

Globalization, De-Globalization, Re-Globalization
On old Globalization, De-Globalization pre and under Corona,
and the Restructuring of VACs “post Corona”

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Abstract:

The article analyzes the “old” globalization as a particular political and economic process, which tended to endogenously lead into troubles, particularly for the hegemon of that time itself (the USA). “Old” globalization’s performance to the world at some point was therefore characterized by aspects of de-globalization. The hegemon itself, against a changed cost-benefit relation, at some point changed its basic strategy and no longer enforced “old” globalization but the ongoing de-globalization. The Covid-19 pandemic now dramatically reinforced such de-globalization by interrupting international value-added chains (VACs). But forms of rebuilding and restructuring the international VACs are already taking place. It is argued that such re-globalization will find China and its initiative of the New Silk Roads as one new major dimension of any future global trade structure. It is discussed whether there is the danger of a de-coupling into two dichotomic trade blocs or whether multilateralism and a new global deal will be feasible. The particular time window for heterodox economics and education in that process is considered.

Keywords:

Globalization, Deglobalization, Reglobalization, Value-Added Chains, Corona.

Introduction: “Feeling history”, spotting the “sudden” global turn of the tide 2020

In the last few years, we increasingly may “feel history” – after two to three decades of an apparently petrified hegemonic global structure, the *Pax Americana* (1980s though 2000s). The USA, as the self-declared “only world power”, was the only power ever to claim to rule the entire world exclusively. And after the end of the Soviet Union (1991), also the *end of history* (Fukuyama 1992) was declared, indeed. In fact, it was the tacit expectation that neoliberal financialized capitalism, according to the *Washington Consensus*, practiced since the mid-1980s and officially coined so since 1990, would rule forever. And with the establishment of the *World Trade Organization*—WTO (1995) the idea that the “market economy” had “won” over “planning” was all-embracing.

But in that year 2020, on occasion of a pandemic, the average western citizen “suddenly” perceived “surprisingly” a completely different world. *China*, comprehensively alarmed after SARS (2002/3), Ebola (2014ff.) etc., and the general knowledge that humankind has been increasingly walking on the brink of a pandemic of some mutated Corona-virus, was closest in pursuit of Corona-viruses with its medical research. Its researchers had repeatedly published in the leading international medical journals that some Corona mutations, including animal-human and human-human transmissions, has to be expected soon, with certainty.

Therefore, firstly, China detected the new virus first, and quickly identified its genome within two weeks, while the virus had, in fact, occurred before elsewhere, but had been “overseen” and, amidst the upcoming influenza season in fall/winter 2019, had just been filed as regular “influenza”, as documented later through testimony of CDC director Robert Redfield in Congress and re-examinations of the files, in the US, France, and Italy.

Secondly, together with other southeast-Asian countries, China stopped the virus in shortest possible time, with the most comprehensive testing and quarantining measures. It fully ignored “the economy” for two months, while salaries continued to be paid, contracts of any kind (labor, housing, insurances) could not be terminated, even if not served. And there was a huge mobilization of medical forces as well as millions of volunteers, in all demonstrating not only huge analytical but also *social and public-health capacities*. The WHO website is completely clear on the timeline of events, from December 31, 2019 onwards, on a daily basis, where China documented first identification, then genome sequence, then animal-

human and then human-human transmissions, in nearly real time. On January 20th, 2020, everything was crystal clear worldwide to the public health agencies.

The governments of the leading, “most developed” countries of the USA and EU not only did not adequately react over eight weeks, being busy with China bashing, then proved to be *completely unprepared* in terms of stocks of medical protection devices, then demonstrating the poverty of their public health facilities, enervated after four decades of neoliberal austerity regimes, and subsequently and consequently ran into complete public-health disasters, had to practice some *eugenics* (“*triagination*”) and to accept a high death toll. The most they could hope for was “stretching” the infection curves so that their limited public health capacities would not become too overstressed and not too horrible pictures of triaging be seen on TV. In addition to Anglo-Saxon countries and their close political allies (India, Brazil), also some southern EU-countries (Spain, Italy, France, but during the second wave, in Fall and Winter 2020/1, also central northern European and many other states) ran into such disaster. And the EU proved fully disintegrated in the first weeks of the crisis, with virtually no solidarity or even formal adherence to its own rules of common decision-making. The US showed shocking international behavior largely considered anti-solidary in the global public.

