

This is a Global Pandemic - Let's Treat it as Such

Sunday 5 April 2020, by [HANIEH Adam](#) (Date first published: 27 March 2020).

In the face of the COVID-19 tsunami, our lives are changing in ways that were inconceivable just a few short weeks ago. Not since the 2008-2009 economic collapse has the world collectively shared an experience of this kind: a single, rapidly-mutating, global crisis, structuring the rhythm of our daily lives within a complex calculus of risk and competing probabilities.

In response, numerous social movements have put forward demands that take seriously the potentially disastrous consequences of the virus, while also tackling the incapacity of capitalist governments to adequately address the crisis itself. These demands include questions of worker safety, the necessity of neighbourhood level organising, income and social security, the rights of those on zero-hour contracts or in precarious employment, and the need to protect renters and those living in poverty. In this sense, the COVID-19 crisis has sharply underscored the irrational nature of health care systems structured around corporate profit – the almost universal cutbacks to public hospital staffing and infrastructure (including critical care beds and ventilators), the lack of public health provision and prohibitive cost of access to medical services in many countries, and the ways in which the property rights of pharmaceutical companies serve to restrict widespread access to potential therapeutic treatments and the development of vaccines.

However, the global dimensions of COVID-19 have figured less prominently in much of the left discussion. Mike Davis has rightly [observed](#) that “the danger to the global poor has been almost totally ignored by journalists and Western governments” and left debates have been similarly circumscribed, with attention largely focused on the severe health care crises unfolding in Europe and the US. Even inside Europe there is extreme unevenness in the capacity of states to deal with this crisis – as the juxtaposition of Germany and Greece illustrates – but a much greater disaster is about to envelop the rest of the world. In response, our perspective on this pandemic must become truly global, based on an understanding of how the public health aspects of this virus intersect with larger questions of political economy (including the likelihood of a prolonged and severe global economic downturn). This is not the time to pull up the (national) hatches and speak simply of the fight against the virus inside our own borders.

Public Health in the South

As with all so-called ‘humanitarian’ crises, it is essential to remember that the social conditions found across most of the countries of the South are the direct product of how these states are inserted into the hierarchies of the world market. Historically, this included a long encounter with Western colonialism, which has continued, into contemporary times, with the subordination of poorer countries to the interests of the world’s wealthiest states and largest transnational corporations. Since the mid-1980s, repeated bouts of structural adjustment – often accompanied by Western military action, debilitating sanctions regimes, or support for authoritarian rulers – have systematically destroyed the social and economic capacities of poorer states, leaving them ill-

equipped to deal with major crises such as COVID-19.

Foregrounding these historical and global dimensions helps make clear that the enormous scale of the current crisis is not simply a question of viral epidemiology and a lack of biological resistance to a novel pathogen. The ways that most people across Africa, Latin America, the Middle East and Asia will experience the coming pandemic is a direct consequence of a global economy systemically structured around the exploitation of the resources and peoples of the South. In this sense, the pandemic is very much a social and human-made disaster – not simply a calamity arising from natural or biological causes.

One clear example of how this disaster is human-made is the poor state of public health systems across most countries in the South, which tend to be underfunded and lacking in adequate medicines, equipment, and staff. This is particularly significant for understanding the threat presented by COVID-19 due to the rapid and very large surge in serious and critical cases that typically require hospital admission as a result of the virus (currently estimated at around 15%-20% of confirmed cases). This fact is now widely discussed in the context of Europe and the US, and lies behind the strategy of ‘flattening the curve’ in order to alleviate the pressure on hospital critical care capacity.

