work overtime – like health workers. Some have worked from home – like most government employees. But others have lost their jobs and their incomes – especially people in the retail, service, performance and tourist sectors. The pandemic is likely to hit hardest those who already struggle to make ends meet, thus increasing the pace of the rising inequalities in Western societies [Piketty 2020]. This will increase the dissatisfaction of the disadvantaged and the poor, who in turn may clamor louder for more equality and fairness. Cities will experience riots and rebellions.

Governments will find it hard to tackle demands for greater social justice while also maintaining environmental regulations. The Corona crisis has placed them in unenviable dilemmas. One dilemma is protecting the population (by lockdown that will depress the economy) while keeping the economy going (which will increase the risk of spreading the virus). As national governments make different calculations, their national economies will be affected in different ways.

The countries that have handled the Corona-crisis well have expended much government resources. Testing, tracking, virus control, and containment have been costly. Citizens are exhausted and budgets are in the red. However, it is to be expected that those governments that tackled the Corona-crisis with efficiency and skill, are likely to also skillfully handle the economic recovery. Their success will gain citizens' trust at home and respect abroad. They are likely to convert recipients of government benefits into taxpaying citizens, balance their books, and see their economies recover. The effects of this is more easily observed in a different game on a different chessboard: That of international economics.

INTERNATIONAL POLITICAL ECONOMY

The actors of the middle chessboard are the economies of the world – not just the national economies like the USA, China and Germany (the three largest economic entities in the world), but also great corporations, such as Walmart, Exxon, Toyota, Sinopec, and China National Petroleum. Relations at this chessboard are economic in nature and based on open, international capitalist markets.

High levels of trade and foreign investment maximize the efficiency of this world market. A complex international division of labour increases overall economic growth and reduces prices on products [Smith 1976 [1776]]. The division of labour also pulls the participating nations into webs of interdependence, thus

producing a distinct political order. It increases the costs of conflict and reduces the likelihood of war – because states do not want to jeopardize the economic ties, on which their prosperity depends.¹ To avoid costly conflicts, industrialized states build international regimes – they negotiate norms of conduct, and establish international organizations such as the World Bank and the UN – to facilitate cooperation, maintain order and discourage violent disputes and escalations.²

The institutions that underpin the international economy were largely US-built. In the wake of World War II, the Americans designed the Bretton-Woods institutions together with their war-time allies. First, they consolidated the World Bank, the IMF, and the WTO. Later, after the collapse of the USSR, this system expanded to include the old members of the Soviet Bloc. This expansion, together with the digital communications revolution and the introduction of a neo-liberal ideology, greatly strengthened the position of the United States in world affairs.

However, at this time, Asia entered the game of international economics in earnest. China in particular adopted market dynamics, boosted its rate of industrialization, quickly learnt the rules of international capitalism, and found new and lucrative roles to play in the international division of labour. Industries pioneered by the West were increasingly taken over by Asia – the production of textiles and steel disappeared from the economies along the North-Atlantic rim and relocated to Asia whose industries skyrocketed.

The international division of labour changed as a result. Asian industries supplied steadily more of the world's consumer durables. Long-distance trade, transport and communication in-

1 The idea that economic interdependence will reduce conflict and prevent war goes back to the eighteenth century [Knutson 2016]. More recent discussions of the argument include Rosecrance (1986) and Copeland (2014).

2 An important formulation of this argument is found in Keohane (1984).

creased. Commodity chains grew longer and more plentiful. The world economy was spun into crisscrossing webs of steadily more complicated transactions [ibid.].

This development produced “globalization” of the 1990s. It made many Asian countries modern and wealthy. Japan was the nestor of this development. However, China became its primary beneficiary. China profited immensely by globalization, her economy expanding greatly, lifting hundreds of millions of Chinese citizens out of poverty.

FLAWED DEMOCRACIES?

Western economies have traditionally placed their trust in the free market and in an open, rights-based liberal democracy. The Corona crisis has shaken that trust. First, the old democracies – the original members of the Bretton-Woods system – have handled the crisis badly. When the Covid-19 virus reached the West, the USA, Great Britain and several Western democracies failed at containing the virus efficiently. When measured in terms of recorded deaths per million inhabitants, Belgium was at the top of the list of badly-hit countries by August 2020. Britain, Spain, Italy, Sweden, France, and the USA followed Belgium.³ It is a deeply disturbing fact that liberal democracies with free-market economies are at the top of the victims’ list of the Covid-19 pandemic.

