COVID-19 is the biological earthquake that science has been warning about for almost a generation. The outbreak, which is likely the overture to an age of plagues, preempted and detonated the ‘imminent recession’ that has been uppermost on the minds of most economists and financial observers for the past year.¹ In no other scenario, however, would the inevitable slump have begun with such staggering destruction and loss of control. Moreover it has attacked socio-economic structures and political systems still profoundly unsettled by the Great Recession of 2008-09, opening high-speed lanes for the further growth of extreme nationalism and rule by universal surveillance. Already Europe has seen its first ‘coronavirus coup’ with Hungary’s Viktor Orban using the pandemic as an excuse to push parliament aside and rule by decree – a dictatorship in all but name. In Israel indicted Prime Minister Benjamin Netanyahu also invoked the crisis to hobble the Knesset while unleashing the Shin Bet, the nation’s equivalent to the FBI, to tap everyone’s phones as a ‘public health measure.’ The most sinister instance, however, is India where Narendra Modi’s Hindu-supremacist government, having sat on its hands for the first three months of the outbreak, now scapegoats Muslims and incites pogroms, leading Arundhati Roy to warn that “the situation is approaching genocidal.”²

The IMF has recently predicted that the crisis “could knock $9 trillion off global GDP over the next two years.”³ This was before the price of oil fell below zero in the United States. The thirteen OPEC countries and the other independent oil producing nations face a spectrum of disaster ranging from turbulent recession (Saudi Arabia) to likely ruin (Angola). At the same time, the Trump administration’s catastrophic failure to stem the pandemic in the early months has cast a late-Weimarian gloom over the future of the United States. Mass immiseration is returning on a scale not seen since 1933 with one in three workers unemployed and 15 to 20 million Americans – especially children and minorities – expected to be added to the poverty rolls by the end of the year while the ranks of the uninsured will swell to an estimated 40 million by June as the unemployed lose workplace-based coverage.⁴ OECD countries as a whole face the prospect of years of stagnation, high levels of structural unemployment, the extinction of a quarter or more of small businesses, and debt crises from stem to stern.

Low-income countries, however, face the most terrifying possibilities. Oxfam warns that the economic downturn could plunge half a billion people into poverty worldwide, while the FAO, which before the pandemic had been warning of the approach of the worst famine since World War Two, now estimates that an incredible 265 million people could be starving by year’s end. In the worst case scenario, according to David Beasley of the UN World Food Programme, “300,000 people could starve to death every single day over a three month period. This does not include the increase of starvation due to COVID-19.”⁵ People are already fighting for their lives. Food riots – reminiscent of the global wave of such protests in 2008-09 – have broken out across South Africa while in Colombia “residents of the coastal state of La Guajira have begun blocking roads to call attention to their need for food.” Poor parts of rich countries are also in upheaval. Rome has sent 20,000 troops to its poor south – Campania, Calabria and Sicily – in anticipation of riots as people run out of food and cash. In a global perspective, uncontrolled chain reactions are taking place within a nebula of chaos that some fear will accelerate the arrival of something worse than barbarism.

The current pandemic on a global scale exposes and widens the existential divides within and between societies, and reminds us that the survival of the
poorest fifth of humanity is increasingly at question. An infectious disease, of course, is not just a pathogen and its spectrum of effects, but something like a complex eco-system where the evolution of an epidemic is shaped by its natural and social environments, especially the general state of public health and the frequency of infection. COVID-19 challenges us to recognize that from an immunological perspective there are two humanities and two pandemics. One humanity is well-fed, has access to competent healthcare, and suffers mainly from obesity and chronic diseases. The other humanity is episodically or continuously malnourished, has poor or nonexistent access to health care, and is exposed regularly to infectious disease. In Europe, North America and industrial East Asia most of the population belongs to the first category, although poverty and racism create immunological ghettos – perhaps 25 per cent of the population in the United States – where personal health is midway to third world conditions. In the second humanity, mostly in the global South and comprising some 2 billion people, the majority of the population is immune-compromised through malnutrition, widespread fecal contamination, and high rates of infectious and parasitical diseases. Poor peoples’ bodies thus offer a richer feast for SARS-CoV-2 and as it courses through the slums of Africa and India, mortality amongst people under 50 may soar. The real massacre, in other words, has just begun.

It’s still impossible to have more than a very limited perspective on the ultimate global contours of this biological and economic cataclysm where upheaval in the biosphere interacts with capitalism’s abyss of inequality. Many would describe it as the terminal crisis of the neo-liberal era of globalized capitalist production that began with the elections of Margaret Thatcher in 1979 and Ronald Reagan a year later. But if it heralds the next stage of capitalism then it is probably Hesiod’s iron age when “the gods forsake humanity” and “there will be no help against evil.” In what follows I look at the macro-dynamics of the crisis from four different viewpoints:

- In the cases of North America and the European Union, what explains the rapid collapse of the institutions designated to monitor and respond to disease outbreaks, accompanied by a radical deficit of international cooperation and mutual aid?

- Has economic nationalism defeated transnational capitalism?

- One-and-a-half billion slum-dwellers are mortally threatened by both the pandemic and economic catastrophe as African and south Asian economies begin to implode. Will a new debt crisis – on a much larger scale than the 1980s – foreclose their futures forever?

- China is currently the logistical hub of the worldwide battle against Covid-19 but can it be the engine, as it was in 2008-09, that pulls the global economy out of recession? Or will its own plunge into recession define an epoch of continuous stagnation and likely war?