In the meantime, China, thirdly, helped EU countries (and others around the world) in their human catastrophe, with *skylifts* and hundreds of tons of medical goods, 30 billion masks delivered to southern Europe, and medical personnel sent, much praised by leading state representatives during their highest distress. It took two months for the EU to regain its poise and they still struggle for help for the weakest and most hit, on risk sharing and the distribution of the financial burden of recovery programs.

In the West, the long expected, lingering *financial/speculation-sector crisis* actualized again in March 2020, for a short period, and in fact independent of “Corona”, enforcing a similarly long-lingering *real-economic slack* and turning it into a downturn. However, the latter then was severely reinforced through the pandemic, while the perspectives of giant public monetary and fiscal support programs made the financial speculation sector *return to boom*. This proved again that the casino is living exclusively for itself, and on the money flooding by the central banks, independent of any fundamentals, that there is just far too much private

richness and nominal and fictitious money-capital (in the size order of hundreds of trillions) searching a profit rate,¹ while the real economy had its largest crash for nine decades, at least.

The global *value-added chains* (VACs) were interrupted in the pandemic, to say the least, demonstrating a severe *vulnerability* and a need of being rebuilt “post Corona” on a more sustainable and robust basis. But the reconstruction of the VACs will be protracted, as the restart of the global economy is suffering by the two basically different modes of fighting the virus, the southeast-Asian and the “western” ones, with the resulting *asynchrony of the resets* in China, southeast Asia and parts of Eurasia on the one hand, and the “West” on the other.

In all, “Corona” not only induced a huge real-economic crisis and interruption and part destruction of the global VACs, it demonstrated within months a completely *different picture of the world* and of what the usual narratives so far had suggested. While all this will appear “sudden” and “surprising” to the average western citizen, given the long-lasting dominant western narratives, it all had been prepared and tacitly emerged within the last one to two decades.

In this note, we will try to reconstruct, why this all culminated “suddenly” within only a few months of 2020, and partly “surprising”, how occasioned ever by the pandemic, how it all was prepared and had tacitly emerged under the “old” globalization, and how the experiences of de-globalization of the past and present may (or: will have to) shape the *rebuilding of international network structures* and VACs, i.e., some alternative re-globalization, post-Covid-19.

1 A frame of hypotheses

In this conceptual note, we will contend

on “old” globalization:

¹ See, for instance, W. Elsner, “Financial Capitalism Trapped in ‘Impossible’ Profit Rate. The Infeasibility of a ‘Usual’ PR, Considering Fictitious Capital”, *IJPEE – Int. J. of Pluralism and Economics Education*, 4.4, 2013, 243-262.

- The apparently “sudden” and “surprising” global “turn of the tide” was all but sudden and surprising: Much of what appeared densely and “suddenly” in 2020 had emerged, developed, lingered, and increasingly loomed during the 2010s.
- The “old” globalization, with its high time from early 1980s through 2008, was a genuinely *political-economic* process that has long proved socially and ecologically *unsustainable*, and therefore “endogenously” turned into disintegration and processes of de-globalization.

on de-globalization:

- With the “*endogenous*” *change* of conditions, the cost-benefit balance of “old” globalization for the hegemon turned >1 , so that the hegemon that had established its earlier conditions and rules lost interest in supporting it, and an increasing *proactive* “*exogenous*” (*political*) *de-globalization* strategy by the hegemon came on top.
- Financial crisis, economic slack, social problems, environmental catastrophe, and political regressions had piled up “pre-Corona”, and Corona obviously was not the cause of most of those crises but just the occasion.
- The pandemic then *interrupted the global VACs*, demonstrated their *vulnerability* under critical conditions, their inadequacy and *unsustainability*.
- Under Corona and in view of the apparent incapacity of the US with their own epidemic, a *hybrid war against China*, which had been started after 2008 and enforced during the 2010s, was reinforced, in face of another relative strengthening of China, as a *de-coupling*, with the final threat to “*blow up the whole relationship*” (Trump). The danger of *two parallel international political-economic blocks* is looming.

on re-globalization:

- “Post-Corona”, beginning in the second half of 2020 already for a number of countries, *VACs will (have to) be rebuilt*, with more *resilience*, more diversification, some renationalization (reshoring), regionalization, localization, but will also be combined with *more planning*, namely *industrial policy* in the West, and more stable, long-run international *inter-governmental agreements* and reliable international cooperation. An example may even be the “*Phase-1-Agreement*“ between the US and China of January 2020, with its detailed specifications, very much “China-style” rather than the alleged triumph of Trump.

