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THE HEGEMONIC SIEGE ON AMERICAN POWER

US-China Disputes in the Shaping of the 21st Century World-System

Eduardo Martínez-Ávila

The hegemony of the United States is undergoing a process of structural weakness. The 1970s represented an exceptional economic period in the crisis-reconfiguration of the Western economic system. The restructuring of the world-system under the project of neoliberal globalization, the productive delocalization and the accumulation regime with financial predominance, violated the American power. American industries lost dynamism in the accumulation of capital. The intensification of production went to the emerging economies, mainly to the Far East region. The United States developed a fictitious accumulation scheme based on the expansion of the financialised regime. However, China's high rates of economic growth from the 1990's onwards surprised Western economies. This stage represented the beginning of the Chinese hegemonic siege on American power, consolidated with the XII Five-Year Plan, 2011-2015.

The contest for supremacy of the inter-state world-system has a place when the hegemonic nation is experiencing a context of structural vulnerability. The articulation of a world-system enters a phase of instability when the financial system assumes the central role in the accumulation of international capital. The hegemonic siege represents a rival states project of dispute for world power. However, to achieve the hegemonic State's role in the international system, it is not enough to dispute the dimensions that make up power. There must be a definitive blow. An act of confrontation -most of the time, warlike- will end the change of hegemony.

In this way, the article aims to characterize the systemic dimensions in dispute from a historical perspective that defines the Chinese siege hegemonic on American power in the potential conformation of the world-system of the 21st century. In the last decade, China has disputed the first place in the productive, commercial, energy, and technological fields. However, the lack of direct -or indirect- confrontation leads to the fact that the United States maintains the world-system's weakened leadership. In metaphorical terms, China experiences an economic and geopolitical challenge that consists of the power to break down the "walls" that keep the American "fortress" in place -in military, political-institutional and monetary terms-, to establish a final assault on the power that will transform the prevailing world-system.

Ph.D. student at the Postgraduate Economics Program, Instituto de
Investigaciones Económicas UNAM.

Professor at the Faculty of Economics UNAM.

eduardomt Zavila@economia.unam.mx

eduardomt Zavila@gmail.com

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Eduardo Martínez-Ávila¹

"The concept of Great Power is closely linked to wars.

Great power is a state which, at the time of peace, manages to maintain such a relationship of forces with its allies that it is in a position to enforce the covenants and promises made at the beginning of the campaign."

Antonio Gramsci

The hegemony of the United States is undergoing a process of structural weakness. The 1970s represented an exceptional economic period in the crisis-reconfiguration of the Western economic system, which broke with three decades of the Fordist-Keynesian mode of regulation. The restructuring of the world-system under the project of neoliberal globalization, the productive delocalization -global value chains- and the accumulation regime with financial predominance, violated the American power. American industries lost dynamism in the accumulation of capital. The intensification of production went to the emerging economies, mainly to the Far East region. The United States developed a fictitious accumulation scheme based on the expansion of the financialised regime. Implementing the international economy's financial system represents a historical process that impacts the stability of political hegemony. (Arrighi, 1994) This phenomenon, defined as structural weakness, exposes the loss of national productive capacity in the expanded accumulation of capital, which lies in a potential systemic dispute scenario. The hegemonic system's structural vulnerability comes into conflict with emerging state projects, whose purpose is to compete for leadership in different areas that, together, make up the world-system's hegemony.

In historical terms, Japan projected itself as the potential American rival in the battle for hegemony from the 1960s onwards. The expansion of productivity and competitiveness of Japanese goods in the international market strengthened the macroeconomic soundness and technological inventiveness of the Asian country. Despite this, the dispute for power was cut short in 1985 with the Plaza Agreement's signing, which impacted the yen's exchange rate appreciation. The Louvre Agreement of February 1987 strengthened the dollar's competitiveness to the detriment of the Japanese currency and other industrialized world currencies. Japan's economic performance entered a protracted slowdown, resulting from a financial bubble in the real estate market in the second half of 1980, which has led to a persistent deflationary scenario over the last thirty years. Simultaneously, the Japanese crisis occurred as the collapse of the Soviet Union that set the international geopolitical agenda in the last decade of the 20th century. In the unipolar world of the end of the Cold War, the high rates of Chinese economic growth

¹ Ph.D. student at the Postgraduate Economics Program, Instituto de Investigaciones Económicas UNAM. Professor at the Faculty of Economics UNAM. The author would like to thank Óscar Ugarteche and Armando Negrete for their comments, as well as the translation of the article by Óscar Ugarteche.

surprised Western economies. This stage represented the beginning of the Chinese hegemonic siege on American power, consolidated with the XII Five-Year Plan, 2011-2015.