- With few exceptions (Norway and Portugal) social-democratic parties and progressive movements have signally failed to address poor humanity’s needs in this deadly period. The me-first virus appears to have a higher ‘R-naught’ spread ratio than coronavirus itself. Moreover the framing of human survival in fundamentality nationalist terms, even if accompanied by unctuous evocations of global common interests, is tantamount to accepting a triage of the earth’s population. Can genuine internationalism find a renewed purchase in today’s struggles and in the policies of the left? What are the necessary organizational forms and resources to achieve this?

**System failure**

Despite long-prepared response plans, frequent simulations, and an international early warning system, the pandemic has been unstoppable in Western Europe and the United States because it has been able to rapidly exploit major political vulnerabilities in national and international public health systems. The 2008-09 Great Recession was a huge fiscal shock to health-care institutions everywhere and the cuts in most countries have been left in place and rationalized as ‘necessary austerity’ by both right-wing and center-left governments. This has been the major pre-existing condition, along with failed leadership, undermining the COVID-19 response inside the high-income nations.

Just a month before China announced the outbreak, tens of thousands of medical workers poured into streets across Europe demanding major increases...
to shriveled health-care budgets. “After a decade of austerity,” warned the eight-million-member European Public Service Union, “public health systems are now at a breaking point, and health professionals can no longer bear the brunt of being underpaid, understaffed and under-resourced.” In some cases, as with Britain’s NHS, underfunding has been part of a larger right wing strategy of privatizing health provision. In the United States, meanwhile, the Obama administration in 2009 took important first steps toward universal coverage but the Affordable Care Act remains under relentless siege from the right. Wherever they have held power, moreover, Republicans have also refused to restore funding to local and state public health departments, leaving that sector with 60,000 fewer staff than in 2007.

These misguided austerity measures and ideologically motivated attacks on the public sector that have undermined public health security in rich nations have also eroded the global disease prevention infrastructure that they have traditionally financed. Within two months of the first reported cases outside China, the key organizers in the international network of pandemic sentries and first responders – the World Health Organization, the US Center for Disease Control (CDC), and the European Center for Disease Prevention and Control – had either suffered major operational failures or been marginalized by member governments’ nationalist policies.

The WHO has been something of a hollow shell for years, weakened by a chronic budget crisis that forces it to seek 80 percent of its funding through individual negotiations with a handful of wealthy countries, giant pharmaceutical firms and a few mega-philanthropies such as the Gates Foundation, all of whom have inordinate power to shape its priorities. For instance during the avian flu crisis in 2005, it refused to endorse India’s call for the generic production of crucial antivirals, instead defending Big Pharma’s patents and profits in return for a small stockpile of the medicines. A decade later it failed to organize a rapid response to the Ebola outbreak in West Africa, a disastrous mistake that left the Obama administration to organize a last-ditch rescue effort. And last year it bowed to Beijing and endorsed the efficacy of Chinese traditional medicine – a decision that appalled many scientists as well as animal-rights activists.

Since the confirmation of the outbreak, its director general Tedros Ghebreyesus has been a constant beggar on the steps of both Beijing and Washington, simultaneously praising Xi and Trump. Ghebreyesus’s election in 2017, spearheaded by Addis Ababa and Beijing, was the first major demonstration of the African Union’s increasing alignment with Chinese foreign policy. His hopes that he could also placate Washington and keep WHO in the driver’s seat of the international response were cruelly dashed after the China-haters and economic nationalists in the Trump camp, led by Steve Bannon and Peter Navarro, jumped at the chance to brand the organization as a servant of the Chinese Communist Party. The President, who had initially praised both Xi and Ghebreyesus, found the WHO irresistible as a scapegoat and cut off American funding (one quarter of its budget), at a moment when its work is most essential. The Republican decision to beat the war drums about China and its ‘responsibility’ for the pandemic, instead of embracing scientific cooperation and a multilateral aid campaign, is a dangerous omen for the long battle ahead.6

The US CDC meanwhile has been under assault since Trump’s inauguration, losing a big lump of its budget as well as key researchers and international field agents. In 2018 its voice inside the White House, the National Security Council’s Directorate for Global Health Security, a pandemic ‘dream team’ assembled by Obama, was abolished and its expert leaders fired by Trump’s then national security advisor, John Bolton. Last year, just three months before China reported the outbreak in Wuhan, the administration cancelled funding for the Emerging Pandemic Threats PREDICT program, a much praised early warning system set up by USAID to work in tandem with CDC’s overseas projects. Then in January, when the penny finally dropped that Covid-19 was at the doorstep, the CDC decided to develop its own test kits rather than use those developed by German researchers for the WHO. While hundreds of thousands of the latter were being shipped all over the world, the CDC discovered that its own diagnostics were flawed and giving false results as a result of contamination in the manufacturing process. (Later the Food and Drug Administration (FDA) would report this as CDC’s failure to follow its own standard protocols.) For the entire month of February, the period
in which extensively testing could have prevented the infection’s exponential take-off, the CDC fumbled blindly while its experts worked to repair the tests.

In addition, CDC’s large overseas scientific network has always played a major role alongside the WHO during vaccination campaigns and disease outbreaks. Now, according to one leading WHO advisor, it has become ‘a nonentity’ in the global battle against COVID-19. “It was a highly professional, trusted organization, and they’re gone basically,” she added. “It’s a tragedy for global health.”

Likewise it has lost its traditional domestic role as chief coordinator of disease response as a result of the testing debacle but also because one of its officials in February contradicted Trump’s assurance that ‘everything is under control’ (Robert Redfield, its born-again Christian director, now spends much his time in the tertiary role of being crisis liaison to Trump’s religious base).