- China, the new number one in GDP (in PPP, since 2016) and in multiple other areas, again strengthened after the pandemic and apparently the first to get out of it, may lead post-Corona *re-globalization*, with a focus on the *New-Silk-Roads space*, if Washington continues enforcing its economic and technological war, de-coupling, building two separate opposing blocks, and gambling with a hot war against China (China/Russia). This could divide the world and humankind, would further *advance China* and its many Belt-and-Road partners, and perhaps, in a reaction of the hegemon, bring *hot war* closer. Alternatively, clarifying the “West’s” own structural mid-term goals and interests would enable it to enter serious bargaining with China and possible long-term reliable cooperation.

and on the role of heterodox economic perspectives upon restructuring global VACs:

- There is huge role for the plural heterodox economic perspectives in the historical “turn of the tide” and the rebuilding of international political-economic relations, combining rebuilding international VACs and ecological sustainability, more and combined macroeconomic and sectoral planning, clustering and networking, and exploring international win-win-situations.

2 “Old” globalization

Political-economic conditions and functioning

Neoliberal *de-regulation* of banking and finance, large-scale *privatization*, and *financialization* started at the end of the 1970s. Since 1983, increasing volatilities in the speculation sector (“financial markets”) became observable. From the late 1980s on and during the 1990s and 2000s, national, regional, and international financial crises occurred more frequently (Latin America, southeast Asia, Russia ...), and also in neoliberal “model” countries. The “*Washington Consensus*” officially codified the neoliberal “*structural reform*” *programs* for all countries as the official conditionality of IMF and WB crediting and policy interventions as an enforcement and deepening of earlier neoliberal “reforms”. *Austerity* programs were further elaborated and imposed, and *redistribution to the top* accelerated.

Another condition of old globalization was the *dollarization* of trade and finance: The US could increasingly *attract all surplus capital worldwide*, which under national austerity

programs was no longer interested in real-economic investment, to Wall Street. Wall Street could promise *highest profit rates* through its very own de-regulated “*financial innovations*”, its snowball systems and “*securitization*” pyramids. The inflows enabled Wall Street to grab global resources and land to transform fictitious money-capital into real values that could survive a potential financial crisis without major devaluation.

Wall Street in this way could also “empower” *US-corporations to further globalize*, invest in low-wage countries and conquer relevant sales markets abroad. A further, more fundamental *de-industrialization of the US* resulted.² With de-industrialization of the US, massive job losses, increasing poverty, an exploding *trade-balance deficit*, tax reductions for capital and the rich, the *US budget deficit* exploded as well, which, in turn, was debt-financed by Wall Street. With a relatively *smaller wage bill*, US-citizens nevertheless became the global *consumers “of last resort”*, encouraged and increasingly *debt and mortgage financed* by Wall Street as well.

Internationally, old globalization was based on the US determining the conditions and *rules of trade*, through GATT and (beginning 1995) through WTO. The US also determined the conditions of *international currencies (special drawing rights)* and *international crediting* through WB and IMF, with the by far largest weight of the USD in the currency basket of the IMF (>40%).

Later on, old globalization also rested on the pillar of the *US-Big 4(5) GAFA(M)*, Google, Apple, Facebook, Amazon (Microsoft), to control the internet/global communication, collect, generate, analyze, commercialize and militarize (through NSA) big data through AI.

Finally, it rested on the pillar of the largest *military machine* ever, the US-army (with NATO), with >80% of global military spending, 90% of military bases that largely determined global political conditions and defined the main events of global “*geo-strategy*”.

Major deviating *competitors of the hegemon* were either financially competed down in an arms race (among others), such as the *Soviet Union*, or were forced to give up their systems, adopt neoliberalism and “openness”, restrict its exports, and invest in the US, such as the earlier non-neoliberal corporatist system of *Japan*, with its superior lean production systems

² Deindustrialization of the US, in fact, already began in the 1970s (e.g., Bluestone, Harrison 1982).

and industrial policy model (MITI model), as determined in the so-called *Plaza Accord* (1985).

