

Pandemic — Inoculating Against Globalization: Coronavirus and the Search for Alternatives

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Social developments constantly surprise. The latest anxieties over the economic contradictions of extreme globalization haven’t been triggered by a trade war, inter-imperial rivalry, a financial meltdown or riots in the streets. They’ve rather been sparked by an apparently non-economic and contingent event: the coronavirus outbreak. As precautionary measures send workers home in a place few of us have ever heard of and the ramifications shut workplaces in places most of us never knew were connected, a business panic has set in. Grown men (and women) stare in horror at stock market screens and the business press fretfully anticipates an imminent recession.

Yet a deeper fear lurks in business circles. Has globalization plateaued? Might the further spread of the virus “put globalization into reverse?” [1] Some main-stream journalists have even suggested that a slowdown in hyper-globalization “may not be a bad thing, given the sometimes absurd and dangerous dimensions it took on.” [2] Others are more cataclysmic, asking, as one headline does, whether the spread of the coronavirus could “Hasten the Great Coming Apart of Globalization.” [3]

Preparing for ‘More of Them’

The least convincing response to the present nervousness is one that reduces the coronavirus to an unfortunate one-shot event. The EcoHealth Alliance, which tracks infectious disease events over time and globally, has found that such events “surged in the 1980s with the advent of the HIV virus and has remained elevated ever since.” This has led *The Wall Street Journal* to soberly warn that “[T]he public needs to prepare for more of them.” But what, especially in the context of globalization, can ‘preparation’ in fact mean? [4]

The pressures that come with globalization have made a virtue out of *restraining*, if not reducing, health budgets (with the US standing out in handing out \$1.5-trillion in tax cuts favoring the super-rich while still debating whether universal healthcare for all is ‘affordable’). At the same time, the profitability advantages of economies of scale and specialization, made all the more demanding by intensified international competition, have led to extended value chains - production structures, including that of medicine, that involve multiple inputs from multiple plants in multiple countries.

Add the near-universal business identification of any excess capacity with unnecessary waste (‘lean

production') thereby underplaying the significance of a degree of flexibility, and you have local medical systems left vulnerable to even minor interruptions and lacking the capacity to confront unexpected emergencies. To globalization as an economic curse is added the medical curse of undermining the domestic ability to prepare for, and respond to, potential pandemics.

These concerns are magnified when we turn attention to the most threatening and largest scale pandemic on the horizon: the environment. The ecological threat is not a distant unknown but a scientifically established presence in the here and now. The challenge it poses is not what to do after we've passed the ecological tipping point, nor only how to *slow down* the assault on the environment. It is, as Barbara-Harriss White has emphasized, the need to reconstitute what we have *already* damaged [5]. This means transforming everything about how we live, work, travel, consume, and relate.

Near-consensus on the sacrifices demanded in such a focus on the environment would be difficult in the best of circumstances but near impossible if the existing degree of inequalities persist. The economic restructuring involved in 'fixing' the environment and the concerted actions across all sectors of society this would entail necessitates a capacity to *plan*. It is inconceivable that such a social transformation can be accomplished within an economic system based on fragmented private corporations maximizing their individual profits in the face of competition as well as compensating fragmented individuals for their lack of control over their lives with more individual consumption.

Truly addressing the environment would involve a sweeping turn to national planning, international coordination and popular support. The degree of democratization this implies re how we address our material needs would, in the most fundamental ways, challenge not only 'hyper-globalization' but the social relations and edifice that constitute capitalism.

Are We on the Verge of Deglobalization?

If what we mean by 'deglobalization' is its plateauing or even slight reversal, this may be welcome but - as with third way social democracy's promise of 'neoliberalism with a human face' - we should not expect all that much from an allegedly 'gentler globalization'. It is one thing to accept compromises in the long struggle for fundamental change but quite another to sell the promise, as Josh Biven sarcastically puts it in a book title, that with any kind of capitalist globalization *Everybody Wins Except Most of Us* [6].

