## **‘Conventional capitalism is dying’: COVID-19, recession and the return of the state**[[1]](#footnote-1)

**by Jordan Humphreys**

Neoliberalism is in disarray. The already unstable world economy is being pushed towards a severe recession, if not depression, by the outbreak of COVID-19. This has unleashed a historic crisis in the capitalist system which has shaken established dogmas. Governments that previously upheld the free market as the solution to all social ills are now implementing huge levels of state intervention into the economy. This is not a repeat of the response to the 2008 financial crash, when state intervention to save the banks was a brief interlude before a doubling down on neoliberal orthodoxy. Rather, high levels of state intervention will continue to be needed in the face of the emerging world recession and increased imperial rivalry. The state isn’t going to retreat back into its corner once the initial shock has stabilised. As the economic historian Adam Tooze has put it, “the normal economy is never coming back”.[[2]](#footnote-2)

The historic period of neoliberalism is at an end. This doesn’t mean a simple return to the economic nationalist – let alone the outright autarkic – economic arrangements of last century. There are certain structural features of modern capitalism that set limits on how far things can shift. So exactly how deep these changes will be is still an open question in this early stage of the crisis. What is clear though is that we are entering into a new historic period of capitalism.

### Previous shifts in the capitalist system

History moves in contradictions. The skeleton of historic existence, the economic structure of society, also develops in contradictions. Forms eternally follow forms. Everything has only a passing being… Present-day society, while developing productive forces to a gigantic degree, while powerfully conquering ever new realms, while subjugating nature to man’s domination on an unprecedented scale, begins to choke in the capitalist grip. Contradictions inherent in the very essence of capitalism, and appearing in an embryonic state at the beginning of its development, have grown, have widened their scope with every stage of capitalism.

– Nikolai Bukharin, *Imperialism and World Economy*[[3]](#footnote-3)

Most readers of this journal will have only ever experienced the current era of neoliberal capitalism. It can appear then that specific features of this period are eternal aspects of the system. However, while the fundamentals of capitalism – class division, exploitation, capital accumulation, among others – have been constants, the system has gone through many different stages of development. As Marx and Engels argued in the *Communist Manifesto*: “the bourgeoisie cannot exist without constantly revolutionising the instruments of production, and thereby the relations of production, and with them the whole relations of society”.[[4]](#footnote-4) Coupled with this general tendency is the experience of dramatic economic, political and social crises which have repeatedly forced the capitalist system to restructure itself in order to meet new challenges. Three overriding goals shape this adaptation process: the maximising of profits in any given situation, the ability of individual capitalist states to protect their geopolitical interests, and most fundamentally, the protection of capitalist control over the means of production. A look at previous transformations in the system can help guide us in understanding the current crisis.

Early capitalism was defined by mercantilism, an economic system focused on exports and characterised by relatively low levels of industrialisation and commercial finance. In the late eighteenth century this gave way to the beginnings of imperialism. This era was epitomised by the emergence of new industrial nations such as Germany, the United States and Japan. The dominant themes of this era were rapid growth of international trade – world trade grew ninefold between 1870 and 1913 – and rising conflict between the established imperial powers Britain, France, Russia and Austria-Hungary, and their emerging rivals, the US, Germany and Japan. At the same time, the colonial division of the world led to the retrogression of once mighty empires in China, India and the Islamic empire based in Turkey.

Imperialist competition gave rise to World War I which exposed the weaknesses of old regimes and economies. In the fires of war, tsarist Russia, Austria-Hungary and the Ottoman empire collapsed, and world trade contracted. Afterwards the US, France and Britain strove to reshape the world order in their interests while fighting among themselves over who would be the hegemon. Amplifying the sense of chaos was the growing political turmoil that had been unleashed in the wake of the war and the revolution in Russia:

In the years that followed World War I the red hand of sedition was sighted from Boston to Berlin, from New Zealand to New York… With variations it can be repeated across much of the world in the aftermath of World War I – a sense of a world coming apart, fantasies of conspiratorial communist influence, a pressing state of economic crisis, a wave of strikes and industrial conflict, fuelling drastic rhetorics of class conflict and violence on both sides.[[5]](#footnote-5)

The 1920s was a period of contradiction and transition, as Adam Tooze shows in his fascinating study, *The Deluge: The Great War, America and the Remaking of the Global Order, 1916-1931.*[[6]](#footnote-6)After the recession of 1920-21 and the crisis of 1923 there was a period of economic recovery and relative political stabilisation. Some nations, like Australia, were able to use overseas borrowing to finance renewed economic development.[[7]](#footnote-7) However geopolitical and economic divisions, which had remained unresolved after the end of World War I, continued to undermine any hope of lasting peace. The United States pursued its demands for an “open door” policy with other nations, in which American capital and goods would be able to flow freely but major nations would retain their territorial integrity, in contrast with the colonial system of the European powers. France and Britain adapted to the desires of the United States while pursuing their own agendas, but a number of nation-states started to resist the US agenda. In 1928 the future fascist dictator Adolf Hitler outlined his views onthe growing threat that the United States posed to the European powers:

With the American Union, a new power of such dimensions has come into being that threatens to upset the whole former power and orders of rank of the States… the American Union is emerging in all fields as the sharpest competitor to all European nations fighting as export nations for the world’s markets. The size and the wealth of her domestic market permits production figures and thereby production equipment which so reduce manufacturing costs that, despite enormous wages, it no longer seems possible to undercut her prices.[[8]](#footnote-8)

From this he concluded that Europe should unite against both the USSR and America – under the leadership and domination of Germany. For a period Japan tried to straddle the contradiction between its own growing imperial ambitions in Asia and the increasing power of the United States. The growing tensions over China though made this increasingly untenable. As the 1920s drew to a close strong trends towards state invention and economic nationalism emerged in response to these shifting dynamics of world power and the slowing of the global economy.

The onset of the Great Depression massively strengthened these trends and produced a series of warring protectionist trade blocs focused on state-led development. While international trade had risen rapidly in the decades before the outbreak of World War I, the dislocation and disruptions associated with the two world wars and the Great Depression saw international economic integration slow dramatically. As Martin Upchurch explains, “between 1913 and 1950, world trade grew at only half the pace of world output of goods and services”,[[9]](#footnote-9) while capital flows between the major economies, which had risen for thirty years before World War I, dropped from 6 percent of GDP to less than 2 percent until the mid-1930s.[[10]](#footnote-10) This meant that a growing proportion of economic output was produced and consumed within national borders. The most extreme forms of state intervention were found in Nazi Germany and the USSR, while in the US, the tendency was much weaker, but there was a general trend in this direction over this period. This focus on economic nationalism and state capitalist management techniques was designed to protect the interests of particular nation-states rather than restart the world economy. It was only the destruction of capital produced by the Second World War that managed to bring the global system out of stagnation.

