

# Covid-19 - A World In Turmoil: “Socialism” The Only Way Out

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**As the second decade of 21<sup>st</sup> century is coming to a close, we are witnessing a world engulfed in an unprecedented crisis at all levels, from economic calamities, apparently triggered by Covid-19, to social explosions raging in every continent and wars in the middle east and other parts of the world. The crisis has become a permanent feature of this epoch where not a single capitalist state could be found which is not reeling from some level of economic and political disasters.**

Covid-19 has merely unveiled the thin veneer of apparent stability wrapped over the deep contradictions and turmoil raging in the depths of society. The subsequent lockdowns around the world have plunged all the major economies of the world into the deepest recessions of modern times. Though economies are recovering from the initial shocks but many scars inflicted as a result of COVID on socioeconomic conditions will be of a permanent character that will shape the upcoming social upheavals around the world.



This year started with the assassination of Iranian general Qasem Soleimani by an American drone in Iraq which brought the region on the brink of war, at least so it seemed. So fragile and contradictory is the current situation that the world leaders brag about annihilating each other but the organic crisis of capitalism has rendered them so weak, economically, that they can't venture a full scale war because it would wipe out the last vestiges of some form of economic recovery in the system. But, the contradictions among different imperialist powers are manifesting themselves through their proxies around the world resulting in an endless series of civil wars, from Africa to the Middle East.

On the other hand, the scale of economic catastrophes and miseries is so huge and the resulting death toll so big that it can only be compared with the destructions and economic calamities of a full scale war. Every year 9 million people die of hunger. That's more than the death toll of wars in Afghanistan, Iraq, Syria and Yemen combined in the last twenty years. At a time when the modern technology is capable of miracles and create such abundance of basic necessities of life that poverty and misery can be wiped out for good, yet millions of people are dying just because they do not have enough food to eat or more simply they do not have the money to buy food. Millions are dying at the

altar of capital and profit. Capitalism has condemned a vast majority of humanity into dire poverty, misery, chronic unemployment and destitution.

The great recession of 2008 was a turning point in the global economy and politics which set new normality for world capitalism i.e. permanent regimes of austerity everywhere. The neo-liberal market economy or Thatcherite or Reaganomics model which was adopted globally in the aftermath of the economic crash of 1970s unleashed in a period of free market and the abandonment of state intervention in the economy. All the key sectors of the economy were privatized and handed over to private businesses. The mantra of trickle-down economics was presented as the ultimate solution to all the sufferings and miseries of mankind. Subsidies and bonuses were gradually slashed. Health and education were also privatized and people were left at the mercy of big businesses. The growth rates surged but in their haste for more and more profit they stretched the market and created such bubbles which were defying the laws of gravity. This house of cards came crashing down in 2008 resulting in an endless series of bankruptcies of banks and businesses around the globe.



The collapse of the neo-liberal economic model compelled the states around the world to intervene to salvage the economy from total submerge. Hundreds of billions of dollars were poured into bailout the big banks and businesses while the ordinary people were left on their own. Bankrupt businesses were virtually nationalized. This comical theatre was ironically called “Socialism for the rich, capitalism for the poor”. While the crisis was temporarily averted, the state coffers came up with huge debts and a new crisis of sovereign debt emerged. Countries around the world, especially America and Europe, are now reeling with astronomical debt level which is a constant brake on the economy. In eurozone, the debt crisis took a more severe dimension with Greece and other weak European economies coming very close to defaulting on their liabilities, thus endangering the very existence of European Union.

