

Political Economy, Markets, and Institutions

The COVID-19 Pandemic and the Crisis of the Liberal International Order: Geopolitical Fissures and Pathways to Change

Milan Babić¹ ^a

¹ Faculty of Social Sciences, Maastricht University, Maastricht, the Netherlands; Amsterdam Institute for Social Science Research, University of Amsterdam, Amsterdam, the Netherlands

Keywords: liberal international order, geopolitics, covid-19, international political economy

<https://doi.org/10.1525/gp.2021.24051>

Global Perspectives

Vol. 2, Issue 1, 2021

The COVID-19 pandemic accelerates and exacerbates many preexisting tendencies in the global political economy. Consequently, the crisis of the liberal international order (LIO), which has been ongoing for several years, is also being affected by the pandemic. These effects are, however, not uniform: some aspects of the crisis of the LIO, as a multidimensional phenomenon, are under more pressure than others. In this article, I detail these varied effects with a specific focus on questions of geopolitics and hegemonic change. I argue that especially the societal level, where socioeconomic distortions and popular discontent are long-existing drivers of crisis, will be severely hit by the social and economic fallout of the pandemic. I conclude by suggesting a set of hypotheses regarding the effects of the COVID-19 pandemic on the crisis of the LIO that can be tested once more data becomes available.

INTRODUCTION

Three readings of the potential effects of the COVID-19 pandemic on international politics writ large prevail nearing the anniversary of the outbreak in December 2020: some commentators believe the pandemic to be a potential game changer for international politics (Smith and Fallon 2020; Norrlöf 2020); others remain skeptical of its transformative potential (Drezner 2020); while a third group emphasizes that the pandemic will not fundamentally alter but rather will accelerate preexisting trends (McNamara and Newman 2020; Linsi, this collection). The third perspective is best suited to gauge the effects of the pandemic on the ongoing crisis of the liberal international order (LIO), since the crisis itself is a long-term process that started well before the pandemic (Trubowitz and Burgoon 2020). However, as a multidimensional phenomenon, the LIO's crisis is likely to be affected by the COVID-19 pandemic in varied, uneven ways: not all of its different aspects are being accelerated, and some are being accelerated more than others. Assessing the effects of the pandemic on the crisis of the LIO thus requires a set of tools that does justice to this complex reality.

In this article, I provide a tentative assessment of the status of the crisis of world order in the light of the COVID-19 pandemic. The analysis thereby focuses on the geopolitical and hegemonic aspects of the pandemic. I use a Gramsci-inspired framework developed elsewhere (Babić 2020), which takes the multidimensionality of the crisis of the LIO seriously. To capture the possible consequences for the differ-

ent aspects of the LIO, I develop a set of hypothesized effects. This set can serve as a basis for further refinement and testing in the time post-pandemic.

HOW DOES THE COVID-19 PANDEMIC PLAY INTO THE CRISIS OF THE LIO?

In the following, I understand world order not as a fixed, immutable, and thus static entity that somehow "orders" world politics after a liberal image (Cooley and Nexon 2020). Its analytical relevance stems rather from what John Ruggie dubbed the "social purpose" (Ruggie 1982, 382) of international orders. While power politics determine the *shape* of world order (e.g., whether we see unipolarity, multipolarity, and so on), social purpose defines its *content* (Ruggie 1982). Ideal-typically, this purpose serves as a common denominator that mediates agency in international politics. Hegemony is crucially dependent on the existence of such a purpose and consequently transforms or vanishes with the erosion of this purpose.

The social purpose of the LIO changed over time (see also Ikenberry 2018, 9): while the Cold War phase of the LIO combined a strong geopolitical rationale with embedded liberalism, this foundation became perforated after 1989. Neoliberal globalization, with its promise of global prosperity under a single prevailing economic system (Milanović 2019), turned out to be a crisis-ridden, unstable, and never truly hegemonic form of world order. At the latest since the global financial crisis of 2008, we see regular economic

^a m.babic@maastrichtuniversity.nl

and (geo)political shockwaves rattling the LIO, with its culmination in Brexit and the election of Donald Trump in 2016 (Tooze 2018). Since then, a flood of academic articles and op-eds postulates the end of the LIO as we knew it (De Graaff and Van Apeldoorn 2018; Duncombe and Dunne 2018; Porter 2020).