Might globalization itself then collapse or rot from its abundance of contradictions? Maybe. But don't count on it happening without a determining push from social actors. Political graveyards are full of premature predictions of the 'inevitable' and imminent end to this or that; better to avoid adding to that list. Global capitalism didn't just happen but was *made* [7] and its end will most likely only come out of an appreciation that its multitude of economic, social and political contradictions and horrors aren't signs of some automatic end to globalization, but rather openings that can contribute to its conscious unmaking.

The discontent with globalization has been there for some time but it has recently come to the fore within both the right and left. It has however been the right which has had the greater general success in mobilizing the brewing popular frustrations. The right's response has primarily been performative, distinguished by its nativist rather than class orientation - full of sound and fury with ugly attacks on immigration while, occasional rhetoric aside, having little concern to substantially confront the corporate power at the core of globalization.

Trump has, for example, raged against NAFTA and Mexico's impact on the US auto industry, yet the

new NAFTA (USMCA) had little or no impact on the behavior of the US auto majors and the return of American jobs. Within six weeks of signing the agreement GM could, with impunity, announce the closure of four major US plants (and one in Canada). Similarly, for all of Trump's railings against China as the primary culprit in the decline of American manufacturing, his end game has been an often confused mix of geopolitical concerns (slowing down Chinese technological-military advance) and getting China to ease the conditions for the entry into China of US financial and high-tech companies (i.e. a deepening, rather than undermining, of the global economic order). Meanwhile, manufacturing jobs in the US Midwest have quietly disappeared from attention. The bluster about reducing the 'unfair' burden that the US bears in overseeing global capitalism and the mobilizing of populist sympathies as leverage in this cause has generally aided sections of American business rather than the American working-class.

The contradiction for the right lies in the fact that to deliver to its working-class base, it would have to lead a crusade against the freedoms of corporate America to invest, trade, and reallocate profits as they please. But with even mid-size businesses now firmly integrated into the global economy, right-wing politicians are not about to alienate that base. They may deal with this by looking to keep their base intact through upping the attacks on immigration and thundering against 'elites', and/or rightwing politicians may take a more authoritarian turn. But we cannot ignore the possibility that the right's contradictory rhetoric, (which affects the legitimacy of globalization), and populist erosions of state capacities (which affect the American administration and supervision of the global order) may, inadvertently, also end up damaging, if not undermining, the advance of globalization.

What then of the left vying for government? The dilemma for the left begins with the reality that the economic, political and media establishment is less tolerant of anti-globalization rhetoric from the left. But in any case, trying to govern while working to disentangle the economy from the dense web of cross border linkages now so powerfully in place is an intimidatingly daunting task. And since, as this process challenges capital and private investment, it can be assumed corporations will threaten to leave or refuse to invest because of the uncertainty, significant hardships will, for a time, necessarily fall on workers. And so, unless the understandings and necessary commitments have already been built among workers - unless workers see the coming difficulties as investments in their future in contra-distinction to the never-ending concessions they faced before - the constraints on how far any left government could go are severe.

Why Haven't Workers Exploited the Vulnerability of Value Chains?

The role of the coronavirus in exposing the economic fragility of global production raises the perplexing of why, if the interruption of one link in the chain can have such a devastating overall impact, workers and unions haven't used this leverage to counter the attacks they've suffered? (A recent example of the resistance value of interrupting the economy at its critical nodes, albeit at a different scale, has recently been witnessed in the protests of Indigenous protestors and their allies in shutting down railroads and occasionally highways in Canada.)



Global value chain

The explanation for the current relative passivity of workers is that though corporations had

experimented with outsourcing and value changes earlier, they were hesitant to go all in until two conditions were met. First, that the outsourcing of work would not lead to a disruptive war with workers in the home workplace. Second that corporations were confident that the workers receiving the work would not use it as a lever to hold the corporations 'ransom'. That is, a key precondition for generalizing value chains was a defeated working-class: one that was demoralized, had lowered its expectations, and was largely leaderless.

The importance of leadership lies in the limits of repeated rounds of militancy in any particular workplace that disrupt overall production. The corporate response would be to close such facilities and find other sources. But if the interruptions were strategically coordinated and spread across numerous plants rather than isolated to particular ones, corporations could not close all the plants without a) risking a political backlash that blocked it from domestic markets, inspiring hard limits on global corporations; and b) undertaking the substantial costs of moving elsewhere only to likely find other workers soon responding similarly.