The advent of COVID-19 has magnified the inner contradictions of a broken system. It has accelerated the organic crisis of capitalism worldwide while glaringly exposing what neo-liberal economic policies have done to national health systems globally. National health systems around the world virtually collapsed in the face of Corona pandemic. The largest economic and military power on earth i.e. American imperialism has crumbled before Covid-19 with the highest number of deaths in the world. The madness for profit, world policing, occupation, wars and military adventures around the world has rendered the greatest power on earth hapless in the face of a virus. The renowned Marxist economist Michael Roberts wrote in his blog;

*“According to the American Hospital Association, the number of in-patient hospital beds declined by an extraordinary 39 per cent between 1981 and 1999. The purpose was to raise profits by increasing ‘census’ (the number of occupied beds). But management’s goal of 90 per cent occupancy meant that hospitals no longer had the capacity to absorb patient influx during epidemics and medical emergencies”.*

He further elaborates, “Local and state health departments have 25 per cent less staff today than they did before Black Monday, 12 years ago. Over the last decade, moreover, the CDC’s budget has fallen 10 per cent in real terms. Under Trump, the fiscal shortfalls have only been exacerbated. The New York Times recently reported that “21 per cent of local health departments reported reductions

in budgets for the 2017 fiscal year.” Trump also closed the White House pandemic office, a directorate established by Obama after the 2014 Ebola outbreak to ensure a rapid and well-coordinated national response to new epidemics”. In the same article, he exposed how the privatization of health and profit-oriented research created obstacles in vaccine development. “Then there is big pharma. Big pharma does little research and development of new antibiotics and antivirals. Of the 18 largest US pharmaceutical companies, 15 have totally abandoned the field. Heart medicines, addictive tranquilizers and treatments for male impotence are profit leaders, not the defences against hospital infections, emergent diseases and traditional tropical killers. A universal vaccine for influenza—that is to say, a vaccine that targets the immutable parts of the virus’s surface proteins—has been a possibility for decades, but never deemed profitable enough to be a priority”.



It is not just the health sector that is in tatters but every sector in America is in a state of disintegration. American infrastructure is in a state of disarray with ageing roads, bridges, trains, airports and dams. Most of US’ major infrastructure projects were built in the 1960s. Since then the population has more than doubled. American Society of Civil Engineers estimates it requires more than \$2 trillion to upgrade the degenerating and ageing infrastructure.

With the deepening crisis of capitalism, the “American dream” has turned into a nightmare. Chronic unemployment has become a permanent phenomenon. In the absence of a mass based radical left wing alternative the right wing neo-fascists elements i.e. Donald Trump and Co. are scapegoating the migrants and Muslims for the unemployment in the country. The rise of Trump itself signifies the end of old normality when the ruling classes used to run the country with traditional methods at a time when the economy was still functioning and taking the society forward. Trump represents an America tobogganing into a quagmire of socio-economic crisis. His whole personality is the incarnation of a doomed system which if not replaced by socialist alternative will wipe out the whole human civilization.

On the international arena too, the organic crisis of American capitalism has compelled the US imperialists to pull out of Iraq and Afghanistan after a humiliating defeat. The rulers in Washington can’t afford further military engagement given the dire conditions of the economy. Despite all the belligerences of Donald Trump, they can’t go to a conventional war with Iran. A war with Iran will ignite such a chain reaction of events which will drown everyone.

The eruption of a mass movement against racism in America which immediately spread like wildfire around the world is of utmost importance. Mass protests were held in all major European countries. One of the key features of these protests were tearing down of statues of all those who were either slave traders or white supremacists or proponents of racism. Racism is one of the cornerstones of capitalist colonization of the Americas, Africa, Australia and Asia. The toppling of racist symbols is a manifestation of a high level of mass consciousness challenging the very foundations of a socio-economic system.

Before the Corona pandemic, a mass resentment was brewing in Europe against the austerity regimes. France was engulfed in more than a year of Yellow Vests movement against the neo-liberal recipes of Emmanuel Macron. Protests and strikes were order of the day but the pandemic

temporarily halted the movement, much to the delight of Macron. As the COVID restrictions are being eased the masses are again raising their heads. This time it will be more robust and forceful. Eurozone is already reeling from the sovereign debt crisis. EU and ECB together with IMF bailed out Greece in return for harshest austerity measures but pandemic wiped out the “gains” of the last few years which had brought meagre stability in the country. The measures being taken in the wake of Corona pandemic by the governments to keep afloat the economy can have adverse effects. Deutsche Bank economist Peter Hooper elaborated, “Massive fiscal and monetary policy stimulus” that came together to prop up the economy has caused debt to balloon and stocks to become potentially overvalued, posing “the serious risk of a looming global financial crisis as central banks begin to shift away from easy (monetary) policy at some point in the years to come”.

