

Pandemics, nation-states and capital

1)

The COVID-19 pandemic appears to be the second most serious world viral outbreak known to humanity in modern times, after that of the Spanish Flu. All continents are affected, it is a real pandemic. The transmissibility of the virus is very high, comparable to that of the global pandemic of 1918-19 which, according to the Pasteur Institute¹, wiped out 30 million lives. This pandemic had a death rate of around 3% out of a billion or so people affected (60 to 70% of the global population at the time). In the absence of a vaccine or effective treatment, the coronavirus will also infect 60 to 70% of the world population, according to specialists². But, according to them, its mortality rate, on the other hand, is less than 1%. This means that out of 7.6 living human beings, 45 to 53 million could end up dead. In other words, no country has the means to manage a health crisis of this magnitude which, what's more, is worsening at an alarming speed. First question: why does it spread so fast?

2)

The answer is simple: the cocktail of hyper-urbanisation and hyper-centralisation of healthcare structures. More than 55% of the global population lives in cities, where an overall majority are crammed into dwellings which are overcrowded and often unhealthy. The urban overpopulation are also victims of the degradation in air quality which makes their respiratory tracts more vulnerable to viral attack³. In France, one worker in five spends more than an hour and a half commuting to work and less than 40% take less than half an hour. The increase in journey time is a real tendency which follows the spatial breakup of productive territories.

At the same time, the provision of "health" goods follows in the footsteps of any other sector producing new value: centralisation of capital, specialisation, standardisation, Taylorism, which creates medical deserts next to zones with modern and better equipped health facilities⁴.

¹ <http://theconversation.com/grippe-espagnole-et-coronavirus-pourquoi-le-contexte-est-tres-different-133836>

² <https://www.theguardian.com/world/2020/feb/11/coronavirus-expert-warns-infection-could-reach-60-of-worlds-population>

³ <https://www.actu-environnement.com/media/pdf/news-35178-covid-19.pdf> and

http://www.simaonlus.it/wpsima/wp-content/uploads/2020/03/COVID19_Position-Paper_Relazione-circa-l'effetto-dell'inquinamento-da-particolato-atmosferico-e-la-diffusione-di-virus-nella-popolazione.pdf

⁴ <https://www.francetvinfo.fr/sante/maladie/coronavirus/carte>

3)

How does this work? Let's take the example of the state health system. The hospital takes money from patients (co-payment), from social security, itself generally financed by contributions from employees and employers, *and* from the state (local, regional, central). Its capacity for accumulation depends on the capacity of each health unit to make savings on the services provided to sick people relative to the standardised prices for each of them, which are fixed by the "social partners" (Social Security) *and* by the state. In this way, the patient is FOR THE HOSPITAL AS A BUSINESS (not for the hospital staff, obviously) a raw material to transform at the lowest cost. Let's take the case of intensive care. It is now claimed that the amount of intensive care (number of beds) is largely insufficient. It is also obvious that the flu pandemic was abundantly anticipated by the WHO, the CIA etc., at least ten years ago. Yet, states *and* hospitals did nothing to prepare the health system for this shock. Why?

4)

Firstly, because the unit cost of equipment is very high (costed at around 100,000 euros). Secondly, because each day that a patient is in intensive care costs on average 1,500 euros, which in the case of 15 days on average in hospital for Covid-19, means a bill of more than 22,500 euros. These costs are perfectly known to the organisations which pay hospitals and are not reducible. Thus, competition between health establishments cannot take place. No hospital can garner profits from intensive care while the initial outlay is high and the costs of production of healthcare are identical from one hospital to another. This is different from, for example, the profitability of units specialising in treatments for tumours. Here, the initial outlay is certainly very high (even more than for intensive care) but the centralisation of capital, standardisation/specialisation and the results from R&D can make the difference in profitability from one unit to the other.

5)

Everywhere the health system is undergoing a transformation in the direction of rationalisation, meaning specialisation and centralisation by poles of competences. Health structures which are less efficient and more expensive are closed. And these are often small local structures. Zones with well-trained specialists, and plenty of cutting-edge equipment exist side by side with areas lacking adequate health coverage. Medicine in the time of

[-coronavirus-quels-sont-les-departements-les-mieux-dotes-en-lits-en-reanimation_3876681.html](https://www.francetvinfo.fr/sante/maladie/coronavirus/carte)

capital is itself more and more a source of profit for the establishments who know how to invest and to minimise the costs of care for patients, the veritable raw material for producing the commodity “health”. On their side states have to face growing expenses of social protection in a period marked by their fiscal crisis. Thus, there is a converging interest of individual capitals (public or private) engaged in the reproductive sector of health and the states which mostly finance their activities (public contracts, budget) in squeezing to the maximum unproductive expenses (the state) and unproductive (or not productive enough) investments (health structures).