The Spanish Royal Academy of Language defines *the siege* as the act of "insistent pressure on someone." Undoubtedly, the category has a military connotation interpreted as "encircling a fortified place to prevent the adversary's exit or external support." Besides, the Cambridge Dictionary states that *the siege* refers to "a situation where an armed force surrounds a place to defeat the opponent." Based on these definitions, the present paper argues that China's international expansion project represents a siege to American hegemony. There is a dispute for leadership in the different systemic dimensions of power. The contest for supremacy of the inter-state world-system has a place when the hegemonic nation is experiencing a context of structural vulnerability. According to the leading country's geopolitical and economic interests, the articulation of a world-system enters a phase of instability when the financial system assumes the central role in the accumulation of international capital. However, to achieve the hegemonic State's role in the international system, it is not enough to dispute the dimensions that make up power. There must be a definitive blow. An act of confrontation -most of the time, warlike- will end the change of hegemony.

In recent decades, China has disputed the first place in the productive, commercial, energy, and technological fields. However, the lack of direct -or indirect- confrontation leads to the fact that the United States maintains the world-system's weakened leadership. This article aims to characterize the systemic dimensions in dispute from a historical perspective that defines the Chinese siege hegemonic on American power in the potential conformation of the world-system of the 21st century. In order to achieve this purpose, the paper has two sections. The first section summarizes the historical processes that characterize the United States' structural vulnerability as a prevailing hegemony, emphasizing the context of the 1970s. The second section discusses the processes of transformation of the Chinese economy that shapes the hegemonic siege. Finally, we present the panorama of the possibilities of the collapse/escalation of the hegemony of the international system. In metaphorical terms, China experiences an economic and geopolitical challenge that consists of the power to break down the "walls" that keep the American "fortress" in place -in military, political-institutional and monetary terms-, to establish a final assault on the power that will transform the prevailing world-system.

1. The hegemonic weakness of the United States. A historical overview

The United States established itself as an international hegemony after the end of World War II. Washington assumed the role of the new center of political and economic power in the world. In 1950, the American industry generated half of the world's production and more than 60% of manufactured goods. The dollar consolidated itself as the reserve currency international based on the majority position of gold deposits. In institutional terms, the Bretton Woods conference of July 1944 shaped the international financial architecture that shaped the *Pax Americana*: The International Monetary Fund and the World Bank. The San Francisco conference in 1945 and the resulting institutions had the backing of the Western military alliance around NATO, signed in April 1949. In this context, the Korean War initiated the scheme of US political, productive, and monetary intervention under the Keynesianism-military model.

The reconstruction of Western Europe financed through the Marshall Plan, the Dodge Line project for the recovery of the Japanese economy; and the creation of UN regional economic development programs in the periphery supported the most successful era of capitalism as a productive system: The thirty glorious years of the world economy, where world production grew above the increase in population. The 1950s-1970s experienced high economic growth rates in developed countries and on the world's periphery. Taking the industrialized countries as an average, the growth of the Gross National Product per worker registered an increase of 4.5% per year in the period 1950-1973. (Cameron, 1989; 377) Thus, the United States assumed the role of world hegemony in the productive, commercial, monetary, energy, technological, diplomatic, political-institutional, and military spheres in a context of geopolitical confrontation against the Soviet socialist bloc framed by the hostilities of the Cold War.

The US's hegemony was backed up by sustained economic growth by promoting the consumer textile, agro-industrial, and beverage industries. The electronic sector had a boom with such items as radios, television sets, and washing machines. The quality jump in the automotive sector with the linkages generated in the steel, rubber, glass, and oil industries was also noteworthy. The petrochemical industry's success with plastics and human-made fabrics drove growth, as did the construction industry, particularly housing, with its consequent productive links to the electricity and telephone networks. Road construction also boosted a high level of employment-related cement and asphalt production and the transport industry. However, the role of the war industry with the construction of airplanes, warships, tanks, trucks, missiles, with its R&D areas was essential for the formation of the military-industrial complex warned by President D. Eisenhower. (Marichal, 2010; 155-156)

The univocal manifestation of American hegemony, however, presented its first cracks in the 1960s. At the monetary level, the massive printing of dollars increased tensions in the US trade balance. The issuance of the American currency was not only in response to the domestic market's needs but also to the world economy's transactions. With fixed exchange rates at 35.70 dollars per ounce of gold scenario, the Eurodollar market showcased the dollar's pressures. US companies even resorted to the Euromarket to maintain liquidity and the issuance of short-term loans. In this way, the City of London became the most critical dollar market in the world. The two decades of post-war growth in world output, influenced by the growing demand for dollars, exacerbated the US trade deficit; in this context, the dollar suffered from a series of speculations over the decade. The leading questioning of the US currency was to determine its useful role as an international reserve currency.