The pandemic thus unfolds in a situation of profound global distress and a full-blown hegemonic crisis of world order. In the following, I will scrutinize the potential of the pandemic to significantly alter or influence this crisis from a geopolitical and hegemonic viewpoint. The framework I use consists of three levels that each address one crisis dimension inspired by Gramsci: the global political economy (processuality), the state level (organicity), and the societal level (morbidity). I will describe how the COVID-19 pandemic potentially affects crisis dynamics on each level separately, and then summarize the hypothesized effects on the crisis of the LIO.

GLOBAL POLITICAL ECONOMY: HEGEMONIC ASPIRATIONS AND FAILURES

Processuality describes the Gramscian idea that crises are not events that happen randomly, but long-lasting processes stemming from contradictions within social orders themselves. For the global political economy, this means that contradictions of US hegemony—such as the historically controversial role of the dollar, or US military overreach—in the long run undermine the LIO. One such key process is the geopolitical rise of contender states, most prominently China (Babić 2020). The COVID-19 pandemic can have an accelerating effect on the crisis of the LIO on this level if it promotes the rise of China as hegemonic contender and concomitantly further erodes the hegemonic standing of the United States. This could, for example, happen if the United States permanently fails to provide public goods such as personal protective equipment (PPE) or vaccine distribution mechanisms, and if China at the same time manages to present itself as the better alternative global hegemon by stepping in to fill this void.

The circumstance that the virus most likely emerged in China plays a crucial role in the geopolitical significance of the pandemic. In spring 2020, after the successful containment of the virus in Wuhan, Beijing scaled up efforts to step in as a global provider of PPE: accompanied by abundant global publicity, China delivered medical support to a number of countries, among which were pandemic-torn Italy and also Serbia. The latter was a curious case of geopolitical alignment, in which the Serbian government harshly criticized an alleged lack of European help but excessively praised China's role—the president even kissed a Chinese flag in a public stunt (Verma 2020, 211).

But this image of Chinese “mask diplomacy” did not last long. Already in March 2020, countries like the Netherlands, Turkey, and Spain rejected Chinese PPE on the basis of its quality (Stevenson and May 2020), and EU high representative Josep Borrell warned that a “global battle of narratives” was evolving, introducing geopolitics in forms such as a “politics of generosity” of PPE donations (Borrell 2020). Further efforts to bolster its version of this narrative were also unsuccessful for China, be it due to a globally rec-

ognized lack of transparency over its COVID-19 numbers; Beijing's early mishandling of crisis communication (Wang 2020); or aggressive attempts to project a positive picture of China's role abroad (Smith and Fallon 2020, 248). In sum, the Chinese attempt to appear as an alternative benevolent hegemon during the pandemic was at best mediocre.

What does this mean for the crisis of the LIO? It has become abundantly clear throughout 2020 that the United States mostly failed to respond adequately to the global “public bad” COVID-19 represents (Norrlöf 2020). This failure corrodes the hegemonic radiance of US global supremacy further. At the same time, the new Biden administration is perceived to be keen on reinvigorating at least parts of the hegemonic role of the United States and thus to tap into the global leadership void post-pandemic that China was not able to fill during 2020. Ultimately, the outcome of the US presidential election of November 2020 could turn out to be a more decisive factor than the pandemic in reshuffling the geopolitical and hegemonic perspectives in the crisis of the LIO.

In sum, the blatant failure of the United States to act as global hegemon further eroded the ideational and material basis of the LIO, while China as the prime contender was not able to fully exploit this failure on a global scale. I hypothesize the effect of the COVID-19 pandemic to be largely neutral with regard to the long-term geopolitical and hegemonic balance in the global political economy.