Instead the baton has been passed to Trump’s relatives and sycophants – Vice President Pence, son-in-law Jared Kushner, response ‘coordinator’ Deborah Birx, Coronavirus Task Force chair Alex Azar (the Secretary of Health – now under threat of dismissal), and Azar’s deputy Michael Caputo. They’ve run around like Keystone Kops, each claiming to be in charge. Only Birx is a physician while Azar’s principal qualification is his background as Eli Lilly and Company’s chief lobbyist, subsequently promoted to the head of its US operations. Caputo, meanwhile, is a Republican campaign operative, notorious conspiracy-theory peddler and protégé of convicted felon Roger Stone. His major qualification seems to be his skill at dissembling to the press. Having ignored repeated warnings that the Strategic National Stockpile of medical supplies was seriously depleted, Kushner and the others now lay a smokescreen of false claims that the federal government had never assumed any obligation to be first responder.

This ruthless laissez-faire attitude was underscored by the government’s decision to allow the Cheltenham Festival – three days of races attended by over 250,000 people – to go forward on 10 March. Within a week hundreds of spectators were reporting symptoms. At the same time hospitals were beginning to discover the lack of national preparedness as face-masks and ventilators became unavailable. An anonymous high-level source in the government would later tell the Times: “Almost every plan we had was not activated in February. Almost every government department has failed to properly implement their own pandemic plans. It was a massive spider’s web of failing, every domino has fallen.”

Trump’s favorite prime minister, Boris Johnson, likewise focused in the first months on COVID-19’s threat to profits not lives. His government opposed any measure – social distancing, shutting down schools, stay-at-home orders, and so on – that might hurt the economy. While the WHO was warning of the emerging pandemic, Johnson was setting off fireworks to celebrate Brexit and scoffing at demands to start testing for the virus. “We are starting to hear some bizarre autarkic rhetoric,” he said, “when barriers are going up, and when there is a risk that new diseases such as coronavirus will trigger a panic and a desire for market segregation that go beyond what is medically rational to the point of doing real and unnecessary economic damage.”

His nonchalant attitude – he missed at least five emergency cabinet meetings where experts reported on the outbreak – was widely emulated by the British public with little criticism from the leaderless Labour Party. Johnson and his eminence gris, Dominic Cummings, believed that the threat of the virus was overblown and to safeguard the economy it should be allowed to burn itself out. According to The Sunday Times, Cummings told a private gathering in March that the government’s goals were “herd immunity, protect the economy and if that means some pensioners die, too bad.”

The responses by the European Council and the EU member states to the pandemic have been no less disorganized and mean-spirited than the United States and Britain’s. (Japan’s laggard mobilization belongs in the same category.) For two months, EU leaders, bolstered by experts from Germany’s Koch Center and the European Center for Disease Prevention and Control (ECDC), maintained that the threat to Europe
was only ‘low to moderate.’ There was little early testing and consequently few statistics for assessing the volume and velocity of infections. Europe’s health ministers, meeting in Brussels on 13 February, were told by the director of the ECDC that ‘Europe had adequate lab capacity and that the EU’s containment strategy was working. Moreover the “big worry in Europe”, according to an investigation by Politico (Europe), “was about the secondary effects of a slowdown in the Chinese economy,” not about mass mortality. Ten days later carnival season arrived and skiers flocked to the mountains. At crowded Austrian and Italian ski resorts COVID-19 was spread by individuals returned from East Asia. The Italian outbreak soon followed with its terrifying death tolls amongst the elderly. Although individual EU states retain control over their health systems, a Union Mechanism of Civil Protection provides for mutual aid and coordination in the advent of major disasters, including “serious cross border health threats”. On 28 February, the Italians activated its provisions. According to Politico (Europe): “For officials monitoring the crisis response, Rome’s admission that it was in trouble was jarring. Even scarier, though, was the reaction from the other 26 EU countries: silence. With EU capitals now beginning to panic about their own vulnerability, none stepped forward to help.”

Only one country, China, offered immediate assistance and quickly sent medical experts and a plane load of supplies. Meanwhile EU commissioners were belatedly discovering, as had the UK, acute, unreported shortages of personal protective equipment; most countries had run down stockpiles on the false assumption that manufacturers would easily meet surging demand. France on 3 March stopped exports of masks and ventilators and sealed its borders. Its example was quickly followed by Germany and much of northern Europe. The EU’s famed Common Travel Area was abolished without diplomatic discussion. The ECDC reluctantly raised the threat level to ‘moderate to high’ and the Brussels bureaucracy finally created an emergency coronavirus response team. Meanwhile angry health ministers in several countries complained about the lack of notification or consultation by sister nations – they had to turn to the news media to find out what other states were doing.

Italy seethed and on 10 March its EU permanent representative published an angry op-ed piece that denounced the “selfishness” which “leads to the adoption of a lose-lose, beggar-thy-neighbor logic” and compared current EU leaders to those who in 1914 ‘sleepwalked’ Europe to destruction. Italy demanded the creation of a European credit facility to save small and medium-sized businesses from permanent closure; later Spain, the second epicenter of the outbreak, allied with Rome to ask for the issue of ‘corona bonds.’ Amsterdam and Berlin immediately opposed the proposal, indicating that they expected Italy and Spain to live on the same starvation rations that they forced on Greece at the beginning of the decade. This sets a clear course for ‘Romexit’ if Matteo Salvini’s anti-EU Lega Nord returns to power and asks for a referendum on Italy’s membership.

