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Covid-19 pandemic

Against the crisis: The crisis is not an opportunity, it's the enemy

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The Corona Pandemic and the economic crash that is currently shocking and shaking the world poses a massive danger for people around the world. For many capitalists the crisis is an opportunity, and for the capitalist system this is also the solution to underlying problems in the capitalist economy. COVID-19 is the creative destruction that capitalism needed in order to survive. This sounds perverse, and it truly is. Socialists must not only work to mitigate the worst effects of the crisis, but also understand the capitalist crisis as the enemy itself.

The useless decade

Anwar Shaikh argued in the late 1980s that when the economic system is healthy, it rapidly revives from all sorts of setbacks, but when unhealthy, practically anything can trigger its collapse. Now, it certainly was not just anything that triggered this round of economic crisis, but a novel coronavirus, spreading around the world as a nightmare and leaving death in its wake. But that something was going to trigger a crisis seemed more and more obvious, even to mainstream economists before the virus hit.

The main reason was that the problems that cause the 2008 crisis were never solved, only postponed. Not very different from how the ecological crisis was handled during the same years.

The 2010s was a useless decade. Where 2009 ended with 100.000 in the streets of Copenhagen demanding climate action, the 2010's was mainly about postponing problems through arguments that the crisis could be solved through markets, new technologies and climate compensation for those who could afford it. Although the manifestations in its very last year could bring some hope, the only thing politicians managed during the useless decade were to increase the ambition to levels that were already impossible.

Similarly, with the economic crisis, problems were postponed. Bailing out banks, lowering interest rates, increased public and private debt, quantitative easing, increased bonuses and profits in financial sectors, more fictitious capital, and ever more austerity simply extended underlying problems that caused the 2008 crisis in the first place.

This was a crisis of crisis management. There were no useful tools in the neoliberal toolkit to solve the economic crisis or stop climate change. Similar to how Keynesianism lost legitimacy in the 1970s, when large state investments only risked fuelling inflation, the economy could not be saved within a neoliberal framework. Although Keynesian investments (2008-2010) and neoliberal policies had saved the system temporarily, something else was needed to really solve the underlying problems.

COVID-19 as "creative destruction"

Economic crises are normally solved through two interrelated processes. The first, which Marx and Marxists emphasize, is the actual devaluation and destruction of capital needed at massive scales. Following e.g. Michael Roberts, the slump needs to be sufficiently large to restore profitability. The other process, which Marxists also focus on and which bourgeois economists are fetishizing, is that crises are solved as new ways of organising the economy,

new class relations, new technology and regulatory frameworks are replacing old ones.

Mainstream economists, experts and politicians hail the fact that capitalism actually survives crisis after crisis. This creative destruction supposedly shows how vital, innovative and creative capitalism truly is. But the former process - the pure destruction of capital - is often ignored. The great depression was not solved through new technology or Keynesian ideology or new investments, it was primarily solved through the mass destruction during World War Two. This was the main reason for the boom that followed. Comparatively, the crisis in the 1970s was solved in a more "humane way": through, amongst other things, crushing unions, creating unemployment, producing poverty and introducing slave-like working conditions in the global South.

Major crises in the political economy are absolutely vital to the functioning and long-term survival of capitalism. This is why Marx called them violent solutions to existing contradictions. In this way, the crisis itself is both an actual crisis, as well as a (temporal) solution to underlying problems within capitalism.

For Karl Kautsky, economic crisis was a memento mori - a reminder of death. Historically, however, capitalist crises have never been reminders of capitalism's death, as Kautsky was patiently waiting for. Conversely, they have been vital to keep the system alive.

Here comes what might at first glance look ironic, but which a closer look is rather depressing: The economic and ecological disasters we are currently witnessing - including the poverty, unemployment, homelessness, and mass death - is not only a crisis for the capitalist system. It also constitutes the solution to many of its problems.

COVID-19 did what current ruling class did not want to do, or did not have any interest in doing: it ended neoliberalism. After decades of privatisations, "free trade", just-in-time production and austerity, public health systems in many countries were in a terrible shape to handle this health emergency. The capitalism that will develop on the other side of COVID-19 will be a different one that what we had before.

COVID-19 is the creative destruction that will help capitalism prosper in the future. This is perverse. But when the pandemic is over, the economy will - if we don't manage to stop it - again go into new rounds of growth, and new cycles of boom and bust. New businesses will prosper and new capitalists will find new ways of exploiting and dominating workers. And all this is likely to happen on an increasingly warmer planet.

Capitalist crisis

We live in a time of crisis. And it is the time of capitalist crisis. This means that processes and power-relations within capitalism are causing the crises we are currently witnessing. Not in a mechanic and simple determinist way, but in the sense that we cannot understand any of the crises without including an understanding of the capitalist system in which they are imbedded.

COVID-19 could obviously also exist under a different political economy system. As could, at least hypothetically, climate change. And all public and private economic concerns did obviously not come with capitalism. But capitalism was a game changer. Never before have human-made crises come with such consistency and regularity. This should not surprise us, as processes of capital accumulation and eternal exponential growth are feeding and creating crises systematically in ways never witnessed before. Never before has a political economy been dependent upon creating ecological and economic crisis in order to survive.