In the aftermath of the war, the world system was polarised between the state capitalist Eastern Bloc and the US-led liberal democratic order. In the West post-war reconstruction and a long economic boom underpinned by a permanent arms economy created a new period, sometimes misleadingly called the Keynesian era. This was a time of high employment, the expansion of welfare provisions and the dominance of powerful state-based corporations. The role of the state was central to economic development, not just in the Stalinist East, but in the West as well. As the Marxist economist Mike Kidron put it at the time:

There is no denying that state intervention and assistance have done much to change the face of Western capitalism since war. They have resulted in large modernized public sectors, covering energy, transport, communications and finance, which lie at the foundation of planning in most countries. They have also affected the structure of the private sector.[[11]](#footnote-11)

This situation was then slowly disrupted by the rise of multinational corporations and a new wave of global trade – which began before the neoliberal era proper.

Four essential points are worth drawing out here. Firstly, changes in the capitalist system have never been motivated purely by the narrow economic needs of the ruling class. They also reflect the need to manage and defeat organised labour. The changes in capitalism during the interwar period occurred not simply due to the chaos produced by war and the Great Depression, but also in reaction to the Russian revolution and the wave of revolutions that followed. Nazism, the New Deal and Stalinism were different methods of dealing with a common problem of revolutionary threats to the capitalist system. Similarly, the expansion of the post-war welfare state was driven not simply by the narrow economic needs of capital but also the desire to tame a working class hungry for revenge after four decades of savage inequality. The neoliberal offensive of the 1970s and 1980s was motivated by a desire to break the power of the unions, as well as to restore profitability. In general, any holistic understanding of economics is impossible without an integrated understanding of both politics and economics.

Secondly, inter-imperialist competition between blocs of capital is a key factor shaping changes in the capitalist system. It often took the shocks produced by war to create the conditions in which major changes to the structures of capitalism could take place. It is difficult to imagine the state intervention of the inter-war or post-war period without the growing tensions within the imperialist system driving different blocs of capital to rely on more direct state intervention. Often competing economic systems were set up to support the imperialist goals of particular state-based blocs of capital. Hence the protectionist economic blocs in Europe during the inter-war years were constructed to push against the “open door” system of the US. The extreme circumstances of war also suspend the normal operations of society, opening the space for economic and political changes that would seem too disruptive otherwise.

Thirdly, not all shifts in the system are of equal depth. The emergence of imperialism in the early twentieth century was of epochal significance. It continues to shape capitalism to this day, albeit in new forms, in new arenas, and with new players. Every shift combines features of the previous period with old or marginal features in a new combination.[[12]](#footnote-12)

Finally, none of these shifts happen in a conscious and coordinated manner, and nor is the significance of them necessarily recognised until years after they take place. Each transition has unfolded in fits and starts, with a range of new ideas produced to justify the changes. Such transitions tend to produce ideological crises, on the left as well as the right. Again and again they have led some to argue that capitalism has undergone a fundamental transformation which renders the core tenets of Marxism obsolete. In the period of classical imperialism, Karl Kautsky came to believe that a new system of ultra-imperialism had begun, in which competition between nation states would end and be replaced by a world government.[[13]](#footnote-13) Increased state intervention from the 1930s onwards led some theorists, such as the former Trotskyists James Burnham and Bruno Rizzi,[[14]](#footnote-14) to believe a new system of bureaucratic managerialism had arisen, in which new bureaucracies had displaced the bourgeoisie and taken total control over society. In the aftermath of neoliberalism, autonomist theorists Antoni Negri and Michael Hardt, echoing the arguments of pro-capitalist ideologues, argued that globalisation was eliminating the industrial working class and bringing an end to competition between nation-states.[[15]](#footnote-15)

So we must be careful in drawing premature conclusions about a situation that is still two months old. However, by placing the current crisis in the context of the longer term tendencies breaking apart neoliberalism, it will become clearer that we are entering into a new period.

### The neoliberal era

Before we look at the processes undermining neoliberalism we have to define what neoliberalism is. I follow Neil Davidson in arguing that neoliberalism is best understood as a period in the history of capitalism.[[16]](#footnote-16) It can not simply be reduced to a particularly ideological world view or set of policies. Rather it combined together a series of different elements:

1. Substantial growth in the internationalisation of finance, trade and production.

2. The rise of multinational corporations.

3. The increased role of the service sector and white collar work in the advanced capitalist countries.

4. A decisive shift towards privatisation and away from the state-owned sectors of industry.

5. An assault upon the working class and its organisations.

6. An ideological shift towards free market neoliberal individualist ideology.

7. The decline and then collapse of most of the Stalinist state capitalist regimes.

Some of these elements (such as the rise of multinational corporations or the growing role of the service sector and white collar work[[17]](#footnote-17)) were in fact longer term processes that started well before the neoliberal period proper. Similarly trends towards the internationalisation of the economy also started before the 1970s, as Chris Harman has explained:

The patterns of economic activity that characterised the period of state capitalism began to change during the great boom of the 1950s and 1960s. The state capitals increasingly traded with each other – and as they did so the basis was laid for a new internationalisation of production.[[18]](#footnote-18)

Neoliberal ideology, while pushed to the margins by the mainstream academic embrace of a soft Keynesianism, was similarly not entirely new. Throughout the long boom era there were still sections of the capitalist class and the conservative right who clung to the mythology of the free market and campaigned to roll back state control over the economy.

What was distinct about the neoliberal period was how the growing internationalisation of the world economy, the move towards privatisations, the embrace of neoliberal ideology and the crisis of the Stalinist state capitalist economies came together. This was underpinned by vicious assaults on workers and their organisations that profoundly weakened their capacity to resist future developments. The combination of these factors produced a new historical period in the development of modern capitalism.