European disunity during the pandemic compounds the damage done by Trump’s crusade against its core institutions and the traditions of the Atlantic alliance: just as a smaller, less powerful EU is now imaginable, so too the disintegration of NATO, even if unlikely in the near future, becomes more than a Russian pipedream. The U.N., meanwhile, is yet another hollow institution. “A vocally frustrated U.N. Secretary-General Antonio Guterres,” writes the Los Angeles Times, “has seen his calls for more global coordination largely ignored during the health crisis – including a worldwide cease-fire in regional conflicts, an easing of sanctions against countries besieged by the pandemic such as Iran and Venezuela, and a multitrillion-dollar emergency humanitarian aid fund.”

With the UN General Assembly paralyzed and the WHO and the other UN human development agencies unable to lead, the original Bretton Woods’ twins, the IMF and the World Bank, are left as the hard institutional core supporting economic globalization. With the withering of the WHO’s finances, the Bank, which had devastated public health budgets in poorer countries with its structural adjustment regimes in the 1980-90s, has ironically become the leader in world health. It’s actually an old story since its loans for health had already surpassed the WHO’s total budget back in 1990 with its influence on international health expenditure increasing ever since. If the WHO survives the crisis (which is to say if Biden wins and restores US funding) it will be as a mere satellite of the Bank with
collective health security subordinate to the Bank’s other priorities. Imagine a world where the chief doctor is also the debt collector.

The fate of poor humanity
Earlier I said there were two different COVID-19 pandemics and the virus’s impact on younger age cohorts could differ radically in poor countries and amongst high poverty groups. The history of the Spanish flu explains why this may be the case. The 1918-19 pandemic, as most know, is the greatest single mortality event in human history, estimated to have killed 1 to 2 per cent of humanity. In North America and Western Europe, the original H1N1 was most deadly to young adults. This has usually been explained as a result of their relatively stronger immune systems which overreacted to the infection by attacking lung cells, leading to pneumonia and septic shock. More recently, however, some epidemiologists have theorized that older adults may have had ‘immune memory’ from an earlier outbreak in the 1890s. In any event, the influenza found a favored niche in army camps and battlefield trenches where it scythed down young soldiers by the hundreds of thousands. This became a major factor in the battle of empires. The collapse of the great German spring offensive of 1918, and thus the outcome of the war, has been attributed to the fact that the Allies, in contrast to their enemy, could replenish their sick armies with fresh American troops.

But the pandemic in poorer countries had a different profile. It’s rarely appreciated that almost 60 per cent (that’s at least 20 million deaths) occurred in the Punjab, Bombay and other parts of western India where grain exports to Britain and brutal requisitioning practices coincided with a major drought. Resultant food shortages drove millions of poor people to the edge of starvation. They became victims of a sinister synergy between malnutrition, which suppressed their immune response to infection and produced rampant bacterial, as well as viral, pneumonia. In the similar case of Russian and British-occupied Iran, several years of drought, cholera, and famine, followed by a widespread malaria outbreak, preconditioned the death of somewhere between 10 and 20 percent of the population, at least one million people. In both cases mortality was more widely distributed across demographic spectrum than in Europe.

This history – especially the consequences of interactions with malnutrition and existing infections – should warn us to treat with caution the repeated assurances that since the urban population of sub-Saharan Africa is the world’s youngest, with over-65s comprising only 3 per cent of the population, versus 23 per cent in Italy and 15 per cent in the United States, the mortality will be proportionately less. Also dubious is the idea championed by Trump that the pandemic, like seasonal flu, will recede with warmer weather. The second and most deadly wave of the Spanish Flu started in mid-summer. More likely, as Science warned on 15 March, Africa is “a ticking time bomb.”

In addition to malnourishment, the fuels for such a viral explosion are the huge number of people with crippled immune systems. HIV/AIDS has killed 36 million Africans over the past generation and researchers estimate that there are currently 24 million cases, along 3 million or more people with the ‘white plague’ – tuberculosis. 350 million Africans suffer chronic malnutrition and the number of small children whose growth has been stunted by hunger has been increasing by millions since 2000. Social distancing in mega-slums like Kibera in Kenya or Khayelitsha in South Africa is an obvious impossibility and more than half of Africans lack access to clean water and basic sanitation. “Clean water and soap,” according to the UN, “are in such short supply that only 15 percent of sub-Saharan Africans had access to basic hand washing facilities in 2015.” Additionally five of the six nations with the world’s worst healthcare are in Africa, including the most populous, Nigeria. Kenya, a country with 50 million people and well-known for exporting excellent nurses and doctors, has exactly 130 ICU beds and 200 certified ICU nurses to greet the arrival of COVID-19. Sudan with a comparable population has just 30 beds. Ten countries lack a single ventilator, and throughout Africa there is an acute shortage of oxygen for use in severe cases. As one top U.N. aid official told Al Jazeera: “There’s no curve to flatten when there’s no healthcare.”

‘African’ conditions, of course, exist elsewhere: together with Ethiopia, Nigeria and the Congo, India and Pakistan account for half of the deaths of children globally. Gaza, Haiti, Bolivia, Guatemala, Papua-New Guinea, and Micronesia, as well as most of the world’s
refugee camps, are mass graves waiting to be filled. Who are the allies of their poor?

