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Corona Capital

Léon de Mattis

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2020

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property now responds to a practice that has become massive and can give this practice the means to deepen further.

Similarly, there are already many current strikes which are concerned with the danger of employees continuing to work in production sectors deemed “non-essential.” The justification for these strikes is initially linked to the particular context of the epidemic: the production of this or that commodity is deemed non-essential in relation to the urgency of the disease. However, here again, if these strikes become widespread, and if at the same time the pre-epidemic “return to normal” is delayed or seems impossible, the question of the usefulness of production, and the need to work for pay, could be posed in very different terms. Work refusal practices that originated in particular circumstances may, as they become more widespread, begin to detach themselves from those circumstances.

The struggles framed by trade unions are less likely to see this type of practice develop than self-organized struggles: it is therefore the latter that we must already research, analyze, scrutinize from a theoretical point of view, in order to formulate, in due time, the most relevant hypotheses on the initiatives to which will be interesting to rally around as proletarians in struggle.

And afterwards?

This text, by definition, cannot be conclusive. Rather than come to a single result, it leads to reflection on the hypotheses to be made about the evolution of struggles. This text hopes that it has drawn the attention of comrades around the world to a certain method of arriving at these hypotheses.

Epidemic crisis and crisis of capital

This text is an attempt to begin reflecting on the impact of the Coronavirus crisis. This crisis has already brought about profound upheaval within the capitalist economy and is accompanied, even within the current moment of [social] confinement, a certain social agitation. It is not impossible for this social unrest to spread, particularly towards the end of the epidemic, especially if the magnitude of the changes makes a *return to normalcy* impossible.

Theory does not intend to predict the future. The purpose of this text is not to write political fiction. However, epidemics, like wars, often play an accelerating role when it comes to history. It is therefore a question of questioning the trends already discernible in the current situation and formulating hypotheses on the trajectories that they draw for the near future. In order to fulfill this objective this text poses two initial hypotheses.

The first hypothesis: the epidemic is likely to have a profound impact on the current phase of what could be described as “neoliberal and globalized” capitalism, all the more so since this period of capitalism has already met some of its limits in recent years. The epidemic itself can be analyzed as a product of the characteristics of this phase. In this sense, it must therefore be seen as a manifestation of one of the limits of current capitalism. The epidemic is not an external cause, rather it is an endogenous cause that will have a profound impact on globalized neoliberal capitalism. This hypothesis is developed here, in the first part of this text: *Epidemic crisis and crisis of capital*.

The second hypothesis: that the social dissent that is currently taking place could be strengthened as the epidemic crisis recedes; when the danger has receded but a return to normalcy appears difficult, if not impossible. Periods of post-crisis recovery are often periods of social unrest. For example, the aftermath of the First World War was a time of intense struggle in France, Italy, Germany and the United States. It is obviously not a question of believing

in a law of history that would be applied mechanically, but rather of reflecting on the outlets of current protest when struggles cease to be self-limiting in order to avoid worsening the health situation. This line of thought will be developed in the second part of this text: *Class struggle and pandemic*.

Of course, it all depends on how long it takes for the epidemic to subside. A short episode is less likely to leave a lasting mark. However, it is likely to take a long time, because even if the bulk of the epidemic in Europe and North America, following Asia, subsides in a few weeks or months, the coronavirus will remain active in other parts of the world. Until a vaccine is developed, other waves are likely to follow. The global closure of borders, which began at the onset of the crisis, could thus be prolonged for a long time. All in all, the economy and world trade could potentially be affected by the virus for several more years: in other words, on the scale of current capitalism, an eternity.

The Covid-19 epidemic as a product of capitalism in its current phase

The epidemic is not a phenomenon exogenous to globalized neoliberal capitalism, regardless of the origin of the virus responsible for the disease called Covid-19.

At the time of drafting this text, we do not know anything about the origin of the coronavirus. The links between viruses, the rise of factory farming and the reduction of previously preserved ecosystems have been highlighted.¹ The danger that capitalism poses to the environment – climate, resources or emerging diseases – is impossible to dispute. These remarks are therefore valid, certainly, from a general point of view. However they do not provide us

¹ “Quand l’homme favorise les épidémies,” interview with François Renaud, Sept. 2014, <https://lejournel.cnrs.fr/articles/quand-lhomme-favorise-les-epidemies>. “Contre la pandémie,” Sonia Shah, *Le monde diplomatique*, March 2020.