In all, old globalization was based on a hegemonial power structure with rules set for the *interior* structures, fiscal policies and central bank/monetary policies of all countries, and with *international rules* largely set by the hegemon for trade, investment, currency policies, and crediting, with related *interventions of IMF/WB* into national structures and policies, mostly irrespective of national parliaments, and, finally, an increasing number of *military interventions* and threats of intervention through the hegemon. This was termed an “*international community*” with “*shared values*”, but the arbitrariness of the hegemon and its allied coalitions of the willing replaced traditional international law and mostly pushed aside the UN.

Political and economic performance ... and the exhaustion of old globalization

The system, thus, was monocentric, hegemonic, authoritarian, potentially arbitrary and potentially violent, largely (and increasingly) disregarding international rule of law, national sovereignty, democratic self-determination, and territorial integrity, namely in cases of IMF crediting.

It also was *exclusive*: It did not develop many countries, *Africa*, for instance, still has not become industrialized, its income fell behind against the global income (per head) median. Only few countries still could catch up at all under the neoliberal regime: Besides China, this was only South Korea, Singapore, perhaps Vietnam (later, somehow). Also, many countries got stuck “half-way”, in *middle-income traps*, such as *Latin America*, parts of northern Africa, southwest and south Asia, through developing oligarchic and corrupt structures and a narrow ruling class that absorbed all national surplus for luxury consumption. Also, Latin America *fell behind* in relative per-capita income compared to the global median per-capita income.

The entire global regime was excessively based on *consumerism of the north*, thus mainly *resource extracting* in global south. It thus continuously increased *global poverty*, and famines and underfeeding tended to increase in spite of many UN initiatives to help. Local *conflicts* over regional resources and poverty *migration* spread.

Further, new size orders of *regional ecological catastrophes*, such as Australian mega *bushfires*, Brazil's *rainforest burnings*, Californian mega *wildfires*, and Siberian *tundra fires* occurred, increased and endured. Finally, a global economy gone astray massively contributed to the acceleration of the *global climate crisis*, which became a prime global urgency.

On top of that, as mentioned, the de-regulated *financial sector* had become ever more *volatile* since the mid-1980s, and national and regional financial crises have occurred more frequently. And it all cumulated into the global crisis of the financial sector. After, the *dot.com* crisis 2000/2001, the *Great Financial Crisis* 2007/2008ff., with its subsequent long-lingering Great Recession 2009ff., finally became the major *turning point* of the global strategy of the US, and, thus, for the old globalization.

In the 2000s, the *cost-benefit relation for the hegemon* apparently had deteriorated through the loss of its industrial basis and increasing negative trade balance, its heavy and unsustainable indebtedness, private and public, and its military expenses.

China had become a *WTO*-member in 2001 but did not develop into a “Western”-style neoliberal market economy. In addition, after 2008, it invested ca. 8% of its GDP and became the world engine of global upturn for years. (Germany's exports profited from that for a decade.) *China* stabilized its GDP growth, organized a continuous growth-rate decrease, reoriented from an export-champion towards its interior economy, managed even more opening and reforms, attracting more incoming FDI, while seriously beating corruption and civilizing behaviors after 2012 (beginning of the era of Xi). It became, as mentioned, No. 1 in GDP in PPP in 2016, and the historical old normal (where *China* had contributed 30-40% of world GDP over nearly three millennia) re-emerged as the *new normal*, without, however, becoming a Western-style socio-economy.

Rather, *China* started building a strong *international role*, with the *Shanghai Cooperation Organization* 2002ff., enforced southeast-Asian cooperation, mutual approaching with *ASEAN* and building a *Regional Comprehensive Economic Partnership (RCEP)* in Southeast Asia and Australia, further the *BRI* initiative 2014ff., while *Russia* being forced by the West into a comprehensive strategic partnership with *China*. For international development and crediting, *China* built *new international banks* such as their own Exim-Bank, the BRICS bank (2014), the international Asian Infrastructure Investment Bank (AIIB, 2015), all attractive

alternatives to IMF/WB with their crediting under more transparent, better and more flexible conditions and with no interior policy prescriptions for the credit taking countries. In fact, ever more countries have reoriented away from IMF/WB, and the Dollar as a *transaction medium* has been questioned ever more. Increasing global transactions are being contracted in Euro and RMB.