In this context, the 1970s represented a stage of structural transformation. The weakening of industries in developed countries and the significant drop in production in Eastern Europe and the Soviet bloc led to a decline in global manufacturing output. The slowdown of the industrialized economies reflected the decline in the average profit rate in countries such as the United States, Great Britain, Germany, and France starting from the second half of the 1960s. The 1970s began when President Nixon announced the Bretton Woods monetary agreements' suspension in August 1971. Despite the measures instituted at the end of that year, with the Smithsonian Agreement, the United States recorded its first trade deficit of the 20th century. The amount of US foreign investment was insufficient to finance the massive trade deficit over the decade. The mechanism to finance the negative balance required coverage via debt. Generically, foreign investors received dollars from US residents' transactions -whether businesses, individuals, or Government-. This foreign currency flow went to purchasing financial assets such as

Treasury bonds and corporate instruments, which financed a spiral of US government indebtedness. (Du Boff, 2003) Thus, the accumulation regime with financial predominance emerged as the process for financing US structural deficits. Varoufakis (2011; 97-99) suggests that under this scheme, the United States became the world's largest debtor nation after 1986.

With the end of the Bretton Woods regime, the Federal Reserve and the US Treasury's massive injection of dollars stimulated a growing capital flow. Petrodollars represented the primary mechanism for expanding international currency through emerging economies deficit financing through European and American private banks. This scheme also covered the fiscal deficit and external imbalances of the American economy; besides, it boosted the massive issuance of loans to developing countries -with close commercial, financial, and credit ties-. The floating exchange rate led to the establishment of international monetary agreements based on the dollar as a fiduciary currency. The deregulation of the monetary system led to increased interest rates and exchange rate volatility, which led to an expansion of international financial markets and new instruments. US capital movements controls were removed in 1974 together with the rest of the world. These processes strengthened the international financial system, deriving in the regime of accumulation with financial predominance as a mechanism in capital accumulation. In this scenario, transnational corporations and the international banking sector have benefited from trade and financial deregulation. However, these structural changes have impacted the dynamics of the United States as an international hegemon.

Despite this, strict control of inflation prevented the de facto collapse of the dollar as an international reserve currency, transferring the economic crisis to the international periphery -a period metaphorically known in the Latin American region as "the lost decade," meaning economic depression, resulting from the foreign debt crisis, 1982-1989-. The South-North flow of foreign investment financed the huge US fiscal and trade deficit. The US deficit position legitimized the monetary preponderance of the dollar. (Varoufakis, 2011; 101) In this sense, the Euromarket ceased to represent a "foreign exchange deposit market," and became part of the dollar recycling mechanism following the US financial accumulation regime. (Arrighi, 1994; 310) The implementation of the free market measures enunciated under the 1989 Washington Decalogue articulated a global system under the United States' geopolitical interests. However, this process decisively damaged American hegemony's strength under the expansion of the global financial project.

In summary, the implementation of the processes of trade opening, deregulation of the financial system and privatization of state-owned companies, have shaped the neoliberal globalization, the productive delocalization of global value chains and the accumulation regime with financial predominance; all this developed in a context of ascent and consolidation of information and communication technologies and the technical-labor Toyotist organization. However, this historical stage has been characterized by reproducing contexts of economic and financial instability. Arrighi pointed out that financial expansions have played a fundamental role in the behaviour of hegemonic states. The historical preponderance of financial capital -as a fictitious axis of accumulation- has derived in stages of decline and transition in the political orders globally. Contrary to the processes of stability and hegemonic strength -articulated by the accumulation of capital in the productive sphere-, financial periods represent the culminating phase of the systemic cycle of accumulation; (Arrighi, 1994) surplus capital is destined for international financial channels, whose speculative dynamics imply the

appropriation of past surplus-value, but not the generation of new value. The structural weakness refers to the historical moment in which the economic process of capital accumulation is sustained by the Marxist circuit D-D's delimitation. The fictitious accumulation of capital cracks the foundations of international hegemony and opens the possibilities for emerging inter-state projects.

The dispute for hegemony requires the existence of a scenario of structural vulnerability. The United States lacks an endogenous engine of accumulation following the systemic changes carried out in the 1970s but has a robust financial system and the top currency. So, its productive vulnerability does not mechanically imply a process of collapse/emergence of new power. Mandel (1980; 37) advocated the reproduction of a dialectic of objective and subjective historical development factors. He pointed out that economic crises reveal the objective contradictions of the cyclical movement of capital. Endogenous patterns explain the decline in the rate of profit.