The high death rates may be explained by non-political factors. For example, that these countries were hit very early when the illness was unknown and that their doctors were initially at a loss of what to do. In addition, these are the countries with busy metropolises, commuting citizens and high population density, all of which have allowed for rapid contamination of the virus. Besides this, these countries are highly developed and trans-

³ This ranking list is of course prone to change as the pandemic spreads and the virus mutates.

parent societies, in which a virus can be identified and tracked back, and health statistics are made available for analysis. Democracies may, in other words, be overrepresented in the statistics because they are open, able and willing to debate the true extent of the pandemic, whereas dictatorships are closed and unwilling to publish their statistics, and poor countries may not be able to collect them.

Nevertheless, it is a disturbing fact that so many market-based, liberal democracies have been handling the Corona crisis badly, whereas dictatorships like China seem to be tackle it better. It is tempting to conclude that one reason for this bungling lies in democratic “liberty” – the one factor that democracies tend to flaunt as their primary virtue: citizen’s rights to individual freedom. This is a powerful explanation for the inability of the USA to stem the spread of the virus: The USA has a political culture that emphasizes individual liberty and is highly distrustful of political authority and the state. Many Americans have reacted to lockdown-laws and rules for facemasks and social distance with disobedience, scorn and public protests.

America’s inability to tackle the pandemic has come as a great surprise. Several countries have handled the crisis much better. Some of these are autocracies. Others are democracies. The bigger picture suggests that the ability to tackle the crisis is not directly related to the system of government: there as successes and failures among democracies and autocracies, both.

One factor that distinguishes the most successful states is their robust institutions. Countries with healthy financial systems and effective central banks have weathered the crisis better. Wealthy countries with strong states, generous systems of unemployment compensation and governments that enjoys a high degree of popular trust, have tended to handle the crisis well. In Denmark, Norway, Finland, and Germany for example, the leaders reacted fast. They quickly distributed large funds to support businesses, guaranteeing citizens continued income

during the lockdown. They laid down rules of confinement and social distancing, and the population complied with those rules. Democratic states that handled the crisis well, share three factors: high state capacity, public trust, and competent leadership. The same three factors appear in non-democratic states that have weathered the Corona-crisis well. Including China. Although the crisis originated in China, where the autocratic authorities initially covered it up and carelessly allowed it to spread, the Chinese authorities later regained control through draconian measures of lockdown and social control.

Low state capacity, polarized politics, and incompetent leadership mark countries that have handled the crisis badly. The USA scores low on all three. First, the US political culture does not trust the government (in contrast to the Nordic countries, Germany and countries in Asia, where the government is looked upon as benign). The capacity of the US state has, since the days of Ronald Reagan, been systematically peeled back – undermined by the spread of the libertarian gospel and by conspiracy theories. Second, the US politics has been filled with quarrels, rancour and increasing polarization over the years. This has disturbed the system of checks and balances and paralyzed federal decision-making. It has further undermined citizens' trust in government. It has also undermined citizens' trust in each other. Finally, the USA has a president that even on his best days must be considered incompetent as a national leader. Since the crisis erupted, Donald Trump has stoked division rather than promoting unity. He has attacked international institutions rather than called on them for coordination and constructive efforts (Fukuyama 2020:28). He has blamed the WHO and announced that the USA is withdrawing from the Organization.

When the Covid-19 pandemic hit the USA, a concatenation of factors produced a perfect storm. The pandemic has left the USA in a poor shape.

STRENGTHS, VULNERABILITIES AND EXCESSIVE GLOBALIZATION

State capacity, trust and competent leadership - these three factors help explain the relative success of democracies and autocracies alike. There are signs to indicate that successful countries – China, Denmark, Finland, Germany, and Norway – may benefit from a positive political feedback: that a competent government that successfully keeps the Covid-19 virus at bay, gains greater public trust.

The absence of these three factors helps explain the relative failure of countries like the USA, Britain, Belgium and France. There are signs to indicate that these countries are suffering a negative political feedback. From a democratic point of view, the American case is particularly disturbing, because the USA established the Bretton-Woods system in the 1940s, and has been its main support ever since. The USA has also been the keystone of the Atlantic alliance and a leading defender of the institutions of order of the liberal world.