We also have to distinguish between the ideology and reality of the neoliberal period. Despite the popular consensus in the academy and on the broad left, the state never withdrew from the economy. It played an essential role in constructing and then reinforcing the norms and regulatory frameworks for bosses to exploit workers and reorganise production lines regionally and then globally. In fact, the state intervened more often in the neoliberal era than it did during the similar period of expanding world markets from 1870 to 1913.[[19]](#footnote-19)

As mentioned in the previous section, not all shifts under capitalism are of equal significance. So while neoliberalism did represent a shift in the balance of the relationship between the state and capital, it was not such a fundamental transformation as to undo the basic framework set up during the imperialist stage. The Bolshevik theorist Nikolai Bukharin summed up the two main processes of the imperialist epoch which continue to shape the system to this day: the internationalisation and the nationalisation of capital.[[20]](#footnote-20) He theorised these not as two independent and mutually exclusive processes, but rather as caught up in a dynamic and interrelated relationship. The massive expansion of the global economy had not made the nation-state less important. Instead enormous amounts of capital had become centralised in particular national blocs while simultaneously expanding the international connections between those blocs of capital to a substantial degree.

As Chris Harman, one of the most critical commentators on the neoliberal period, pointed out:

We are not faced with a reversion of the system to the free market capitalism that came to an end more than a century ago. Rather we face a system that attempts to deal with its problems by restructuring on an international scale of the units of the system that emerged in the course of the 20th century – units that Marxists called “monopoly capitalisms”, “state monopoly capitalisms”, or “state capitalisms”. States continue to play a central role in trying to facilitate or regulate this, even if the internationalisation of production makes this much more difficult than in the immediate post-war decades.[[21]](#footnote-21)

This was confirmed whenever crises hit the neoliberal system. The state continued to intervene to prop up the neoliberal order, most dramatically with the enormous bailout of the banking sector by the US government after the Global Financial Crisis (GFC) of 2007-8. For the capitalist class the goal of neoliberal policies was not to abolish the nation state, but to try and restore profitability, and thereby prevent the onset of endless crises, political radicalisation and devastating international wars that was seen in the early twentieth century.

It seemed to work. Yes, there were a series of recessions, debt crises in the developing world and busted booms such as the Dot-Com crash and the 1997 East Asia crisis. However the kind of long term economic collapse seen during the Great Depression was avoided. Despite their best efforts, there was resistance. The French strikes of the 1990s, the fall of apartheid in South Africa and the South Korean workers’ movement stand out in particular. However despite the brief promise of the anti-capitalist movement of the late 90s, none of these points of contestation developed into an international wave of sustained struggle. Military tensions continued between the West and the USSR until 1990, and then afterwards in a series of sporadic imperialist interventions into the Balkans and elsewhere. But none of these led to devastation in the heartlands of world capitalism. Capitalism was more unstable than it had been during the long boom era, and the mainstream political parties had started to fray at the edges, but the centre had held together.

Then slowly but surely it all started to come undone. The weaknesses of American military dominance were exposed in the botched invasions of Afghanistan and Iraq, while China emerged as a major economic and political rival. Meanwhile the GFC exposed the fragility of the international global economy, and the Eurozone crisis threatened to explode the project of European integration.

### The roots of the current crisis

For many decades, we’ve enriched foreign industry at the expense of American industry; subsidized the armies of other countries while allowing for the very sad depletion of our military; we’ve defended other nation’s borders while refusing to defend our own; and spent trillions of dollars overseas while America’s infrastructure has fallen into disrepair and decay. We’ve made other countries rich while the wealth, strength, and confidence of our country has disappeared over the horizon. One by one, the factories shuttered and left our shores, with not even a thought about the millions upon millions of American workers left behind.

– Donald Trump[[22]](#footnote-22)

In the first section I identified a number of factors shaping past transformations in the capitalist system: economic stagnation and crisis, inter-imperialist competition and war, political polarisation and rupture, working class discontent and resistance, as well as the uneven and messy nature of periods of transition. Now I look at how those factors re-emerged in the wake of the GFC.

In both 2008 and 2016 the spectre of a crisis in globalisation and a turn towards state interventionism had been raised. Talk of “a return to Keynes” in the initial aftermath of the GFC though was dramatically overstated.[[23]](#footnote-23) The initial crisis was “met with a mobilization of state action without precedent in the history of capitalism”[[24]](#footnote-24) involving trillions of dollars in bailouts and the nationalisation of some major banks. Once the freefall was over though, capitalist governments settled on a combination of quantitative easing to contain the crisis and savage austerity measures to make the workers of the world pay for the problems of the system. As Rick Kuhn explained, “underpinning the reversion to neo-liberal policies is the reality that capitalism depends on profits extracted from workers and that squeezing more out of workers is crucial to restoring the profit rates upon which capitalist growth depends”.[[25]](#footnote-25)

However, by 2016 this strategy was starting to reach its limits. The legitimacy of the neoliberal project continued to decline even after the height of the financial crisis was over. There were varied expressions of this, each with their own political dynamics. On the left side of politics we saw the mass protests and general strikes against austerity in Europe, the 15-M movement in Spain and the occupation of the squares in Greece, Occupy Wall Street in the US and most of all the heroic uprisings in North Africa and the Middle East. As these movements were either defeated, exhausted or co-opted, it became clear that the far right was going to gain the most out of the political fallout from the GFC. This expressed itself both in the strengthening of far right parties and the radicalisation of the mainstream right.

The rise of populist far right parties and movements made it politically difficult for the mainstream centre parties to continue as normal. On one level, these kinds of politics were not alien to the neoliberal era. Across much of the advanced capitalist world they had survived and in some cases thrived on the right wing fringes of the mainstream conservative parties, and on occasion wormed their way into power. However the fallout of the GFC strengthened their rise dramatically. The roots of the reborn American right lay in the reaction to the bank bailouts of 2008 and 09. During the debates over the bailouts the “Bush administration lost the backing of much of the congressional Republican party”. Bush was forced to rely upon the Democrats in Congress and the Senate to pass the bailout packages when the ultra-right wing section of his party revolted against him. This “crisis snapped the fragile bond between the GOP’s managerial, big-business elite and its right wing mass base”, laying the basis first for the Tea Party “movement” under Obama and then more dramatically the rise of Trump.[[26]](#footnote-26)

The rise of the renewed far right reflected to some extent the widespread feeling that the “recovery” after 2010 had seen the entrenchment of extreme inequality despite a rebound in the stock market. It strove to associate this inequality with the liberal cosmopolitan free market elite. Against them the far right articulated an increasingly nativist, economic protectionist alternative that would bring back industry to the US and the UK. The weakness of the liberal centre in responding to this challenge was dramatically confirmed in Trump’s victory over Clinton and the outcome of the Brexit vote. The transformation of the Republican party in the US showed how much the centre of political debate had shifted. In 2009 57 percent of Republican and Republican leaning voters said free trade deals were good for America, by 2016 this had collapsed to 24 percent.[[27]](#footnote-27)