STATE LEVEL: MATERIAL RENATIONALIZATION AND MIXED SIGNALS

Organicity, as the second crisis dimension, describes the fact that the crisis of the LIO is not a conjunctural problem that will be resolved at some point. As an organic phenomenon, the crisis accrues out of a fundamental rupture between representatives and represented—that is, between the states (or electorates) as represented and global institutions as “representatives” in the LIO. I have dubbed this rift an organic “national-international divide” (Babić 2020). The COVID-19 pandemic can have an effect on this crisis dimension if international cooperation to solve it fails and national solutions prevail in the medium run (e.g., vaccine or PPE nationalism). This scenario would accelerate the alienation of the masses from the idea that institutions of global governance at the heart of the LIO are still functional and representative.

Such an organic rift became clearly palpable in the announced withdrawal of the United States from the World Health Organization (WHO) in June 2020. This move of the Trump administration is a textbook example of the national-international divide in the crisis of the LIO. At the same time, the social basis and the actual impact of the decision have to be qualified: there was no broad support in the US population for the withdrawal, with a majority disapproving of the administration's plans (Frankovic 2020). Furthermore, stances on the issue are strongly divided along partisan lines, which complicates the interpretation of the withdrawal.

Beyond this headline-making case, the pandemic could become a game changer if it evokes a steep decline in trust in international institutions. The limited data we can use

to approach this question does not, however, suggest such a fundamental break. For example, in the European Union (EU), a Eurobarometer survey from August 2020 finds that 45 percent of respondents were satisfied with the measures taken by EU institutions to fight the pandemic (European Commission 2020, 4). While we do not have similar events to compare these numbers to, the general trust in the EU was on average 41 percent from 2004 to 2019, with significant dips during EU-related crises such as the sovereign debt crisis after 2011 or the so-called “refugee crisis” in 2015 (European Commission 2019, 5). Whether the pandemic has a similar and even more long-lasting effect remains to be seen. The existing data does not, however, suggest an immediate effect on trust levels. The satisfaction with the national response is on average higher (62 percent), but 88 percent of respondents also support an EU-wide recovery plan, and 85 percent want the EU to have better means to deal with similar future crises.

Generally speaking, the COVID-19 pandemic put the nation-state back in the driver’s seat when it comes to economic stabilization and public health management. In this sense, the pandemic contributes to the material and discursive “re-nationalization” (Babić 2020, 19) driving the described national-international rift. At the same time, we need to be careful to not automatically infer that the pandemic also *fundamentally accelerates* the delegitimization of international cooperation: so far, we have only anecdotal evidence of international retreat caused by the pandemic, such as the US-WHO example. Many functions the state fulfills in an emergency situation such as a global pandemic were never translated to the global level and consequently cannot be renationalized. This being said, there is enough potential in the crisis to inform future discourses about renationalization to the detriment of international cooperation. I thus hypothesize a slightly accelerating effect of the pandemic on the crisis of the LIO.

SOCIETAL LEVEL: INCREASING PRECARIETY AND THE FEEDING OF MORBID SYMPTOMS

While “morbidity symptoms” à la Gramsci are a general crisis phenomenon, their drivers are, in the case of the LIO, to be found on the societal level. There, the LIO has been bolstered by a “common civic identity” (Deudney and Ikenberry 1999, 192), which is a set of liberal norms and principles closely tied to the embrace of capitalism as economic system (Babić 2020, 15). Problems arising within this “market civilisation” (Gill 1995)—such as growing inequalities and rising precarity—consequently eat into the social foundations bolstering the LIO and its (implicit) promise of equity and prosperity.

