

Covid Capitalism: General Tendencies, Possible “Leaps”

Wednesday 29 April 2020, by [BHATTACHARYA Tithi](#), [DALE Gareth](#) (Date first published: 23 April 2020).

Contents

- [Welfare and Repression: \(...\)](#)
- [Ghosts of State Capitalism in](#)
- [The Nature of the Crisis](#)

Never has the global economy faced such a thorough challenge from a virus. Previous epidemics scythed through populations and ravaged livelihoods, but they remained contained on a regional scale or, where global, impacted the world economy less precipitously. Noteworthy too is the fact that never in recent memory have Euro-American countries, whose governments and media still dominate global public discourse, been so affected by a health crisis. Pandemics that kill people in Asia and Africa do not create quite the same reverberations in media conglomerates as they do when they hit the hearts of imperial hegemons.

Covid-19 has starkly revealed not only the brutal systemic priorities of capitalism—profit-making over life-making [1]—but also the relationship between capital and the capitalist state form. We should be attentive to this relationship in order to face a darker truth about this crisis: that it is far from an anomaly and that lacking a body blow to the system, we should prepare for a world where such crises and its effects become part of our daily lives.

In a recent article [2], Cinzia Arruzza and Felice Mometti have sketched the heterogeneity of responses of different governments to the pandemic. While some, such as Israel, India and Hungary, have certainly used the crisis to shore up authoritarianism, the pattern, according to Arruzza and Mometti, is by no means uniform. They cite examples of states such as the US where Trump, invoking the old racist “states’ rights” trope, is letting state governors decide the course of action for their own states, and Italy and Germany where attempts to enhance executive powers is being challenged by other governing institutions such as the EU. Given this diversity of governance strategies, Arruzza and Mometti conclude, “[r]ather than imposing abstract formulas upon a complex reality, it is more useful to pay attention to the experimentation with diverse forms of governance, both novel and age old, in the management of the pandemic.”

We agree with Arruzza and Mometti that states have responded differentially in their efforts to govern the crisis. Where we depart from their analysis is when they say that this disparateness implies that abstraction is redundant. We can begin with some general conclusions, drawing on the state-capital relationship.

First, just as at the start of the Great Depression, all governments are seeking to steer the rudder back to “business as usual” as fast as they can. The effort is to project the crisis as a temporary aberration. Second, and following from the first, states are currently investing in life-making institutions—setting up hospitals, distributing food, compensating wages from state funds—but they are doing so because they are forced to and therefore always on a temporary basis, and often such efforts are buttressed by repressive measures. Third, in the coming period we will see state policies

seesaw between neoliberal and Keynesian—or even state-capitalist—responses. Such oscillations will undoubtedly produce much chaos at the level of politics. We will see both social democracy and centrism make comebacks, and there is the ever-present threat of authoritarian populism bordering into fascism, but we cannot let these turbulent currents at the level of the political blind us to what are steady pressures from capital: to accumulate with minimal sacrifice to profit and with scant respect for life. Fourth, the crisis is exacerbating existing oppression, amplifying the hardships and iniquities imposed on Black and Brown people, on women, and on the poor.

In tracing common drivers of the crisis, we explore in this essay what happens when the imperatives of life and life-making interface radically with the imperatives of profit-making. Because the crisis induced by the coronavirus is a public health crisis, questions of “economy” and “welfare” are thrust together in an unprecedented manner. We develop our analysis along two doubled axes: one, the dyad of welfare and repressive functions of capitalist states; and two, the dual tendencies towards state interventionism and neoliberalism that we are witnessing in states’ responses to the crisis. The first doubled relation concerns a state’s relationship to its citizens; the other is its relationship to capital.

In tracing common drivers of the crisis, we explore in this essay what happens when the imperatives of life and life-making interface radically with the imperatives of profit-making. Because the crisis induced by the coronavirus is a public health crisis, questions of “economy” and “welfare” are thrust together in an unprecedented manner.

Welfare and Repression: A Troubled Twining

There is always an intertwined and profoundly contradictory relationship between the welfare and repressive functions of capitalist states. Unlike states in previous class societies, capitalist states have always managed social welfare in order to maintain and constrain the material security of “their” populations. They establish and shape, on a day-to-day basis, institutions of social reproduction of the workforce. These have included, simultaneously, tasks of educating and keeping healthy its citizens as well as labelling, policing, and surveilling them.