The Corona crisis has highlighted the importance of state capacity in running a modern, well-functioning country. But has also suggested that state capacity may be undermined by the division of labour of the international economy. It has shown that the division of labour – which admittedly may increase the efficiency of the overall economy – may also reduce the self-sufficiency of individual member states. The Covid-19 pandemic brought this point painfully home to many national leaders, as they suddenly needed facemasks, respirators, and a variety of pharmaceuticals: They discovered that these items were unavailable. They were not produced at home but had to be imported from China.

This has become a new and weighty argument among sceptics of globalization. They point out that the world has grown too dependent on a few, far-away manufacturers of pharmaceutical supplies. Globalization has undermined the self-sufficiency

of states and made them dependent on a few, busy suppliers. About 80 % of the basic components used in US drugs come from India and China.

Global commodity-chains are, in other words, vulnerable to pandemic-related lockdowns.

THE STATE IS BACK

The Covid-19 pandemic has alerted the West to the vulnerabilities of globalization. This has in turn produced political reactions, three of which are particularly important. The first is the swelling sentiment that division of international labour, economic integration and globalization has gone too far. The idea that states ought to reduce their dependence of other states and of the international division of labour was massively strengthened by the self-protective reactions that followed in the wake of the pandemic wave. Fearing the spread of the Covid-19 virus, one European country after the other called their citizens home and closed their borders.

The second reaction is a new fear of China. Not only because the virus originated in China, but the emerging realization that China has defined for itself a powerful position in the international division of labour, that it is exerting a formidable power in the world economy and that it is willing to use that power for its own political purposes.

A third, related sentiment boosted by the pandemic is that states or regions need to regain control over necessary commodities and strategic resources. This implies a resurfacing of arguments and policies that will slow down or stem twenty years of neo-liberal progress.

Thus, the Corona-crisis is likely to stymie the neo-liberal phase in world-economic history. It has opened the eyes of many leaders to the vulnerabilities of an interdependent world and exposed the limits of international cooperation.

International transport and travel did not grind to halt as the

result of a coordinated reaction made by international agencies; rather, it was the outcome of spontaneous decisions made by egotistical states. International institutions were obviated. The EU was paralyzed by the sudden flare-up of state sovereignty and unilateral state actions. Designed to produce cooperation, wealth, interdependence and peace, the EU was not prepared for pandemic emergencies. Individual member states bypassed EU institutions and unilaterally closed their borders to protect themselves from the spread of the pandemic.

The long-term effects of these developments are unclear. On the one hand, they may spark an effort to add institutions to control and contain infectious diseases. This would mean expanding the traditional concepts of cooperation and national security by adding a principle of international social security. On the other hand, the Corona pandemic may boost the old ideals of sovereignty, self-reliance and self-sufficiency. If the Covid-19 virus is spreading by careless nations and weak states, if it is mutating and returning in steadily new waves, the pandemic may last for many years. Societies with strong states, trust and a competent leadership will blame states that are weaker and more corrupt.

Such infighting will undermine the EU from within. It will undermine the entire West. It will erode the liberal ideals of comparative advantage and complex interdependence upon which the international order and wealth have been built. It will erode the institutions of international order that evolved during the course of the 20th century. It may weaken the solidarity that has kept the democratic nations together, divide the West, and ultimately erode democracy itself.

INTERSTATE RELATIONS

Nye's top-board game is played by sovereign states. Whereas the middle-board game is economic in nature, based on an international division of labour and interdependence, the top board

concerns power and is based on principles of competition and balance among self-serving and sovereign states. The most important states are the Great Powers. They define the rules of the international game.

The relative capabilities of the Great Powers change over time. During the 17th century, France was the leading player. During the 18th, England and half a dozen other contenders in a dynamic balance-of-power contest challenged France. After the Napoleonic wars, Great Britain emerged as a dominant power. After the two world wars of the 20th century, the USA emerged as the greatest of the Great Powers. For half a century, the world order was dominated by a global contest between the USA and the USSR. The Covid-19 pandemic suggests that a similar bipolar order is just around the corner.

AMERICA'S DECLINE

During the 1980s, the USA sparked a communication revolution based on a new, digital technology. The Americans worked for a more open world economy with unhindered transactions and introduced new technologies for digital communication and international regimes to govern cyber space. These new technologies boosted America's pre-eminence. The closed Soviet system could neither adapt nor keep up with this development. It exhausted itself and collapsed in 1991. As the only surviving superpower, the USA entered the 1990s as greater than Great. American ideals of popular sovereignty spread to include new parts of the globe. As did America's optimistic notion that all good things – reason, rights, freedom, democracy, wealth and peace – all go together.

