

COVID-19 Puts Capitalism on a Ventilator. No More Bank and Corporate Bailouts!

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Global Research, March 27, 2020

Theme: [Global Economy](#), [Science and Medicine](#)

U.N. chief Antonio Guterres warned that a [global recession](#), “perhaps of record dimensions”, was a near certainty...“We are in an unprecedented situation and the normal rules no longer apply.”

The aftershock of previous pandemics was catastrophic. The fourteenth century [Black Plague](#) and the 1918 Flu pandemics inflicted colossal hardships and caused many deaths. The Black Plague shook the foundations of feudal social relations. It killed 25 to 30 million people, resulting in peasant uprisings, shortages that caused wages to rise, and large parcels of land to go fallow. Scientists believe the [1918 Flu](#) could have come to Spain from the United States and spread to other parts of the world killing 20 to 50 million people, more than the 17 million who died in WW1. Even though it was common knowledge that the flu was already in Philadelphia, the authorities went ahead anyway with a parade to raise funds for the war causing many unnecessary deaths—at the time the economics of the war took priority over stopping the spread of the flu. Similarly, today there are competing views about whether fixing the economy should take precedence over addressing the ravages of COVID-19.

[COVID-19](#) originated through natural processes. On 31 December 2019, Chinese authorities alerted the World Health Organization (WHO) of an outbreak. It has since become a pandemic. As it navigates its way across the planet, COVID-19 is expected to leave no less of a calamitous trail of suffering, death, and economic devastation. Globally, so far over 435,000 have been afflicted by the virus and over 19, 000 have died. The economic repercussions could result in “[perhaps record dimensions](#)” . The stock market has dropped over 30 percent, and whole industries such as airlines, tourism, and travel have been negatively impacted.

Globally and in the United States COVID-19 spotlights capitalism’s dim response to cope with it. Many countries are using revolting health care systems. Not surprisingly, the U.S. healthcare system, which is inadequate under normal circumstances, is woefully insufficient and unpracticed. It is based on crisis management principles therefore it is devoid of advanced planning; this is evidenced by shortages of basic supplies like masks, testing kits, and ventilators. The delayed response, which is tantamount to a crime, is being coordinated by a [President](#) who is doltish, in denial, and who initially claimed the virus was a hoax and a Vice President who is an [anti-science creationist](#). To be clear, the Democrats are equally responsible for this chaos.

Should the virus be contained within a reasonable short time, the economy will struggle with an easier recovery process. The longer it takes to suppress the virus, the effectiveness of the delayed response could be eclipsed by unnecessary misery, deaths and an existential

economic meltdown. There are already calls once again for another bailout of corporate America and the banks. Again, it will fall on the backs of working people to save the system from itself.

Who we are, our individuality, is not separate from what and how we as a species produce things, as we interact with nature. COVID-19, like climate change, is a natural outgrowth of the profiteering activities of Anthropocentric Industrial Capitalism (AIC), which is an existential threat to humanity. If we continue to pillage the earth for profits, we will, in part, trespass deeper into the habitats of other species increasing the frequency of closer contact with them, creating the possibility for other novel coronaviruses. This should come as no surprise, since in the recent past the earth's ecosystem has responded to abuse with AIDS, Avian flu, SARS, MERS, and Zika. It is time to start asking hard questions like: Is capitalism capable of addressing the problems it produces? How many times should a system that time and again fails to deliver be bailed out? And what's the next coronavirus?

In the absence of an advanced plan, the only response is containment, mitigation, and testing for the virus. To be clear, this is not a discussion about containment, mitigation, and testing per se which is a true and tested approach. Until a vaccine is found, there will be testing for the virus and those who have the virus will be targeted and contained. To mitigate the spread of the virus people are being told to stay at home, regularly wash their hands, stop shaking hands, and engage in "social-distancing". Meanwhile, developing a vaccine could take another year.

It is true that qualitative external shocks like COVID-19, tsunamis or wars can throw the economy out of kilter. But more importantly it is also true that crises are part of the internal logic of capitalism. Just before COVID-19 hit, as recent as December 2019, the economy was already showing [signs of weakness](#). Its very existence depends on the generation of profits, while at the same time it produces misery, inequality, unemployment, inflation, alienation, stress, recessions, and systemic crises. A commodity like a health care service is virulent with these contradictions and tension. Many who work in the healthcare system are underinsured, or have no health care benefits. COVID-19 is the trigger that exposes systemic weaknesses and exacerbates this current crisis.

