

## How should Marxists view the COVID-19 Pandemic of 2019-2020?

By Hari Kumar

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Some important political problems, that are very relevant to Marxists, are being revealed by the evolving health crisis known as COVID 19. We try to discuss some of these issues. The labeling of this epidemic as a “hoax” by President **Donald Trump** is naturally, completely unwarranted. Unfortunately in a fit of over-zealous skepticism, some Marxists have also minimized the epidemic.

In order to place this discussion in context, we must start from some medical and environmental facts, only then moving to the political ramifications. Throughout this, Marxists may recall how **Friedrich Engels** wrote about infectious diseases:

“Capitalist rule cannot allow itself the pleasure of creating epidemic diseases among the working class with impunity; the consequences fall back on it and the angel of death rages in its ranks as ruthlessly as in the ranks of the workers.”<sup>1</sup>

Perhaps today’s ‘angel of death’ COVID 19 - wields a blunter blade than it did during the 18-19<sup>th</sup> century industrial revolution – typhus, plague, diphtheria, tuberculosis, et cetera. But even so, the angel still scythes on. And the current world bourgeoisie is scrambling.

In about 1980, a Marxist history of medicine concluded that there were three fundamental reasons that a ruling class provided health care benefits for its working classes:

“The motives which drive a class society to the establishment and maintenance of an institutionalised system of health care are:

*Firstly* to ensure good health for the ruling class itself; sanitary reforms often followed the spread of epidemics from over-crowded slums to the quarters inhabited by the well-to-do;

*Secondly*, to ensure a minimum of health for the working class in order to maximize its capacity to produce profit for the ruling class; at particular junctures this becomes especially important – for example, in time of war when there is a need for cannon fodder from the working class;

*Thirdly*, to avert social unrest among the working class – unrest presenting the threat of social revolution which would sweep away the class society itself. As that wily gentlemen of the upper classes, **Joseph Chamberlain** expressed it bluntly:

“What ransom will property pay for the security which it enjoys?..  
What insurance will wealth find it to its advantage to provide?”<sup>2</sup>

We believe all these three factors above, still operate today. We can see them play out as the world capitalist leaders struggle to respond to the COVID 19 crisis. Naturally, stopping the epidemic is not only in the interests of the ruling class, but also the working class.

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<sup>1</sup> Frederick Engels, ‘The Housing Question - Part Two How the Bourgeoisie Solves the Housing Question’; 1872; <https://www.marxists.org/archive/marx/works/1872/housing-question/ch02.htm>

<sup>2</sup> HK, ‘A Class History of Medicine’; London 1980; unpublished; citing J. Chamberlain in J.L. Garvin “The Life of Joseph Chamberlain”; Volume 1; London 1932; p.549, 552

The best and main public health response in the absence of a vaccine, should involve relatively wide diagnostic testing; ensuring quarantine with measures to protect against the detrimental effects of social isolation; and providing adequate intensive care facilities for those severely affected.

In the more affluent (and or, perhaps more socially aware) 'models' of welfare capitalist countries, efforts to ensure 'reasonable' security for the working class have taken place (for example Germany and Canada). 'Reasonable' of course does not include conditions that would pertain under a socialist state. But the word is meant here, to imply a better situation than in other countries. For example, where countries pursued an even more ardent slashing of the prior welfare state, or where that welfare state never existed.

In these latter capitalist countries – like the USA and the UK, and many parts of Europe – in general the governmental reaction to COVID 19 has been far more chaotic. The ravages of neo-liberalism with decades of budget cuts under 'austerity', left many health care systems tottering. Undoubtedly the most singular is the USA where insurance companies and a top layer of physicians, resisted even creating a universal health care system in the first place.

Responses in some capitalist nations, were to adopt an early and determined stance of compelling quarantine. South Korea, saw from this a dramatic drop in infection rates. China is a special case, because the virus arose there (as far as we are aware); and because China enforced a dictatorial quarantine – quite compatible with its fascist state system. This term is used advisedly – and is consistent with Marxist-Leninist terminology.

The Chinese state suppressed early warnings by astute and brave health care workers. Foremost among these was **Dr. Li Wenliang**, who himself became a victim of the virus. His death was followed by mourning and anger against the **Xi Jinping** dictatorship in control of the Communist Party of China. That Xi Jinping may have known of the epidemic two weeks before publicly acknowledging it, inflamed the Chinese people.<sup>3</sup> The anger in the Chinese people, will only sharpen over the next few years.

As far as acceptance of quarantine goes, even societies that epitomize 'individual freedom' such as Italy, achieved a wide-spread effective quarantine. Yet their medical care is creaking. We believe the aftermath of the epidemic will include strong challenges by the working class in several countries to current health care systems. In the USA, it will sharpen the debates in the imminent Presidential elections.

In this article:

First, we describe the dimensions of the medical issues involved. It would be inadequate, if we did not discuss root environmental issues underlying the emergence of this pandemic. We also amplify on the state responses, including those of China, Germany, Italy and the USA. We only briefly note some Marxist responses that we

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<sup>3</sup> Rachel Sandler, 'Chinese President Xi Jinping Knew About Coronavirus Two Weeks Before Informing The Public'; *Forbes*, February 16, 2020. At: <https://www.forbes.com/sites/rachelsandler/2020/02/16/chinese-president-xi-jinping-knew-about-coronavirus-two-weeks-before-informing-the-public/#537009c2e7b5>

disagree with. Finally we discuss some of the economic consequences, although this cannot be comprehensive in this piece.

Some of the medical details in this article are largely included, to convince some skeptical Marxists – on the basis of the scientific literature - that indeed – COVID 19 is not a hype, that it is not being over-blown.

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### **1. What is the COVID19 Pandemic?**

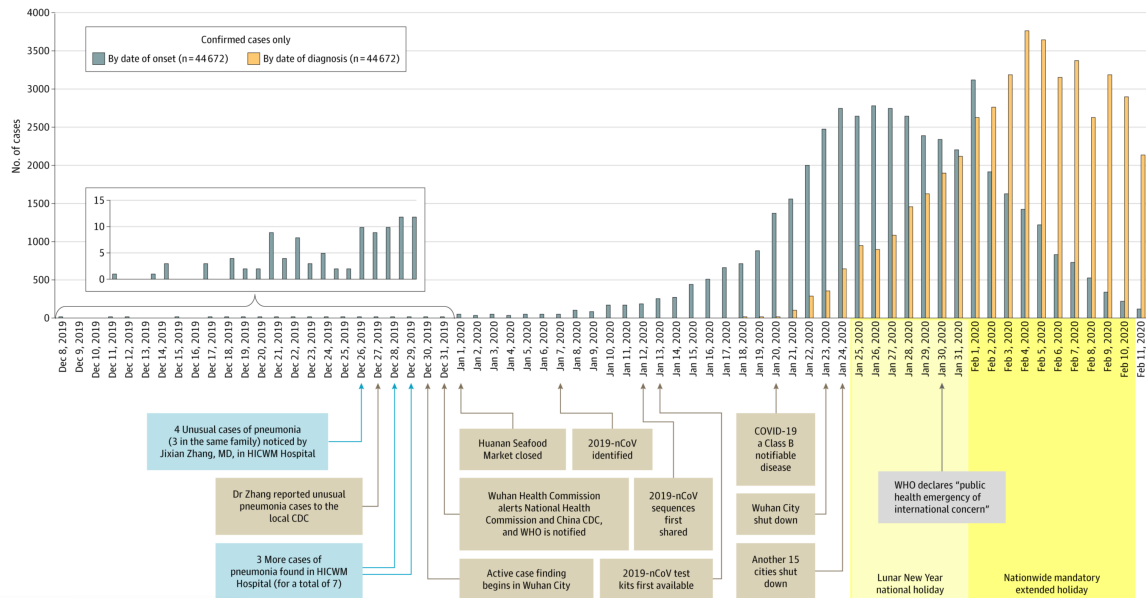
COVID 19 is the 'novel' coronavirus infectious disease, which is caused by a virus. It was first recognised as a human illness affecting patients in Wuhan China, in December 2019. In many of the first recognized patients, it was traced by astute Chinese physicians, to contacts with the 'wet market' at Huanan Seafood Wholesale Market.

Doctors, and public health officials in Wuhan quickly understood the similarities to the **SARS** epidemic of 2003. This allowed them to label the new outbreak as one originating

in a ‘zoonosis’. This is an infection that lives in animal species and is then possible to be transmitted to humans.

At worst, patients can develop a respiratory lung illness that may rapidly develop a pneumonia and a syndrome where inflammation floods the lung. This makes it difficult to breathe and to get oxygen from the air into the blood stream. This has features that are very reminiscent of the 2003 SARS-CoV-2 virus outbreak. In fact after a diligent Chinese research team isolated the virus from washing the lungs of patients, they discovered it shares about 70% of the gene material as the SARS-CoV. Correctly and very helpfully, they shared the entire genome on line.<sup>4</sup> From its RNA pattern, it was quickly identified as arising from either pangolins or bats, in whom the family of **coronaviruses** are **endemic** (meaning the infection is living in a state of close coexistence with the animal host).<sup>5</sup>

The speed with which the Chinese medical community responded to the unfolding of events can be seen in the diagram of the accumulation of cases. This displays an x-axis with events taking place on a daily time-scale<sup>6</sup> :



**Figure 1:** Events of the Chinese outbreak on a Daily basis from December 8 2019 up to Feb 11 2020 (From Z.Wu et al JAMA 2020)<sup>6</sup>

<sup>4</sup> Zhou P, Yang X-L, Wang X-G, et al. Discovery of a novel coronavirus associated with the recent pneumonia outbreak in humans and its potential bat origin. bioRxiv, January 23, 2020.