These principles, of social policy and of profit-making, may clash in detail, but they share a common root. As one C19 British Poor Law commissioner remarked [3],

It is an admitted maxim of social policy that the first charge upon the land must be the maintenance of those reared upon it. Society exists for the preservation of property; but subject to the condition that the wants of the few shall only be realized by first making provision for the necessities of the many.

Today’s “commissioners” tailor welfare institutions to the demands of markets and states for fit, educated workers to enhance capital’s competitive edge. Capital tries to impose its discipline on the biological rhythms of birth, aging and death, but its relationship to life-making is one of reluctant dependence. It is dependent on a healthy, able-bodied workforce but reluctant to have resources diverted to life-making institutions. What makes this crisis so unusual is that it has forced to the fore capital’s dependence on its workforce.

If in liberal normality the welfare and repressive spheres, although connected, are most often experienced as separate, right now they’re scrambled together in unprecedented ways. The public health crisis has provoked the imposition of a state of emergency. Security forces are commanded onto the streets as agents of welfare. Police are mobilized as the protectors of public health, the enforcers of social distancing. States are justifying intensified surveillance as a public safety

measure.

The unleashing of repressive organs as agents of welfare has brought sickening scenes. In India, a man was beaten to death by the police when he stepped out to buy biscuits. He was of course Muslim. In France, riots broke out in the banlieux, where predominantly racialized groups have long been crammed into high rise accommodation, enduring chronic police intimidation, yet now the streets are patrolled by police as public health enforcers [4]. In America a fascist-libertarian response has been to demand that the state step back from mandating health measures such as quarantine and lockdown. A danger is that such disastrous (and racist and social-Darwinist) arguments find a wider audience precisely because states deploy repression in the goal of protecting public health.

Welfare regimes, or social reproduction capacities, however, are necessarily also double-sided under capitalism. “Welfare from above” includes the investments in social reproduction that capital and states are forced to grant in their own interests. Here is where capital’s reluctant dependence on social reproduction is revealed. But in these pandemic times we are also witness to a rich outburst of “welfare from below,” or class struggle social reproduction. So while states and capital are reversing, temporarily and in a piecemeal manner, a few planks of the neoliberal edifice (not least, the devaluation of care work), workers, especially women workers, are leading wildcat strikes to demand PPE and to insist that production be directed to human need, and ordinary people are setting up food banks and mutual aid networks. The contradictions between the “from above” and “from below” facets of social reproduction will only intensify with the deepening of the crisis. As mass unemployment, poverty and starvation stalk the globe we are bound to witness a sharper polarization between forces advocating social Darwinism, claiming that the limited social reproduction cake be monopolized by the fittest, and forces of socialist collectivism fighting for a world where the cake belongs to the bakers.

“Welfare from above” includes the investments in social reproduction that capital and states are forced to grant in their own interests. Here is where capital’s reluctant dependence on social reproduction is revealed. But in these pandemic times we are also witness to a rich outburst of “welfare from below,” or class struggle social reproduction.

Ghosts of State Capitalism in a Neoliberal Landscape

The crisis is unique, in that it begins as a “demobilization crisis.” With swathes of industry shut down in the interests of public health, the onrushing slump is inevitable. It hasn’t yet revealed its shape. It won’t be a V, it may be a U, but it’ll likely be more protracted: a W or an L. With little prospect of a Covid-19 vaccine until 2021, production and consumption look set to be hobbled by fears of coronaviral contagion and by punctuated lockdowns. The dislocation already wreaked, in the shape of mass unemployment, bankruptcies, and ballooning consumer [5], business, and public debt, will resist easy fixes. A deflationary spiral may loom around the corner [6], with its escalating effects on debt.

The last global “L” (or “W”) occurred in the 1930s, when plummeting output was followed by a deflationary spiral, years of flatlining output, the involution of global trade, and pervasive economic conflict and social pain. Food, then as now, was destroyed by the ton, as demand fell, even as need rose. Businesses scrapped over shrinking markets; workers and the unemployed fought over the few remaining jobs or looked left and fought back through marches, sitdown strikes and unionization.

It was in these fires of the 1930s that new accumulation regimes were forged. From the ashes of economic liberalism arose Keynesianism and the New Deal, import-substitution industrialization, and

war economies (fascist, Stalinist, and corporatist). The nation state impressed its contours on the new arrangements: nationalized monopolies, capital controls and national planning—and the captive savings pools from which welfare expansion, or institutions of social reproduction, could be funded.