With little complaint from Democrats, whose recent progressive turn has been compromised by a startling lack of concern for global issues of inequality, Washington has abandoned any pretense of humanitarian leadership as it continues frantic work on the border wall and ignores the pleas from Africa to send aid and debt relief. America First, it seems, means Africa Last. Moreover Trump, who has already poached medical supplies earmarked for Germany and other countries, recently ordered the US Agency for International Aid (USAID) to prohibit its aid being used by NGOs in poorer countries to purchase desperately needed face-masks and other protective equipment. He apparently intends to corner as much of the global supply as possible, while ignoring calls to use existing legislation to increase production at home. Since the pandemic began, he’s also slashed medical aid to Yemen and reinforced the embargoes on Cuba and Iran.

Europe, which has passed on to little NGOs the primary responsibility for tending to the health of tens of thousands of refugees in fetid camps, has also abdicated serious moral leadership. At the beginning of the crisis, Macron, desperate to save France’s decaying neo-colonial empire in Africa, mobilized a small tranche of European aid to equip African countries with testing apparatus, but once Covid-19 appeared in the shadow of the Eifel Tower, his attention abruptly shifted to the home front. (He has however continued to advocate a moratorium on African debt payments.) The subsequent ‘crisis of solidarity’ within the EU has completely overshadowed tepid efforts by its members to coordinate international aid.

So far only four nations have truly rushed to the side of the wretched of the earth. Three of them are small. Cuba’s doctors, as always, are the first to arrive on the frontlines of any dangerous disease outbreak, as in the recent cases of cholera and Ebola fever, and their crack medical teams are already at work fighting COVID-19 in 18 countries, including Jamaica, Haiti, Italy, Togo, Angola and even Andorra, a postage-stamp-sized country neglected by Paris and Madrid. Norway, the Scandinavian country least affected by recent waves of national chauvinism, was the first in Europe to answer the pleas from Addis Ababa and Pretoria calling for an all-out effort to rescue Africa. Ireland immediately quadrupled its contribution to the WHO after Trump cut off American funding. (Russia has also dipped its toes in humanitarian waters but has been mainly focused on the troubled negotiations with Saudi Arabia to build a safety-net for their oil and gas exports).

But it’s China, with its huge supply lines of medical supplies and its accumulated experience in battling influenza and coronaviruses, that’s rushing the most significant help to besieged countries across the globe. Its capacity to so can be measured by the fact that, beginning in early February, it expanded its manufacture of protective masks from 10 million a day to 116 million in just four weeks, and is rapidly re-gearing production to become the world’s arsenal in the fight against the new virus. Already by early April it had sent overseas nearly 4 billion masks and 2.8 million test kits. Its aggressive leadership, burnished by its success in suppressing the original epidemic in Wuhan, has important geopolitical implications.

Beijing has accumulated vast global economic clout over the last twenty years, becoming for instance the largest trading partner of Germany, Brazil, Australia, Indonesia, and many other countries. But its hard economic power has far exceeded its soft power, that is to say, its influence as an admired systemic model for the rest of the world. Its relentlessly pursued Belt-and-Road Initiative, launched in 2013 and largely financed by loans to 70 different countries, is a major reason that the debt-to-GDP ratio in the so-called ‘emerging market and developing economies’ has increased by 58 percentage points to 168 percent over the last decade. Particularly in sub-Saharan Africa, where China’s loans and infrastructural investments have made it the region’s principal creditor, there has been growing popular resentment against what many believe is simply a new and potentially crippling form of neo-colonialism. Beijing’s response to COVID-19, however, provides it with opportunities to claim the mantle of moral leadership. To an ordinary Liberian farmer or Kenyan mother, or for that matter an elderly Italian locked inside an apartment, what matters now is not the old mythology of a generous America or a stoutly united Europe, but masks, medicines and ventilators. At this point they’ll mostly bear the stamp: ‘made in China.’

But face masks are one thing and billion-dollar debts
are another. In the skies of Africa and other poor regions vultures – that is to say, banks of foreign plumage as well as the dread IMF – are circling above the expected corpses of national treasuries and public budgets. Since 2014, as the value of global commodities has declined, debt has been fed steroids in sub-Saharan Africa, much of it borrowed for infrastructural projects like dams, railroads, highways and ports.

China has been the continent’s major bilateral lender (an average of $10 billion annually) with Angola the largest borrower, followed by Ethiopia and Kenya. Oil earnings are the most important collateral in African transactions with Chinese and European banks and now the fetter on their future recovery. Countries that heavily borrowed when crude was above $100 per barrel now earn less than a tenth of that, forcing them to devote almost the entirety of their oil income to debt repayment. In any event, foreign banks have now closed their doors to sub-Saharan countries; but, even as lending stops, national debt continues to appreciate in value thanks to strengthening of the dollar and the weakening of local currencies. All of this is a formula for an economic depression and debt implosion that will shatter the economies of most countries and leave in its wake even less spending on health, food assistance, and education. In addition – as if to prove the point that all of humanity’s great crises are interconnected – climate change in the form of epic drought has been dealing heavy blows to agriculture in Africa. In March South Africa declared a national emergency as drought returned to punish its farmers while East Africa fields were being stripped bare by the largest locust plague in a century. Drought, debt and disease are the trilogy all Africans fear.

**China’s mission impossible**

In contrast to the Atlantic economies and most of Latin America, the countries of industrial East Asia, including Vietnam but not Japan, have managed the initial outbreak with admirable success, demonstrating formidable state capacities for rational and decisive action. All their populations have national health coverage. The two most remarkable cases are Taiwan and Vietnam. Because of its proximity to the mainland, urban density and large number of elderly citizens strongly at risk Taiwan seemed destined to become another Wuhan. But by late April it had reported less than ten deaths and had avoided a mass shutdown. There is no mystery why it was so successful: Taiwan has built the world’s number-one-ranked public healthcare system, which responded immediately in December to rumors of a SARS-like outbreak. When Taipei inventoried its medical stockpile and realized that supplies of masks would run out, its Central Epidemic Command Center ordered the military to take over their production. Daily output was increased from two to ten million units in less than three weeks. And in contrast to the PRC and Singapore, it achieved this as a functioning democracy without reliance on centralized authoritarian power or mass repression.