<sup>5</sup> David M. Morens, Peter Daszak, and Jeffery K. Taubenberger, 'Escaping Pandora's Box — Another Novel Coronavirus New England J Medicine; February 26, 2020

<sup>6</sup> Zunyou Wu, Jennifer M. McGoogan, 'Characteristics of and Important Lessons From the Coronavirus Disease 2019 (COVID-19) Outbreak in China Summary of a Report of 72 314 Cases From the Chinese Center for Disease Control and Prevention'; JAMA. February 24, 2020. doi:10.1001/jama.2020.2648

The authors of this report at the *Journal of the American Medical Association (JAMA)* point out the gravity of the speed of spread, summarized by **Figure 1**:

“COVID-19 rapidly spread from a single city to the entire country in just 30 days. The sheer speed of both the geographical expansion and the sudden increase in numbers of cases surprised and quickly overwhelmed health and public health services in China, particularly in Wuhan City and Hubei Province. Epidemic curves reflect what may be a mixed outbreak pattern, with early cases suggestive of a continuous common source, potentially zoonotic spillover at Huanan Seafood Wholesale Market, and later cases suggestive of a propagated source as the virus began to be transmitted from person to person”.<sup>4</sup>

An interesting comparison to the speed of response to the 2003 SARS virus emergence, is shown below in **Figure 2**. Criticism of the inadequate and slow response to SARS was widespread. The faster response to COVID 19 is clear. This author suggests that the medical community learnt appropriate lessons, from the SARS epidemic. The authors comment:<sup>4</sup>

“Since 2003, the Chinese government has improved its epidemic response capacity. Some of these efforts are evident in the response to COVID-19. For example, in the 2002-2003 SARS outbreak, 300 cases and 5 deaths already had occurred by the time China reported the outbreak to the WHO, whereas in the COVID-19 outbreak, only 27 cases and zero deaths had occurred when the WHO was notified (January 3, 2020). From the time of WHO notification, 2 months elapsed before SARS-CoV was identified compared with only 1 week from the time of WHO notification until 2019-nCoV was identified”.

The unraveling of the gene signature of the virus was also very important in enabling the development of a diagnostic test. Researchers largely in Germany at the **Robert Koch Institute** were able to develop a diagnostic test.<sup>7</sup> This was approved by the **World Health Organization (WHO)**, and from the 17<sup>th</sup> January was used widely in Europe.

“Dr Drosten said Germany’s dense network of independent labs received both the technical information needed to conduct tests and the approval to bill for them in January, when case numbers in Germany were still in the single digits. “These effects combined, I’m very certain of this, gave us an extreme advantage in recognizing the epidemic in Germany,” Drosten told reporters in Berlin. Unlike in other countries, where national laboratories had a monopoly on testing, Germany’s distributed system helped doctors to swiftly determine whether suspected cases actually involved the new virus or a common cold which can have similar symptoms.”<sup>8</sup>

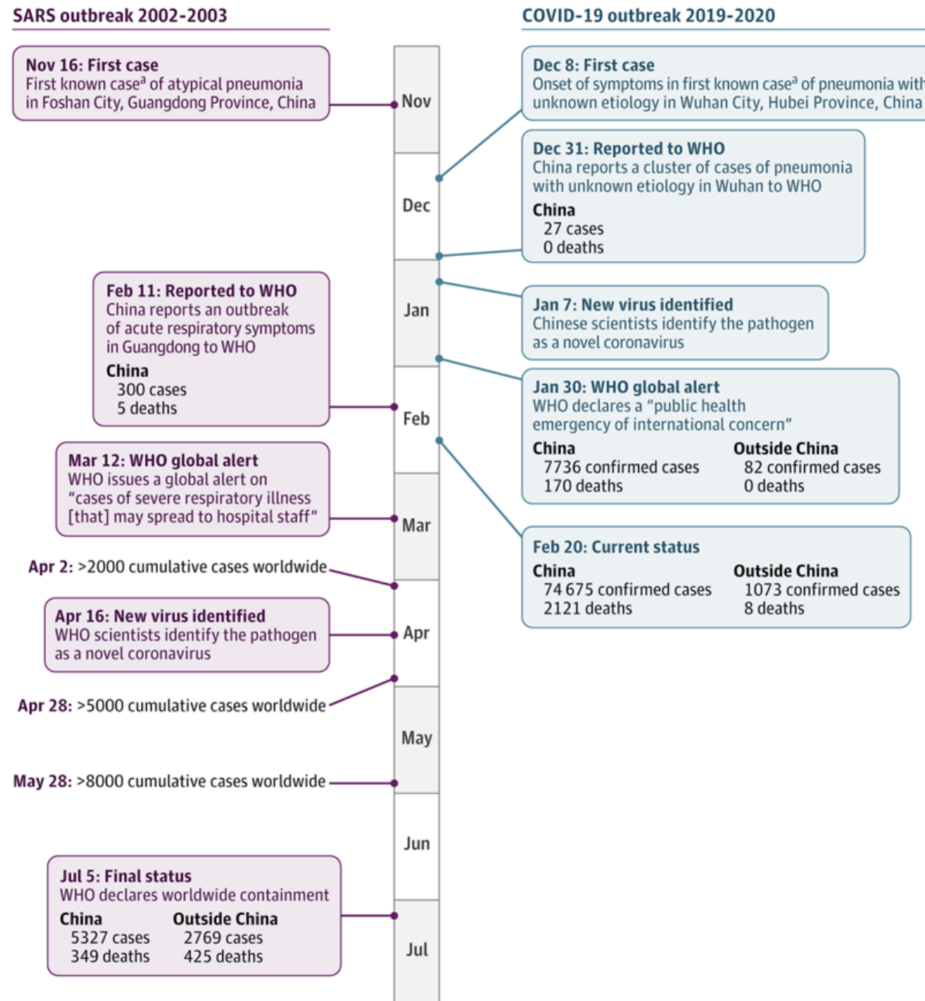
Unfortunately the USA based **Center Disease Control (CDC)** product, though also approved by the end of January, obviously had significant problems. Moreover its dissemination was highly restrictive. It seems pretty clear that the combination of the USA Federal Government and CDC, refused to use the available WHO approved German product. Despite various glosses by both the Trump presidency, and members

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<sup>7</sup> *Corman VM et al: Detection of 2019 novel coronavirus (2019-nCoV) by real-time RT-PCR; Euro Surveill. 2020;25(3):pii=2000045. <https://doi.org/10.2807/1560-7917.ES.2020.25.3.2000045>*

<sup>8</sup> *Frank Jordans, “Experts: Rapid testing helps explain few German virus deaths”; Washington Post March 9, 2020; at [https://www.washingtonpost.com/world/europe/experts-rapid-testing-helps-explain-few-german-virus-deaths/2020/03/09/d7a7d360-622b-11ea-8a8e-5c5336b32760\\_story.html](https://www.washingtonpost.com/world/europe/experts-rapid-testing-helps-explain-few-german-virus-deaths/2020/03/09/d7a7d360-622b-11ea-8a8e-5c5336b32760_story.html)*

of the CDC, wide testing in the USA simply was not done. As the CDC struggled, the USA became – and today remains - a ‘black box’. Meaning that it is quite unknown what the infection rate is, or how lethal it is in the USA.



Timeline Comparing the Severe Acute Respiratory Syndrome (SARS) and Coronavirus Disease 2019 (COVID-19) Outbreaks

**Figure 2:** Timeline Comparing Chinese state and WHO Responses, to the 2003 Severe Acute Respiratory Syndrome (SARS), and the 2019-2020 COVID 19 Outbreaks

However, in the USA President **Trump** thinks there is no problem. He was openly contradicted by **Dr Antony Fauci** – the famous infectious disease expert at the ‘National Institute of Allergy and Infectious Diseases’, part of the USA National Institutes of Health. Note that Dr Fauci is not part of the bureaucracy at the CDC:

“In a meeting at the White House on Thursday, Mr. Trump sought to play down the pandemic and its effects on the financial markets, saying, “It’s going to work out fine.” He insisted, “Frankly, the testing has been going very smooth,” even as the government’s top infectious disease expert, Dr. Anthony Fauci, was on

Capitol Hill acknowledging to lawmakers that “it is a failing — I mean, let’s admit it.”<sup>9</sup>

“The system is not really geared to what we need right now, what you are asking for. That is a failing,” said Dr. Anthony S. Fauci, who leads the National Institute of Allergy and Infectious Diseases, in testimony before the House Committee on Oversight and Reform on Thursday. “It is a failing. I mean, let’s admit it.” Dr. Fauci added: “The idea of anybody getting it easily the way people in other countries are doing it, we are not set up for that. Do I think we should be? Yes. But we are not...”

The inability to test widely in the United States — which is far behind other countries in this regard — has severely hampered efforts to contain the outbreak. An early test rolled out to states by the Centers for Disease Control and Prevention was flawed, and delays have continued ever since.”<sup>10</sup>

There remains considerable uncertainty about the infection even in the most specialized medical community. As it was pointed out early on in the epidemic, by authors in the *New England Journal of Medicine*, even the degree of its spreadability (*‘transmissibility’*) remains unknown:

“We currently do not know where 2019-nCoV falls on the scale of human-to-human transmissibility. But it is safe to assume that *if* this virus transmits efficiently, its seemingly lower pathogenicity as compared with SARS, possibly combined with super-spreader events in specific cases, could allow large-scale spread. In this manner, a virus that poses a low health threat on the individual level can pose a high risk on the population level, with the potential to cause disruptions of global public health systems and economic losses.”<sup>5</sup>

But some emerging data is available, and this is discussed below (see section 3).