Yet, while we rightly point to the lack of ICU beds, ventilators, and trained medical staff across many Western states, we must recognise that the situation in most of the rest of the world is immeasurably worse. Malawi, for example, has about 25 ICU beds for a population of 17 million people. There [are less](#) than 2.8 critical care beds/100,000 people on average across South Asia, with Bangladesh possessing around 1100 such beds for a population of over 157 million (0.7 critical care beds/100,000 people). In comparison, the shocking pictures coming out of Italy are occurring in an advanced health care system with an average 12.5 ICU beds/100,000 (and the ability to bring more online). The situation is so serious that many poorer countries do not even have information on ICU availability, with one 2015 [academic paper](#) estimating that “more than 50% of [low income] countries lack any published data on ICU capacity.” Without such information it is difficult to imagine how these countries could possibly plan to meet the inevitable demand for critical care arising from COVID-19.

Of course, the question of ICU and hospital capacity is one part of a much larger set of issues including a widespread lack of basic resources (e.g. clean water, food, and electricity), adequate access to primary medical care, and the presence of other comorbidities (such as high rates of HIV and tuberculosis). Taken as a whole, all of these factors will undoubtedly mean a vastly higher prevalence of critically ill patients (and hence overall fatalities) across poorer countries as a result of COVID-19.

Labour and Housing are Public Health Issues

Debates around how best to respond to COVID-19 in Europe and the US have illustrated the [mutually-reinforcing](#) relationship between effective public health measures and conditions of labour, precarity, and poverty. Calls for people to self-isolate when sick – or the enforcement of longer periods of mandatory lockdowns – are economically impossible for the many people who cannot easily shift their work online or those in the service sector who work in zero-hour contracts or other kinds of temporary employment. Recognising the fundamental consequences of these work patterns for public health, many European governments have announced sweeping promises around compensation for those made unemployed or forced to stay at home during this crisis.

It remains to be seen how effective these schemes will be and to what degree they will actually meet the needs of the very large numbers of people who will lose their jobs as a result of the crisis.

Nonetheless, we must recognise that such schemes will simply not exist for most of the world's population. In countries where the majority of the labour force is engaged in informal work or depends upon unpredictable daily wages – much of the Middle East, Africa, Latin America, and Asia – there is no feasible way that people can choose to stay home or self-isolate. This must be viewed alongside the fact that there will almost certainly be very large increases in the 'working poor' as a direct result of the crisis. Indeed, the ILO [has estimated](#) for its worst-case scenario (24.7 million job losses globally) that the number of people in low and low-middle income countries earning less than \$US 3.20/day at PPP will grow by nearly 20 million people.

Once again, these figures are important not solely because of day-to-day economic survival. Without the mitigation effects offered through quarantine and isolation, the actual progress of the disease in the rest of the world will certainly be much more devastating than the harrowing scenes witnessed to date in China, Europe, and the US.

Moreover, workers involved in informal and precarious labour often live in slums and overcrowded housing – ideal conditions for the explosive spread of the virus. As an interviewee with the [Washington Post](#) recently noted in relation to Brazil: “More than 1.4 million people — nearly a quarter of Rio's population — live in one of the city's favelas. Many can't afford to miss a single day of work, let alone weeks. People will continue leaving their houses The storm's about to hit.”

Similarly disastrous scenarios face the many millions of people currently displaced through war and conflict. The Middle East, for example, is the site of the largest forced displacement since the Second World War, with massive numbers of refugees and internally-displaced people as a result of the on-going wars in countries such as Syria, Yemen, Libya, and Iraq. Most of these people live in refugee camps or overcrowded urban spaces, and often lack the rudimentary rights to health care typically associated with citizenship. The widespread prevalence of malnutrition and other diseases (such as the reappearance of cholera in Yemen) make these displaced communities particularly susceptible to the virus itself.

One microcosm of this can be seen in the Gaza Strip, where over 70% of the population are refugees living in one of the most densely packed areas in the world. The first two cases of COVID-19 were identified in Gaza on 20 March (a lack of testing equipment, however, has meant that only 92 people out of the 2-million strong population have been tested for the virus). Reeling from 13-years of Israeli siege and the systematic destruction of essential infrastructure, living conditions in the Strip are marked by extreme poverty, poor sanitation, and a chronic lack of drugs and medical equipment (there are, for example, only 62 ventilators in Gaza, and just 15 of these are currently available for use). Under blockade and closure for most of the past decade, Gaza has been shut to the world long before the current pandemic. The region could be the proverbial canary in the COVID-19 coalmine – foreshadowing the future path of the infection among refugee communities across the Middle East and elsewhere.