In this period, the struggles will then probably take place in a very particular context, characterized by the accumulated anger at the shortcomings of the State: the austerity that brought the hospital to its knees even before the crisis; the reduction of mask stockpiles for budgetary reasons, etc. It can also be assumed that distrust will be expressed in the face of an economic system which, through the global integration of production, will have shown to what extent it can foster shortages (of masks, medicine, etc.).

It is true that the evocation of this anger against the State and this mistrust of the economy makes it less possible to predict the *content* of the struggles than that of the ideologies that will present themselves as protestors, but are really looking to save capitalism. Criticism of government personnel, as if the problem were linked to this or that leader; criticism of capitalism reduced to some aspects (such as globalization); proposals that are supposedly ‘radical’ but which are only about the reconstruction of a national, “local,” or “green” capitalism already offered up. However, once we remember that struggles, in their beginnings, are taking place in the very terms of dominant ideologies, we understand that it is necessary to wait a bit for the exact output of these struggles.

The crux of the matter is to know how practices born in the terms of a dominant ideology can, by their effective power, open a breach in real relations and consciousness. For example, people may initially refuse to pay their rent because of the exceptional circumstances of the crisis linked to the epidemic. This may be justified by the loss of income and the economic downturn, and it may be assumed that when the economy returns to normal, rent will have to be paid once again. But if the rent strike spreads and becomes a new norm, allowing the “return to normal” to be delayed, and the debates on the very legitimacy of rent payments will only multiply. Criticism of property rights, which already existed before the crisis but remained confined to a marginal and abstraction position, i.e. without any effective consequences, may then take on a completely different dimension. The discourse questioning private

take or join the initiatives that can go in the direction of questioning capitalist social relations.

A second clarification. We must obviously be careful with the notion of “emerging from an epidemic crisis.” Not only does it seem obvious that this will not be in the immediate future, that it almost seems certain that the re-emergence [of normality] will be very gradual. Periods during which the epidemic subsides may be followed by the return of epidemic waves, with new general or partial confinement. Social distancing measures, closure of certain places, extensive health control and border surveillance are likely to take place over time.

However epidemics do come to an end. The Spanish flu saw three successive waves in 1818 – 1819 before dying out: the last cases were reported in 1921. It is a very gradual end. Even when the Covid-19 epidemic appears to be over, it will be months before we know if a return is no longer possible. It is only some time after the end of the epidemic that we will know for sure that it is really over.

States are likely to use this particularity to maintain as long as possible the coercive measures that have been taken around the world: they will only have to invoke the possibility of the resurgence of the virus, or even the emergence of another virus, to justify the prolonging of the state of health emergency. If the hypothesis of the first part of this text is correct [see: part 1], the restructuring of capitalism will begin before the end of the state of emergency and the laws of health emergency will be used to impose the reforms that this restructuring will impose.

Sooner or later, however, the sense of danger of the epidemic will recede sufficiently enough to halt the effectiveness of the blackmail [noted earlier around worsening public health]. As a nurse interviewed by *Le Monde* on March 22–23rd said: “For the moment we are silent, we are going to the coal mine. But we will present the bill at the end.”

with any evidence about the origin of this particular virus, SARS-CoV-2, and how it crossed the species barrier. Neither viruses nor epidemics have waited for the capitalist mode of production to exist. Even if certain aspects specific to today’s capitalism, such as large-scale factory farming and the destruction of the wilderness, may have well played a role in the emergence of the coronavirus, we cannot conclude definitively on this point.

On the other hand, the characteristics of the epidemic are intrinsically linked to the capitalist mode of production. A disease is a biological fact but an epidemic is a social product. It is in the way it has spread and in the impact it has on production that this epidemic appears as a product of the capitalism of our time.

What is quite specific, with the Covid-19 epidemic, to contemporary capitalism is first of all the incessant movement of people linked to mass tourism and business travel. This characteristic, materialized by the extreme growth of the airline sector over the last 20 years, has allowed the disease to spread very rapidly worldwide. Of course population movements have always carried diseases, but the pace of these movements was, until their near-suspension in March 2020, without comparison with what humanity had experienced before. This explains why, only three months after the first cases appeared, the whole world is already deeply affected.