## 2. How widespread is the disease as of now? <sup>11</sup>

By 30 January 2020, the WHO had called the COVID 19 a “Public Health Emergency of International Concern”. By 26 February 2020, WHO stated that for the first time new cases outside China were greater than those inside China. From this point on, the case burden was higher in South Korea, and then Italy. By 12 March 2020, the WHO formally labeled it as a **pandemic** – or “the worldwide spread of a new disease - the consistent spread around the world of a new disease to which the population has not yet gained immunity.” The WHO Director General **Tedros Adhanom Ghebreyesus** said:

“In the days and weeks ahead, we expect to see the number of COVID-19 cases, the number of deaths, and the number of affected countries climb even higher...”

<sup>9</sup> *Emily Cochrane, Jeanna Smialek and Jim Tankersley Congress Nears Stimulus Deal With White House as Wall Street Suffers Rout*; March 12, 2020; <https://www.nytimes.com/2020/03/12/business/economy/coronavirus-response-wall-street.html>

<sup>10</sup> *Farah Stockman, ‘Sick People Across the U.S. Say They Are Being Denied the Coronavirus Test’*, March 13, 2020, <https://www.nytimes.com/2020/03/12/us/coronavirus-testing-challenges.html>

<sup>11</sup> *World Health Organisation: ‘Coronavirus disease 2019 (COVID-19) Situation Report – 52’*; at: *Coronavirus disease 2019 (COVID-19) Situation Report – 52*

We are deeply concerned both by the alarming levels of spread and severity, and by the alarming levels of inaction. We have therefore made the assessment that COVID-19 can be characterized as a pandemic." <sup>12</sup>

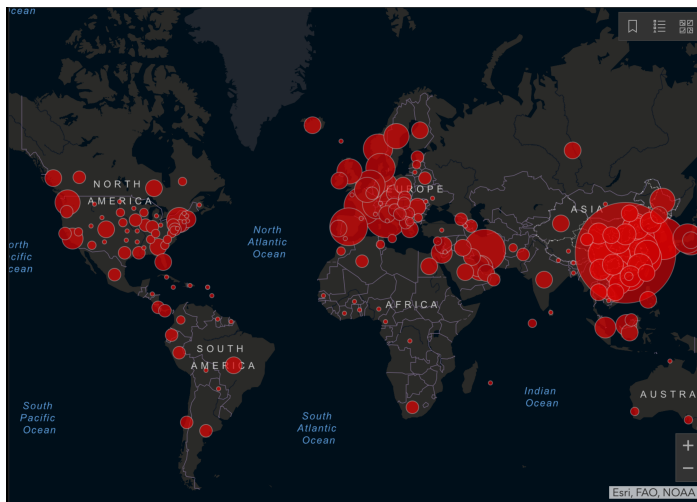
According to the World Health Organisation, as of 12 March, 2020, the figures stand as follows, for the number of confirmed cases and the numbers of deaths attributed to COVID 19. We list them for China, and outside of China.

Globally: 125,048 confirmed cases 4613 deaths

China: 80,981 cases 3173 deaths

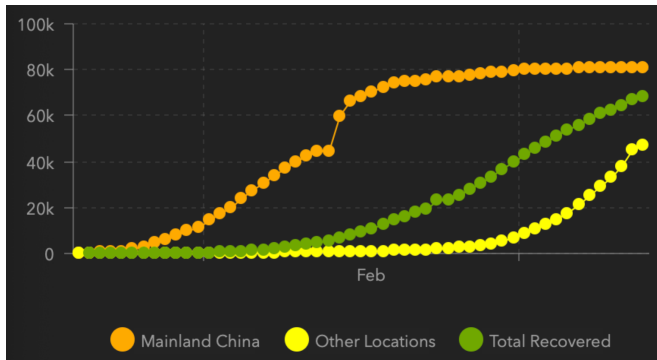
Outside China 44,067 cases 1440 deaths – Now in a total of 117 countries.

**Figure 3:** A Map of the Global Spread is shown here, for number of cases world wide to 12<sup>th</sup> March 2020 at 0933 am.



See <sup>13</sup>

**Figure 4:** A global shift in the location of the predominant number of cases This is seen in below, generated also by John Hopkins University. <sup>13</sup>



<sup>12</sup> Adam Miller, Amina Zafar, "What the decision to call the COVID-19 outbreak a pandemic means for Canada and the world"; CBC News · Mar 12, 2020; <https://www.cbc.ca/news/health/coronavirus-pandemic-canada-world-1.5494605>

<sup>13</sup> Coronavirus COVID-19 Global Cases By the Center for Systems Science & Engineering (CSSE) at Johns Hopkins University; <https://gisanddata.maps.arcgis.com/apps/opsdashboard/index.html#/bda7594740fd40299423467b48e9ecf6>;

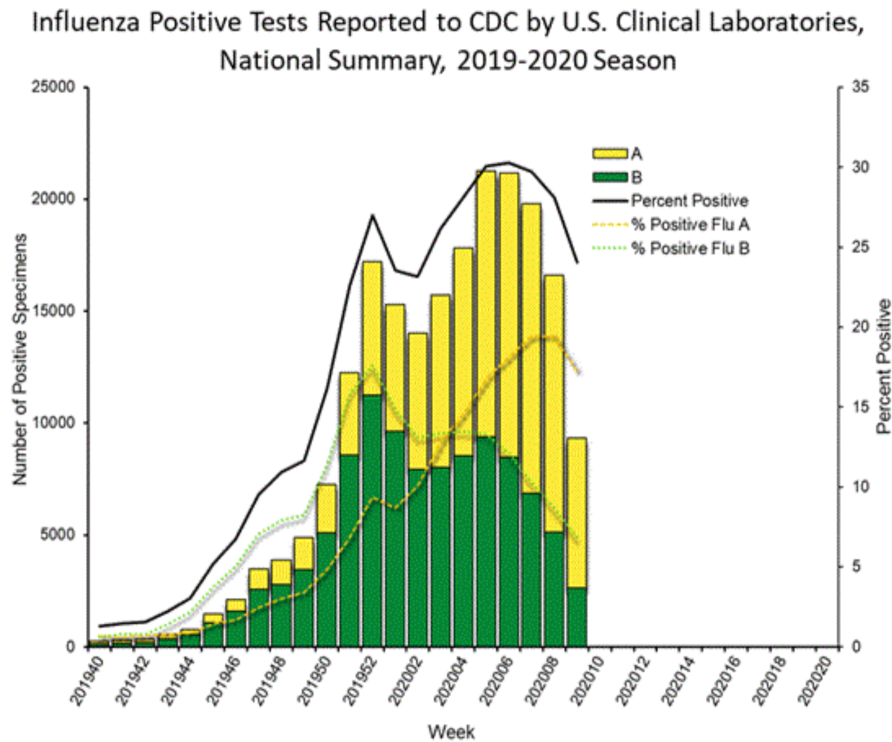


3. How does COVID 19 compare to ‘flu’ in especial on death rates?<sup>14</sup>

Some claims that tend to minimise the adverse effects of COVID 19 have been made, from President Trump on the right – to even those emanating from Marxists. These include the assertion that the deaths and effects of COVID 19 are no worse than flu. This is off the mark.

First it is quite true that the burden in many countries, including highly developed countries, of what is called the ‘flu’ is high even now. Incidentally, people talking of the ‘flu’ – should understand we are thereby confusing several differing specific types. In any case, Figure 5, below shows data from the CD of the current ‘flu’ season in the USA. A huge number of cases can be seen, for example at its peak – over 20,000 cases of Flu A and Flu B combined, in week 4 of the year 2020.

**Figure 5:** *Influenza Positive tests reported to CDC 2019-2020*



So yes – ‘flu’ is very common, and is not to be under-estimated. But recall that ‘flu’ is very readily tested for in the USA. Many people undergo a diagnostic test for it, indeed the whole graph is based on widespread diagnostic testing. Moreover, flu vaccination programs aimed especially at the most susceptible, have been available for those who are in a medicare-nationalised health care service, or for those who are insured. The

<sup>14</sup> Center Disease Control (CDC) Atlanta USA; *Weekly U.S. Influenza Surveillance Report*; Week 9 ending February 29, 2020. <https://www.cdc.gov/flu/weekly/index.htm>

problems of the inequitable USA health care system are obvious, and increasingly understood.<sup>15</sup> As we have pointed out above, testing on a widespread basis is especially poorly done for COVID in the USA at present. And there is no vaccine for it, as of now.