Intersecting Crises

The imminent public health crisis facing poorer countries as a consequence of COVID-19 will be further deepened by an associated global economic downturn that is almost certain to exceed the scale of 2008. It is too early to predict the depth of this slump, but many leading financial institutions are expecting this to be the [worst recession](#) in living memory. One of the reasons for this is the near simultaneous shutdown of manufacturing, transport, and service sectors across the US, Europe, and China – an event without historical precedent since the Second World War. With one-fifth of the world's population currently under some form of lockdown, supply chains and global trade have collapsed and stock market prices have plunged – with most major exchanges losing between 30-40% of [their value](#) between 17 February and 17 March.

Yet, as Eric Touissant [has emphasised](#), the economic collapse we are now fast approaching was not caused by COVID-19 – rather, the virus presented “the spark or trigger” of a deeper crisis that has been in the making for several years. Closely connected to this are the measures put in place by governments and central banks since 2008, most notably the policies of quantitative easing and repeated interest-rate cuts. These policies aimed at propping up share prices through massively increasing the supply of ultra-cheap money to financial markets. They meant a very significant growth in all forms of debt – corporate, government, and household. In the U.S, for example, the nonfinancial corporate debt of large companies [reached \\$10 trillion dollars](#) in mid-2019 (around 48% of GDP), a significant rise from its previous peak in 2008 (when it stood at about 44%). Typically, this debt was not used for productive investment, but rather for [financial activities](#) (such as funding dividends, share buybacks, and merger and acquisitions). We thus have the well-observed phenomena of booming stock markets on one hand, and stagnating investment and declining profit levels on the other.

Significant to the coming crisis, however, is the fact that the growth in corporate debt has been largely concentrated in below investment grade bonds (so-called junk bonds), or bonds that are rated BBB, just one grade above junk status. Indeed, according to Blackrock, the world’s largest asset manager, [BBB debt made up](#) a remarkable 50% of the global bond market in 2019, compared to only 17% in 2001. What this means is that the synchronised collapse of worldwide production, demand, and financial asset prices presents a massive problem for corporations needing to refinance their debt. As economic activity grinds to a halt in key sectors, companies whose debt is due to be rolled over now face a credit market that has essentially shuttered – no one is willing to lend in these conditions and many overleveraged companies (especially those involved in sectors such as airlines, retail, energy, tourism, automobiles, and leisure) could be earning almost no revenue over the coming period. The prospect of a wave of high profile corporate bankruptcies, defaults, and credit downgrades is therefore extremely likely. This is not just a US problem – financial analysts have recently warned of a ‘cash crunch’ and a ‘wave of bankruptcies’ across the Asia Pacific region, where corporate debt levels have doubled to [\\$32 trillion over the last decade](#).

All of this poses a very grave danger to the rest of the world, where a variety of [transmission routes](#) will metastasise the downturn across poorer countries and populations. As with 2008, these include a likely plunge in exports, a sharp pull back in foreign direct investment flows and tourism revenues, and a drop in worker remittances. The latter factor is often forgotten in the discussion of the current crisis, but it is essential to remember that one of the key features of neoliberal globalisation has been the integration of large parts of the world’s population into global capitalism through remittance flows from family members working overseas. In 1999, [only eleven countries](#) worldwide had remittances greater than 10 per cent of GDP; by 2016, this figure had risen to thirty countries. In 2016, just over 30 per cent of all 179 countries for which data was available recorded remittance levels greater than 5 per cent of GDP – a proportion that has doubled since 2000. Astonishingly, around one billion people – one out of seven people globally – are directly involved in remittance flows as either senders or recipients. The closing down of borders because of COVID-19 – coupled with the halt to economic activities in key sectors where migrants tend to predominate – means we could be facing a precipitous drop in worker remittances globally. This is an outcome that would have very severe ramifications for countries in the South.