The *military turning point* for the US and its “Greater Middle East” strategy was the war in *Syria*, beginning 2011. Syria was the first country in the “Greater Middle East” that did not go the way of Afghanistan, Iraq, Libya, Sudan, Mali ... and still remains to be the last secular and largely integrated national Arabic state from the decolonization period of the 1950s. Russia proved to be far more cost-effective in their military operations in Syria than the US, with only 10% of the US military expenses. Russia could not only not be fenced, it also proved not to be just a “regional power” (Obama)³ but militarily on par with the US.

Its defense technology S-300 and S-400 is said to be cutting-edge, in fact superior to any other military technology, and has protected Syria’s national integrity effectively against 80% of US, French, British and Israeli missiles and has been sold to many countries since, including NATO member Turkey, and particular to the US-target Iran. Russia’s latest-generation military planes are said to be superior to the Western ones, and Russia’s and China’s middle range defense weapons (and recently also China’s new intercontinental missiles) are much faster (up to Mach 27) than the US ones (US military technologies seem to be under Mach 10, still). There is reason why the US did not dare to attack Iran, which commands S-400 systems. This major military turning point seems to be symbolic of the end of “old” hegemonic globalization.

3 De-globalization pre and under “Corona”

De-globalization “pre-Corona”: End of multilateralism, “punitive” tariffs, re-shoring, hybrid war, and sanctioning

In sum, “old” globalization got into trouble, from endogenous political-economic dysfunctions. Among the early indicators of decline also were increasing *civil-society*

³ For instance: <https://www.theguardian.com/world/2014/mar/25/barack-obama-russia-regional-power-ukraine-weakness>, visited January 27, 2021.

critiques, and at the tip of the iceberg, e.g., the severe Seattle riots 1999 against the WTO, and the Genoa riots 2001 against G8.

More in terms of deeper functionality, since 2010, *international trade* did no longer grow faster than production. In the period 1990-2008, trade growth rate still had been 3%-points above the global production growth rate. Some *re-nationalization* occurred, and international value-added chains shortened: While in 2011, there still were 77% of sales values domestically supplied (OECD-wide), in 2016 this climbed to 80%. In 2019, it was up to 92% for the USA, and up to 85% for China.

“Exogenously” on top, but in fact interwoven with the above and concomitantly, came an increasingly proactive *political de-globalization*, a switch of strategies of the West from multilateralism to selective *bi-/pluri-lateralism*. After some frustration about the effects of China’s WTO membership (2001ff.), and in response to the global financial meltdown that had relatively strengthened China, there has been some return of *protectionism* since 2008. The US reduced support for WTO, and pursued *separate regional trade agreements* (TTIP, CETA, JEFTA ...). In the end, the WTO has been actively *boycotted*, namely through the empty-chair policy for its “court”, the Appellate Body.

WTO-“*reform*” is nevertheless advocated through joint proposals of the US, EU, and Japan, namely against China’s industrial policy and the existence of its state-owned enterprises. So the very idea of what a “market economy” really could be and the role of industrial policy and regulations are at stake (while China often has more competitive and dynamic markets than the West with its long-established narrow oligopolies).

The Obama administration installed the “*Buy American Act*” in 2009, and in 2016/17, Trump was (relatively) successful in the presidential election with his “*America First*” and “*Make America Great Again*” slogans. A massive *tax reduction* for US-corporations followed in 2017 hoping to repatriate US-firms’ production, and, from 2018 on an *increase of* (“*punitive*”) *tariffs* as well as investment, technology, and personal restrictions vis-à-vis China (and partly against the EU), which has developed into a “hybrid war” against China, in a (tacit) understanding that international exchange is a *zero-sum* game, or a “war” (“my win is your loss”), rather than a positive-sum, or win-win, game. Average US tariff rates versus

China increased from 3.1% (2017) to 19.3% (2020) (an increase that mostly the “inelastic” US-consumer has to pay).

More generally, the US, under the Trump administration, has proceeded in a tacit understanding that everything is a war-like zero-sum. So “making America great again” has been expanded from trade, investment and technology wars through IMF/WB finance and crediting, the military (secret drone wars) and legal (extraterritorial application of US law, arbitrary freezing of foreign capital stocks ...) to diplomatic language (allegations and fakes). And international *sanctions* sprawl.

The US and the EU now also restrict incoming (Chinese) FDI, a new purely *negative (protective) “industrial policy”*, with new options of preemptive firm *nationalizations* (against Chinese investments and acquisitions). Chinese FDI in the US and EU therefore have been decreasing since 2017 already (in the US, but also in parts of the EU, and namely Germany).