The post-70s weakness of labour has commonly been understood as the *result* of globalization. But that has it backwards. The acceleration of globalization from that period on was only possible because, in spite of economic militancy, labour's *class and political weakness* couldn't block the acceleration of globalization. (Once globalization was on stream, it did indeed weaken workers further.) The point is that as important as militancy is, it is only a beginning. If the movement isn't also politicized - expanded across the class and extended to challenge for state power - the militancy will be exhausted, and the movement ultimately crippled or destroyed.

There is no way out of this box without a transformation of unions themselves. The catch is that while workers have at some moments and in some places demonstrated the potentials of organized working people, it's hard to imagine a widespread and sustained worker revolt without an institution - a socialist party of some kind - that sees creating and developing a coherent working-class out of its disparate pieces as its singular pre-occupation.

Reorienting to Inward Development

What interests us here is not how to turn the delegitimation of hyper-globalization into a vague 'easing' of globalization. Rather it is how, as socialists, we can better position ourselves for transforming society. This necessitates radically reorienting the political agenda away from global competition to "inward development." [8] We are not, it's important to emphasize, suggesting a localist retreat from technology, modern life, and connections beyond our borders. Nor does this direction have anything to do with a (Steve) Bannon-esque populist nationalism that places 'us' before the rest of humanity. And though we emphasize a nationally focussed alternative, we insist that it retain an internationalist sensibility.

The argument for a turn inward begins with the reality that all organizing is ultimately local or domestic. Second, all politics must necessarily go through the state, especially if we want to seriously constrain the power of mobile capital. Third, the building of an alternative that maximizes the democratic administration of all aspects of our lives - which includes attention to the human scale of maximizing participation - is conditional on transforming the nation state as part of in turn transforming sub-levels of the state and local workplace and community institutions.

We conclude with two examples - representing the most international of issues, the environment and immigration - that speak to the mediation of a national focus with an internationalist sensibility. Even though 'environmentalism in one country' is a contradiction in terms, it is the case that it is primarily within each country that the work of changing attitudes, values and priorities can be

carried out and the conversion of eco-structures and productive capacities to take on environmental repair and sustainability can be addressed. It is on that basis that meaningful international agreements can be signed, technologies and other supports be made freely available to poorer countries and genuine international cooperation achieved.

In the case of immigration, we would not want to exaggerate the claim that the shift to inward development within the developed countries will in itself solve the immigration crises (all of whom have a capacity to take in much higher levels of migrants than they do now). But that shift could nevertheless bring positive internationalist implications. To the extent that the immigrant crisis is reframed in terms of why people feel compelled to leave their countries, the shift to inward development among the developed countries might legitimate support for states in the poorer countries also moving toward a degree of inward development. And with the pressures of competitive globalization eased and workers in the developed countries feeling more secure, the argument that the advance of poorer countries comes only at our expense would carry less weight. It might consequently be easier to imagine transferring otherwise competitive technologies to poorer countries along with solidaristic corps of young educators and trainers. •

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P.S.

• THE BULLET • ECONOMY • March 12, 2020:

<https://socialistproject.ca/2020/03/inoculating-globalization-coronavirus/>

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Footnotes

[1] <https://www.ft.com/content/9393cb52-4435-11ea-a43a-c4b328d9061c>

[2] <https://www.theglobeandmail.com/business/commentary/article-coronavirus-is-circling-the-planet-and-exposing-the-risks-of-the/>

[3] <https://www.nytimes.com/2020/02/25/world/europe/coronavirus-globalization-backlash.html>

[4] <https://www.wsj.com/articles/viral-outbreaks-once-rare-become-part-of-the-global-landscape-11583455309>

[5] <https://socialistregister.com/index.php/srv/issue/view/2232>

[6] https://www.epi.org/publication/everybody_wins_except_for_most_of_us/

[7] <https://www.versobooks.com/books/1527-the-making-of-global-capitalism>

[8] http://www.yorku.ca/albo/docs/1997/SR_1997_Albo.pdf