Through the 1990s, the world was, for all practical purposes, a unipolar system, led by the American hegemon. Quarter of a century later, the US pre-eminence is no longer assured. The US is still militarily superior. But hegemony involves more than that. It depends on political authority – on the ability to make

military power legitimate. Moreover, since wealth and generosity are reliable sources of legitimacy, hegemony depends on a vibrant economy. America's problem is that this vibrancy has long been eroding by changes in the international division of labour – by redistributions of basic industries and global disseminations of technology and patents. The US economy has become increasingly based on retail, entertainment and services, whereas the political economy of other states have developed heavy industries that are more energy efficient and even based on new sources of energy. During the spring of 2020, the US economy was pushed into a severe crisis due to the Covid-19 pandemic. Within a few months, the US economy contracted by an unprecedented 30 % as a result of Corona-related close-downs.

Also, the Americans are exercising their individual rights at the expense of the greater civil society. Liberty has become self-destructive. American ideals are no longer as appealing as they once were. The stability of the political system and the competence of US leaders are in question – they have bullied allies and weakened the unique network of worldwide alliances that helped legitimize the US hegemony during the Cold War. President Trump has withdrawn the USA from one international organization after the other, allowing other states to pick up the leadership role that the US used to have. The USA is, for example, no longer active in the UN Human Rights Council; its policies are now under domination of China and Russia – who are working to bury the liberal idea of rights rather than praise them.⁴

The Covid-19 pandemic is not the cause of America's decline. But it has hastened a long-term trend and pushed the country

⁴ President Trump behaves in ways reminiscent of Germany's Wilhelm II who discontinued the alliance system that Otto von Bismarck had so painstakingly forged and upon which German security depended. The effect was turbulence and uncertainty in international affairs. It intensified the competition of Joseph Nye's upper boardgame.

over the edge. The pandemic came at a time when the US political system was faltering. A few years prior to the pandemic, the *Economist* began to classify the USA as a “flawed democracy”, falling short of the threshold of a fully democratic society. The American state has been weakened by deregulations over the last 20 years or so. The system is in serious gridlock.

While other countries acted decisively to bend the curve of infections downward, the USA achieved merely a plateau in May and June, which changed to an upward slope in July. By August 2020, the USA, which has 4 % of the world’s population, had about 25% of its Corona-virus cases and Corona-related deaths. Millions of US citizens have slid into poverty and homelessness in the wake of the Covid-19 pandemic. It is an open question whether the state may be able to help them. The USA may no longer have a state that can effectively organize its populations and control the pandemic – short of draconian means that can be drawn upon in extreme cases of natural disasters and war.

CONTOURS OF NEW ORDER

The Covid-19 pandemic has not only demonstrated America’s weakness it has done so at a time when China has expanded and demonstrated its strength. As the US economy suffers an unprecedented contraction, its size (measured in GDP) may drop below that of China. This sudden contraction, together with America’s surprising inability to both protect its own citizens and to maintain the institutions of a liberal world order, spells a change in international history. It spells a transition to a new world order in which China is challenging the USA for regional – perhaps global – leadership.

China’s economy has expanded greatly over the last half century. It has lifted millions of Chinese out of poverty and furnished the Chinese government with domestic support of robust trust and legitimacy. In the outside world, however, China has been viewed with increasing suspicion. China has not only expanded

and entered the capitalist world economy, China has challenged its US-made institutions rather than played by the rules. China has, in fact, established a parallel set of ordering institutions (AIIB, EAEU, OBOR and others) and is laying down rules designed to suit its own imperial interests.⁵

The Covid-19 pandemic has hastened the decline of the USA. And it has done this at a time when China is on the rise. The result is an acceleration of the arrival of a bipolar world order. It is an open question whether this order will be a played according to old, familiar rules. For in the old order, the rules were Western. For the last three or four centuries, the international game was largely Western and it was played by Great European Powers. The 21st century world order will be global in scope and shaped by non-Western states – first and foremost by China, a Great Power that may not play the international game by Western rules.