2016 reflected the confused and contradictory nature of the situation. Trump had won the White House and Brexit had triumphed against the wishes of almost the entire Western capitalist class. It seemed like the perfect storm had arrived and globalisation might be finished…and then it all seemed to peter out. Steve Bannon was dumped from the White House, while Trump moderated most of his more extreme protectionist policies. His much trumpeted trade war with China enjoyed bipartisan support but was less dramatic than first envisioned. Tariffs on Chinese trade did rise from 3 percent to 35-50 percent within 12 months, cutting Chinese imports to the US by tens of billions of dollars. However by 2019 Trump had started to wind back the trade war. This led to leading senior Democrats, including Bernie Sanders, to attack him for taking such mild action against Chinese industry. In the UK Brexit looked like it could be overturned, or at least, was just another free market fantasy in which a return to national sovereignty was more bombast than serious economic policy. While trade deals suffered, and governments pursued nation-based fossil fuel projects for “energy security”, serious state intervention in the Western world returned to the familiar corruption of public-private partnerships and electoral pork-barrelling. The spectre of protectionism appeared to be more or less contained, and the shifts it had produced were not so dramatic as to cause serious splits in the ruling classes.

This pushback against the anti-globalisation moment of 2016 reflected the strong counter-tendencies within the system against protectionism. The capitalist class had sunk trillions of dollars into international investment, and spent decades creating and profiting from global networks of production.

In 2019 the World Trade Organization, while acknowledging that the growth of global value chains had slowed compared to previous years, still found that more than “two-thirds of world trade occurs through global value chains (GVCs), in which production crosses at least one border, and typically many borders, before final assembly”.[[28]](#footnote-28) The majority of the Fortune 500 companies have significant international operations, 120 of which operate in 25 countries or more.[[29]](#footnote-29) Even after a 13 percent drop in 2019 there was still $1.3 trillion in direct foreign investment world wide, linking together the developed and developing capitalist world.

China had not forced the US to move significant amounts of its manufacturing offshore, this had been the conscious plan of the US ruling class. They would not throw this all away lightly. Sensing that a revival of protectionism might make the already weak economic system worse rather than save it, world leaders sounded the alarm against Trump and its compatriots. A meeting of G20 finance ministers in 2017 warned of the dangers of a slide intro economic nationalism. The German Chancellor Angela Merkel and French President Emmanuel Macron emerged as two of the most prominent defenders of the neoliberal status quo. In 2018 the World Trade Organization director-general Roberto Azevedo warned that “further escalation remains a real threat. If we continue along the current course, the economic risks will increase, with potential effects for growth, jobs and consumer prices around the world”.[[30]](#footnote-30)

Azevedo’s warnings reflected the reality that despite the efforts to contain protectionism, economic and political processes were continuing to undermine the stability of the neoliberal project. As Tom Bramble has argued previously in this journal, while the economy was in a healthier state in 2018 than at the height of the crisis,

The more astute capitalists and those who oversee the system’s affairs – the central bankers, the OECD, the IMF – are nonetheless very conscious that the methods used to stabilise the economy during the global financial crisis and its aftermath – government infusions of money and bailouts, followed by a gigantic money printing program – cannot be sustained indefinitely. But they are also aware that weaning the Western economies off such stimulatory measures carries a big risk.[[31]](#footnote-31)

It was no longer just popular sentiment railing against the failures of the neoliberal model, there was now a growing feeling among bourgeois ideologists themselves that neoliberalism was reaching its limits.

This was backed up by strong trends signs of a retreat in the markets throughout the post-GFC period, as Martin Upchurch has explained:

Since 2008, however, the process of expansion appears to have been reversed. There was an upturn in world trade in 2010 as the world economy began to recover but since then trade growth has again slowed down massively and settled to around 2.5 percent per year. World production figures, measured in GDP, have also slowed down since the crash and are also now stabilising with growth rates well under 3 percent by 2015, less than 2 percent in the developed economies. More significantly, the data indicates a levelling off and then sporadic fall of both global trade and overseas financial assets (of major economies) as a proportion of aggregate world GDP since 2008. This retrenchment appears to have been triggered not only by the financial crash of 2008, which has made investors more risk averse, but also by the slowing down of economic growth in East Asia, particularly China, which had acted as an engine of both imports and exports within the wider world economy.[[32]](#footnote-32)

The 2019 United Nations *World Investment Report* backs this up. It found that in 2019 global flows of foreign direct investment had fallen by 13 percent, to $1.3 trillion. This is the lowest level since the global financial crisis. This particularly affected the advanced capitalist world:

FDI flows to developed economies reached the lowest point since 2004, declining by 27 per cent. Inflows to Europe halved to less than $200 billion, due to negative inflows in a few large host countries as a result of funds repatriations and to a sizeable drop in the United Kingdom. Inflows in the United States also declined, by 9 per cent to $252 billion.[[33]](#footnote-33)

From 2018 Trump began a more serious protectionist push. The *World Investment Report* noted that the main driver behind the fall in foreign direct investment was “large-scale repatriations of accumulated foreign earnings by United States multinational enterprises in the first two quarters of 2018, following tax reforms introduced in that country at the end of 2017”. While this push was moderated in 2019, this seems to have been mainly for political considerations. Trump didn’t want his policies to be blamed for a recession in the lead up to the 2020 presidential elections.

Any understanding of the crisis of neoliberalism would be totally inadequate though without looking at the significant geopolitical changes that occurred post-2008. I’m talking here of the most dramatic economic changes in world history: the rise of China to the status of economic superpower.

China’s emergence powerfully encapsulated the many contradictions of the neoliberal era.[[34]](#footnote-34) Its ascension from a predominantly rural economy to industrial powerhouse was facilitated by the globalisation of the world economy, in particular, big capital’s search for cheap labour. Its growth occurred largely under the auspices of the political and economic structures that the US had put in place to secure its world hegemony after World War II, and the US ruling class largely saw the rise of China as a positive phenomenon that could be contained by these institutions.

The GFC and its aftermath revealed how wrong this had been. It was impossible to ignore the substantial role that China’s stimulus spending played in propping up the world system. This was in contrast to the US that was slow to get back on its feet, and the EU which has never fully recovered. Recognising this shift in the balance of forces, Obama increased tariffs on Chinese steel, hoping to put China back into its place economically. At the same time, he promised a “pivot to Asia” which sought a systematic reorientation of US military capacity to the Asia-Pacific and was designed to stop Chinese military projection. Continuing challenges to the US in the Middle East has meant that this has not actually happened yet, but the goals were clear.