De-globalization “under Corona”: Interrupted VACs, export bans, and reinforced de-coupling with China

Global VACs have largely been interrupted under Corona lockdowns, illustrating that they have been too vulnerable and unsustainable, as international traveling was largely prohibited, production and distribution (trade logistics) went down.

But on top of the effects of fighting the pandemic have come proactive political fragmentation and *desolidarization*: export controls and restrictions on *medical goods* came early 2020, later followed even by *food export bans*. 80 countries have established export restrictions just under Corona. In the *EU*, both export bans (of medical goods) and personal mobility restrictions, passed by individual member states without any EU coordination, had even put into question for some weeks the basic pillars of the project, the customs union and the Schengen union.

Global GDP, thus, is predicted by the IMF to decrease by 2% over the period 2020/21. For China, the IMF predicts +10% for the two-year period. For the US, an overall shrinking is predicted, with around -30%/-40% for 2020 alone. With Chinese production already restarted, the asynchronous and asymmetric crisis poses a great obstacle for global recovery.

On top of the pandemic crisis, Washington has even reinforced, rather than interrupted its “hybrid war” and “de-coupling” vis-à-vis China: “cutting off relationship with China” (Trump in May 2020).

There are general tendencies now of *political “re-shoring”* and *re-nationalization*, namely against China. For instance, France’s *Renault* is incentivized to withdraw from China (back to France) with massive support from Macron. *Apple* was told by Washington to bargain with Vietnam on moving production out of China. (But, of course, VACs with China cannot simply and quickly be abandoned, as production sites in China often provide unique environments of human qualifications, suppliers, finance and public planning and support.)

4 Re-globalization “post-Corona”: More resilience, parallel globalization blocks, or new deals?

Re-globalization for increased firm-based and macro resilience?

In the course of unlocking and restarting “after Corona”, partly beginning in the second half of 2020 already, VACs will (have to) be reconfigured to some extent. Reconfigurations on the micro/firm base will take place targeting *more safety of supplies, less vulnerability, and higher resilience*, which means both resistance to future economic crises and environmental sustainability. Overall, this may imply a somewhat *reduced international division of labor*, and thus, some re-shoring; equivalently, VACs may be somewhat shortened.

Firms, therefore, may strive to *diversify their suppliers*, spatially (nation-wise) and type-wise (firm-type: more firms, different sizes of supplier firms, etc.), as feasible. They may wish to hold *larger inventories*, all within the limits of affordable costs, of course.

Policies, in their new drive for factual proactive intervention, with more *money flooding* by the central banks, a *virtual Keynesian fiscal policy*, and their new openness to some *industrial policy*, how ever flawed, will support these tendencies with more proactive industrial policies, some sectoral-structural framing, and perhaps more *intergovernmental agreements* on international sourcing. This will imply a greater need to *clarify structural, technological, and ecological goals* and target future socio-economic structures.

Part of micro and macro efforts (combining firms and politics) may be some *regionalization* and localization, with some intensification of *spatial clustering* and *international networking*.

An alternative re-globalization along the New Silk Roads?

Such clarifying and targeting future sectoral and technological structures will tend to be very much “China-style” (see, for instance, China’s famous “Made in China 2025” program as a comprehensive targeting prototype for 2025, 2030, 2040, and 2049). Thus, much will improve international conditions of getting together, *bargaining*, defining mutual interests and *win-win-constellations*, and entering reliable *long-run cooperation*.

As mentioned, the “Phase-1-Agreement” US—China (2020) already was much of such “*managed trade*” and planning US-sector developments (even if mainly in agriculture, of course, which has always been planned more intensely). And the US also had to reduce and even *abolish certain punitive tariffs* again (namely on medical commodities) in the emergency of their epidemic, and even agreed to some exemptions on the *chip-sales ban against Huawei*. In fact, no one in the world, and particularly not China, has an interest in a deteriorating USA.

A double “China advantage” after having mastered first and with relatively little cost the Corona epidemic? Yes and no. Washington, be it under the REPs or the DEMs political duopoly, seems to be light years away from constructive and reliable long-run cooperation with China. Its mode seems to be to prepare for some “*final cultural clash*”, including hot war. Many in Washington declare hot war with China “inevitable” and coming in the next few years. They better think twice on that. Some minor chance exists, though, that the EU might slowly develop a more win-win way. However, currently it seems completely open, whether some *new “transatlantic” political networks* are reemerging in order to push more hybrid and perhaps hot war.