If socioeconomic decline and deprivation and the anger and political resentment this produces have an effect on the societal foundations of the LIO, the pandemic could potentially have severe effects at this level. The unevenly distributed consequences of the pandemic for people’s lives are most visible in the increase in unemployment and the wors-

ening of precarious and low-paid work situations around the world (ILO 2020a, 14); the disproportional impact on racial, ethnic, and other minorities (Tai et al. 2020); and the yawning gaps of mobilized economic stimulus between high-income countries and the rest of the world (ILO 2020b, 4; see also Weinhardt and Brandi, this collection). It can already be said that the COVID-19 pandemic worsened inequalities along multiple axes: between temporary and permanent workers; between those able to telework and those who are not; between sectors such as white-collar workers and the industrial workforce and services; between protected groups and the gig economy; or between world regions.¹ Going forward, a so-called K-shaped recovery, where wages and assets of the better-off will recover while lower-end income situations will remain at the precarious pandemic levels, remains a likely scenario (Rozsa 2020). Even China, which is leading global economic recovery efforts, is currently experiencing such a K-shaped recovery, with substantial losses for the bottom 60 percent of incomes, and especially for migrant workers (Ren 2020).

In this gloomy situation, the astonishing gains on the side of the crisis winners exacerbate the perception of global inequalities. Due to a mixture of stock market rebounds and increased demand for digital services during the pandemic, global corporate wealth soared in 2020. In the United States alone, billionaires were able to cumulatively add more than \$1 trillion to their wealth from March to December (Manjoo 2020). While the specifics of this stock market-driven development have to be scrutinized after the pandemic, the already emerging narrative should not be underestimated. Global inequalities seemed at a breaking point already before the pandemic (United Nations 2020). A crisis that painfully exacerbates and unfolds those tendencies further unravels the social legitimation of the LIO. If not properly addressed, situations of helplessness, insecurity, and rage emerging out of the economic disaster of the pandemic will be a major factor in this unraveling.

If the pandemic-induced economic hardships for people around the world devolve into a K-shaped recovery, the potential for the intensification of morbid symptoms we already see today will only multiply further. In the absence of further far-reaching socioeconomic changes to address these prospects, I hypothesize a strongly accelerating negative effect of the pandemic on the social legitimation of the LIO.

CONCLUSION

This article started from the premise that the crisis of the LIO is a crisis of its social purpose on all levels, from questions of eroding hegemony (on the global level), via waning international legitimacy (on the state level), to issues of social deprivation and political backlash (on the societal level). The conducted analysis proposed a way of shedding light on the role of the COVID-19 pandemic in this grand crisis and of scrutinizing the pandemic as a possible accel-

¹ See the example of trade-related intellectual property rights (TRIPS) (Narlikar, this collection).

Table 1. Hypothesized effects of the COVID-19 pandemic on the different crisis dimensions of the Liberal International Order.

Crisis dimension	Hypothesized effect	When to test ²	Explanation
Global political economy	→ (neutral)	Long-term (years, decades): Will the pandemic have impacted hegemonic decline?	Both United States and China were unable to act as benevolent hegemon.
State level	↗ (slightly accelerating)	Medium term (years): Will the pandemic exacerbate the national-international divide?	Differences in national politics and mixed signals around the world might diffuse the effect of the pandemic.
Societal level	↑ (strongly accelerating)	Short-term (months): Will the economic fallout be contained or further fuel the rise of morbid symptoms?	Economic catastrophe and exacerbation of inequalities present hazardous mixture for social legitimacy of the LIO.

erant of these multiple crisis phenomena.

By drawing on Gramscian insights, I argued that this crisis of the LIO is a process, not a series of events. Its slow demise is already ushering in “a complex of multiple, cross-cutting international orders” (Acharya 2017, 272). Accordingly, the pandemic is unlikely to deal one final blow to this order, but is likely to have varied effects on its different elements. The analysis above attempted to account for this multidimensionality and its varied effects (Table 1).

The immediate geopolitical and hegemonic effects of the COVID-19 pandemic are hence more likely to be further fissures and cracks rather than sudden ruptures in the long crisis of the LIO. Depending on how the political reactions to the pandemic develop, these fissures could be more or less deep, and they could negatively impact people’s lives around the world to a greater or lesser degree. The presented analysis can help to sort those different effects, and it suggests analyzing the effects after the pandemic, when the dust has settled and respective data becomes available.²

Together with the other articles in this collection, this analysis might also bring into focus that, despite being tackled mostly nationally, the COVID-19 pandemic is, similar to climate change (see Katz-Rosene, this collection), one of the few truly globally experienced phenomena, affecting lives from the local scale to the level of world order. International Political Economy is especially well positioned to tackle such questions of globality; to shed light on the pandemic in broader political, economic, and societal contexts; and to critically question the very foundations of our understanding of how the world works.