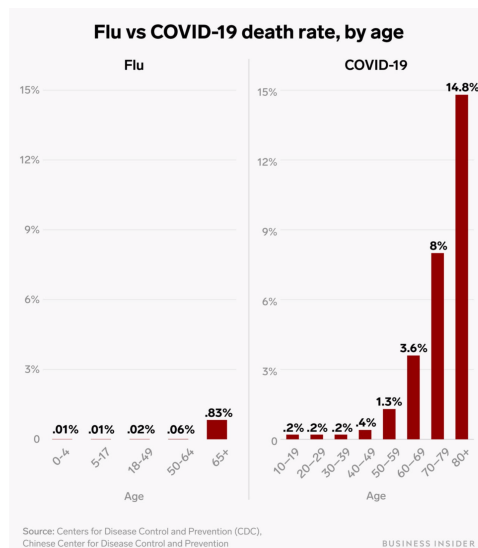
What about the lethality of ‘flu’ compared to that of COVID 19? Firstly numbers of deaths from ‘flu’ are not trivial:

“Based on National Center for Health Statistics (NCHS) mortality surveillance data available on March 12, 2020, 7.1% of the deaths occurring during the week ending February 29, 2020 (week 9) were due to Pneumonia & Influenza. This percentage is below the epidemic threshold of 7.3% for week 9.”<sup>16</sup>

“CDC estimates that so far this season there have been at least 36 million flu illnesses... 370,000 hospitalisations and 22,000 deaths from flu.”<sup>11</sup>

However data suggest that deaths from COVID 19 are higher. A representation can be found below, drawn from a business journal actually. But they have derived this data from the CDC.<sup>17</sup>

**Figure 6:** Comparison of deaths from flu and COVID 19 across age spectrum



**Figure 6**, displays an apparent higher mortality rate in the elderly (over 60 years) from COVID 19 than for ‘flu’. If a medical literature peer-reviewed citation is needed to help convince any skeptical Marxists, perhaps the following **Table 1** will help.<sup>18</sup> This displays

<sup>15</sup> Amy Kapczynski & Gregg Gonsalves, ‘Class & Inequality – Alone Against the Virus’; *Boston Review*; March 13, 2020. At: <http://bostonreview.net/class-inequality-science-nature/amy-kapczynski-gregg-gonsalves-alone-against-virus>

<sup>16</sup> CDC Weekly Report; update for week 10 ending March 7, 2020: <https://www.cdc.gov/flu/weekly/index.htm>;

<sup>17</sup> Holly Secon; “The flu and the new coronavirus have similar symptoms, but the coronavirus is far deadlier — here’s how the 2 compare”; *Business Insider*; March 4, 2020; <https://www.businessinsider.com/coronavirus-compared-to-flu-mortality-rates-2020-3?op=1>

<sup>18</sup> Chen J, Pathogenicity and transmissibility of 2019-nCoV-A quick overview and comparison with other emerging viruses. *Microbes Infect.* 2020 Feb 4.

a figure for case-fatality rates for various viruses. As can be seen in the Table, the apparent case-fatality rate for COVID 19 (here displayed as 2019-nCoV – is less than for the SARS virus (SARS-CoV) or Ebola – but higher than the 2009 season epidemic of H1N1 flu; and the same as the 1918 epidemic flu – also thought to be H1N1. <sup>18</sup>

Several notes of caution are warranted. The true case fatality rate is unknown. Especially since the denominator (the number of those actually infected) is as yet unknown, since near to 100% testing of the population at risk has not occurred. Even in the best of countries that have been using wide-spread testing, such as in South Korea and Germany. This point is made well in a very readable breakdown of the ‘case fatality rate’ in the New York Times as well. <sup>19</sup>

*Mike Davis* also makes the sound points that if the population is malnourished, all bets are off. He also points out that with the virus mutating at an unknown rate – this will also impact the actual numbers. <sup>20</sup>

In an attempt to get the best available evidence-based handle on this, we should consider ‘*transmissibility*’ or ‘*infectivity*’. The table below, shows death rates but also a value for  $R_0$  – a measure of transmissibility. Chen, the author of this table explains what this is as follows:

“The epidemiological definition of R is the average number of people who will catch a disease from one contagious person. It specifically applies to a population of people who were previously free of infection and not vaccinated. Three possibilities exist for the potential spread or decline of a disease, depending on its R value: 1. If R is less than 1, each existing infection causes less than 1 new infection. In this case, the disease will decline and eventually disappear. 2. If R equals 1, the disease will stay alive, but there won’t be an epidemic. 3. If R is greater than 1, cases could grow exponentially and cause an epidemic or even a pandemic. From what we currently know, the calculated R value for 2019-nCoV is significantly greater than 1. A preliminary R estimate of 1.4-2.5 was presented in WHO’s statement regarding the outbreak of 2019-nCoV, 23 Jan 2020.” <sup>19</sup>

In other words, the infectivity of COVID 19 is high. As we have seen.

**At minimum** we can perhaps conclude that the COVID 19 represents a pretty fast spreading disease; one with serious consequences; that especially affects the elderly. Furthermore, that in the absence of a natural immunity (so-called herd immunity) and a vaccine, that currently the only preventive strategies against it is vigorous quarantine to ‘starve it’ of susceptible human hosts.

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<sup>19</sup> Quoc Trung Bui, Margot Sanger-Katz and Sarah Kliff, ‘How Deadly Is Coronavirus? What We Know and What We Don’t’ March 7, 2020; <https://www.nytimes.com/interactive/2020/03/07/upshot/how-deadly-is-coronavirus-what-we-know.html>

<sup>20</sup> Mike Davis, “COVID-19: The monster is finally at the door”; March 12, 2020 — Links International Journal of Socialist Renewal. At: <http://links.org.au/mike-davis-covid-19-monster-finally-at-the-door>

**Table 1:** Comparing Case Fatality Rate and Transmissability ( $R_0$ ) of various viruses <sup>18</sup>

Case fatality rate and $R_0$ value of commonly known emerging virus infections.		
Virus	Case Fatality Rate (%)	$R_0$
2019-nCoV	3	1.4–5.5 <sup>a</sup>
SARS-CoV	10	2–5
MERS-CoV	40	<1
Avian H7N9 (2013)	40	<1
H1N1 (2009)	0.03	1.2–1.6
H1N1 (1918)	3	1.4–3.8
Measles Virus	0.3	12–18
Rhinovirus	<0.01	6
Ebola Virus	70	1.5–2.5
HIV	80 <sup>b</sup>	2–4
Small Pox Virus	17	5–7

<sup>a</sup> WHO: 1.4–2.5; S. Zhao et al.: 3.3–5.5; J. Read et al.: 3.6–4.0; M. Shen et al.: 4.5–4.9.  
<sup>b</sup> Without therapy.

#### 4. How did this come about? Can root causes be identified?

Racist finger-pointing is abhorrent and Marxists should not indulge it. Especially since it is apparent that while food habits might be problematic for spreading zoonoses, this applies world-wide. Game delicacies in the Western society, are another potential source of zoonoses. Does anyone recall the **Jacob-Creutzfeldt** outbreak in the UK (which is one causal vector for dementia) owing to capitalist 'intensive' farming habits? Yet, the likelihood is high that vectors for this outbreak came through the pangolin market in Wuhan.

More central to the question "How?" - is that there are some fundamental root causes to consider. Undoubtedly the human world has become more fraught, more crowded and ever fuller of potential for zoonoses. As pointed out by Morens et al, in the New England Journal of Medicine:

"We must realize that in our crowded world of 7.8 billion people, a combination of altered human behaviors, environmental changes, and inadequate global public health mechanisms now easily turn obscure animal viruses into existential human threats. We have created a global, human- dominated ecosystem that serves as a playground for the emergence and host-switching of animal viruses, especially genetically error-prone RNA viruses, whose high mutation rates have, for millions of years, provided opportunities to switch to new hosts in new ecosystems. It took the genome of the human species 8 million years to evolve by 1%. Many animal RNA viruses can evolve by more than 1% in a matter of days. It is not difficult to understand why we increasingly see the emergence of zoonotic viruses. ... We have reached this point because of continuing increases in the human population, crowding, human movement, environmental alteration, and ecosystemic complexity related to human activities and creations."<sup>5</sup>

These authors also note the new(ish) diseases from varying virus bugs that have been released by human practices, including:

“*H5N1*, *H7N9* pandemic influenza viruses originally of wild waterfowl and chickens (‘bird-flu’); *SARS*, *Middle East Respiratory Syndrome* (MERS); *Covid - 19* (bat viruses); *HIV* from monkey primates; *arenaviruses* (Argentine and Bolivian hemorrhagic fever) and agricultural practices; *Nipah* virus from bats in SE Asia to pigs”.<sup>2</sup>

As Morens and co-workers point out, these infections have been in a series of waves that have hit humans. But they draw back from the abyss of naming the beast of capitalism however.

Marxists and progressives have pointed out *both* the waves of infections, and the underlying cause for some time. For example, here is Rob Wallace in an interview with a German socialist magazine - Marx 21:

“The real danger of each new outbreak is the failure –or better put—the expedient refusal to grasp that each new Covid-19 is no isolated incident. The increased occurrence of viruses is closely linked to food production and the profitability of multinational corporations. Anyone who aims to understand why viruses are becoming more dangerous must investigate the industrial model of agriculture and, more specifically, livestock production. At present, few governments, and few scientists, are prepared to do so. Quite the contrary.... When the new outbreaks spring up, governments, the media, and even most of the medical establishment are so focused on each separate emergency that they dismiss the structural causes that are driving multiple marginalized pathogens into sudden global celebrity, one after the other.”<sup>21</sup>

To be unequivocally clear – it is **Capital** that is the driving force, as pointed out by Wallace:

“Capital is spearheading land grabs into the last of primary forest and smallholder-held farmland worldwide. These investments drive the deforestation and development leading to disease emergence. The functional diversity and complexity these huge tracts of land represent are being streamlined in such a way that previously boxed-in pathogens are spilling over into local livestock and human communities. In short, capital centers, places such as London, New York, and Hong Kong, should be considered our primary disease hotspots.”<sup>21</sup>

And capitalist agriculture accentuates the worst features in order to maximise profit, including ‘monoculture’ farming:

“Planet Earth is largely Planet Farm at this point, in both biomass and land used. Agribusiness is aiming to corner the food market. The near-entirety of the neoliberal project is organized around supporting efforts by companies based in the more advanced industrialised countries to steal the land and resources of

<sup>21</sup> Yaak Pabst talking with Rob Wallace; Coronavirus: “Agribusiness Would Risk Millions Of Deaths”; *International*; 11 March 2020; at: <https://www.marx21.de/coronavirus-agribusiness-would-risk-millions-of-deaths/>

weaker countries. As a result, many of those new pathogens previously held in check by long-evolved forest ecologies are being sprung free, threatening the whole world...