The key justification for Trump’s protectionist turn was the need to push back against China even harder. In the face of the confusing zig-zags and seeming paralysis of the Obama administration Trump had a bold vision – even if it was one that was initially treated with scepticism by large sections of the ruling class. He argued that the US’s reliance on Chinese economic growth and global production chains had undermined America’s long term geopolitical interests. Trump’s bombastic political intervention pushed the China issue to the centre of US politics.

China, while the most significant threat to US dominance, was not the only problem to emerge from the GFC. Russia, once considered an ageing relic, used the crisis of the US to remind the world of its still substantial military power. As the subprime mortgage crash unfolded, Russian government officials lobbied the Chinese to dump all of their US housing stocks in order to deepen the crisis. China, knowing such a move would damage the whole international financial system, declined the suggestion. However Russia sold off its own $100 billion portfolio of Fannie Mae and Freddie Mac bonds, hoping to crash the US financial sector. Reflecting on this situation, the US Treasury Secretary at the time commented that it “just drove home to me how vulnerable I felt”.[[35]](#footnote-35) More significant was the Russian intervention into Georgia in August 2008. While the US and Western Europe decried the Russian army crushing Georgia’s tiny military forces, they were helpless to stop it from happening. Military intervention into Ukraine in 2014 and Syria from 2015 revealed similar problems for Russia’s opponents. Sanctions were enforced and Putin was widely condemned, but Russia got its way.

Behind the appearances of a united international effort to deal with the global economic crisis, tensions were rising even among US allies. Donald Rumsfeld had been quick to mock “Old Europe” for criticising the US-led invasion of Iraq, but the GFC revealed deeper tensions between the US and Europe. European leaders “took up the narrative of an American national crisis. ‘Feral’ financial capitalism, like the Iraq war and climate change denial” was painted as “part of a toxic Anglo-American variant on modernity”.[[36]](#footnote-36) As Tooze writes:

Peer Steinbruck, Germany’s tough talking SPD finance minister, went before the Bundestag to announce that the global financial system faced a crisis originating in America from which Germany had so far been spared. “America’s laissez-faire ideology,” as practiced during the subprime crisis, “was as simplistic as it was dangerous,” he later told Germany’s parliamentarians. He confidently expected that America would soon forfeit its role as financial superpower.[[37]](#footnote-37)

Europe’s holier than thou rhetoric though would take a big hit during the Eurozone crisis. As Tooze explains, European transatlantic finance had played a major role both in the subprime crisis in the US and in spreading that crisis throughout the world. The subsequent battles over state debt levels during the crisis revealed a Europe still fractured by national and class divisions.

The divisions between continental Europe and the US partly reflected the uneven nature of economic development in the neoliberal period. Europe is “the world’s most internally integrated and globally connected region”.[[38]](#footnote-38) Even at the height of the Eurozone crisis its retreat from global markets was more modest than that of either the US or China. Europe’s internal market is smaller than that of either the US or China, the financial firepower of its treasuries weaker, its economy far more reliant on the global market. This is the material basis underpinning the European elite’s view that they are the last true defenders of the neoliberal global order. Even the approach of the far right in Europe has been shaped by this reality. While they denounce globalism, the closer they have gotten to power the more pragmatic their positions have become. During the 2017 presidential election Le Pen dropped her opposition to the EU, and the populist right in Italy similarly modified its position when it formed a coalition government in 2018, although not without significant internal conflict.

This has produced the seemingly strange situation in which Trump and Johnson have done more to undermine neoliberalism, despite being inside historic parties of the bourgeoisie, than the European figures who have built parties outside of traditional mainstream politics. Even Eastern Europe – whose leaders often vitriolically denounce the role of foreign banks – is highly dependent on international investment and aid.

In general, the situation at the end of 2019 was highly unstable. Neoliberalism limped on but a series of overlapping tension points were squeezing the system. A manufacturing recession seemed imminent, while mass protests returned to the streets of Chile, France, Lebanon, Iraq, Hong Kong and a number of other countries.

Then came a shock from a totally unexpected place. On 17 November 2019 a 55-year-old from Hubei province in China checked themselves into the hospital. The rest is history.

### What comes next?

“Conventional capitalism is dying” and the world is headed for “something that will be closer to a version of communism”.

– Macquarie Wealth Management, March 2020

“The question of the state is now acquiring particular importance both in theory and in practical politics.”

– Lenin, State and Revolution

Tendencies that are undermining a current capitalist arrangement can exist in an unstable relationship with the status quo without precipitating radical change in the system. It takes a crisis to force the system to change. We are living through such a crisis. While it is impossible to predict every detail, we can already see how the spread of the virus and the response of governments has intensified the trends breaking up the neoliberal system. Not only have neoliberal policies failed in the face of COVID-19 and the subsequent recession, they actually made them worse.

I will look at the two key features of the moment: revived state intervention into the economy and increased inter-state competition. Then I will look at what implications this has for capitalism after the pandemic is resolved.

The most notable sign of a shift away from neoliberalism is the increased level of state intervention into the economy and society more generally. While, as I have previously noted, the state never fully retreated, the size and scope of state intervention is unprecedented for the neoliberal era. There are three main reasons why this is the case.

Firstly, the outbreak of COVID-19 has exposed serious problems with the globalised world market. Foreign Affairs explains:

The new coronavirus is shaping up to be an enormous stress test for globalization. As critical supply chains break down, and nations hoard medical supplies and rush to limit travel, the crisis is forcing a major re-evaluation of the interconnected global economy. Not only has globalization allowed for the rapid spread of contagious disease but it has fostered deep interdependence between firms and nations that makes them more vulnerable to unexpected shocks. Now, firms and nations alike are discovering just how vulnerable they are.[[39]](#footnote-39)

The interconnected nature of the world economy has proven to be a barrier to stopping the spread of the coronavirus. The only institution under capitalism which has proven capable of doing anything to slow the spread of COVID-19 is the capitalist state. Private capital recognises it is in no position to organise any kind of coordinated response through the international market system.

Secondly, the economic effects of shutting down large sections of the economy have further reinforced the necessity for even more state intervention. This cycle has encouraged private capital to demand immediate and dramatic action to stall the worst effects of the meltdown. An editorial from the *New York Times* expressed the panic in the establishment:

There is no need to choose among the various kinds of aid that Congress is considering. The abrupt plunge in the nation’s economic fortunes has no obvious precedents; it requires a massive response. Send checks to every American. Lend money to every business. Strengthen the social safety net. The risk of doing too much is greatly outweighed in this moment by the consequences of failing to do enough.