The Chinese economy also suffered a sharp contraction of 6.8 per cent in the first quarter due to the Corona pandemic. However, due to the universal health care and the increased role of the Chinese state in the economy they quickly contained the pandemic way better than the US and other stalwarts of open-market economies. The economy quickly bounced back in the second quarter with 3.2 per cent of growth. Despite this apparently optimistic outlook, the Chinese government in May 2020 announced that they would set no growth target for the year 2020 due to “the Covid-19 pandemic and the world economic and trade environment.” It is a very significant announcement. China is now more connected with world economy than it used to be before 1978, that’s why the reference to “world economic and trade environment” means that Beijing is feeling the effects of the world recession and the tariff war with US. The rise of China as the world’s second largest economy has ushered in its increased geopolitical clout bringing it in conflict with US imperialism around the world. The trade war with China is essentially aimed at containing the Chinese influence by Washington but this war will have dangerous repercussions for the world economy as China is no more Mao’s isolated and “self-sufficient” economy.

The large state sector of Chinese economy has enabled the Communist party to keep its social basis intact and forestall any social explosion. In 2019, 63 per cent of jobs were created by its public sector. According to IMF’s estimates China has a public capital stock of 160 per cent of its GDP which allows it to play a dominant role in the economy. However it is rapidly dwindling. China has an official unemployment rate of 5.5 per cent but many doubt its authenticity and put the figure at 15-17 per cent. How long will Chinese bureaucracy forestall a mass upheaval through state intervention in the economy given the dire situation of global economy and bleak prospects of a meaningful recovery remains to be seen, but this contradiction can’t last long. A recession in Chinese economy will have gigantic social repercussions given the huge size of Chinese proletariat.

*“Last year, the Middle East saw the largest ever mass movements since the Arab spring of 2011. The masses in Iraq were fed up of the unemployment, shortage of basic necessities, rampant corruption and the systematic sectarianism of government installed by US imperialism after the invasion of the country in 2003. The US invasion destroyed the country’s infrastructure and turned the country into a hotbed of all kinds of sectarian and fundamentalist outfits. There was also a massive resentment against the Iranian meddling in the country. The Iranian sponsored Shia militias were actually hand in hand with the Iraqi government in crushing and suppressing the mass protests. The colossal movement toppled the government but the new government is simply a continuation of the old one and misery continues for the masses.”*

The theocratic oppressive Iranian regime was rocked by massive protests in November last year triggered by a surge in the price of gasoline. Protests broke out in all major Iranian cities with people demanding the fall of the mullah regime. The Iranian mullahs are feeling the brunt of global fall in oil prices. Added to this dilemma are the harsh US sanctions on the regime which has made any business transaction with other countries virtually impossible. The oppressive state machinery used the most appalling methods, which they have excelled over the years, to crush the movement.

According to some estimates, 1500 people were killed during these protests. The assassination of Iranian general Qasem Soleimani and the warmongering with the USA temporarily put a brake on the movement. The subsequent Corona lockdown further strangled it but the dire situation of the Iranian economy and the devastation caused by Covid-19 can once again ignite a mass upheaval.

In the same way Lebanon has been in the throes of massive protest movements for the last one year. The country is mired in a complex proxy war of regional states with Iran being a major player. A disintegrating infrastructure and massive unemployment with price hikes have added insults to injury. After the gigantic protest, the government of Saad Hariri resigned in October 2019. Despite this, the movement continued demanding a total transformation of the system. Recently a catastrophic blast apparently caused by ammonium nitrate stored at Beirut's port caused widespread resentment against the government. The subsequent protests toppled a second government in a span of less than a year.