6)

The search for profits in health by individual capitals which invest in it and the progressive transfer to patients of the unproductive expenses of health carried out by the state have led the health system – including in most of the advanced countries – to reduce the overall offer of free care relative to the more creditworthy, therefore paid, offer. The situation created by the pandemic shows this. Not enough testing facilities, not enough masks, not enough ventilators, not enough intensive care beds and not enough healthcare staff, this is in, in brief, where we are. That will change over the course of the development of the pandemic because states will loosen their purse strings, the factories and laboratories which produce medicines and useful materials will run flat out and researchers across the world will be given the task of discovering a vaccine to the virus. The reason? The virus is in the process of upsetting the productive order of capital. Suddenly, the costs and expenses become indispensable. “Helicopter money”⁵ to defend businesses, to manage labour market imbalances, to make up for the late provision of care. But all these are not unproductive expenses. Far from it.

7)

The logic of capital accumulation rapidly changes course. It turns very quickly to juicy new markets, created or massively amplified by the viral outbreak. In consequence we can be sure that the normality of exploitation, of markets, of the habitual dictatorship of capital will return even more quickly than in 1918-19, at the time of the Spanish Flu. We can even reasonably assume that the murderous balance sheet of coronavirus will be lower than that by simple arithmetic. And it is reasonable to think that capital will return to rude good health when suspended orders start up again, when work begins again everywhere without a hitch and when populations take one more step in their total dependence on the state and capital which has defeated “evil”. For the moment states are bearing the enormous costs of the stopping or slowing of accumulation by printing money via the central banks who buy additional public debt. According to the first calculations of commercial banks, the additional debt of states and their central banks will have to go beyond 3% of world GDP. The US alone has created an additional mass of money which is more than 8% of its

⁵ https://en.wikipedia.org/wiki/Helicopter_money

GDP⁶, Japan and Germany around 6% of their GDPs, Britain 4% and France 2%, in subsidies, interest-free loans, public expenditure on facilities, on buyouts of public debt and company debt by central banks as well as abundant liquidity provided to the banks without anything in return.

8)

For the moment, public debt freezes the industrial crisis (whole sectors close to shut-down, bank credit getting scarce, world trade shrinking) by supporting the individual capitals of the main countries. At this stage, we can foresee two possible scenarios: a temporary “stop & go” to accumulation where laboratories rapidly find a vaccine or an effective treatment⁷. In this case, accumulation can get going again nicely with few big companies seriously affected. Or the pandemic continues, definitely leading to an industrial crisis on a huge scale. The first scenario is the one held on to by the OECD, the IMF, the Federal Reserve, the ECB, the PBOC (People’s Bank of China) and all the rest. In this case, and even in the best scenario for capital as a whole, the less developed countries are going to be incapable of printing enough money without their exchange rates falling. In crises, only currencies which have gained the status of international money, eligible to be in the official reserves of principal central banks, can stay afloat during a period of shock of this magnitude by creating overabundant means of payment.

9)

What is at stake today is much more than a great world war against a common invisible enemy, as the communication organs of the dominant classes would have it. The first effect is that of the acceleration of regional decoupling of productive areas. The various big productive blocs (Western Europe, China and North America) reinforce their respective internal markets and restructure, notably by internalising, repatriating, many of their fields of production. The slow erosion of trade between these blocs, along with the overall fall in the cost of manpower, including in the most developed citadels of capital, now makes it possible to repatriate the production which needs large amounts of labour. Yet, a large part of the medicines used in European hospitals are imported from China or India⁸. This productive interdependence pushed to extremes indicates, in Europe, where the borders are closing, the fragility of each national capital. The notion

⁶ <https://www.wsj.com/articles/house-lawmakers-race-to-washington-to-ensure-coronavirus-stimulus-passes-11585318472>

⁷ Ursula von der Leyen, the President of the European Commission hopes that a vaccine for the coronavirus will be ready “before the autumn” (see her statement on 17 March). A laboratory in Germany is working on such a project. However, even if this turns out to be the case, it will be a few months before the product can be industrialised and distributed through existing health structures. And, in any case, it is the developed countries which will be first in line.

⁸ “India imports around 70% of its ingredients and bulk medicines from China, which it then prepares for export to the rest of the world. In turn, American industries produce 40% of their medicines in India”. *L’Espresso*, 15 March 2020.

of the “vital national interest” applied to some production is expanded to sectors like those of health and food⁹.

10)

The European Union is a special case, and this is important in its survival as a separate economic bloc. The cacophony of Community institutions, the hesitant response of the ECB, the every-man-for-himself attitude that seems to prevail as we write. Borders are re-established. Trade between the North and South of the continent slows down drastically. Freedom of movement is *de facto* abolished. States requisition necessary medical materials along with the workplaces which produce them. Calls from governments for a unitary response multiply but disappear into space. Political links within the EU start to fray. The Brexit “example” could become a veritable paradigm with mini-blocs even more sealed off and more independent, economically, politically and commercially (Scandinavia and the German zone above all).