Vietnam is an even more extraordinary story. Although poorer than the rest, it boasts some of the world’s most highly-rated specialists in epidemic disease at the Pasteur Institutes in Ho Chi Minh City as well as a national network of commune-level health stations trained to respond to outbreaks. This combination of expertise and grassroots mobilization allowed it to successfully confront the arrivals of avian flu and SARS in the early 2000s. In contrast to China, it also has an admirable record for medical transparency, immediate reporting of infection clusters, and close collaboration with the WHO.

Yet the only alternative experience that really matters on the world stage right now is mainland China’s success in suppressing the outbreak and then becoming the lead fire man in other distressed countries. (Less known to the world public is the crucial role of mass protest in galvanizing Xi’s authoritarian regime into action.). General-Secretary Xi Jinping, of course, promotes the story with a lot of arm-twisting: recipients of Chinese loans and medical aid like Erdogan in Turkey and Fernandez in Argentina must chant his praise. But the pressure is little different from Washington’s heavy hand in the past and smaller states have long had to sing for their dinners. And now that Trump has abdicated the humanitarian throne, only one power has the managerial skills and resources to occupy it. For the first time, Beijing is virtually alone at the helm of a world crisis, testing its actions against Washington’s and the EU’s inaction.

In the 17th century a plague pandemic (familiar to anglophone readers because of Daniel Defore’s *The
“Journal of a Plague Year” was particularly devastating to Italy and in the view of some historians accelerated the transition from a Mediterranean-centered European economy to one dominated by the Netherlands and England. It’s tempting to claim that COVID-19 is similarly speeding up the shift from American to Chinese domination, but the analogy is flawed because it exaggerates the stability of the Chinese economy as well as its capacity to pull the world out of deep recession. China’s success in becoming the center of the value-chain solar system and, as a result, the greatest manufacturing and trading nation on earth, is also its Achilles’ heel as today’s collapse of world trade threatens to lead to a partial deglobalization of production over the course of a long recession. Although China has made huge strides in the development of science-based industries and technological services, intermediate and consumer goods exports, from patio furniture to smart phones, remain its principal breadwinner and source of foreign exchange. Permanent loss of a significant portion of the export market, whether by decreased global demand and/or repatriation of manufacturing investment, would confront the State Council with what it has always most feared: an angry army of the unemployed, tens of millions strong.

The leadership, of course, has long been aware of the need to reduce export dependence, increase wages and deepen its home market but the transition has proven incredibly difficult and investment, the second great driving wheel of the Chinese economy, has filled the gap. Although some admirers, evoking the high growth rates generated by Western European and American consumer durable consumption and home-building in the 1950s and 1960s, refer to the present period as China’s ‘golden age,’ the reality is different. What has been exceptional about China’s urban-industrial revolution is not its embrace of the export-led economic model common to other Asian countries, but rather its extraordinarily high and sustained rates of investment in infrastructure and urban construction. This has been financed by the depression of labor’s share of the GDP. No large dynamic peacetime economy has ever consistently devoted such a large share to investment or so small a share to consumption.

During the 2008-09 crisis Beijing countered the slump in export demand with a huge stimulus package that pumped loans into infrastructure development and housing construction, providing life support for ailing state-owned enterprises. The investment-to GDP ratio soared to 48 percent in 2012 and then declined to a stable 45 percent. (By contrast Americans were consuming 70 percent of the national income and investing only 15 percent.) “The scale and speed of China’s investment boom,” wrote a team of Oxford University economists, “are staggering. China spent $4.6 trillion in 2014 accounting for 24.8 per cent of worldwide total investments and double the entire GDP of India.” The borrowing that financed the stimulus was also staggering. “Between 2000 and 2014 China’s total debt grew from $2.1 trillion to $28.2 trillion, in current prices – an increase of $26.1 trillion, greater than the GDP of US, Japan and Germany combined.”

The post-2008 stimulus also benefited China’s chief component-makers in East and Southeast Asia as well as Germany, from whom it imports machinery and machine tools. Otherwise global recovery from the Great Recession would have been incomparably more difficult. But the price has been structural instability and ever-expanding debt. This has been candidly acknowledged in several instances by the country’s leaders. At a World Economic Forum in 2009 Premier Wen Jiabao, a strong advocate of raising living standards in the countryside, told the audience that “China’s economic rebound is unstable, unbalanced and not yet solid.” The following year Vice Premier Li Keqiang (who became premier in late 2012) reiterated that the investment drive had created an ‘irrational economic structure’ and ‘uncoordinated and unsustainable development is increasingly apparent.’ Xi Jinping in his ascent to Party Secretary-General and then President was responsible for several major reforms but the ‘Belt and Road Initiative’ – financed by the China-sponsored Asian Infrastructure Investment Bank – was a return to construction-driven growth, now on an international scale.