On the other hand, economic recovery depends on the conjunction of subjective factors. An upward economic stage is subject to the behaviour and political work of the inter-capitalist classes. In other words, the collapse of the economic structure is sustained by an organic behaviour of material contradictions, while the boom is a function of the conditions and political will in the reformulation of a cycle of accumulation. The usefulness of such an argument consists of theoretically grounding the cyclical behaviour of hegemony under this criterion. Thus, the hegemonic State experiences a context of structural weakness when the objective factors in capital accumulation enter into contradiction. However, the geopolitical struggle between rival states conditions the rise of the accumulation pattern. Thus, the struggle for hegemony weaves the contest for supremacy in the various spheres that make up systemic power.

Hegemony reproduces itself under a multifactorial framework that articulates a modern world-system. The hegemonic siege represents a potential project that aims to refute the nine systemic dimensions of the power held by the leading State. First, establishing a hegemonic country requires forming a stable, productive field that represents the material engine of the world economy. Great Britain supplied industrial consumer goods to the rest of the world in the second half of the 19th century; the same role was played by the United States throughout the 20th century, now replaced by the Chinese locomotive. This productive expansion feeds back into the commercial apparatus with growing penetration of exports; likewise, technological and energy conditions promote higher productivity and competitiveness and the introduction of new goods, markets, and productive-labor organizations. This productive sphere feeds back into the monetary mechanism characterized by the international reserve currency's issuance -the pound sterling in the nineteenth century and the dollar since the second half of the twentieth century-. Finally, hegemony is complemented in superstructural terms by diplomatic, political-institutional, and cultural relations. The military apparatus's role must be the sphere of confrontation and the defence of global power from a belligerent position to these dimensions. Thus, China has set out to dispute these dimensions on the road to achieving international hegemony.

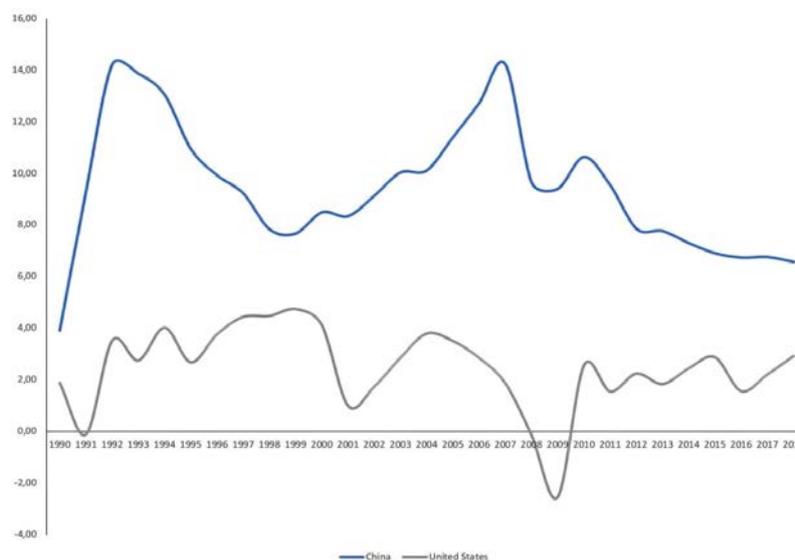
2. The hegemonic siege of the Chinese economy. The dimensions in dispute for international power

China has flourished as the world's industrial, manufacturing, and trading powerhouse. The Asian nation has consolidated itself as the leading international creditor.

The hegemonic siege was ended as a global project in the 1990s and consolidated in 2011 with the twelfth five-year plan. In historical terms, the Chinese economy's great transformation shows a turning point in the revolution of 1949. Under schemes of production, investment, and five-year incentives -in line with the Soviet economic model- the Chinese leader Mao Tse Tung promulgated the First Five-Year Plan of the People's Republic of China (1953-1957) which represented a strategy of economic policy focused on the medium and long term. The first five-year plan's nodal points consisted of the nationalization of the strategic industrial, banking, and commercial sectors and the construction of more than six hundred manufacturing centres. The Second Five-Year Plan (1958-1963), known as the Great Leap Forward, promoted medium-term economic growth based on massive agricultural and industrial production. However, the famine of 1958-1961 delayed the implementation of this strategy. The lack of planning in agricultural terms and the negative impact on the basic food needs of a large part of the population forced a partial change of route; in geopolitical terms, this situation led to the break-up of the Chinese communist Government with the Soviet Union. The trajectory of the five-year plans throughout the 1960s-1970s focused on agriculture, investment in infrastructure, and national defence. The first wave of innovation consolidated the foundations of national economic development. (The People's Republic of China, 2016; 5-6)