China has emerged in 2020 also as a health world power. And generally, it will get out of the pandemic strengthened and with more *international reputation*, as the recent international conferences of WHO, the China-Africa or the “16(19)+1” (China, middle- and east-European countries plus Greece, Italy, and Switzerland) conference formats have shown. China (in fact, China/Russia/Cuba jointly) will be among the first to develop a *serum against Covid-19*, and China has repeatedly promised to African countries that Africa will be among the first to get

it. (In January 2021, it was reported that China delivered their vaccine to 120 countries, some of them producing it with a Chinese license.) They have also *cancelled credit obligations* of the poorest countries under “Corona”, and entered *restructuring of credits* with more than 70 countries worldwide (according to studies by Johns Hopkins and Boston University). So China seems to face improved conditions for its restructuring of VACs “post-Corona”.

As Washington continues its hybrid war, *Huawei*, for instance, was able to produce its newest mobile without any supplies from the US, within a year. A prototype of reconfiguring supply chains? In face of Washington’s hybrid-war mode, China will *rebuild its own globalization* and VACs along more reliable (namely the BRI-) partners. It will diversify, regionalize, use regional clusters and international firm networks, all based on the *alternative (re-) globalization mode* of public frame agreements, with, for instance industrialization targets for Africa. This will probably be one way of re-globalization, open to the 130 BRI-partner countries and 40 international BRI-partner organizations.

As Singapore diplomat and political scientist Kishore Mahbubani in his book *Has China Won?* (2020) asks: Can the West still make a U-turn to learn about south-east Asia? Will it adapt to more rationality, to the collective global commons, the survival of humankind, its own survival, an acceptance of the “new-normal” times, and more international agreement and cooperation? If not, the world may be split into *two re-globalisation blocks*. Better to take China’s repeated offers seriously and not add another decade of arrogantly rejecting offers, as done in the case of Russia.

5 Conclusions on the future role of plural heterodox economic perspectives

Famous economist Carmen Reinhart, now chief economist of the WB, said: Covid-19 is the „last nail” in the coffin of globalization. She spoke about the “old” globalization, which is past.

What will follow, will depend on answers to questions like:

- Will *neoliberalism*, with its obscene shuffling of income and wealth to the top, *come to an end* and give way to a more proactive and organized, more rationally

regulated and more even capitalism? Will the Wall-Street 1 per mill with their trillions of purchasing power (purchasing politics) allow that?

- How weak or strong, aggressive and arbitrary will the US come out of its own severe, and perhaps existential, epidemic? What will be the future of military conflicts?
- Will hegemonism and bi-/pluri-lateralism come to an end and monocentrality give way to a *new multilateralism* (in WTO, WHO, UNCTAD, UNESCO, UNEP ...)?
- Will there be further de-coupling with *parallel re-globalizing blocks* or true New Deals?
- Will international law be reestablished, and the UN strengthened again?
- Will there be more transparent multilevel *local-to-global public agreements*?

The wind of change, the “feel of history” that we mentioned in the beginning and that is taking place in 2020/2021ff. provides a huge chance for the plural and cooperating heterodox economic paradigms and perspectives. The questions above are at the core of *International Political Economy* and *Post-Keynesian economics*.

Further:

- Will there emerge a more resilient international division of labor and VACs, at interacting firm and policy levels?
- Will future structures better reflect the complexity of socio-economic structures, with more resilient staged systems of overlapping clusters and networks?

Research questions and advice opportunities for pragmatic heterodoxies, from evolutionary and institutional economics to socio-economics, network analyses, environmental economics, and complexity economics! However, the influence of heterodoxies will, in turn, depend on a larger societal, power and political change, which is all but sure to come. We have a unique time window to advance ourselves vis-à-vis the neoliberal-neoclassic mainstream, against business as usual and a reinforcement of the old power structures, with a “Keynesianism” for the 1 per mill, where all will have to pay for bailouts of the rich more than ever.

In all, there seem to be chances for a better world amidst the world’s worst crisis. Otherwise, there will be another, real “end of history” as an end of humankind.

References

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(to be complemented)