11)

Proto-fascism has a heaven-sent chance to relaunch itself across the world¹⁰. The almost hysterical quest for a commander in chief who can firmly take in hand the governance of countries which are like waterlogged boats in the face of mass infection; the generalised criticism of representative democracies considered “too slow and complex in their functioning” to respond effectively to the virus; the shared suspicion that the illness has been “imported” by foreigners near or far; incessant calls for national unity coupled with the war metaphor; the re-evaluation of the role of the paternal state as protector and the progressive implementation of a kind of permanent martial law, ever since 11 September 2001, are so many elements which feed the dominant tendency to transform “classical” representative democracies into plebiscitary democracies and reinforce the proto-fascist political tendencies which are still minoritarian. With the crisis of the “social state”, sealed by the budgetary crisis¹¹, the mode of governance is less and less about social democracy, the expansion of public services as a regulator of class struggle. From now on, the management of civil society is more and more about the state of exception, the use of all sorts of shocks (financial, geopolitical, health-related, demographic etc.) to reinforce the hold and the “verticalisation” of the state. It is a matter therefore of a political management *par excellence*, leading to a

⁹ Some agricultural raw materials have long been treated as strategic foodstuffs (wheat, rice, sugar, etc.) in various countries and stockpiled in silos and warehouses controlled by these states. To these can be added the list of strategic finished food products (as is already the case for military rations).

¹⁰ Happily, so far, the Salvinis, Trumps, Bolsonaros and Johnsons have not succeeded in capitalising on the viral crisis through lack of a suitably puerile discourse, to which enough of their fan-clubs can subscribe. But they will return to the charge when it's possible. Of that we can be sure.

¹¹ Some states, such as Czechia, still escape with their financial capacities intact, but they remain very dependent on the integration of their economy into the chains of global production.

general militarisation founded on fear and the insistent demand for protection coming out of civil societies which are less and less conflictual.

12)

Proletarians are the main victims of the situation. First of all, they are hit in their material conditions. It is they who often live in environments where overcrowding is the rule, which can end up, if the confinement lasts a long time, in increasing violence against women and children, as the first signs seem to confirm. It's also proletarians who are less likely to work from home. In the best case, this only works for 22% of employees in France. Many of them have no right to compensation if they refuse to go out, as always forced to choose between wages and health. They are the ones who are always piled into public transport at the same time to get to or from work. It is they who will be subjected to the bulk of the police controls set up for this gigantic operation in bacteriological warfare happening in many advanced countries. And it is they who traditionally have less access to care, who have more work-related diseases. Finally, it is they who don't have much access to reliable information about the pandemic.

13)

But the proletariat is above all the great missing political piece. Not constituted as a class for itself, lacking its own organisations, less used to fighting for its interests than at other times, workers, proletarians, are handed over to statist and nationalist propaganda: the strong state, protector of all classes. The perpetuation of methods of control and the militarisation of territory and labour inherited from 9/11 and then the Islamist attacks in Europe is no longer questioned. On the contrary, the arsenal of security resources will grow with extended police controls, the banning of gatherings (justified so far by the lack of a vaccine, but how long will it remain in force?), the spread of cameras in cities and the militarisation of health services, along with so-called public services in general¹².

14)

The outburst of strikes in the factories of the north of Italy (but also some productive units in the south) which have forced the closure of workplaces due to the danger of infection, along with the revolt of prisoners during quarantine to obtain early release and the proper treatment of sick detainees so as to ensure less exposure to infection, are the only signs of autonomy that the class has expressed towards the class enemy. For the moment, only isolated attempts at collective reappropriation of

¹² In France, for example, the state and the bosses use the crisis to worsen conditions of exploitation. The government prepares the ground with its repeated declarations about the country being “at war”. And later there will be the “*battle for reconstruction*” (that is the relaunch of capital accumulation), which means additional sacrifices for the exploited. Already, employers can impose six days of paid leave to reduce the need for partial unemployment. After confinement, the maximum weekly working hours will go from 48 to 60 hours. We can bet that this is not the end of it.

goods in supermarkets in the south of Italy have appeared. In France, similar actions on a smaller scale have taken place while individual desertion from work grows. We can only hope that other acts of insubordination, preferably collectively organised, will follow.

15)

Epidemics have punctuated the whole history of humanity. They existed before capitalism and no one can guarantee, without being a fraud, that they will disappear after the destruction of societies divided into classes. What we can say, on the other hand, is that the form that they take will be very different from under capitalism, and more generally in societies founded on the oppression and exploitation of human beings¹³. The way of fighting them will also be very different, in keeping with the preservation of the species and freed from the dictatorship of commodities and value.

¹³ <https://theconversation.com/les-epidemies-sont-inevitables-apprenons-a-les-anticiper-133888>