ACKNOWLEDGMENTS

I thank Clara Brandi, Malcolm Campbell-Verduyn, Lukas Linsi, Saliha Metinsoy, Amrita Narlikar, Gerda van Roendaal, and Clara Weinhardt for helpful comments and suggestions. The author received funding from the European Research Council (ERC) under the European Union’s Horizon 2020 research and innovation programme (grant agreement number 758430).

COMPETING INTERESTS

The author confirms that he has no competing interests that might have influenced the research reported herein.

AUTHOR BIOGRAPHY

[Milan Babić](#) is a postdoctoral researcher within the [SWF-sEUROPE](#) project at Maastricht University, the Netherlands. He is affiliated with the Amsterdam Institute of Social Science Research (AISSR) and the [CORPNET](#) research group. His work deals with foreign state investment and the transformations of the global political economy in the transition from a neoliberal toward a post-neoliberal global order. His work has appeared in *Review of International Political Economy*, *International Affairs*, *International Studies Review*, *Geopolitics*, and *The International Spectator*, among others. His book [The Rise of State Capital](#) (Agenda) will be published in 2022.

Submitted: January 22, 2021 PDT, Accepted: March 21, 2021 PDT

² We should, however, also take the pandemic as an opportunity to rethink the way we quantify and thus measure the global political economy in a postliberal order (see also Linsi and Mügge 2019).

REFERENCES

- Acharya, Amitav. 2017. "After Liberal Hegemony: The Advent of a Multiplex World Order." *Ethics & International Affairs* 31 (3): 271–85. <https://doi.org/10.1017/s089267941700020x>.
- Babić, Milan. 2020. "Let's Talk about the Interregnum: Gramsci and the Crisis of the Liberal World Order." *International Affairs* 96 (3): 767–86. <https://doi.org/10.1093/ia/iiz254>.
- Borrell, Josep. 2020. "The Coronavirus Pandemic and the New World It Is Creating." European Commission.
- Cooley, Alexander, and Daniel H. Nexon. 2020. "(No) Exit from Liberalism?" *New Perspectives* 28 (3): 280–91. <https://doi.org/10.1177/2336825x20934974>.
- De Graaff, Naná, and Bastiaan Van Apeldoorn. 2018. "US–China Relations and the Liberal World Order: Contending Elites, Colliding Visions?" *International Affairs* 94 (1): 113–31. <https://doi.org/10.1093/ia/iix232>.
- Deudney, Daniel, and G. John Ikenberry. 1999. "The Nature and Sources of Liberal International Order." *Review of International Studies* 25 (2): 179–96. <https://doi.org/10.1017/s0260210599001795>.
- Drezner, Daniel W. 2020. "The Song Remains the Same: International Relations After COVID-19." *International Organization* 74 (S1): E18–35. <https://doi.org/10.1017/s0020818320000351>.
- Duncombe, Constance, and Tim Dunne. 2018. "After Liberal World Order." *International Affairs* 94 (1): 25–42. <https://doi.org/10.1093/ia/iix234>.
- European Commission. 2019. "Public Opinion in the European Union." Standard Eurobarometer 92. European Union.
- . 2020. "The EU and the Coronavirus Outbreak." Standard Eurobarometer 93. European Union.
- Frankovic, Kathy. 2020. "Americans Disapprove of US Withdrawing from the World Health Organization." *YouGov*. June 3. <https://today.yougov.com/topics/politics/articles-reports/2020/06/03/americans-disapprove-us-withdrawing-world-health-o>.
- Gill, Stephen. 1995. "Globalisation, Market Civilisation, and Disciplinary Neoliberalism." *Millennium: Journal of International Studies* 24 (3): 399–423. <https://doi.org/10.1177/03058298950240030801>.
- Ikenberry, G. John. 2018. "The End of Liberal International Order?" *International Affairs* 94 (1): 7–23. <https://doi.org/10.1093/ia/iix241>.
- Linsi, Lukas, and Daniel K. Mügge. 2019. "Globalization and the Growing Defects of International Economic Statistics." *Review of International Political Economy* 26 (3): 361–83. <https://doi.org/10.1080/09692290.2018.1560353>.
- Manjoo, Farhad. 2020. "Even in a Pandemic, the Billionaires Are Winning." *New York Times*, November 25, 2020. <https://www.nytimes.com/2020/11/25/opinion/coronavirus-billionaires.html>.
- McNamara, Kathleen R., and Abraham L. Newman. 2020. "The Big Reveal: COVID-19 and Globalization's Great Transformations." *International Organization* 74 (S1): E59–77. <https://doi.org/10.1017/s0020818320000387>.
- Milanović, Branko. 2019. *Capitalism, Alone: The Future of the System That Rules the World*. Cambridge, MA: Harvard University Press. <https://doi.org/10.4159/9780674242852>.
- Norrlöf, Carla. 2020. "Is COVID-19 the End of US Hegemony? Public Bads, Leadership Failures and Monetary Hegemony." *International Affairs* 96 (5): 1281–1303. <https://doi.org/10.1093/ia/iiaa134>.
- Porter, Patrick. 2020. *The False Promise of Liberal Order: Nostalgia, Delusion and the Rise of Trump*. Cambridge: Polity.
- Ren, Shuli. 2020. "China's Economic Recovery Leaves the Bottom 60% Behind." *Bloomberg*, September 28, 2020. <https://www.bloomberg.com/news/articles/2020-09-28/coronavirus-pandemic-china-is-experiencing-a-k-shaped-economic-recovery>.
- Rozsa, Matthew. 2020. "The US Is Experiencing a 'K-Shaped' Economic Recovery. Here's What That Means." *Salon*. September 9, 2020. <https://www.salon.com/2020/09/09/the-us-is-experiencing-a-k-shaped-economic-recovery-heres-what-that-means/>.
- Ruggie, John Gerard. 1982. "International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order." *International Organization* 36 (2): 379–415. <https://doi.org/10.1017/s0020818300018993>.