The correct answer right now is D) All of the Above.[[40]](#footnote-40)

The kind of economic shock usually produced by war has been recreated by the need to contain the virus, particularly as the initial response was so lacklustre. Making things worse is that this virus hit at a particular moment of economic fragility, which has multiplied the economic impact of the lockdown measures. As Tom Bramble explained in a previous issue of this journal, a global economic slowdown was apparent even before the virus appeared:

There is general agreement among capitalist economists that the world economy is now at risk of a recession, potentially as bad as the global financial crisis of 2008-09, the worst economic downturn since the Great Depression. In its November 2019 Economic Outlook, the Organisation of Economic Cooperation and Development (OECD) stated that:

“The global outlook is fragile, with increasing signs that the cyclical downturn is becoming entrenched. GDP growth remains weak, with a slowdown in almost all economies this year, and global trade is stagnating.”[[41]](#footnote-41)

Faced with this crisis, big capital has begged the state for help. State managers have responded with unprecedented vigour. After initially downplaying the impact of the coronavirus, both the US and British governments announced policies that their leaders would have attacked as communism just a month ago. Boris Johnson committed his government to paying 80 percent of the wages of workers affected by the crisis – indefinitely – as part of a substantial increase in welfare spending. Donald Trump has – belatedly – invoked the Defense Production Act, granting the government powers to compel private industry to produce certain goods. The Spanish government has implemented a version of the Universal Basic Income, which it claims will continue after the virus is contained. The benefits of nationalising certain industries are being seriously discussed in the business press and the halls of power.

While it is likely that state control over personal life and some sections of the economy will ease if COVID-19 is contained, it will not recede altogether. State intervention will likely remain a prominent feature of the new period of capitalism, as the *Economist* explained:

[P]utting the economy on a wartime footing is supposed to be temporary. A look at 500 years of governmental power, however, suggests another outcome: the state is likely to play a very different role in the economy – not just during the crisis, but long after.[[42]](#footnote-42)

Once the state has been mobilised on such an significant basis – not just to deal with the initial economic impact of COVID-19 but also the deeper problems of the world economy – it will be difficult to draw back.

This reality is being more and more accepted by the ruling class and expressed in its publications. While some still cling to the hope that markets will prevail in the end, or that the economy will take off once the worst is over, most now argue that state intervention has so far been too cautious, too slow and too moderate.

Mario Draghi, former president of the European Central Bank and a key functionary of the neoliberal system, lays out what is fast becoming the new orthodoxy:

The challenge we face is how to act with sufficient strength and speed to prevent the recession from morphing into a prolonged depression, made deeper by a plethora of defaults leaving irreversible damage. It is already clear that the answer must involve a significant increase in public debt. The loss of income incurred by the private sector – and any debt raised to fill the gap – must eventually be absorbed, wholly or in part, on to government balance sheets. Much higher public debt levels will become a permanent feature of our economies and will be accompanied by private debt cancellation…

…It is the proper role of the state to deploy its balance sheet to protect citizens and the economy against shocks that the private sector is not responsible for and cannot absorb. States have always done so in the face of national emergencies. Wars – the most relevant precedent – were financed by increases in public debt. During the first world war, in Italy and Germany between 6 and 15 per cent of war spending in real terms was financed from taxes. In Austria-Hungary, Russia and France, none of the continuing costs of the war were paid out of taxes. Everywhere, the tax base was eroded by war damage and conscription. Today, it is by the pandemic’s human distress and the shutdown.

The key question is not whether but how the state should put its balance sheet to good use… Faced with unforeseen circumstances, a change of mindset is as necessary in this crisis as it would be in times of war. The shock we are facing is not cyclical. The loss of income is not the fault of any of those who suffer from it. The cost of hesitation may be irreversible.[[43]](#footnote-43)

Previous pushes for protectionism will be re-examined in a new light, as Todd N. Tucker, director of Governance Studies at the Roosevelt Institute, explained to Politico:

Reasonable people can differ over whether Trump’s steel tariffs were the right response at the right time. In the years ahead, however, expect to see more support from Democrats, Republicans, academics and diplomats for the notion that government has a much bigger role to play in creating adequate redundancy in supply chains – resilient even to trade shocks from allies. This will be a substantial reorientation from even the very recent past.[[44]](#footnote-44)

Increased competition between nation states will reinforce a move to a more interventionist state. In response to the immediate threat of COVID-19 nation-states have put their interests ahead of any idea of global cooperation. China, which already before the virus produced half of the world’s supply of face masks, has ramped up production only to refuse to sell most of them overseas while simultaneously buying up as much from the international market as possible. Other countries have followed a similar policy, with Turkey, Russia, Germany and France either buying up as much as they can of their domestic market or simply seizing control of the entire country’s supply. Trump has been trying to buy exclusive rights to a COVID-19 vaccine that is being produced in Germany, only to face a backlash from the German government who are considering banning any such deal.[[45]](#footnote-45)

These tensions will only be intensified as the full effects of both COVID-19 and the recession flow through. The balance of power between the US and China, already strained as we have seen, will continue to be reshaped by the fallout of this crisis. For the US the catastrophic impact of COVID-19 has dramatically undermined its political and moral authority in the world. Authority that was already straining under the Trump presidency, as Tooze has discussed:

It is difficult to see how this doesn’t further reinforce the impression that American power is increasingly incoherent, that there is a vast gulf between on the one hand the outward dimensions of American power of which the most important are the military…and the federal reserve and the dollar based financial system which has been hyperactive in the last couple of weeks…and on the other hand what is going to be exposed is not just the metaphorical bankruptcy but the literally bankruptcy of America’s domestic social model. In the sense that even as the hospitals find themselves working frantically…the hospitals and doctors’ practices are facing a huge financial shock…because of the utterly incoherent, and absurd and obscene way healthcare is organised in the United States… That disjuncture is becoming ever more manifest, which was already present in previous stages but now is glaring. This marks out the US as separate and different and not in a good way. A kind of negative exceptionalism begins to emerge here… At the end of this year we will have to do the bitter reckoning in which it seems as though the pandemic in Asia would have been contained with the deaths running into the thousands while it seems as though the West is doomed to live out the scenario which is orders of magnitude worse…then we will have to ask ourselves the question. Why is it that we prefer our system? What is it about our system that we held to be better? How on earth does one justify the incapacity and incoherence of our response? This is going to raise that question, which was being posed anyway, and it will pose it in an incredibly material way.[[46]](#footnote-46)