A second characteristic is the global integration of production within the extreme specialization of certain geographical areas and companies: the halt of production in a strategic region of the world can lead to global shortages. This state of affairs, which we can observe at the moment with products that are in immediate need – such as masks or reagents needed for biological tests – could also affect many other sectors depending on the way in which a particular production area remains paralyzed by the effect of the pandemic. In addition, whole sectors of the global economy, such as tourism or air transport, have been completely shut down and will be affected by long-lasting border restrictions for a long to come. In this globally-integrated economy, difficulties in one sector have

a knock-on effect on many others: the collapse of oil prices is a good example.

Finally, the state of health [care] structures should be noted, of course, as one of the reasons for the seriousness of the pandemic. However, at least in the richest capitalist countries, it is well known that the current phase of capitalism has called into question, more or less seriously depending on the area, the investments that had been made in the field of public health.

There will be much more to say about the characteristics of an epidemic which, at the time of writing, is still in its infancy: but already, it seems obvious that the global integration of capitalism makes it vulnerable and explains why a virus that retains a fairly low lethal potential (even if it is apparently highly contagious) can paralyze the planet in less than three months.² The extent of this paralysis, no doubt, depends on the preparedness of individual countries and the skill of their leaders. It would seem that the governments of South Korea or Taiwan are more effective, from the point of view of capitalist management of the health crisis, than those of Italy, Spain or France, and the final fate of many other countries is still unknown. Nevertheless, and even if to varying degrees, it is clear that all countries affected are seeing their activities greatly reduced by this epidemic.

² In an op-ed published by the newspaper *Libération*, Mar. 22nd, journalist Daniel Schneidermann points out that the “Hong Kong flu” of 1969 – 1970 caused an excess of 40,000 deaths in France (including 17,000 death directly attributed to the flu) and a million worldwide without paralyzing the economy and social life. In fact, the epidemic had even gone almost unnoticed, being the subject of only a few press articles. Yet it could also affect people of all ages and cause deaths even among young people. Of course the characteristics of the disease then were probably not the same as today: for example, the contagiousness may have been very different. Only a retrospective study will be able to differentiate between the two epidemics in terms of what is disease-related and what is society-related. However, this example underlines how much the epidemic issues is a social issue and how capitalism in the previous phase may have been affected differently.

semination at the international level is a first step, still very modest in view of the magnitude of the task.²⁴

Moreover, the struggles of the current period suggest, at least by contrast, show some prospects of overcoming [their limits]. In fact, these struggles raise not only the question of working conditions, but also that of why we work at all. Refusing to risk one’s health in order to enrich a boss in a sector suddenly judged “non-essential” is not yet the same as refusing labor [in general], but it is already questioning what is the basis of the capitalist mode of production: the need to exchange one’s labor power for a wage for tasks that sometimes seem absurd or “useless.”

From our perspective, however, the most important question is what will become of these struggles as we emerge from the epidemic crisis.

Class struggle at the end of the epidemic crisis

First a clarification. It is not a question, of course, of predicting a major wave of struggles at the end of the epidemic crisis, even if, following the example of the aftermath of the World Wars, we can still hope for it. By definition, struggles are unpredictable: they occur when they are not expected and take forms that are often unprecedented. I repeat, the purpose of revolutionary theory is not to tell proletarians what to do, or even to comment or guess what they will do autonomously. Theory serves the actors of struggles by their trying to understand *what they are in the process of doing*.

This is why it is useful to develop elements of reflection on the evolution of the struggles in progress, and to seek with anticipation, where this evolution may lead. One should not hesitate to take the risk of formulating certain hypotheses, even if it means acknowledging, if necessary, that they were erroneous. The objective is to put ourselves in a situation, as actors of the struggles, to

²⁴ See Fever, *Class Struggle under Pandemic*, <https://feverstruggle.net/>

one of the main French trade unions, “sticking to the instructions given by public authorities.”²² But in a period such as this, [trade unions] fully play their role of limiting struggles and moderating protest.

The drop in income linked to the suspension of many activities – partial unemployment for some, pure and simple suppression of income for those in precarious employment, self-employed people, etc. – points to numerous financial difficulties in the short term, and has given rise to various attempts at a rent strike and “pay no more” movement.²³ If the situation deteriorates further, re-appropriation practices [looting] cannot be ruled out in some countries. These struggles are defensive reflexes and it goes without saying that the deepening of the crisis may lead to their multiplication, with increased repression in a context of a healthy emergency that transforms more or less all states (“democratic” or otherwise) into police states.