In the run-up to the 1980s, Deng Xiaoping became the Republic leader after the death of Mao Tse Tung. This political transition brought about substantial changes in the implementation of economic reforms that strengthened the Eastern development project. As an example, the private initiative obtained greater participation in the economy Asian. The gradual opening up of the economy to private capital led to significant changes in implementing the five-year plans. From the projection of a production program with defined criteria, the Chinese Communist Party promoted indicative planning that defined the objectives in an extended way for an approximate fulfillment. The principle of adjustment, reform, rectification, and improvement obtained the fiscal balance, the leveling of supply and demand, the increase in the quality of national manufacturing products, and the promotion of science, culture, and education. (IBID)

Figure 1. US-China Gross Domestic Product, 1990-2018 (Annual growth rate)

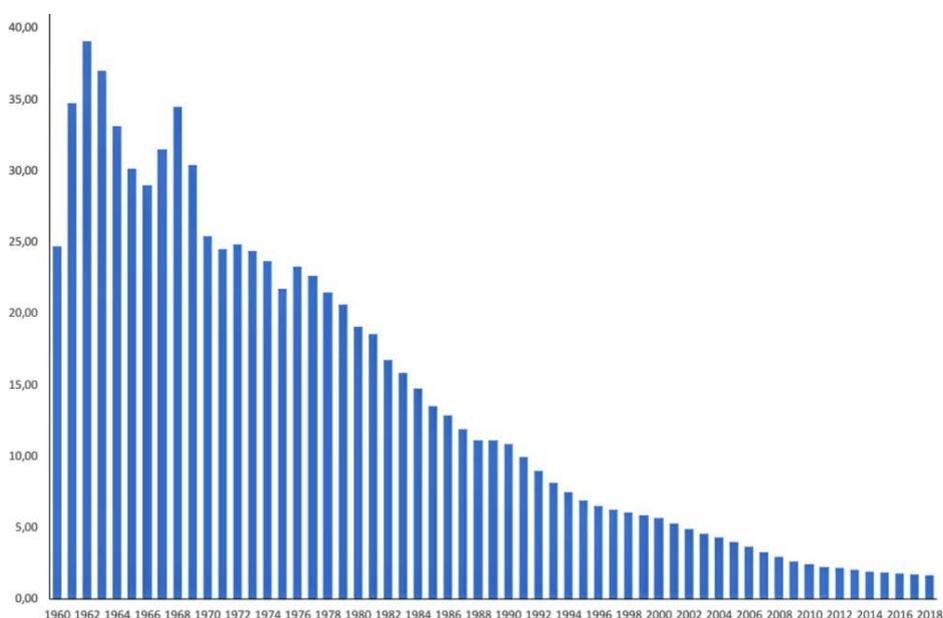


The World Bank, 2020a. Own elaboration

China's economic strategy consolidated in the 1990s with the Eighth Five-Year Plan, 1991-1995. Based on a socialist market economy model, China's growth rate registered an outstanding macroeconomic performance during the 1990s, with an average annual rate of 9.61%. In 1992, the country reached a GDP growth peak of 14.2%. In contrast, the American economy's acclaimed "boom" presented a 3.65% annual average. (Figure 1) Nevertheless, the American economy's Gross Domestic Product (GDP) was eleven times higher in 1990. However, the trend has shown a remarkable reduction; by 2000, the gap was reduced to 5.6 times, while by 2010, the US economy was 2.4 times larger than the Asian economy. By 2018 the American product was 1.65 times greater than the Chinese record. (Figure 2)

Figure 2. US-China Gross Domestic Product differential, 1960-2018

(US\$ billion, 100=2010)



The World Bank, 2020b. Own elaboration

Without a doubt, China's entry into the World Trade Organization in 2001 marked a turning point in the Asian giant's economic expansion. Under an external openness model, the main emphasis was on exports as a dynamic industrial and manufacturing pole in the world. This process continued with the arrival of Hu Jintao and Wen Jiabao to power in 2003 -the fourth generation of Chinese leaders- who promoted a programme of accelerated economic expansion in the heat of the Asian crisis. The deepening of structural reforms in the Eleventh Five-Year Plan (2006-2010) clashed with the Great Global Recession of 2009.

China's strategy attributed as the implementation of a counter-cyclical expansionary policy with a \$596 billion economic stimulus plan, one-third of which went to infrastructure construction. (IBID; 6) The lessons of the crisis impacted on the 12th Five-Year Plan, 2011-2015. This project represented a significant transition in China's strategy to achieve international productive, commercial, energy, and technological

leadership. The collapse of the world economy reshaped Asia's trade strategy towards foreign markets. The general inability to absorb the Chinese supply led to a growth model driven by domestic demand. (IBID: 6-7)