China is positioning itself as a global leader as the US and Europe become the new epicentres of the coronavirus. Foreign Affairs points to some of the long term ramifications of this:

As Washington falters, Beijing is moving quickly and adeptly to take advantage of the opening created by U.S. mistakes, filling the vacuum to position itself as the global leader in pandemic response. It is working to tout its own system, provide material assistance to other countries, and even organize other governments. The sheer chutzpah of China’s move is hard to overstate. After all, it was Beijing’s own missteps – especially its efforts at first to cover up the severity and spread of the outbreak – that helped create the very crisis now afflicting much of the world. Yet Beijing understands that if it is seen as leading, and Washington is seen as unable or unwilling to do so, this perception could fundamentally alter the United States’ position in global politics and the contest for leadership in the twenty-first century.[[47]](#footnote-47)

The coronavirus crisis has strengthened the Chinese government’s debt leverage over developing nations, raising the possibility that China could force them to relinquish their control over heavily indebted assets to the Chinese government. Even if Beijing doesn’t do this, it places these countries even more in China’s debt.[[48]](#footnote-48)

The Chinese authoritarian state capitalist model will become more attractive for other nation-states, particularly those that already have a weak connection to economic and political liberalisation. Even those nation-states that are hostile to aligning politically with China will be under pressure to adopt some version of its economic model if they hope to remain independent of it.

China will use the crisis to further its own strategic goals, but this won’t go unchallenged. The US still has the most powerful military on earth. Its financial institutions might be in a shambles but they are still a vital pillar of the global economic order. Trump might have undermined the US’s standing in the world but at the end of the day what other nation-states respond to is economic and political power.

It’s not just the tensions between the US and China that have been impacted. The global oil market has become embroiled in an intense battle as nation-states heavily dependent on oil exports struggle with a dramatic drop in demand. On 6 March Russia rejected a call by OPEC to limit oil production in the face of the crisis. Saudi Arabia followed suit on 8 March with a decision to massively increase its own production of oil and flood the international market. Adam Hanieh explains the motives behind these moves:

*[T]he longer-term strategic motive behind the Russian and Saudi decision is clear. For several years, both countries had seen US oil producers, unhindered by any production limits, continue to gain market share at their expense. By threatening to flood the world with more oil (and here, Saudi Arabia’s actions are particularly decisive, due to its unique ability to quickly ramp up production capacity) the price of oil would fall significantly. Saudi Arabia and Russia would need to endure the pain of low oil prices for several years; in the meantime, high-cost US producers would be driven to the wall.*[[49]](#footnote-49)

In Europe, the hollowness of the European Union has been clear. France and Germany have drawn closer together but conflict continues to wrack the rest of the European community. The EU, after significant opposition from the Netherlands and other member states, was able to come to a relief deal for 500 billion euros. However as the *Wall Street Journal* reports this is widely seen as “too modest to save the eurozone”.[[50]](#footnote-50) More stimulus will be necessary but this will be difficult when even this compromised deal was achieved in the face of stiff opposition. While support for medical resources to member states will be relatively unregulated, economic aid will not be given without conditions. At the time of writing, those conditions are still a source of debate within the EU.

The dog eat dog, zero sum game world that Trump often revelled in during campaign speeches is more and more becoming the open operating principle of nation-states. The time of sophisticated milquetoast diplomacy between countries is coming to an end. The idea that the world leaders could come together at the G20, like they did in 2009, and present a united front against the recession is laughable.

If we return to some of the key features of neoliberalism outlined in the second section of this article we can see what has changed and what hasn’t:

**Substantial growth in the internationalisation of finance, trade and production.** All the trends point towards a retreat on all of these fronts. This doesn’t mean the global economy will just disintegrate. We have already discussed how central both the internationalisation and nationalisation of capital are to modern capitalism. However the global market will become even more fractured and unstable. Further trade wars, protectionist trading blocs between allied nations and manipulations of global markets are all possibilities.

Disentangling the global chains of production will be more difficult but increased military tensions between states give a strong incentive for major imperialist nations to reshore production and limit dependence on foreign nations – particularly imperialist rivals. The crisis unleashed by COVID-19 and the recession give nation-states more opportunity to do so.

**The rise of multinational corporations.** Multinationals will continue to play an important role, however they will by necessity have to be even more geared towards the interests of their primary base in certain nation-states and regional allies.

**The increased role of the service sector and white collar work in the advanced capitalist countries.** Increased levels of state intervention while likely require a significant staff of state employees. However the huge debt levels racked up by government budgets will also put pressure on states to optimise efficiency by restructuring the workforce. While exact predictions are difficult, other sections of the labor force will undoubtedly go through similar shifts.

**A decisive shift towards privatisation and away from the state-owned sectors of industry.** This will undoubtedly be uneven across the world, however some sections of the economy in the advanced capitalist countries will have to be taken under greater state control. Spain has already semi-nationalised all of its private hospitals and healthcare providers. Italy has taken over airline company Alitalia, the UK has effectively nationalised its rail network by suspending all rail franchise agreements. France and Germany are considering similar measures. Even those companies which aren’t directly nationalised will have to rely on significant levels of government bailouts in order to survive.

**An assault upon the working class and its organisations.** The increased level of state intervention might lead some to think that we could see a repeat of the post-war era of economic planning, capitalist boom and working class reforms. This is however very unlikely. State intervention, rather than helping the overall economic situation, could cause even more damaging problems in the long run. As the *Financial Times* editors have warned:

The coronavirus pandemic is a shared emergency. It would be a paradox and a disaster if the outcome were to be the closure of borders to trade. Yet shortsighted export controls, protectionism and the economic slump may together have this result. Protection magnified the disaster of the Great Depression of the 1930s. It must not do so this time.[[51]](#footnote-51)

The *Financial Times* has a clear material interest in continuing to defend the neoliberal orthodoxy which it has promoted for decades; however the Marxist economist Michael Roberts makes much the same point:

What the story of the Great Depression and the war showed was that, once capitalism is in the depth of a long depression, there must be a grinding and deep destruction of all that capitalism had accumulated in previous decades before a new era of expansion becomes possible. There is no policy that can avoid that and preserve the capitalist sector. If that does not happen this time, then the Long Depression that the world capitalist economy has suffered since the Great Recession could enter another decade.[[52]](#footnote-52)

The experience of the Great Depression is instructive. The move towards protectionist trade blocs and state intervention in its wake didn’t end the depression, rather it exacerbated the underlying weaknesses of the world economy. Nation-states adopted these policies not because they thought it would help the global economy but because they feared being economically crippled by its fallout and strove to ensure the place of their nation within the global hierarchy of imperialism. A repeat of such a scenario today is definitely on the cards.