Similar measures were taken in response to previous pandemics. Those who had the plague were contained and walled off from entering other villages. Alarmingly, almost seven centuries later, in the age of high-tech communications, the same tools are being used to match those who get the virus with a limited number of available hospital beds. While the authorities can quickly find trillions of dollars to bailout corporations and banks, you are told that a planned robust universal health care system that anticipates pandemics is too expensive.

Then there is the containment and mitigation of the virus while allowing the economy to unravel, hopefully for a short period. The longer the unravelling the deeper will be the economic carnage and the longer will be the recovery. If you and everyone else stop dining out, your neighborhood restaurant will have no customers and will go bankrupt. After which wholesalers that supply your local restaurants will follow. This will cause unemployment to rise. If the ripple effect mutates the whole economy could be put on a ventilator. [Global debt](#) is about \$188T, of which corporate debt is about \$16T. Because their reserve cash is generally enough to keep them afloat for [12 days](#), small businesses will be the first to go under—small businesses are the canary in the coal mine.

The modern-day Robber Barons of industry and Wall Street, along with the government are frantically designing a ventilator to distribute taxpayer's money to all organs of the economy-domestic and foreign banks and corporations and consumers. The corporate media is firing on all cylinders hoping to convince you to support the efforts of the "job creators". While the Congress is preparing a stream of trillion dollar bailout programs, last Friday the Federal Reserve Bank handed the banks a [massive \\$1T handout](#) at zero interest rate.

But the optics of bailing out only corporations and banks might raise eyebrows this time. As a result, they are also saying that working people must receive help. While this is true, the hidden motive is that they know that workers do not have any money to spend in order to reset the system. Over forty percent of the US population has less than [\\$400 in savings](#). Seventy percent of every dollar spent in the US is spent by consumers.

Any bailout in the form and magnitude of the 2008 crisis bailout handed to banks and Wall Street, could trigger widespread anger in this country. This justifiable anger could find a productive outlet in the form of a transition plan with firm conditions in the interest of the many hard-working wealth creators and the planet, rather than 2,000 multibillionaires, Wall Street and corporations. With this in mind there should be no more bank and corporate bailouts. When workers are required to buy health insurance, corporations in the airlines, hospitality, or any other industry should be required to do the same before they make risky investment decisions. They should no longer expect working people to bail them out. This is socialism for the rich and capitalism for the rest of us.

Working people should advocate for an alternative transition plan whose main goal is to restructure key industries such as healthcare, education, food, housing, and transportation. This plan would be under the control of working people and a restructured government. In order for businesses to qualify for phase one of this plan, they must have a history of: being friendly to unions; paying a livable wage with full benefits packages including childcare; and complying with environmental requirements. In addition, businesses must agree to regular monitoring of how the loan money is being used; must not have previously received any bailout money; and must commit to a timeline to transition to worker control of these enterprises. These conditions would be subjected to periodic review by a worker's committee. The plan would be funded by a rollback of the \$1.5T recent tax cut to the rich and a special bailout progressive tax on billionaires. Businesses that are a part of other than key industries, would be encouraged to seek financial assistance through the banks.

During the second phase of the transition plan, a Department For Environmental Research and Climate Change will be established and funded by a retroactive tax on corporations who profited from the destruction of the environment; a worker's political party will be established; there will be free access to healthcare, education, vacant land/property/housing including utilities, food, and public transportation; a progressive tax on all income and wealth over \$1 million; all student debt will be cancelled; religious establishments will be taxed; inheritance laws, unproductive industries like advertisement, and rent will be abolished; banking and media will be nationalized/centralized; political prisoners and those who have been criminalized because they are poor will be freed; the military, which includes the police and the judiciary will be downsized; and a jobs bill for all working age adults will be enacted.

Time and again billionaires, bankers and corporate executives have received

unconditional bailouts. While they will benefit, working people are always those who are asked to finance these bailouts. If you are unemployed or in an insecure job with little or no benefits, have unpayable student debt or cannot afford to pay for an education, trapped in unsustainable housing conditions, another unconditional bailout will not improve your quality of life. The level of [inequality in the US](#) is at dizzying heights and getting worse. The richest three people in the US have more wealth than the bottom 50 percent. Without fundamental changes, more bailouts will be necessary because economic crises are intrinsic to capitalism. This crisis precipitated by COVID-19 represents a great opportunity for transforming a chaotic system that has proven it is unable to deliver. The transition plan outlined in this essay might be a good place to start that transformation.

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