The Twelfth Five-Year Plan maintained its strategic orientation despite the Secretary-General's succession of the Xi Jinping Communist Party of China's Committee in March 2013. The project covered 16 chapters divided into four axes: (1) Economic restructuring; (2) Industrial reform; (3) Income redistribution and; (4) Environment. The plan adopted by the Government of the People's Republic of China had at the economic level, a new pattern of growth established on domestic consumption, investment and exports, expected to exceed 7% annual growth. Local demand was strengthened, increasing household income by 7.7% and 9.6% in urban and rural areas. Likewise, the increase in the minimum wage and the expansion of the urban area by more than 56% of the total population, helped consolidate an extended internal market that constituted a renewed engine of the Chinese economy. (Table 1) (Central Committee of the Communist Party of China, 2016; 8-10)

Table 1. XII Five-Year Plan, 2011-2015. Selected results

Category	Indicator	Target	Result
Economic Growth	Average GDP growth	7%	Achieved (7.8%)
	Service sector contribution to GDP	47%	Achieved (50.5%)
	Urbanization rate	51.5%	Achieved (56.1%)
Resources and Environmental Protection	Carbon emission reduction	17%	Achieved (20%)
	Reduction of chemical oxygen emissions	8%	Achieved (12.9%)
	Reduction of sulphur dioxide emissions	8%	Achieved (18%)
	Reduction of ammonium nitrate emissions	10%	Achieved (13%)
	Reduction of nitrogen oxide emissions	10%	Achieved (18.6%)
	Effective use of water irrigation (coef. of use)	0.53%	Achieved (0.532%)

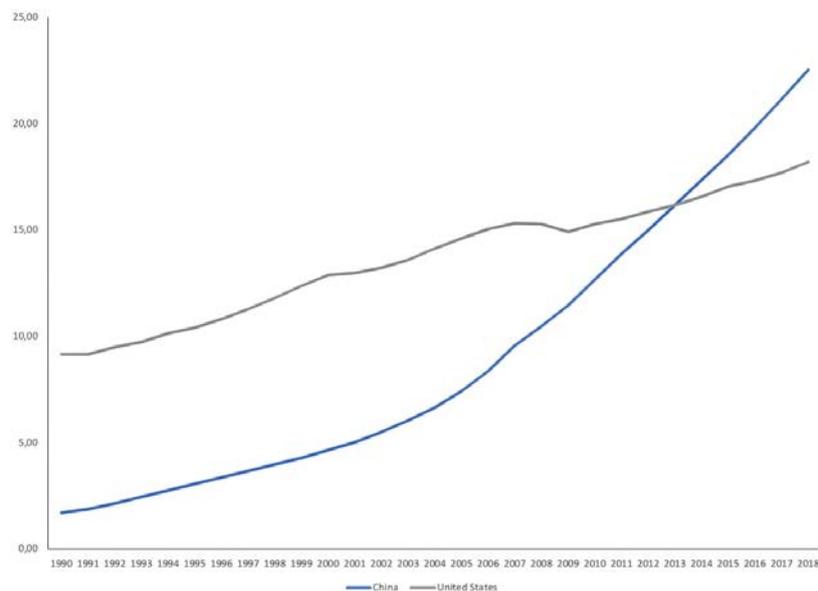
	Cumulative increase in forest cover rate	1.3%	Achieved (1.3%)
	Forest cover	14,300 mm ²	Achieved (15,100)
	Reduction in energy consumption per unit GDP	16%	Achieved (18.2%)
	Cumulative reduction in water consumption per industrial unit	30%	Achieved (35%)
	Total area under cultivation	1,212 mm ²	Achieved (1,243)
	Non-fossil fuel use	11.4%	Achieved (12%)
Population Living Conditions	Population (millions)	<1,390	Achieved (1,375)
	Increase in household income in urban areas	>7%	Achieved (7.7%)
	Increase in household income in rural areas	>7%	Achieved (9.6%)
	Accumulated creation of urban jobs (millions)	45	Achieved (64.31)
	Urban unemployment rate	<5%	Achieved (4.05%)

Central Committee of the Communist Party of China, 2016. Own elaboration

On the supply side, the Government created seven Strategic Emerging Industries and gave growing stimulus to the service sector as a mechanism to promote new industries with technological innovation and low levels of pollution. The strategic industries boosted various areas of production among which the following stand out: vehicles with alternative energies -batteries and electric vehicles-, energy-saving and environmental protection, as well as alternative energies -renewable energies such as wind, solar and hydroelectric power, in addition to non-renewable energies such as nuclear and biofuels-. (The People's Republic of China, 2011; 11) During the 2010 decade, the Asian powerhouse set out to reduce the environmental deterioration caused by polluting industrialization by promoting energy efficiency schemes. Results show success in all of the twelve environmental indicators proposed in the five-year plan. They include reducing carbon, sulfur dioxide, nitrogen oxide emissions, and the minority use of fossil fuels. (Table 1) (Central Committee of the Communist Party of China, 2016, 8-10)

The People's Republic of China undoubtedly represents the world's industrial engine. Measured by purchasing power parity, China's GDP has surpassed that of the United States since 2014. (Figure 3) Similarly, the Asian market has the most significant trade dynamism in the world. The Far East nation is the world's leading exporter since the second half of 2010. As an example, the volume of exports in 2019 exceeded 50% of the total income marketed by the United States. (Figure 4) In this sense, the Chinese hegemonic siege has focused on the dispute and supremacy of the productive and commercial systemic dimension. Metaphorically, Chinese guns have brought down a couple of walls representative of the American fortress. In this same direction, contemporary geopolitical relations exhibit two areas of conflict.