In such a situation the inequalities of capitalism will dramatically increase. We can already see a number of features that point in this direction. Mass unemployment has returned to much of the advanced capitalist world. Unemployment has hit 13 percent in the US, the worst level since the Depression, with 17 million people applying for benefits in three weeks. A United Nations University study predicts that half a billion people across the world could be forced into poverty by the economic impact of COVID-19.

The reorganisation of production that the impact of COVID-19 and the recession necessitates will lead to further hardship. Changes in production though aren’t some smooth process where people are reskilled and deployed seamlessly into new industries. Many will be unable to make the transition due either to age, education or opportunity. Overall the global economy will shrink and so there will be fewer jobs overall – even with some sections of the economy expanding.

Added to this is the very strong likelihood that once the worst of the coronavirus is over and business can start to open again, the capitalist will engage in a serious offence against workers’ pay and conditions. We have already started to see examples of this with the restructuring of the university sector and the postponing of pay rises for public servants in Australia.

**An ideological shift towards free market neoliberal individualist ideology**. The crisis has already led to ideological confusion in the broadsheets of the rich and powerful. Every shift in capitalism has led to new ideological developments; what exactly this might be is hard to predict, but undoubtedly the role of the state in society will figure as a large theme.

**The decline and then collapse of most of the Stalinist state capitalist regimes.** While a return to carbon copies of the USSR is unlikely, we have already seen how authoritarian state capitalism will be an attractive model for many countries. It is the liberal capitalism of the West that suffers from a crisis of legitimacy. China, now the world’s largest economy, epitomises how far things have shifted.

As in previous transformations in the system, what we see emerging is not some blank slate or simply a repeat of the past. Instead what seems likely is some kind of monstrous hybrid of the worst aspects of neoliberalism combined with an enhanced role for a bureaucratic, militaristic and anti-democratic state. The task for Marxists must be to contribute to the building of a mass revolutionary movement which is capable of confronting this new period of capitalism.

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### Notes

1. I would like to thank Tom Bramble for his extensive comments on a much poorer first draft of this article. All inaccuracies and controversies remain my own. [↑](#footnote-ref-1)
2. Tooze 2020a. [↑](#footnote-ref-2)
3. Bukharin 2010, p168. [↑](#footnote-ref-3)
4. Marx and Engels 2004. [↑](#footnote-ref-4)
5. Tooze 2014, chapter 19. [↑](#footnote-ref-5)
6. The following section on the 1920s draws heavily from Tooze 2014. [↑](#footnote-ref-6)
7. Macintyre 1998, p100. [↑](#footnote-ref-7)
8. Hitler 1928, pp57-8. [↑](#footnote-ref-8)
9. Upchurch 2018. [↑](#footnote-ref-9)
10. Hirst, Bromley and Thompson 2009, p67. [↑](#footnote-ref-10)
11. Kidron 1970, p17. [↑](#footnote-ref-11)
12. Here one could draw a distinction between broader *stages in the development of capitalism;* such as the stages of manufacture, merchant and industrial capitalism that Marx discussed, or the stage of imperialism as studied by Lenin and Bukharin, as compared to *historical periods* within those stages, such as the long boom, neoliberalism, etc. Broadly speaking, I would argue that we are still in the imperialist monopoly stage of capitalism, although one that has gone through a series of different periodisations throughout its history. Bukharin briefly discusses this issue in Chapter IX: Imperialism as a Historic Category in his *Imperialism and World Economy*,as does Chris Harman in Harman 1991. [↑](#footnote-ref-12)
13. Kautsky 1914. [↑](#footnote-ref-13)
14. Burnham 1941 and Rizzi 1939. [↑](#footnote-ref-14)
15. Negri and Hardt 2000. [↑](#footnote-ref-15)
16. Davidson 2013. [↑](#footnote-ref-16)
17. Harman discusses the rise of multinational companies during the 1950s and 60s in Harman 1991; while Braverman 1974 discusses at some length the rise of clerical, retail and service workers on the structures of the modern working class. [↑](#footnote-ref-17)
18. Harman 1991. [↑](#footnote-ref-18)
19. Harman 1996. [↑](#footnote-ref-19)
20. Bukharin 2010. [↑](#footnote-ref-20)
21. Harman 2008. [↑](#footnote-ref-21)
22. Trump 2017. [↑](#footnote-ref-22)
23. Kuhn 2011. [↑](#footnote-ref-23)
24. Tooze 2018, p166. [↑](#footnote-ref-24)
25. Kuhn 2011. [↑](#footnote-ref-25)
26. Quotes from Tooze 2019, p170. [↑](#footnote-ref-26)
27. Tooze 2017. [↑](#footnote-ref-27)
28. World Trade Organization 2019, p1. [↑](#footnote-ref-28)
29. CapRelo 2019. [↑](#footnote-ref-29)
30. Mile 2018. [↑](#footnote-ref-30)
31. Bramble 2018. [↑](#footnote-ref-31)
32. Upchurch 2018. [↑](#footnote-ref-32)
33. UNCTAD 2019. [↑](#footnote-ref-33)
34. See Loong Yu 2012 and Chuang 2019 for accounts of the rise of China. [↑](#footnote-ref-34)
35. Tooze 2019, p137. [↑](#footnote-ref-35)
36. ibid., p72. [↑](#footnote-ref-36)
37. ibid., p72. [↑](#footnote-ref-37)
38. Ghemaway and Pisani 2014. [↑](#footnote-ref-38)
39. Farrell and Newman, 2020. [↑](#footnote-ref-39)
40. *New York Times* Editorial Board 2020. [↑](#footnote-ref-40)
41. Bramble 2019. [↑](#footnote-ref-41)
42. *The Economist* 2020. [↑](#footnote-ref-42)
43. Draghi 2020. [↑](#footnote-ref-43)
44. Politico 2020. [↑](#footnote-ref-44)
45. Farrell and Newman 2020. [↑](#footnote-ref-45)
46. Tooze 2020b. [↑](#footnote-ref-46)
47. Campbell and Doshi 2020. [↑](#footnote-ref-47)
48. Davidson 2020. [↑](#footnote-ref-48)
49. Hanieh 2020. [↑](#footnote-ref-49)
50. *Wall Street Journal* 2020. [↑](#footnote-ref-50)
51. *Financial Times* 2020. [↑](#footnote-ref-51)
52. Roberts 2020. [↑](#footnote-ref-52)