Will the gravity of the public health emergency, and of the economic plunge, bring back state capitalism and planning? Certainly, the interventionist capacity of the Chinese state vis-à-vis Chinese capital (not only vis-à-vis its citizens) conditioned its relatively swift response to Covid-19. In the West, CEOs are lining up to demand that taxpayers assume their losses. Businesses will be bailed out, and governments will referee and steer the course of collapse, and the attempts to kickstart growth.

Yet although government interventions have been on a massive scale, and we've seen governments like that of the US ordering industry giants like GM to produce ventilators, this will not be the state-capitalist 1930s redux. Global supply chains, even though many are being pruned, are too densely interwoven, and finance too internationalized. Neoliberal norms, including the dominance of corporations and the veneration of markets, are carved deep into the architecture of power, in liberal Britain and statist China alike.

State responses will arrive in three overlapping waves: coordinating responses to the health emergency, responding to economic and social collapse, and attempting to kickstart economic growth through stimulus packages.

As a left, we should have our own response to these phases. For the first, we must take our lead from the existing struggles on the ground: the inspiring wildcat strikes by workers refusing to make non-essential goods or to risk their own health and that of their families, the organizing being done by women and feminists globally to protest the double burden of essential work and increased housework during lockdown, and the battles being waged by antiracist activists against the brutality of incarcerating people during a pandemic or penning them in detention camps. The lessons from these battles provide a blueprint for how we should frame our response in the next two phases. We must continue to demand that life-making activities and institutions be prioritized to ward off social collapse, while investment be directed to creating public works programs and a low-energy green economy, a just transition [7], rather than bailing out the airline industry.

The great Muslim polymath, Ibn Khaldun, who lost his family to the Black Death, observed that the Plague had overtaken dynasties “at the time of their senility, when they had reached the limit of their duration.” There are uncanny echoes of Khaldun's comment in how a pandemic is exposing the past brutalities and future ruins of our own “senile” system.

What we outline above are general tendencies within the system that we can expect in the coming juncture. But tendencies within capitalism that have held true since its birth are no longer the only factors that will determine the fate of life on this planet. Our current crisis should be understood against the backdrop of a decaying capitalism. That is to say, capitalism is tending toward sharper economic crises, and it is generating biological and environmental hazards on an escalating scale. The accumulated economic pasts of capitalism and its cumulative depredation of nature have etched their indelible marks on the system.

And rescuing this system through reform is no longer an ambitious hope or the subject of an interesting intra-left debate, but a dangerous fantasy.

State responses will arrive in three overlapping waves: coordinating responses to the health emergency, responding to economic and social collapse, and attempting to kickstart economic growth through stimulus packages. But as a left, we should have our own response to these phases.

The Nature of the Crisis

The coronavirus crisis is a crisis of capitalism in its causation and through its effects. A microscopic pathogen is exposing the pathologies of the larger social system. In this sense it is not a “natural” crisis but a crisis wrought by nature thoroughly inflected by capitalism.

Let’s start with causation. A zoonotic disease can jump from animal to human. The linkages from bat to pangolin (a likely intermediate host) to human all appear accidental. But if we look behind the xenophobic headlines we can see how deeply system-conditioned they are.

Following Rob Wallace’s argument that agribusiness “has entered a strategic alliance with influenza” [8], we can see how factory livestock farming sets up ideal environments for pathogens to spread. Once it’s in a chicken, duck or pig, the next hosts are nicely lined up, cheek by jowl, with near-identical genes. Three-quarters of “new or emerging” diseases that infect humans have originated in wild or domesticated animals [9].

In the case of coronavirus, it’s our relationship to wilderness and its animals that mapped the pathogenesis of this crisis. In early capitalism, trappers fanned out across vast territories to capture creatures for the luxury fur trade. Now almost all the wildernesses are encroached and the primary forests are being decimated. As a recent study by US wildlife epidemiologists has highlighted, deforestation [10] and other forms of habitat encroachment bring humans up close to wildlife. The last four decades have seen a two- to three-fold increase in zoonosis-pathogens’ leaps from animal to human [11].

Meanwhile the demand for luxury “wild” animal products continues. In China there continues a lucrative trade in wild animals for food and medicine, while as the recent popular series Tiger King shows, exotic breeding programs and traffic in wild animals is not a preserve of China or African countries but is alive and well in the belly of the beast, the US.