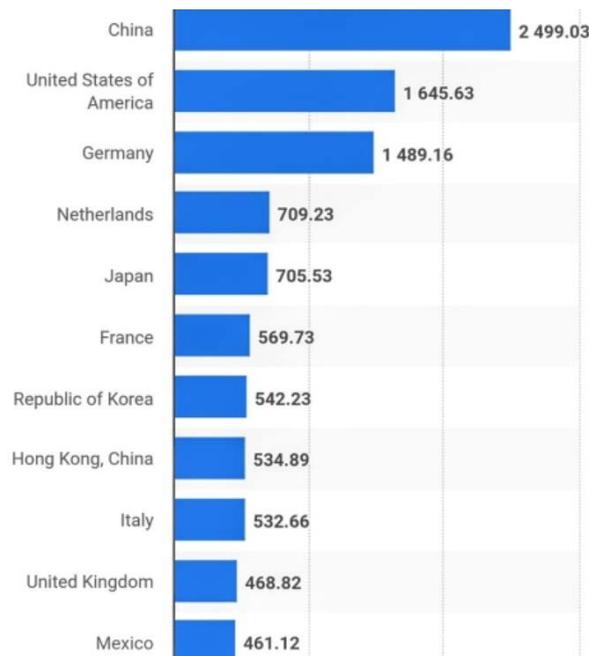
Figure 3. US-China Gross Domestic Product, 1990-2018
(Purchasing Power Parity)



The World Bank, 2020c. Own elaboration

As specified in the Thirteenth Five-Year Plan, the Chinese project proposes an efficient and ecologically sustainable energy alternative. The energy change seeks to replace fossil fuel combustion pattern, which shaped the US productive scheme throughout the twentieth century. The introduction of electric energy and the promotion of energies from nature seeks to create a new global energy model that stimulates a set of emerging industries such as the electric car sector. Similarly, the geopolitical struggle for implementing the technological paradigm based on the 5G telecommunications network stands out. From the State-owned operators China Mobile, China Telecom and China Unicom -whose investment amount projects to be 25 billion dollars in 2020; a volume four times greater than that invested in 2019-, the Asian nation seeks to establish control and diffusion of the new network through mobile phone production companies such as Huawei and ZTE. (Kawakami, 2020) Without a doubt, China's productive-commercial articulation with an emerging technology and energy pattern reinforces the productive base in the international accumulation of capital.

Figure 4. Countries with the highest exports, 2019 (US\$ billion)



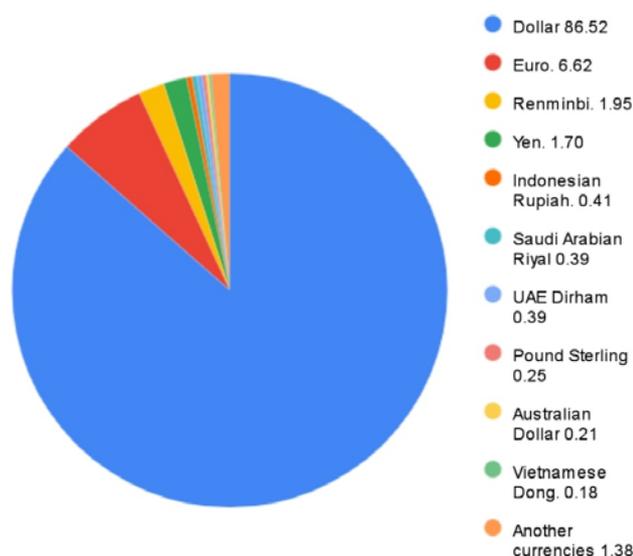
Statista, 2020. Own elaboration

Consequently, the consolidation of an international hegemonic project requires the confrontation of the multiple systemic dimensions of power. Without a doubt, leadership in terms of production, trade, technology, money, energy, and the military, diplomatic, cultural, political-institutional, and military institutions interweave a robust systemic environment for the constitution of an unprecedented global project. However, the consolidation of the hegemonic power's collapse/rise requires a final stage of confrontation. The capitalization of multidimensional leadership becomes evident with the implementation of a conclusive coup. The rival state project that disputes hegemony requires the implementation of a final assault on power. Historical evidence reveals that changes in state hegemony involve confrontations of a political and warlike nature. In Gramsci's terms, the consolidation of a hegemonic project, which the author defines as a Great Power, is established when, in a belligerent context, the State manages to impose an atmosphere of peace. (Gramsci, 1975)