CONCLUSIONS

The Covid-19 virus is a medical phenomenon. But the pandemic that it has sparked is a social phenomenon. And of global scope. It is, as this essay has argued, an object of discussion for International Relations (IR) scholars because it affects the relative power and the interrelations of states. It is, however, unlikely to change the international system.

This essay has tried to assess some of the long-term effects of the Corona-crisis. It has avoided any discussion of the nature of the virus – even though such a discussion is important to assess its effects fully. The essay has tried to maintain a steady

5 In addition to Organization for Economic Cooperation – such as the Asian Infrastructure Investment Bank (AIIB), the Eurasian Economic Union (EAEU), the One-Belt-One-Road initiative (OBOR) – China has also initiated organizations for political cooperation, such as the Collective Security Treaty Organization (CSTO), the Quadrilateral Cooperation and Coordination Mechanism (QCCM), the Shanghai Cooperation Organization (SCO). The idea to arrange regular conferences among the BRICS-countries was also a Chinese initiative.

course between the psychotic and the neurotic approaches [Lévy 2020].⁶ It has argued that the Covid-19 pandemic is real and that it has real effects, but that the consequences will depend on the level of analysis that an analyst chooses to investigate.

The more noticeable consequences are found on the lower levels of analysis. Thus, millions of individuals are affected by the Corona-crisis in their daily lives. Some are directly affected and fall very ill, others are affected indirectly by being hit by bankruptcies, close-downs and other adverse socio-economic effects. By drawing on Adam Smith and his classical political-economy theories, this essay has for example noted how global commodity-chains have been disrupted by the Covid-19 pandemic – how stores may no longer be well stocked because the supply of goods have been stopped by lockdowns among far-away producers. Such disruptions may cause health hazards because products from far-away pharmaceutical factories are no longer made or no longer shipped. Air-traffic, shipping and other supply chains have been hit, and the Covid-19 pandemic has caused commodity scarcities in several markets, from pharmaceuticals, foodstuffs, fashions and electronics.

Some countries have tackled the crisis well. Others have handled it badly. This essay has suggested that whether a country is democratic or autocratic is of little significance for how they tackle the crisis. It has argued that countries that have tackled

⁶ As Lévy (2020) makes clear, the Covid-19 virus is uncertain and unpredictable and lends itself to extreme arguments. It is unclear whether the human body reacts to the virus by producing antibodies that give immunity. This is bad news, because it renders the prospect of an effective vaccine uncertain. Also, some people who catch the virus are asymptomatic carriers; they notice no ill effects whatsoever. Others become seriously ill – some mortally so. Because of our uncertainty and the unpredictable effects of the virus, most discussions about the Covid-19 pandemic straddles two types of madness: neurosis and psychosis. On the one hand, the neurotic is a reaction of avoidance or denial: it is to refuse to wear face masks and to brush the pandemic aside as a huge hoax. On the other is the psychotic reaction, which is to retreat and close down all normal activities.

the crisis best have strong states, trusted governments and capable leaders. It has also indicated that democratic countries with libertarian governments tend to be weak on all three and therefore particularly vulnerable to the pandemic. It has noted how the USA has been particularly hard hit and has explained this by a surprisingly weak US state, deep political divisions in the nation, and by leaders that are incompetent to the point of neurosis.

From the IR point of view, this American ineptitude has adverse implications for the stability of the international system. For it has hastened America's decline at a time when China is rising. The result is that the unipolar world order of the 1990s has been rapidly replaced by a bipolar constellation. The Covid-19 pandemic is not the cause of this shift in polarity; however, the pandemic has hastened the shift.

This essay has argued that the Covid-19 pandemic disrupted the commodity chains of the world economy, reduced international cooperation and stymied international organizations. The net effect of all this is a slide-back towards a more traditional game of Great-Power politics. The pre-Corona game has been disturbed and the post-Corona game is more uncertain. The fall of the USA and the speedy rise of China produced change, and the change itself is a cause of uncertainty.

In addition, the system is changing in particular ways. For three or four centuries, Europe's Great Powers played the international game. The post-Corona world order may offer a new feature or two. First, because the Euro-centred orders were largely multipolar, whereas the 20th and the 21st century orders have tended towards bipolarity. Second, the old orders were composed of sovereign states that played a multi-state game according to rules founded on the Western concept of sovereignty. The new order involves China. China is not a sovereign state but an empire. Over the last generation or so, China has systematically expanded its empire. And there is no indication in the recent

Chinese behaviour to suggest that China recognizes the Western concept of sovereignty.