The capital-led agriculture that replaces more natural ecologies offers the exact means by which pathogens can evolve the most virulent and infectious phenotypes. You couldn't design a better system to breed deadly diseases.... Growing genetic monocultures of domestic animals removes whatever immune firebreaks may be available to slow down transmission. Larger population sizes and densities facilitate greater rates of transmission. Such crowded conditions depress immune response. High throughput, a part of any industrial production, provides a continually renewed supply of susceptibles, the fuel for the evolution of virulence. In other words, agribusiness is so focused on profits that selecting for a virus that might kill a billion people is treated as a worthy risk.”<sup>21</sup>

Wallace points out that “food production has to change radically”, and prescribes several potential solutions. These range from ‘farmer autonomy and a strong public sector’, avoid monocultures by ‘varieties of stock and crops, and strategic rewilding’; “permit food animals to reproduce on-site to pass on tested immunities”; “connect just production with just circulation”; “subsidize price supports and consumer purchasing programs supporting agroecological production”; and “agribusiness as a mode of social reproduction must be ended for good.”<sup>21</sup>

### 5. How have governments responded to this?

Most people would appear to accept that quarantining is an essential part of breaking the chain of infection for COVID 19. And there is no doubt that a large scale population based quarantine has been effectively imposed in at least four countries; China, Taiwan, South Korea, and Italy.

The implementation of this in China was facilitated by the stark *fascist* nature of the Chinese state, that even now masquerades as a ‘socialist state’.

Actually, the WHO has been very careful to praise the Chinese government. As authors in the New England Journal of medicine state:

“China responded quickly by informing the World Health Organization (WHO) of the outbreak and sharing sequence information with the international community after discovery of the causative agent. The WHO responded rapidly by coordinating diagnostics development; issuing guidance on patient monitoring, specimen collection, and treatment; and providing up-to-date information on the outbreak.”<sup>22</sup>

And the medical response and state response in China – which was belated initially, but then adopted a rapid quarantining - warrants this assessment – at least in our view. There are major caveats however.

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<sup>22</sup> Vincent J. Munster, Marion Koopmans, Neeltje van Doremalen,, Debby van Riel, and Emmie de Wit. ‘A Novel Coronavirus Emerging in China — Key Questions for Impact Assessment’; *N Engl J Med* 382:8 February 20, 2020

The brutal suppression of the very astute physician **Dr. Li Wenliang**, from raising the alarm, showed the underlying truth of current Chinese society.<sup>23</sup> There is no doubt that his later death both angered, and yet inspired many Chinese people to see through the regime.<sup>24</sup> Below is an image circulating widely in China on the platform Weibo (<sup>24</sup>). When China's vice Premier **Sun Chunlan** attempted to perform a propaganda walk round in Wuhan, she was confronted by the masses. This was a brave act of the people in a state where Muslims, and those calling for socialist principles to be applied – have been attacked, jailed and tortured. In Wuhan the residents chanted "Fake" at Sun Chunlan:

"A top-ranking Chinese official was heckled during a visit to Wuhan, showing that the coronavirus is testing the Communist Party's grip on power. "Fake, fake, everything is fake," went the chant from residents".<sup>25</sup>



There are at least two lessons from the Chinese suppression of Dr. Li Wenliang:

*Firstly* that the Chinese people understand the real nature of their own government. Taking the next step to overthrow it, will be lengthy and difficult, but we believe it is inevitable. Here we will not digress to detail the massive Hong Kong rebellion. But the internal wall of the fascist Communist Party China that confronts the Chinese people is most unsteady.

*Secondly*, fighting outbreaks of infections needs transparency and openness. In fact, the capitalist oligarchic rule of the USA has still not learnt this lesson. Appointing yes-men like Vice President **Mike Pence** to head the government response; mandating all press responses of health officials to be 'cleared' (i.e. censored) by the government

<sup>23</sup> Chris Buckley, 'Chinese Doctor, Silenced After Warning of Outbreak, Dies From Coronavirus'; NYT; Feb. 6, 2020; <https://www.nytimes.com/2020/02/06/world/asia/chinese-doctor-Li-Wenliang-coronavirus.html>

<sup>24</sup> Li Yuan, 'Widespread Outcry in China Over Death of Coronavirus Doctor'; NYT Feb 7 2020; at <https://www.nytimes.com/2020/02/07/business/china-coronavirus-doctor-death.html>

<sup>25</sup> Bill Bostock, 'A senior Chinese official was heckled while visiting Wuhan, showing how much the coronavirus has weakened the Communist Party's grip on power'; Business Insider March 6, 2020; at <https://www.businessinsider.com/coronavirus-wuhan-residents-heckle-china-official-power-weakened-2020-3?op=1>

first; muzzling Dr. Antony Fauci - evidences this.<sup>26</sup> The 'Yes Sir!' mentality of the CDC bureaucrats is not what the people of the USA need.

But then... what can be expected with **Trump** at the head of government? After all, why should he lead the USA in a fight against a "*foreign virus*"?

"Trump referred to the pandemic as a "foreign virus" that "will not have a chance against us" as if it were a hostile nation to be defeated on the battlefield. But while he talked about measures to prop up the economy, he did not discuss the troubles with the availability of testing kits or express understanding of the changes in everyday life affecting so many Americans."<sup>27</sup>

The experience in capitalist Italy demonstrates other problems. The problems faced by a society that after years of '*austerity cuts*' is unprepared for these infection waves are horrendous. In an under-financed health care system, it is left to clinicians (nurses, doctors) to make life or death choices in an immoral situation. Witness:

"The mayor of one town complained that doctors were forced to decide not to treat the very old, leaving them to die. In another town, patients with coronavirus-caused pneumonia were being sent home. Elsewhere, a nurse collapsed with her mask on, her photograph (*below Figure 7*) becoming a symbol of overwhelmed medical staff.

In less than three weeks, the coronavirus has overloaded the health care system all over northern Italy. It has turned the hard hit Lombardy region into a grim glimpse of what awaits countries if they cannot slow the spread of the virus and "flatten the curve" of new cases — allowing the sick to be treated without swamping the capacity of hospitals... even hospitals in developed countries with the world's best health care risk becoming triage wards, forcing ordinary doctors and nurses to make extraordinary decisions about who may live and who may die. Wealthy northern Italy is facing a version of that nightmare already."<sup>28</sup>

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<sup>26</sup> Rupert Beale, 'Short Cuts: Wash Your Hands'; London Review of Books 19; March 2020; <https://www.lrb.co.uk/the-paper/v42/n06/rupert-beale/short-cuts>

<sup>27</sup> Peter Baker and Maggie Haberman, "The President as Bystander: Trump Struggles to Unify a Nation on Edge"; March 12, 2020; <https://www.nytimes.com/2020/03/12/us/politics/trumps-coronavirus-unity.html>





*Figure 7: one nurse, Elena P, who collapsed face down with her mask on in a hospital in Cremona after 10 straight hours of work*<sup>28</sup>

Yet, having said this – the option of quarantine was in fact, effectively carried out in China, Taiwan, South Korea, and it seems even in a country where physical intimacy on a daily basis (such as hugging and kissing) are normal practice – Italy:

“This week Italy put in place draconian measures — restricting movement and closing all stores except for pharmacies, groceries and other essential services. But they did not come in time to prevent the surge of cases that has deeply taxed the capacity even of a well-regarded health care system.

Italy’s experience has now underscored the need to act decisively — quickly and early — its doctors are finding themselves in an extraordinary position largely unseen by developed European nations with public health care systems since the Second World War.”<sup>28</sup>

In just released news (March 14, 18.29 Ontario time) Spain is also undergoing a lockdown quarantine. It is important to say, that people ‘get it’. This can be vividly shown by the response of the Spanish people to this, At an appointed time set on social media, they gathered on their individual balconies – and clapped to honour their health care workers. This can be seen in a moving video at the *Frankfurter Allgemeine Zeitung* site given here.<sup>29</sup>

In the current crisis, the interaction of society and its health care system is critical. Under a series of governments, Italy had ‘austerity funding cuts’. But as Dr. **Carlo Palmero**

<sup>28</sup> Jason Horowitz, “Italy’s Health Care System Groans Under Coronavirus — a Warning to the World”; March 12, 2020; NYT. <https://www.nytimes.com/2020/03/12/world/europe/12italy-coronavirus-health-care.html>

<sup>29</sup> <https://www.faz.net/aktuell/gesellschaft/gesundheit/coronavirus/live-blog-der-faz-zum-coronavirus-alle-entwicklungen-im-ueberblick-16663569.html>

pointed out, the effects would have been even worse had there not been a publicly funded health care system:

“Carlo Palermo, president of the association representing Italy’s public hospital doctors, said the system had so far held up, despite years of budget cuts. It also helped, he said, that it was a public system. Had it been an insurance-based system, there would have been a “fragmented” response, he said.<sup>28</sup>

**Mike Davis** makes the same point, and emphasises how hard this will hit Americans. He aptly describes a *‘medical Katrina’*:

“Private and charity hospital closures and nursing shortages, likewise enforced by market logic, have devastated health services in poorer communities and rural areas, transferring the burden to underfunded public hospitals and VA facilities. ER conditions in such institutions are already unable to cope with seasonal infections, so how will they cope with an imminent overload of critical cases? We are in the early stages of a medical Katrina. Despite years of warnings about avian flu and other pandemics, inventories of basic emergency equipment such as respirators aren’t sufficient to deal with the expected flood of critical cases. Militant nurses unions in California and other states are making sure that we all understand the grave dangers created by inadequate stockpiles of essential protective supplies like N95 face masks. Even more vulnerable because invisible are the hundreds of thousands of low-wage and overworked homecare workers and nursing home staff.