The shape of the siege on American hegemony has a precise orientation. The Asian country has drawn up a geopolitical project that disputes the dimensions of power. The second half of 2010 signals the supremacy of Asian production and trade. In this context, the implications and potential repercussions of establishing the 5G technological network with Huawei at the head, the expansion of electricity, as catalyst fields in the consolidation of the hegemonic project, will have to be elucidated. However, we should not lose sight of the fact that the US geopolitical project, maintains the dominance of the international scenario in the monetary, institutional, and military spheres. For example, the dollar as an international reserve currency plays a priority role in contemporary American hegemony. In June 2020, 86% of the financial markets' transactions were in US dollars. (Figure 5) Despite its structural weakness, the United States has exercised its power from the weight of the financial system and the top currency. The question is to discuss the possibilities of the Chinese Government to dispute the political-institutional,

monetary and mainly military scope that will allow it to take power, and thus to shape a world-system of Eastern matrix.

Figure 5. Currencies in international financial market transactions, June 2020
(Percentage)



SWIFT, 2020. Own elaboration

The United States has maintained a defensive strategy to the Chinese siege. In order to reduce the trade deficit with China -equivalent to 47% of the trade balance in 2017-, the Trump administration imposed tariffs on more than 15 thousand Chinese products as of March 2018, to undermine the productive and commercial expansion of the Asian power. In January 2020, before the spread of the SARS-COV-2 pandemic, Phase 1 of the Economic and Trade Agreement between the United States and the People's Republic of China was agreed, which represents a potential exit to seven rounds of tariff imposition, whose economic and commercial impact has been around 600 billion dollars. The January 2020 agreement implied an increase in US imports for a total of 200 billion dollars over the next two years in areas such as agriculture, machinery, steel, and energy -in addition to setting new conditions on intellectual property issues, monetary policy, technology transfer, financial services, and trade dispute resolution-. However, the trade war resulted in a reduction of Chinese imports from the US. The United States went from second to fifth place as an importing partner in bilateral trade with China. (Ugarteche y Negrete, 2020) By contrast, China remains the United States' third-largest trading partner. The US attempt to counter the Chinese hegemonic siege has therefore been partially unsuccessful.

3. To conclude

This paper aimed to discuss the potential of the Chinese project in shaping the world-system of the 21st century. From a historical-structural position, economic and geopolitical possibilities have been enunciated in the constitution of a hegemonic matrix

established by China in a context of structural weakness of the American hegemony. The 1970s represented a stage of redefinition of the post-war accumulation pattern. The replacement of the Fordist-Keynesian regime and the breakdown of the Bretton Woods monetary agreements redesigned the world-system. However, the rise of the financially dominated accumulation regime exposed the American industry's vulnerability by promoting sustained schemes of capital accumulation.

Based on a schematic proposal, the article traced a dynamic of the hegemonic consolidation process. The hegemonic siege represents a project of dispute for world power. The leading State's structural weakness comes into confrontation with rival projects when the financial sector emerges as a fictitious pattern of accumulation. The encirclement of the spheres of control of the hegemony, in turn, represents a process of economic and geopolitical harassment aimed at defeating the dominant project. The productive, commercial, energy, technological, monetary, diplomatic, political-institutional, cultural, and military fields integrate the systemic dimensions of power. The hegemonic siege represents the process of dispute in each of the nine areas. However, it is insufficient to hold the supremacy of such dimensions. The political-military confrontation represents the final phase. The hegemonic collapse/rise requires a media contest that imposes a final assault on power.

In the two decades of the 21st century, China has imposed itself as an international leader in production and trade. Currently, the Asian power dominates the energy field with the use of sustainable energies that promote electric energy and the technological preponderance with the diffusion of the 5G connectivity network, which expands internationally despite the US veto on the Chinese technology companies Huawei and ZTE. However, monetary, political-institutional, and military supremacy maintains the hegemony of the weakened US power. The United States government has promoted a defensive strategy. The tariff war represents the project that seeks to counteract Chinese expansion, just as the exchange agreements ended the Japanese hierarchy in the second half of the 1980s. However, the results have been limited. The structural vulnerability of the United States remains. The coming years will provide a battleground where China seeks to strike the final blow in establishing a new world-system. The Asian challenge is not limited to the confrontation with American power. What is at stake is the replacement of the Western civilization project built since the long 16th century.

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