The Corona-crisis hastens the transition to a new bipolar world order. On the one hand is the declining interstate system of the liberal West. On the other is the growing empire of the autocratic China. The West is composed of the old, sovereign territorial states strung along the north-Atlantic rim. The East is an expanding empire with China as its metropolis.

The contest between the two is sharpened by the self-realization among Western leaders that they have seriously misjudged China. They have long perceived China as a big state. They have complained about China entering the international division of labour and using its comparative advantage to become a keen competitor in the international economy. But they have missed the fact that China is not just a big state; China is an empire. And as an empire, it has used its domestic resources to subvert or subsume the sovereignty of its neighbours – e.g. by drawing on its enormous reserve of cheap labour to win global competitions in labour-intensive industries like textiles. China has not looked for a special niche in the international division of labour; instead of entering the web of interdependence, China has harnessed its domestic resources to advance on a broad economic front to achieve independence from the system. Over time, China has developed its own technologies and moved into steadily more advanced industries like steel, cars and computers. Today, China is developing new products that compete favourably with the West in steadily new fields – among them are intelligent electric cars and excellent wines.⁷

The US - China competition in communications technology is more than an indication of things to come. It is a strategic com-

⁷ The Chinese «Xpeng P7» can compete with any Western-made Tesla. Chinese wines now challenge traditional wine-producing countries such as France, Italy, Spain, and Portugal.

petition for cyber-space. The state that can dominate the new G5 technology will have a central position in the communications network of the 21st century and a huge strategic advantage over the other.

Western observers increasingly wonder whether Beijing has played the Great Powers of the West for fools over several decades. Chinese leaders have taken advantage of the international division of labour and the liberal world market to enhance its own economic influence. Western leaders will have to decide whether to join China or try to contain her expansion by joining the USA.

Containing China is a tall agenda. To redress the growing imbalance in Asia, the USA has to pivot towards the Pacific and draw resources away from Europe and the Atlantic. The Covid-19 virus may weaken the two countries, but it will not affect the basic rules of this competition. Neither will it alter the fact that the bipolar competition is more than a simple matter of mustering material resources and military strength. It also involves intangibles such as justice and legitimacy [Kissinger 2014]. If the Chinese one-party metropolis retains its state capacity, builds trust, and demonstrates more competent leadership than the USA, it will be impossible to beat. Corona-crisis or not, the USA cannot contain China for long. The result is either a peaceful division of the world into spheres of influence. Or it is a war [Allison 2017]. In which case the Corona crisis is dwarfed by far more serious business.

REFERENCES

- Allison, Graham (2017) *Destined for War. Can America and China Escape the Thucydides Trap?* New York: Houghton Mifflin Harcourt
- Copeland, Dale C. (2014) *Economic Interdependence and War*. Princeton, NJ: Princeton University Press
- Fukuyama, Francis (2020) "The Pandemic and Political Order", *Foreign Affairs*, 88(4): 26-32
- Keohane, Robert (1984) *After Hegemony*. Princeton, NJ: Princeton

University Press

Kissinger, Henry (2014) *World Order*. London: Allan Lane

Knutsen, Torbjørn L. (2016) *A History of International Relations Theory*. Manchester: Manchester University Press

Lévy, Bernard-Henri (2020) *Ce virus qui rend fou*. Paris: Grasset

Nye, Joseph S. and David Welch (2012) *Understanding Global Conflict and Cooperation*. New York: Pearson

Piketty, Thomas (2020) *Capital and Ideology*. Harvard University Press

Poe, Edgar A. (1994) "The Masque of the Red Death" in *Selected Tales*. London: Penguin, pp. 192-99 [1842]

Rosecrance, Richard (1986) *The Rise of the Trading State*. New York: Basic Books.

Smith, Adam (1976) *Wealth of Nations*. Oxford: Clarendon Press [1776]

Stone, Madeleine (2020) 'Carbon emissions are falling steeply due to coronavirus. But not for long'. *National Geographic*, April.

U.N. News (2020), *Hard times forecast for global job recovery in 2020*, warns UN labour agency chief, UN News, press release, accessed: <https://news.un.org/en/story/2020/06/1067432>

Widłak T. (2015), *From International Society to International Community: The Constitutional Evolution of International Law*, Wydawnictwo Uniwersytetu Gdańskiego, Gdańsk.