The nursing home and assisted care industry which warehouses 2.5 million elderly Americans – most of them on Medicare - has long been a national scandal. According to the New York Times, an incredible 380,000 nursing home patients die every year from facilities’ neglect of basic infection control procedures. Many homes – particularly in Southern states - find it cheaper to pay fines for sanitary violations than to hire additional staff and provide them with proper training. Now, as the Seattle example warns, dozens, perhaps hundreds more nursing homes will become coronavirus hotspots and their minimum-wage employees will rationally choose to protect their own families by staying home. In such a case the system could collapse and we shouldn’t expect the National Guard to empty bedpans.”<sup>20</sup>

All of these points, are highlighted also by **Dr. Steffie Woolhandler** – the veteran fighter for a USA Medicare system, on *‘Democracy Now’*. Dr Woolhandler is a primary care physician, and was a co-founder together with **David Himmelstein** - of the tireless **Physicians for a National Health Program**. She emphasises how much of an additional case COVID 19 makes for a comprehensive “*Medicare for all*” system.<sup>30</sup> In the same clip from ‘Democracy Now’, similar excellent points are made by **Kshama Sawant** (Seattle City Councillor, part of ‘Socialist Alternative’), and **Elisabeth Benjamin** (Vice president of health initiatives at the Community Service Society of New York and co-founder of the Health Care for All New York campaign). All three referred to the need to ensure dropping of co-payments for those being tested for the diagnosis, flexible work

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<sup>30</sup> ‘Roundtable: ‘Coronavirus Is Best Case for Medicare for All’; March 5, 2020; <https://www.democracynow.org/2020/3/5/coronavirus?eType=EmailBlastContent&eld=dece4679-19aa-4478-9235-81ca6889cdaa>

hours protection, and paid sick leave. It was also pointed out that 45% of Americans have no savings – meaning they cannot afford to self-quarantine. This especially applies to the potentially vulnerable such as minorities and immigrants.

## 6. An outstanding example of progressive and socialist demands on capitalist governments

In the middle of safety for all, right now, concrete demands in the USA, especially for the vulnerable have been put by a grass-roots organisation, written up by **Kelley Hayes**<sup>31</sup>. They are impressively comprehensive and really reflect a socialist approach, in the view of this author. We do not have space to list each of them, but we select a portion of them to give a flavor.

The concrete demands range widely: from demands for accurate data, reflected by calls for surveillance data at a local level:

“1) Your city should have a plan for housing the sick, including people experiencing homelessness. Where will your city be housing people who become ill if hospitals become over-saturated? Will modular units be built? Are there properties your municipality plans to purchase?”

2) Local reporting mechanisms are essential. Some states already have 24/7 hotline numbers for people to report a suspected case of COVID-19 or ask questions. If your state is not providing this service, it should be pushed to do so. Calls to the hotline must remain anonymous, and must not under any circumstances lead to any involvement of law enforcement, ICE, or detention of callers against their will as a result of using the hotline, and this must be made clear to public health authorities, law enforcement, and callers. In the absence of state action, large cities should be able to arrange hotlines of this nature.”

To protection for prisoners, and for homeless – as in:

“5) Shelters and outreach centers must be able to remain open. Cities should provide added support to ensure baseline services for people experiencing homelessness are maintained or exceeded.”

To protection for health care workers:

“8) City and state governments must take measures to ensure adequate protective measures for health care workers. All hospitals and care facilities must brief workers on what measures are being taken to mitigate the risks they face when providing care.”

To protection of those most at risk of death – the elderly:

“13) Cities with high-density public housing buildings should dispatch teams, or create “clinic hours” on site to ensure that elderly and disabled residents who may have difficulty seeking medical care have access to it. If this is not possible,

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<sup>31</sup> Kelly Hayes, “Demands from Grassroots Organizers Concerning COVID-19”; *New Politics*; March 8, 2020

at a minimum, make sure public housing authorities are coordinating with local health providers to get important information to residents.”

Finally they have a range of demands at the Federal level, which speak for themselves. To give a flavour of them we note the following:

“We make the following demands of the federal government and invite you to join us in doing the same:

1) We demand free testing for anyone who is being told by a clinician that they should be tested. Tests have been in short supply in the US. We find this inexcusable, given that other countries have managed to mobilize mass testing. The government’s failure to provide and administer tests means that, at this point, we have no idea how many cases actually exist in the US or how far the illness may have spread. Doctors in affected areas have complained that they have no tests to administer or that health officials have not allowed them to administer tests for COVID-19. This is a disastrous failure on the part of the Trump administration and must be addressed immediately. We need reliable tests that are readily available to clinicians and administered at no charge.

2) We demand free care for those who test positive to ensure that those who are uninsured receive care and participate in measures that help slow the spread of the virus.

3) We demand transparency. We demand that the Trump administration allow CDC officials and other government scientists to speak publicly, without clearing their remarks with Pence, Trump or anyone in the administration. We demand the restoration of the page of the CDC’s website that tracked how many people had been tested. We also demand full transparency about this government’s handling of the crisis, and the release of all emails and documentation related to the federal government’s handling of this outbreak.

4) We demand financial and material assistance plans for people who are expected to refrain from working. It is not realistic to tell people not to leave their homes if failing to do so means they will lose their homes or go without food or medicine. Containment must be made accessible.

Many of these would be in the future, obviated by the passage of a widespread comprehensive health care programme as advocated by Woolhandler and her colleagues.<sup>30</sup> Of course this is not yet here.

## **7. A Short Response to Some Misguided Marxist Responses**

Marxists train themselves to become highly critical, and this is an extremely important and good thing. It challenges those who pretend to be socialists but are simply waving a ‘false flag’. Uncritical thinking, fosters a slave mentality, it enables capitalism.

However at times Marxists become somewhat paranoid that everything being proposed by capitalist agencies (perhaps including the WHO) are entirely obfuscations and myths. Of these Marxists it might be said: “Reason has always existed, but not always in a reasonable form”.

Unfortunately, some Marxists have essentially taken on board a tendency to minimize the seriousness of this current pandemic.

One prime misunderstanding is to compare the rates of attack of COVID 19 with that of 'flu'. For example these following quotes:

“As of 14 February 2020 there are 64,464 officially confirmed cases and 1,384 official deaths. These are serious figures and... this disease has to be fought on the basis of a serious anti-capitalist health program.

However, compare these figures now with the following developments which are currently taking place in other countries or which took place only recently. The U.S. currently faces a serious wave of influenza. According to official figures, from 1 October 2019, through 1 February 2020, there have been between 22 and 31 million people infected and between 12,000 and 30,000 people have died because of this illness.

“To understand the magnitude of this figure in comparison to the current 2019 Corona Virus pandemic, one has to take into account that China's population is 4.3 as large as the U.S. So the U.S. figure would translate; if this influenza hypothetically would take place in China, to 53,000 – 129,000 death. In short, the current influenza in the U.S. is a far worse disease than the current COVID-19 which originated in China!

To give another example from the recent past: an estimated 80,000 Americans died of flu and its complications in winter 2017-18 which was the disease's highest death toll in at least four decades. According to the World Health Organisation, “*worldwide, these annual epidemics are estimated to result in about 3 to 5 million cases of severe illness, and about 290 000 to 650 000 respiratory deaths.*”<sup>32</sup>

But as we have discussed above, the transmissibility of COVID 19 is apparently higher. Coupled with the evidence we have of its higher lethality, in especially the older population; and the lack of either a 'herd immunity' from prior exposures; or the lack of a vaccine – we cannot minimize COVID 19.

Another Marxist points to the personal and societal burden from cancer and hunger:

“Yes, for the individuals and their loved ones those deaths are a tragedy. But so are the 606,880 deaths in the US alone and 9.56 million who died prematurely due to cancer in 2017. Or the 17.79 million who die of cardiovascular disease. Yes, the majority of those deaths are of people older than 70, but many are of younger people. And you think the poisoning of the world's environment isn't a large part of the cause? Or the stress due to poverty or threatened unemployment or war?