We are speaking here of the “metabolic rift” [12]—the alienation of humanity from the natural world with capitalism orchestrating a ruthlessness toward land and the life forms on it.

Capitalist production depends on poverty and encourages waste. Nowhere is this clearer than in agriculture, increasingly geared to meat, the most inefficient means of converting sunshine, rainfall and soil into amino acids and carbohydrates for human consumption. One hectare planted with rice or potatoes feeds twenty people in a year; the same hectare given over to sheep or cattle can feed only one or two. Half of the world’s crops are fed to livestock, and they consume vast quantities of water and (indirectly) oil too. Worldwide, meat production increased nearly 5 times in the second half of the 20th century, and it continues to soar. The fires in the Amazon last year were above all along roads that transport cattle to the slaughterhouses. In this, coronavirus and climate change share a root cause.

And they share something else. They highlight the thwarting of the human ability to mitigate risk, insofar as its mitigation rubs against the corporate grain. The risks of climate breakdown are well known, existential, yet next to nothing is being done to mitigate them—as shown each month in the measurements from Mauna Loa [13]. So too the Covid-19 pandemic. Public health experts and social scientists have for years been warning of a repeat of a viral outbreak similar in scope and lethality to the 1918 pandemic. And just like the Cassandras of climate change, these public health warnings were blithely ignored [14] or ridiculed by states and bosses.

There is a dark temporal suicide embedded in these gestures of bourgeois denial. They ignore the warnings because their noses are at the windowpane of the present alone.

The greatest achievement of the bourgeois discourse of Progress was the secularization of Time. Capitalist progress was projected through time as immanent, as coextensive with 'Nature.' Colonizing Europe harnessed this bourgeois Time to conquer Space: colonies, marked by their distance from the metropole, were cast as "backward." [15] Our current crisis, cuing up ravaged futures and unmet potentials, is finally extinguishing this Immanent Time as it unmoors historical time from its long-held bourgeois tethers. Pathogens, forest fires and floods are de-naturalizing bourgeois empty time, stamping out its smooth progressive trajectory and reinvesting it with messianic lurches, breaks, and therefore possibilities.

And as the global ruling class fights to restore time and the world to their murderous normalcy, our class can restore the urgency of now, articulated through "leaps, leaps, leaps. [16]"

Tithi Bhattacharya, Gareth Dale

P.S.

- Spectre. April 23, 2020:
<https://spectrejournal.com/covid-capitalism/>
 - Tithi Bhattacharya is a Marxist-feminist and on the editorial board of Spectre. Gareth Dale teaches politics at Brunel University. He's on Twitter at @Gareth_Dale.
-

Footnotes

- [1] ESSF (article 53106), [Covid-19: Social Reproduction and the Pandemic](#).
- [2] ESSF (article 53111), [Covid-19: Governance and Social Conflict in a Time of Pandemic](#).
- [3] https://www.academia.edu/28716751/_Capitalism_and_Migrant_Labour_in_G_Dale_and_M_Cole_eds_The_European_Union_and_Migrant_Labour
- [4] <https://www.nytimes.com/2020/04/10/world/europe/coronavirus-paris-suburbs.html>
- [5] <https://www.cnbc.com/2020/04/23/chinas-cash-strapped-poor-seek-more-debt-as-coronavirus-hits-jobs.html>
- [6] <https://novaramedia.com/2020/04/22/this-weeks-oil-price-slump-signals-economic-dangers-ahead/>
- [7] <https://www.carbonbrief.org/clean-energy-the-challenge-of-achieving-a-just-transition-for-workers>
- [8] <https://nyupress.org/9781583675892/big-farms-make-big-flu/>
- [9] <https://www.newyorker.com/culture/annals-of-inquiry/the-pandemic-is-not-a-natural-disaster>
- [10] <https://theecologist.org/2020/apr/08/wildlife-exploitation-led-coronavirus>

- [11] <https://syllabus.pirate.care/session/coronavirusandenvironmentalcrisis/>
- [12] <https://monthlyreview.org/2013/12/01/marx-rift-universal-metabolism-nature/>
- [13] <https://www.esrl.noaa.gov/gmd/ccgg/trends/>
- [14] <https://www.theguardian.com/world/2020/apr/19/government-under-fire-failing-pandemic-recommendations>
- [15] <https://theecologist.org/2019/jan/22/davos-and-capitalist-time>
- [16] ESSF (article 1341), [“Leaps Leaps Leaps”: Lenin and politics](#).