Two years ago an investigation of China’s future prospects by the European Central Bank found all the classic signs of overinvestment and the resultant misallocation of resources: severe excess capacity in basic industry, infrastructural spending that exceeds potential demand, speculative overbuilding of housing unaffordable to most families, unnecessary conversion of agricultural land by cities, woefully inadequate
spending on public health and education, and what can only be described as a state bank system that manages debt by leger demain. Moreover the investment engine is sputtering. “The incremental capital-output ratio,” explain the authors, “suggests that the impulse to economic growth from new investment is diminishing.” Put another way, investment is not raising overall productivity to the levels expected and inefficient and poorly managed spending on fixed capital is having a negative effect on GDP. Thus Beijing’s incredible growth machine “is approaching a turning point. Falling productivity growth and diminishing returns imply that China is reaching the limits of the ‘old’ growth model of factor accumulation. Continuing to push against these limits by relying on yet more investment and debt will only worsen existing imbalances and threaten medium-term growth sustainability.”

This is why it’s impossible for China to repeat its post-2008 feats. More likely than a Chinese-led recovery is a Chinese-led depression. This would ensure a synchronized paralysis of growth in all three of the world economy’s great economic blocs – North America, the European Union, and East Asia – with none capable of powering a recovery by unilateral action. The bilateral partnership that in theory might brake the collapse is a coordinated spending plan by the United States and China, but their relationship, setting politics aside, is structurally the weakest or, if you prefer, ‘imbalanced’ link in the world economy. It is an attraction between opposites: the United States overconsumes, China overproduces; Washington grows a huge trade deficit, but then China lends back the debt to allow Americans to continue their unbalanced spree.

American far-right populists see only one side of this exchange: the domestic employment costs of value-chain outsourcing and the United States’ negative trade balance-sheet. They ignore or are stupidly unaware of China’s reciprocal role as chief purchaser of the US national debt and seem to believe, fantastically, that an economic war against Washington’s chief creditor would be relatively costless, since it would return millions of jobs from East Asia. In fact, the most decomposable product chains are those driven from the top down by final distributors and retailers, like Walmart or Target, whose import inventory consists of cheap consumer goods and electronic products. Unlike producer-driven value chains (General Motors and its parts suppliers, for example), most consumer product lines are easily automatable (preferably on the other side of the Mexican border) so the repatriation of investment will not mean the return of jobs previously lost or a new springtime for US manufacturing. Yet this is the illusion that has bolstered the Republican base in the American Midwest.

Moreover both major American political parties have been agitating since the 2008 shock for the return of a full-scale external enemy, albeit one not as slippery and evasive as al-Queda or ISIS. Clinton’s preference was for a new cold war with Russia, but Trump instead chose China. First came the trade war in 2017 and now the Yellow Peril. His reelection committee is now market-testing ‘China must pay for the pandemic!’ as a principal campaign motif. (According to a recent Pew poll, one quarter of Americans, the hardcore Fox News audience, believe that the coronavirus was created in a Chinese bio-warfare lab and deliberately released against the USA.) The crisis allows the economic nationalists marching under the black flag of Steve Bannon (recently returned to the National Security Council) to agitate for a ‘hard decoupling’ of the two economies, while others want to punish China by electronically confiscating the $1.1 trillion in US treasury bonds it holds (under international law, an act of war). Although a Biden administration would tone down the bellicose rhetoric, there are powerful forces within the Democratic Party who will never accept a geopolitical retreat from Southeast Asia and also advocate a hard line toward Beijing on dual economic and military fronts.

China, so far, has not brandished the threat of financial retaliation for fear of losing its largest export market and secondarily because the appreciation of the dollar during crises increases the value of its reserves. But if trade with the United States continues to deteriorate and key value chains prove unrestorable, the constraints on an aggressive response by Beijing will loosen. This would add a large if incalculable dosage of chaos and even threat of war to the existing geo-economic turbulence. Every capitalist and state-capitalist regime would then look not just for scapegoats, but for mortal enemies who would justify crowning populist rage with warheads.

We have to ask, in summary, two unprecedented
questions about the future of the neoliberal world order. First, has capitalist globalization become biologically unsustainable? The answer, of course, depends on whether or not high-level international cooperation and massive spending on public health are realistic prospects. I fear they are not. Second, are the logistical and financial infrastructures of globalization sustainable in a post-hegemonic era? Can they function, in other words, without being underwritten by a fusion of monetary sovereignty and global leadership in a single super-power willing to act as the world market’s manager? There is precedent to keep in mind: the regional fragmentation of world trade during the 1930s when the dominant economic power, the United States, abdicated its creditor role in Europe and turned inward for solutions to the Depression. Semi-autarchy refocused European imperialist powers on modernizing exploitation in their tropical colonies while Germany turned toward the conquest of Ukrainian grain and Caspian oil with catastrophic consequences for humanity. Very few economists and foreign policy experts can imagine a rapidly deglobalizing and rearming world but by the same token can any of them realistically convince the public that we’ll rapidly rebound to the salad days of a 28,000 point Dow and pleasant carnivals at Davos?

Searching for solidarity

The dark period approaching will indict capitalism as a threat to human survival. A prosecutor would charge four counts. First as a world system it is unable to generate incomes and social futures for a majority of humanity. Second, it can’t decarbonize the economy or adapt poorer societies to endure the extreme consequences of global warming which they played little role in creating. Third, it can’t guarantee food security or sustainable water resources. Fourth, it blocks the translation of revolutionary biological advances into public health. These are convergent crises, inseparable from one another and need to be seen in their complex ensemble, not as separate issues. To put it in more classical language, the financialized capitalism of today has become an absolute fetter on the development of the productive forces necessary for our species survival.