Smith, Nicholas Ross, and Tracey Fallon. 2020. "An Epochal Moment? The COVID-19 Pandemic and China's International Order Building." *World Affairs* 183 (3): 235–55. <https://doi.org/10.1177/0043820020945395>.

Stevenson, Alexandra, and Tiffany May. 2020. "China Pushes to Churn Out Coronavirus Gear, Yet Struggles to Police It." *New York Times*. <https://www.nytimes.com/2020/03/27/business/china-coronavirus-masks-tests.html>.

Tai, Don Bambino Geno, Aditya Shah, Chyke A. Doubeni, Irene G. Sia, and Mark L. Wieland. 2020. "The Disproportionate Impact of COVID-19 on Racial and Ethnic Minorities in the United States." *Clinical Infectious Diseases* 72 (4): 703–6. <https://doi.org/10.1093/cid/ciaa815>.

Tooze, J. Adam. 2018. *Crashed: How a Decade of Financial Crises Changed the World*. New York: Viking.

Trubowitz, Peter, and Brian Burgoon. 2020. "The Retreat of the West." *Perspectives on Politics*, forthcoming (June): 1–21. <https://doi.org/10.1017/s1537592720001218>.

United Nations. 2020. "World Social Report 2020. Inequality in a Rapidly Changing World." *United Nations Department of Economic and Social Affairs*.

Verma, Raj. 2020. "China's 'Mask Diplomacy' to Change the COVID-19 Narrative in Europe." *Asia Europe Journal* 18 (2): 205–9. <https://doi.org/10.1007/s10308-020-00576-1>.

Wang, Vivian. 2020. "China's Coronavirus Battle Is Waning. Its Propaganda Fight Is Not." *The New York Times*, April 8, 2020. <https://www.nytimes.com/2020/04/08/world/asia/coronavirus-china-narrative.html>.