How about hunger? According to mercycorps.org, 9 million people die from simple hunger and hunger related causes every year. Nobody worries about them either because hunger is not infectious, nor does it cause very many deaths

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<sup>32</sup> 2019 Corona Virus: The Hypocrisy of Anti-Chinese Chauvinism in the West  
A few facts about the rate of mortality of the COVID-19 pandemic in comparison with Influenza”; Michael Pröbsting, International Secretary of the Revolutionary Communist International Tendency (RCIT), 14 February 2020, [www.thecommunists.net](http://www.thecommunists.net)

in countries like the US. And even if it did, it wouldn't cause deaths among "us".<sup>33</sup>

The only response to this is, frankly – Yes – capitalism sucks. It creates a lot of harms, hurts and damages. But why ignore one pressing cause of harm, even if others also demand both short term (reformist) and long-term (revolutionary) solutions?

## 8. The Economic Hit to Capitalist Profits

The boorish Trump, is under pressure. He showed this clearly in his recent address to the USA. His usual bluster is quite ineffective at this moment. His responses are so ineffective, that *"the markets have now erased about 85 percent of the gains of the entire Trump presidency"*. Trump banks on the false claim that 'he has brought both the stock market and the American people prosperity', to claim re-election.

Hence this downturn this has become a problem for Trump:

"When the camera turned on, the president appeared uncomfortable, reading words from the teleprompter in a stiff manner that made no emotional connection to a television audience of millions scared about a virus they cannot see and uncertain about a society rapidly transforming around them.

Even with the text on the screen, the president mischaracterized his own policies in a way that required his administration to correct him afterward. Administration officials said there were two errors in the teleprompter text, and one that Mr. Trump garbled as he read it, adding the word "only" in a sentence that was intended to say the ban did not apply to trade and cargo, a line that spooked markets.

"Some close aides did not think the errors in the speech were particularly significant. By Thursday morning, it was clear that the speech had not assuaged the financial markets, which plummeted another 10 percent, the worst single day since Black Monday in 1987. Together with the losses of recent weeks, the markets have now erased about 85 percent of the gains of the entire Trump presidency, gains that were the foundation of his argument for re-election."<sup>34</sup>

Trump attempting to eradicate his own *"hoax"-ical* history, restricted European travel into the USA. However this has failed to invigorate the stock market:

"President Trump, for his part, appeared to be scrambling to persuade the public that things were going smoothly, while suggesting he could further restrict travel. Speaking at the White House, Mr. Trump said he could conceivably ban domestic travel to regions of the United States where the coronavirus becomes

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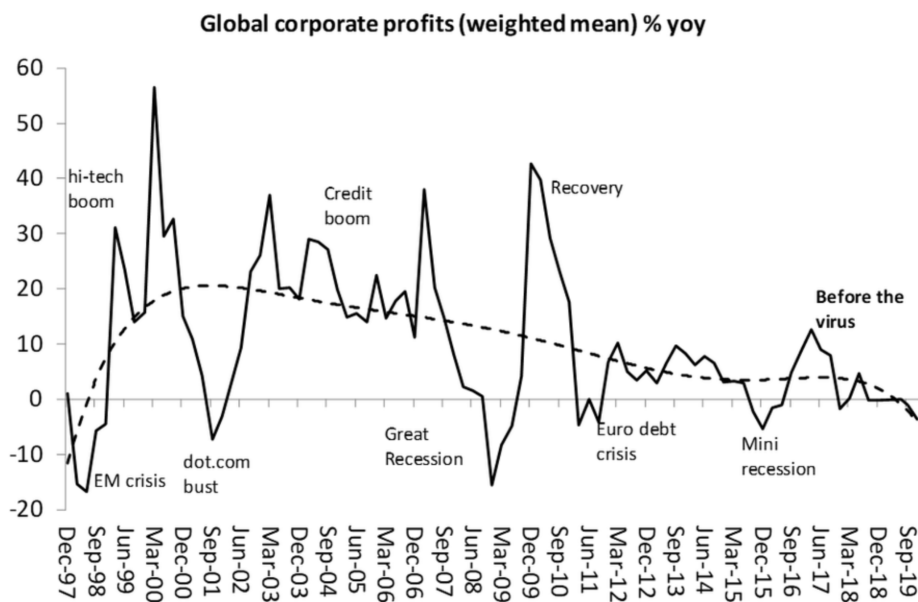
<sup>33</sup> *The Real Threat Of "Coronavirus", World Hunger And World Politics*; Oakland Socialist ; March 9, 2020. <https://oaklandsocialist.com/2020/03/09/the-real-threat-of-coronavirus-world-hunger-and-world-politics/>

<sup>34</sup> *Peter Baker, Maggie Haberman, 'The President as By-stander: Trump struggles to unify a nation on edge as the coronavirus spreads'*; NYT March 13, 2020; <https://www.nytimes.com/2020/03/12/us/politics/trumps-coronavirus-unity.html>

“too hot.”

His comments came on the heels of his abrupt decision Wednesday night to impose sweeping travel restrictions on non-American citizens from nearly all of continental Europe, a step that angered his foreign counterparts and contributed to the global stock sell-off.”<sup>35</sup>

Whatever Trump says, his grand plans to revive manufacturing within the USA itself have not worked. Elsewhere we have discussed the divide between the financial oligarchy and the manufacturing and oil based capitalists. It is the latter that are primarily represented by Trump.<sup>36</sup> However few things unite factions of the capitalist class as much as watching their collective profits decline, as they are already doing<sup>35</sup> **Figure 7: Fall in World Corporate Profits (Dec 1997 to September 2019)**<sup>37</sup>



Moreover the international capitalist classes were already aware that their economies had not yet fully rebounded from the shock of 2008. As **Michael Roberts** pointed out “*The world capitalist economy has already slowed to a near ‘stall speed’ of about 2.5% a year*” – hence the nervousness about the COVID 19 pandemic:

“The real worry for the strategists of capital is whether this epidemic could be the trigger for a major recession or slump, the first since the Great Recession of 2008-9. That’s because the epidemic hit just at a time when the major capitalist economies were already looking very weak. The world capitalist economy has already slowed to a near ‘stall speed’ of about 2.5% a year. The US is growing at just 2% a year, Europe and Japan at just 1%; and the major so-called

<sup>35</sup> Emily Cochrane, Jeanna Smialek, Jim Tankersley, ‘Congress Nears Stimulus Deal With White House as Wall Street Suffers Rout’; NYT March 12, 2020, <https://www.nytimes.com/2020/03/12/business/economy/coronavirus-response-wall-street.html>

<sup>36</sup> Hari Kumar, ‘What is Behind Trump – Is There Method Behind His Madness? Finance Capital and Industrial Capital – An Evolutionary History’; at <http://ml-today.com/2019/08/18/trump-finance-capital/>

emerging economies of Brazil, Mexico, Turkey, Argentina, South Africa and Russia are basically static. The huge economies of India and China have also slowed significantly in the last year. And now the shutdown from COVID-19 has pushed the Chinese economy into a ravine.... The OECD – which represents the planet's 36 most advanced economies – is now warning of the possibility that the impact of COVID-19 would halve global economic growth this year from its previous forecast.”<sup>37</sup>

Capitalist governments use two main levers to try their best to manipulate the economy – that of fiscal policy and monetary policy.

**Monetary policy** results largely from actions of Central Banks, to control the money supply. This is done by manipulating interest rates, and exchange rates of currencies, buying or selling government bonds, and finally by mandating what level of currency reserves banks must maintain. The overall intent is to curb inflation, modify consumption and growth, and maintaining liquidity – or availability of easily accessible money.

**Fiscal policy** is the governmental effects on the economy exerted by governmental by spending or taxation rates.

But to get out of the already poor economic situation, the international central bankers had been pushing on monetary policy for some time. It did not work. As Roberts explains:

“Monetary policy is running out of ammunition and was not working anyway in restoring business investment, productivity and growth even before the virus epidemic. The US Federal Reserve cut its policy rate (the floor for all interest rates) by ½% last week and plans more cuts. It has some room to do so. The European Central Bank (ECB) may follow this week and perhaps the Bank of England too. But these banks have already got their policy rates near zero, so they don't have much more to offer. The Bank of Japan has been at zero for years. The Fed cut had no effect at all in stopping the meltdown in global stock markets: all it did was to weaken the US dollar.”<sup>38</sup>

Even on January 5<sup>th</sup> 2020, before the news of the COVID 19 had really hit, key leading former Central Bankers met in San Diego at a conference and agreed they would advocate a strong 'fiscal policy'. As the Financial Times reported on 7-8 March 2020:

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<sup>37</sup> Michael Roberts Blog, "Disease, debt and depression"; March 5, 2020; at: <https://thenextrecession.wordpress.com/2020/03/05/disease-debt-and-depression/>

<sup>38</sup> Michael Roberts, 'Let's get fiscal!'; March 9, 2020; <https://thenextrecession.wordpress.com/2020/03/09/lets-get-fiscal/>



“When four of the world’s most influential economic policymakers met... **Mario Draghi, Lawrence Summers, Janet Yellen and Adam Posen** <sup>39</sup> ... were concerned... “All four of us said ‘fiscal policy’, says Mr Posen.” <sup>40</sup>

Bank of England incoming governor, **Andrew Bailey** at his confirmation hearing urged the government to use fiscal policy; as did **Oliver Blanchard** (former IMF chief economist). <sup>39</sup>

Why have these powerful voices plumped for this? Well, firstly as Roberts says – monetary policy was not going anywhere! But another reasoning is that:

“A pandemic generates an unusual economic shock because it first hits supply, not demand. A closed factory cannot make cars or mobile phones, no matter how many people want to buy them. Reopen the factories however, and supply should soon bounce back... One policy to handle a short-lived supply shock is loan forbearance, so companies suffering from sudden shutdown in sales are not driven into disruptive failures because they miss debt payments.” <sup>38</sup>

Until last week, there was no stomach in the White House to have a fiscal stimulus, or fiscal package – as it would contravene all that Trump had been saying about ‘*his economy*’. <sup>40</sup> Moreover the German leaders of an economy at risk of recession, similarly did not want to reverse course and open its’ purse strings. <sup>40</sup>

In Germany, this all rapidly changed as it became ever more clear, that the pandemic was going to take a toll. The resistance in German leadership was far less to adopting a fiscal course, than the resistance in the USA leadership.