However, as long as the epidemic crisis is at its height, the authorities can use a powerful weapon: blackmail, vis-à-vis endangering [public] health. For many struggling proletarians, going beyond the immediate demand related to the danger of the situation of scarcity will be difficult as long as the deaths related to the coronavirus add up. Practices that challenge the very premises of the struggle may find it difficult to develop easily in the period of the rise of the pandemic.

Of course, it is not a question of giving up participating in current struggles, especially since the issues at stake – illness, life, death – are crucial and immediate. These struggles are therefore essential, and can be extended to proletarians from all walks of life, including those who are not used to fighting. The idea of disseminating information on these struggles and coordinating this dis-

²² “We are all responsible and in solidarity in the face of coronavirus,” statement by Laurent Berger, General Secretary of the CFDT, on the union’s website: www.cfdt.fr

²³ For example: <https://www.facebook.com/grevedesloyers2020>

Capitalism and phases of capitalism

Today’s capitalism is in a phase that can be described as “neoliberal and globalized.” Speaking of phases or periodization of capitalism is essential to understand its dynamics, changes and permanence. What is permanent in capitalism is the tendency to crisis. In this system, capital must always grow: it is a necessity for its existence. The result is an over-accumulation of constant capital in relation to the mass of variable capital,³ and thus, sooner or later, a crisis of valorization. Sometimes there are small crises, but sometimes the crisis is gigantic and, in order to be resolved, requires a profound re-arrangement in capitalism itself.⁴ Capitalism is an evolving mode of production: some of its characteristics push it to constantly modify itself through the interplay of successive crises.

In recent history, the crisis of the 1930s was not really resolved until the Second World War, which led to a great destruction of fixed capital.⁵ In the aftermath of the war, a new configuration was put in place. In the formerly industrialized countries, the economic expansion, which started with the destruction of capital during the war, took place within the framework of a “Fordist Compromise.”⁶

³ “The part of capital that is converted into a the means of production, i.e. into raw material, auxiliary materials and means of labor, does not therefore change its magnitude of value in the production process. I will therefore call it a constant part of capital, or more briefly: constant capital. On the other hand, the part of capital converted into labor-power changes its value in the production process. It reproduces its own equivalent and a surplus in relation to it, a surplus value, which can itself vary, being greater or lesser. From a constant quality, this part of capital is constantly transformed into variable quantity. I will therefore call it the variable part of capital, or more briefly, variable capital.” Karl Marx, *Capital*, PUF, p. 234.

⁴ See *Crises*, Léon de Mattis, éditions Entremonde, 2012.

⁵ Fixed capital is, in Marx’s terminology, more precisely that which, like buildings or machines, is not immediately destroyed during the productive process, whereas part of constant capital is said to be “circulating” because it is immediately consumed in production (e.g. raw materials).

⁶ Named after the American industrialist [Henry] Ford.

Wages are increased in exchanged for productivity gains, which are achieved through machinery but also through an increase in labor intensity. From a Marxist point of view, the extraction of surplus value takes place more through relative surplus value than through absolute surplus value: this means that the reduction of labor power is obtained through the low-cost industrial production of basic necessities. This process, which already existed in earlier periods, then becomes systematic, paving the way for what has been called the “consumer society.” Standardized goods are mass-produced and the “guarantee of not starving to death is exchanged for the risk of dying of boredom.” Labor power is purchased globally, i.e., through social transfers, some form of indirect wage is paid to the sick, the disabled, the retired or unemployed proletarians. The establishment of Welfare⁷ demonstrates the Fordist compromise is not only economic, but also political and social. The workers’ movement is partly neutralized by the redistribution of the indirect wage, and a form of co-management between trade unions, the State and employers is established. It is also a geopolitical compromise for the capitalist countries of the Western bloc against the Soviet bloc. In some countries, the compromise takes an explicit form: this is for example the program of the National Council of the Resistance in France. In others, it is rather a state of affairs. It should also be remembered that Welfare only concerns the countries of Western Europe, North American and Japan and excludes the populations of colonized and dominated countries.