Even though COVID-19 also could live elsewhere, the increasing number of epidemics we are witnessing are caused by the simple fact that an economy based on eternal exponential growth will necessarily have an increased pressure on nature, mediated through large-scale factory farming, urbanisation and increased travel, as well as all the social and economic changes that come with global warming.

Crises and their class

President John F Kennedy famously said the Chinese word for crisis is composed of two characters, where one - 危 - means danger and the other - 机 - means opportunity. Evidently, this was terrible Chinese. Nonetheless, many socialists continue to look towards crisis with optimism and hope. But Kennedy's "Chinese saying" disguises the class character of crisis. The saying "never waste a good crisis" (normally attributed Winston Churchill) contains the same class-ambiguity. As socialists we must ask dangers for whom?, and opportunities for whom?

The fact that crises under capitalism have distinct class characters should not surprise us in the least. After all, crises - economic and ecological - are part of the modus operandi of capitalism.

Crises under capitalism are not something that happens because something went wrong in capitalism, they happen because everything went right. As long as every capitalist is doing what is expected (and demanded) of her/him as a capitalist, there will be falling rates of profits, overproduction, metabolic rifts and accelerating climate change.

Crises of capitalism always hit hardest on the poorest, most marginalised and racialised. While rich individuals might be bankrupted and lose billions, the consequences for the working class are qualitative different (as they in the worst case pay with their lives). It is worth remembering that not a single Wall Street senior executive was jailed after 2008.

The capitalist class are also those causing the crises. This is easily visible in relation to climate change, where e.g. 100 global companies are responsible for 70% of the total emissions. But the class that actually accumulates capital also needs to be held accountable when the economic system is crashing. Likewise, from a consumption perspective on ecology, the rich are systematically causing much more damage than anyone else.

In the exact same way as the capitalist system needs crisis to survive, so too does the capitalist class - as a class - need recurring economic crisis and an ever more unsustainable relation to nature in order to persist. The capitalist class has historically not only maintained its hegemonic power through exploiting and dominating workers - which is indeed also true - but also through managing and using the capitalist crisis.

Against the crisis

Now, in the middle of the corona-crisis, many on the left speaks about this as an opportunity. Not least as privatisations and just-in-time production are criticised, and even right-wing governments have increased government spending en masse.

Times of crisis are uncertain times when things change rather fast. And sure, it is a critique of privatisations and neoliberalism might follow in the wake of the crisis. But it is an opportunity for the working class and socialist movements?

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First, historically crises have been less "opportunities" for the workers and poor, slaves, racialised people and especially many women, and small farmers, etc. Crises have rather meant unemployment, poverty, homelessness, poor health and often death. For single capitalists, the crisis might have devastating consequences, but as a class they are the ones actually looking for opportunities.

Second, to say that crisis equals opportunities makes is sound like a football match or playing poker: with luck or skills we can manoeuvre the opponent and get some advantage.

One writer at The Correspondent (12.01.2015) raised the question whether the 2010 earthquake in Haiti also was a "fresh opportunity", indeed the "best thing that ever happened to Haiti?" Around 200.000 people died in the earthquake, a vast majority being poor, which is the reason it is been called a classquake. With the same logic, was the slave trade an opportunity for black people (someone's descendants became president), and was colonisation an opportunity for the colonized people (they did get railways)? Only fascists and psychopaths would answer yes to such questions.

The corona virus is likely to kill hundreds of thousands, if not millions, of people, not least poor workers in the global south; millions will suffer from the current economic crash; and then, lets not forget, the dreadful human consequences that will come from global warming. Are these golden opportunities, really?

Humanity, according to the Yugoslavian economist Rikard Stajner, faces two afflictions: war and crisis. This is an approach I find more fruitful. Rather than seeing crises as opportunities, we should understand both economic and ecological capitalist crises more a par with war, hunger, slavery, etc. The crises are not primarily something to use, but something to fight.

Obviously, changes do come with a different pace during crisis, and of course we need to steer the crisis and its consequences in the best possible manner (exactly like we are always trying to steer politics in a more progressive direction). But defining the crises themselves as enemies will sharpen our analysis.

That Stajner is connecting crisis and war is interesting, not least from an historical perspective. For socialists in the 1910s, the revolution was not only possible through direct class struggle between workers and capitalists. It was also crucial to end (or stop) the capitalist (imperialist) wars. Today, analogously, in addition to the conventional class struggle organised at workplaces, neighbourhoods, etc., we also need to resist the capitalist crisis. Socialist struggle today need agitate for ending the crisis, which means ending its causes.

Class struggle must be directed against the class that creates and lives off the crises of capitalism. The capitalist class must be held accountable for sustaining and defending a system that in order to exist is based on letting poor people die. This is the class that owns and controls capital. The focus on cultural distinctions between so called workers and the middle class is now even more political irrelevant than ever. Now, the working class - in its broadest definition - must fight the class that makes the crisis.

At the centre of our socialist struggle we need to have a class war against the capitalist crisis - and against the class that makes them.

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