But even in the USA, a growing public and economic understanding that the Trump-Pence-CDC USA response to the virus was totally inadequate, forced sweeping changes. In the current situation, For the first time for a long time, the opposed forces that together – represent the **entire** capitalist class of the USA – overcame their sectoral differences.

The Democrats and Republicans together agreed to a ‘rescue package’:

“Financial markets plunged on Thursday in the biggest one-day drop since the Black Monday stock market crash of 1987, and Congress neared a deal with the White House on a sweeping economic rescue package to respond to the colossal effect of the coronavirus pandemic.

After a day of intense negotiations between Speaker Nancy Pelosi of California and the Treasury secretary, Steven Mnuchin, Ms. Pelosi told reporters that “we’ve resolved most of our differences” and the House would vote on Friday on the measure “one way or another.” It would then go to the Senate, which called off a recess that had been scheduled for next week in anticipation of a

<sup>39</sup> *Mario Draghi the former head of the European Central Bank, Lawrence Summers former Secretary of the Treasury for Bill Clinton, Janet Yellen former Chair of the Federal Reserve; Adam Posen former Bank Of England policymaker who is now head of the Peterson Institute*

<sup>40</sup> *Robin Harding, Brendan Greely & Martin Arnold, ‘Calling for Fiscal Action’; Financial Times European edition 7-8 March, 2020; p. 6.*

compromise.

The legislation, according to a letter Ms. Pelosi sent to her members, will include enhanced unemployment benefits, free virus testing, aid for food assistance programs and federal funds for Medicaid. The package also ensures 14 days of paid sick leave, as well as tax credits to help small- and medium-size businesses fulfill that mandate...

The Federal Reserve, in a drastic attempt to ensure Wall Street remained functional as volatility roiled even normally staid bond markets, said it would promptly inject as much as \$1.5 trillion in loans into the banking system and broaden its purchases of Treasury securities. But neither the Fed's actions, nor a plan by the European Central Bank to offer cheap loans to banks and step up its bond-buying campaign, were enough to assuage investors, who sent the S&P 500 down 9.5 percent."<sup>41</sup>

Treasury secretary, **Steven Mnuchin** in the USA went even further saying in a TV interview:

"The government would do "whatever we need to do, whatever the Feds needs to do, whatever Congress needs to do... we will provide liquidity."<sup>42</sup>

In Europe **Ursula von der Leyen**, President of the European Commission:

"warned that the disease was delivering a 'major shock' to EU companies and vowed to give member states ample leeway to ramp up spending in response";<sup>41</sup>

In Germany, the Finance Minister **Otto Scholz** said as he provided "unlimited liquidity assistance" that the state had fired a 'bazooka':

"Mr. Scholz said the government would provide unlimited liquidity assistance to German companies, "This is the bazooka, and we will use it to do whatever it takes", he said in Berlin. There as "no upper limit on the amount of loans the KfW (i.e. the State Bank) can issue."<sup>43</sup>

The German Government has made a huge change in its policies of 'tight' money:

"Germany.. has abandoned long-cherished ideological principles of fiscal rectitude. ... **Peter Altmaier**, economy minister said that the measures were "unprecedented in Germany's postwar history" calling them "the most comprehensive and effective assistance and guarantees there have ever been in a crisis"... pledges of unlimited cash were designed to provide companies with a

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<sup>41</sup> Emily Cochrane, Jeanna Smialek & Jim Tankersley, 'Congress Nears Stimulus Deal With White House as Wall Street Suffers Rout'; 12 March 2020, <https://www.nytimes.com/2020/03/12/business/economy/coronavirus-response-wall-street.html>

<sup>42</sup> Treasury Secretary Mnuchin says White House and Congress close to getting coronavirus bill done' March 13, 2020, CNBC; <https://www.cnbc.com/2020/03/13/treasury-secretary-mnuchin-says-white-house-and-congress-close-to-getting-coronavirus-bill-done.html>

<sup>43</sup> FT Reporters, "US & EU line up emergency measures as credit fears mount"; Financial Times (London) Weekend US Edition, 14-15 March 2020; p. 1

“protective shield” by vastly increasing access to loans provided by KfW, the state bank... The German budget currently guarantees KfW a financial framework of Euro 460bn, but officials ... raised this by Euros 93bn, giving the bank more than Euro 550bn in available firepower. “And that is just the start” Mr. Altmaier said.<sup>44</sup>

Meanwhile **two major complications** have been laid on top of the purely viral epidemic load, that are squeezing the world capitalist governments.

The **first** is the evident intra-European Union tensions. This became evident when Germany refused to aid Italy with medical equipment. Perhaps this was understandable, one supposes that Germany believes it will get worse very soon. The Chinese Government stepped into the gap with both ventilators and masks. But, the real kick was the assault on Italy by the **European Central Bank** president **Christine Lagarde**:

“Mrs. Lagard commented that it was not the ECBs job to “*close the spreads*” between 10-year Italian government bonds and German Bunds – a measure of the differential between the two sovereign debts – causing the spread to spike by 60 basis points, the biggest daily increase on record”.<sup>45</sup>

All sides of the inter-capitalist divide **within Italy** united to condemn this assault:

“Italy needed help and it has been given a slap in the face... Yesterday Italy lost Euro 68bn of savings”, said Mr **Salvini** leader of the nationalist League party.... **Sergio Mattarella** Italy’s President unusually spoke out to say that a country in crisis expected “initiatives of solidarity and not obstacles to action”.. “The job of the central bank should not be to hinder but to help such measures by creating favourable financial conditions for them” said prime minister **Giuseppe Conte**.”<sup>45</sup>

Hence, the growing intra-capitalist nation tensions within Europe, even after Brexit cannot be minimized.

The **second** enormous complication is that of the **oil price war** launched by Saudi Arabia, and supposedly aimed at Russia, apparently engaged in a game of chicken. These two oil producers had an alliance since 2016 on oil prices. But this agreement – by cutting prices of oil – also supported the USA oil industry from shale, which had a higher cost of production. The massive shale production from the USA was heavily over-invested. Not only **ExxonMobil** – but also “shale experts like **Concho Resources, EOF** and **Diamondback Energy**” were conscious that their sector was “struggling to repay investors”. As one hedge fund adviser put it:

“What would happen if OPEC stopped cutting? Shale would be fucked”.<sup>46</sup>

<sup>44</sup> Guy Chazan, Sam Fleming ‘Germany Deploys ‘Protective shield’; *Financial times* 14-15 March 2020, p. 3.

<sup>45</sup> Ben Hall, Miles Johnson & Martin Arnold; ‘EU Rebuff Fuels Italy’s sense of isolation’; *Financial times* 14-15 March, p.2

<sup>46</sup> Derek Brower, Anjli Raval, David Sheppard, Grgory Meyer, ‘A Crude Price War’; *Financial ITmes USA edition* 14-15 March 2020; p. y6

Apparently the Russian oil industry agreed that it was possible to smash the USA Shale industry. Russia had long 'bristled' as shale production "spiraled ever higher, thanks to its price-supportive cuts with OPEC".<sup>44</sup>

Russia now suddenly refused to enable any further cuts in price of oil. The Saudi government matched the Russian drive to produce more oil at the same price. Naturally this has led to a glut, which has driven down the price of oil. The price of Brent crude \$55 a barrel to around \$35. The immediate net effect is an attack on USA oil producers:

"US companies survived the 2015-2016 price war by getting more efficient, slashing costs and focusing on the most productive sweet spots in their acreage. They also had Wall Street behind them, extending credit lines, buying producers bonds and taking equity. Those crutches are gone. ... Shale companies announced plans to idle rigs and cut budgets... capital spending would drop by 70% next year (it was predicted)." <sup>44</sup>

As we have pointed out previously, a major constituency of Trump has been the oil industry.<sup>36</sup>

None of these two added complications, will help the international capitalist class in its struggles to maintain its profit margins. In fact inter-capitalist tensions and competition is accelerating. Even the huge amounts of money being made available to the big, medium and presumably – even small capitalists – will not turn things around for the working class. For that a revolutionary change is needed.

## Conclusions

Today reformist solutions to the COVID 19 pandemic are necessary to minimize the huge burdens and mortality risk on the working class. To participate in quarantine steps is necessary.

Broader struggles on health care may well receive a boost from this crisis. Neither the bourgeoisie – nor the working classes – are going to tolerate the current under-financed health services in either the former welfare states (e.g. the UK, Italy, Spain); or the '*developed*' countries with no comprehensive universal health coverage (e.g. the USA). It does seem possible that capitalist countries will be forced to grant these useful – but reformist solutions.

How will the more fundamental issues be tackled, including root causes for zoonosis based epidemics (including monoculture)? Fundamental revolutionary changes are needed to tackle these. But the working classes still need to develop their own independent broad, mass parties. Let us for a moment leave aside the necessary Marxist-Leninist parties that can lead the working class.

These questions become increasingly more paramount.