Another key mechanism by which the rapidly evolving economic crisis may hit countries in the South is the large build up of debt held by poorer countries in recent years. This includes both the least developed countries in the world as well as so-called ‘emerging markets’. In late 2019, the Institute for International Finance estimated that emerging market debt stood at \$72 trillion, a figure that had doubled since 2010. Much of this debt is denominated in US dollars, which exposes its holders to fluctuations in the value of the US currency. In recent weeks the US dollar has strengthened

significantly as investors sought a safe-haven in response to the crisis; as a result, other national currencies have fallen, and the burden of interest and principal repayments on \$US-denominated debt has been increasing. Already in 2018, 46 countries [were spending](#) more on public debt service than on their health care systems as a share of GDP. Today, we are entering an alarming situation where many poorer countries will face increasingly burdensome debt repayments while simultaneously attempting to manage an unprecedented public health crisis – all in the context of a very deep global recession.

And let us not harbour any illusions that these intersecting crises might bring an end to structural adjustment or the emergence of some kind of ‘global social democracy’. As we have repeatedly seen over the last decade, capital frequently seizes moments of crisis as a moment of opportunity – a chance to implement radical change that was previously blocked or appeared impossible. Indeed, World Bank President David Malpass [implied](#) as much when he noted at the (virtual) G20 meeting of Finance Ministers a few days ago: “Countries will need to implement structural reforms to help shorten the time to recovery ... For those countries that have excessive regulations, subsidies, licensing regimes, trade protection or litigiousness as obstacles, we will work with them to foster markets, choice and faster growth prospects during the recovery.”

It is essential to bring all these international dimensions to the centre of the left debate around COVID-19, linking the fight against the virus to questions such as the abolition of ‘Third World’ debt, an end to IMF/World Bank neoliberal structural adjustment packages, reparations for colonialism, a halt to the global arms trade, an end to sanctions regimes, and so forth. All of these campaigns are, in effect, global public health issues – they bear directly on the ability of poorer countries to mitigate the effects of the virus and the associated economic downturn. It is not enough to speak of solidarity and mutual self-help in our own neighbourhoods, communities, and within our national borders – without raising the much greater threat that this virus presents to the rest of the world. Of course high levels of poverty, precarious conditions of labour and housing, and a lack of adequate health infrastructure also threaten the ability of populations across Europe and the US to mitigate this infection. But [grassroots campaigns](#) in the South are building coalitions that tackle these issues in interesting and internationalist ways. Without a global orientation, we risk reinforcing the ways that the virus has seamlessly fed into the discursive [political rhetoric](#) of nativist and xenophobic movements – a politics deeply seeped in authoritarianism, an obsession with border controls, and a ‘my-country first’ national patriotism.

All about Coronavirus on this website

The Covid-19 pandemic has generated interlocking crises at multiple levels. ESSF is providing thematic and geographic coverage in English and French.

View all articles using keyword [Coronavirus/Covid-19 \(EN\)](#). To display English and French articles, use [Coronavirus / Covid-19 \(EN, FR\)](#).

Our regional and country pages include articles on labour and community struggles, the abuse of emergency powers and other topics. Use the continent tabs at the top of the page to find the country or group of countries that interests you.

Public health issues are mostly in country-specific health/epidemic pages ([European Union](#), [Great Britain](#), [France](#), [USA](#), [Pakistan](#), [India](#), [Philippines](#), [Malaysia](#), etc.) This page presents a selection of articles of regional or global relevance.

We have also selected a few articles with a global [political](#) analysis, as well as a few articles tracking the emergence of global progressive [movements](#) related to the pandemic.

We are increasing our coverage of left parties' and movements' declarations and proposals. See for example these pages for the [European Union](#) countries.

ESSF is raising funds for the [Labour Relief Campaign in Pakistan](#) which supports workers and families impacted by the pandemic. We will announce other solidarity initiatives in the coming days and week.s

New articles on our site are highlighted in periodic [updates](#) by [Mark Johnson](#).

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