Michel Aglietta, one of Europe’s most respected economists, argues along similar lines. He recently wrote that three dangerous misconceptions govern most official discourse about the pandemic. The first is the idea that we must set aside action against climate change and habitat destruction to focus on the viral threat. This ignores the profound extent to which the phenomenon of emergent disease is linked to climate change, industrial agriculture and livestock-raising, and the increasing destruction of biodiversity, especially tropical forests. “In the last instance disease and climate are driven by similar dynamics even if the temporalities are different. Both are processes evolving under radical uncertainty that at some unknown tipping point may spin out of control.” The second error is an underestimation of the role of domestic and international debt, growing almost unchecked since 2009, in potentially accelerating and widening the present slump. “What is most distinctive about the last decade,” he argues, “has been the globalization of the logic [of financialization].” The pandemic will ultimately produce a financial panic – an incessant demand for cash – that in turn will lead to disinvestment in the real economy, now hobbled by vast overcapacity. Industrial production chains and trade in intermediate goods, he argues, are particularly vulnerable.

The most dangerous illusion, however, is the nationalist one: that a global depression can be avoided by a simple sum of independent and uncoordinated national responses. “A Green Global New Deal is the only possible future. We must eradicate the neoliberal world view that subordinates everything to the fetish of the ‘market’ without recognizing its dependence on nature. Markets transform common goods into common evils. As was the case in the New Deal, the Global Green New Deal (GGND) demands the leadership of public power over private.” The ‘structural axes’ of the GGND must be the conversion of industry to green power, the movement toward low-carbon cities and an immense global effort to restore habitats and sustainable agriculture. To accomplish this public investment must break free of the ‘tragedy of horizons,’ the piratical short-term logic of financial markets. “The transformation of the structure of the productive economy demands strategic planning.”

Aglietta, I believe, is correct to say that neoliberalism has opened pandora’s box and that only planetary cooperation on the scale of a GGND can assure
common survival. One can also applaud his insistence that we need to look at the new age through the lens of political ecology, recognizing that everything is now an environmental issue. But he uses euphemisms to circle around the issue of issues: the democratization of economic power. The current emergency pushes us well past the point when we can frame this as a matter of anti-trust law, tougher regulation or putting workers on corporate boards. The inescapable precondition for “public leadership of the economy” is social ownership of strategic sectors such as pharmaceutical production, fossil fuels (to retrain workers and shut down wells and mines), the large banks, and the digital infrastructure upon which 21st century life depends (broadband, the cloud, search engines, and social media). The return, in other words, of the revolutionary socialist project.

I say ‘revolutionary’ because popular power even in the OECD bloc will increasingly face the repressive capacities of the surveillance state allied to the anti-democratic politics of authoritarian populism. Social violence in many forms will become common and unavoidable as volcanoes of rage and desperation erupt across the world. In some cases – for instance, where extreme nationalist governments have been most successful in deflecting anger toward foreign powers or local minorities like India or Poland – right-wing regimes may become openly neo-fascist. In other places where governments in power have been discredited – Mexico for example -political outcomes remain unpredictable. But in the United States, as well as Brazil, the winds blow to the left. In retrospect historians, I suspect, will judge the most surprising development in early twenty-first century America to have been not Trump but the sudden emergence of broad, multi-racial movement that identifies itself as socialist. Radicalized healthcare workers (17 million of them) may play the same role in the 2020s as autoworkers did in the 1930s.

On the global battlefield, then, the opportunities and dangers for a new left are probably equally distributed. But socialist victories in one country or another will not lead to a GGND in the absence of a new internationalism. The erosion of international solidarity is probably most evident in the new American left; in the Democratic primary debates, for example, neither Sanders nor Warren spoke up about global poverty or the catastrophic interplay of drought and war in the Sahel and the Fertile Crescent. Although a ‘Green New Deal’ is the battle flag of the progressive movement, it’s seldom conceptualized to include climate-change adaptation funds for poor countries or a Marshall Plan for the nations broken and pauperized by the US’s endless wars in the Middle East. At times the inward focus of the left comes perilously close to a version of America First.

It is only through active persistent campaigning that we can lay new foundations for international solidarity. As the pandemic now burns across Africa and south Asia, socialist and green movements in North America and Europe urgently need to band together with religious and humanitarian groups to make the following demands:

1. The reactivation of the principle enshrined in the Universal Declaration of Human Rights that good health is a universal right.
2. A massive international relief effort to prevent millions dying in Africa and other poor regions from the combined effects of disease and hunger.
3. Billions more invested in vaccine production lines to assure a supply adequate for the entire human race. All countries must have equal entitlements to the growing stock of vaccines and antivirals. There is great danger that wealthy countries will horde supplies.

In the world at risk, a revolutionary vision is not exclusive of seeking fellowship with everyone who embraces core humanist values. At the present moment, in fact, there are only two world leaders who consistently invoke the urgency of human solidarity, one is the Dali Lama and the other, an Argentine football fan living in a large house in Rome. We should recall that all great revolutionaries – Paine, Danton, Garibaldi, Marx, Luxemburg, Lenin, Trotsky and Che – conceived their mission not simply as the emancipation of the working classes but the liberation of all humanity.
Notes


15 The selfish and uncoordinated behavior of member states was not unforeseen. During the 2009 swine flu pandemic, France, Germany and several other countries prohibited exports of protective medical equipment to other countries, leading


Medical systems are rated every year by the online data base Numbeo.


30 This is the thesis of Guido Alfani: “Plague in seventeenth-century Europe and the decline of Italy: an epidemiological hypothesis,” European Review of Economic History, 17 (2003), pp. 408-430.1