The whole Middle East is in turmoil. The imperialist intervention and the proxy wars of regional powerhouses in Tehran, Riyadh, Ankara etc... have devastated the countries like Syria, Iraq and Yemen. But the recent movements in Iran, Iraq and Lebanon have proved beyond any doubt that mass movements transcend the artificial borders. Only a revolutionary movement of the poor masses spanning the whole region can bring peace and stability by overthrowing the rotten capitalist states in the region.

*"South Asia's biggest economy, India, is in deep recession in the wake of COVID lockdown. In the first quarter from April to June, the economy shrank by a staggering 24 per cent. Even before Corona pandemic, the economy had slowed down to 4 per cent of annual growth from earlier years' 8 per cent when the Indian rulers used to call it a "shining India". Unemployment is at the highest level in the last 40 years."*

In the last seven years of its rule, the Hindu fundamentalist BJP has completely failed to deliver on its promises of Vikas (development). Its social base is rapidly dwindling. Same is true for Indian National Congress too, with its slogan of secularism being an empty oratory devoid of any material development for the masses. The various brands of left parties have also failed in bringing any real socioeconomic change rather they have opted for the same mantra of secularism and democracy within the confines of capitalism. The rise of Narendra Modi's neo-fascist BJP is actually the failure of all such secular and "leftist" parties.

The Indian bourgeoisie has finally opted for BJP as their new traditional party because in the current crisis of global capitalism society can't be run through age old methods. It is actually the manifestation of the frustration of Indian ruling classes in face of rising poverty, inequality and misery of the masses and the fact that their system is historically obsolete. The incidents of mob lynching of Muslims and lower caste Hindus have rapidly increased in the past few years. The Indian rulers are consciously promoting Hindu Muslim divide to keep their system intact. The new citizenship laws i.e. NRC & CAA is a deliberate provocation to incite religious violence. Despite this, the masses fought back against this discriminatory law and protests erupted all across India with Hindus and Muslim jointly agitating and rejecting BJP's divisive politics. The student movement that erupted in JNU last year in Delhi coincided with the anti CAA movement that inspired the whole Indian subcontinent transcending the Radcliff Line with students and left wing activists in Pakistan showing solidarity with their comrades in India.

Moreover, the massive Indian working class has been going on general strikes every year against Modi's neo-liberal economic recipes.

The Pakistani ruling classes are no different from their Indian brethren. The Pakistani state is in the

deepest crisis of its history. For the first time, the economy has recorded a negative growth in the last quarter. This economic crisis is being reflected in the squabbling of different factions of the ruling classes and state institutions. The masses are reeling from the draconian neo-liberal policies of Imran Khan's government. All the political parties on the horizon have been discredited in the eyes of the masses. So fragile is the state of society that any incident can prove to be the starting point of a social explosion.



The whole world is in the throes of deepest crisis of capitalism in its entire history. The world had hardly "recovered" from the devastations of 2008 crash when another one hit them, far deeper and catastrophic in its scale. The system is not only playing havoc with the lives of millions of people, it has also endangered all the achievements of mankind over thousands of years. The mad race for profits is destroying the ecosystem triggering devastating climatic changes. Covid-19 is actually the result of capitalistic model of development for profit, tarnishing nature by deforestation, unchecked carbon emission and calamitous industrial waste. Only the overthrow of capitalism can put an end to this madness. It is the task of Marxists around the world to increase their numerical strength, to develop a clear perspective regarding the overthrow of global capitalism and fight for a socialist alternative. In the last decade, numerous mass movements erupted in many parts of the world from Americas to Europe, the Middle East and Asia. Unfortunately due to a lack of Marxist leadership, those movements dissipated and capitalism remained intact. A socialist victory in any major country can unleash the floodgates of revolutions around the world, thus putting socialism on the order of the day.

*Hassan Jan*

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• Asian Marxist Review. October 5, 2020:

<http://www.marxistreview.asia/a-world-in-turmoil-socialism-the-only-way-out/>