The capitalism of the “Fordist Compromise” phase entered a crisis in the late 1960s and early 1970s. The “oil shock” of 1973 was the materialization of this crisis, but as is often the case, the historical event that caused it (the Yom Kippur War and the oil embargo that followed) only acted as a revelation of a valorization crisis already underway. The problem faced by capitalism is always the same:

⁷ The expression Welfare State, or Welfare, denotes the social State born after the Second World War.

tion centers (Getage, Illescas, Barajas, Tablada & Albacete). Similar struggles are reported in Northern Ireland and Belgium (Moy Park food factory in Portadown, bus depots at Liège-Verviers, Delhaize supermarkets in Brussels suburbs). These struggle concern transportation, mass distribution and e-commerce, but also industrial production. In other companies, protest takes the form of workers’ right to withdraw in the face of danger: this is the case in France at the General Electric site in Belfort, or at the Punch Powerglide factory in Strasbourg and in many establishments of La Poste. Finally, in some cases, the demand is not limited to more effective health protection measures, but aims at the pure and simple cessation of production deemed “non-essential”: for example, in Italy, during the strike at the Sevel plant in Val di Sangro, it is the closure of the plant that is being demanded for a period of two weeks.¹⁹

In prisons, protests and riots have multiplied in the face of deteriorating prison conditions, while releases to avoid prison overcrowding, which is conducive to contagion, are granted only to a very small extent.²⁰

This movement is obviously not only European: it is global. Struggles have thus begun to improve health conditions in the transportation sector in São Paulo, in call centers in Argentina or among delivery workers in Brazil.²¹

Struggles often begin spontaneously, before the trade union apparatus wakes up: for example, at the Fiat factor at Pomigliano d’Arco, Italy, a wildcat strike of one hour is launched in the face of a lack of protection, followed by a four-day trade union strike and then a return to negotiations. The trade unions were torn between the demands of the base and their willingness to appeal to the “responsibility and solidarity” of the workers – responsibility which in concrete terms means, in the words of the general secretary of

¹⁹ See the cartography on the site: www.classeenlutte.org

²⁰ Cartography of prison struggles in Europe: http://umap.openstreetmap.fr/map/prison-cra-covid-19_433971#6/51.000/2.000

²¹ Fever Struggle: <https://feverstruggle.net/category/reports/>

answer this question: what specific practices within current struggles seem to be able to lead to a form of overcoming? This then makes it possible to take initiatives to bring these practices to life and hope to see them develop. Struggles are often crossed by multiple ways of doing things, and committing oneself to broadening and deepening those that seem most likely to lead to overcoming them is an important objective for those who hope to see the world change in a fundamental way.¹⁷

This very quick introduction is only here to provide a framework for reflection on the analysis of class struggle during pandemic.¹⁸

Class struggle during pandemic

In less than three months, the pandemic has disrupted the daily lives of billions of people. The class struggle has not ceased, because it is permanent in capitalism. The epidemic gives it a specific context: mainly, that of refusing to work in dangerous conditions in order to continue to enrich capital.

Strikes, exercise of the right to withdraw, flee and avoid work are on the increase in the various countries affected by the epidemic. In Europe, recent struggles have mainly focused on improving working conditions in the face of health risks. In Italy, walkouts on this issue have taken place at the Amazon Warehouse in Piazzencia, the Fiat factories at Melfi and Cassino; in France at the Amazon Warehouse in Chalon-sur-Saône and at Montélimar, at the Carrefour de Vitrolles; in Spain at numerous Airbus produc-

¹⁷ This does not mean, however, that we should despise struggles that we would judge incapable of producing an overcoming [effect]. First of all because, for the proletariat, the struggle is often linked to immediate needs, and it is not a question of considering these needs as negligible. Then, because defeat begets defeat, while victory, even over partial demands, is the bearer of future dynamics. Finally, because some struggles that do not pay off in their early stage can sometimes hold shocking surprises.

¹⁸ For further developments on this subject see Léon de Mattis, "Critiques en actes du capital," *Utopie 2020*, pt. 3. Forthcoming.

constant capital is in too large proportion in relation to variable capital to ensure valorization.⁸ The answer to the crisis, however, this time is not war, but the restructuring of the late 1970s and 1980s under the aegis of neo-liberalism.

This restructuring is based on two pillars: finance and globalization. The development of new financial instruments, which began in the late 1960s, accelerated dramatically with the neo-liberal wave of the late 1970s. Finance is certainly nothing new in capitalism, but its place and power have increased tenfold. Surplus capital is recycled in expanded financial circuits where it circulates endlessly. Completing an evolution that began in the aftermath of the First World War, money ceases to be based on gold, and is now guaranteed only by sovereign debt, i.e. by the anticipation of a value that will be taxed. Government debt, bought back by central banks, allows them to create money by taking this debt as collateral. Confidence in sovereign debt is based on the possibility that governments will be able to pay interest on it by monopolizing through taxation, part of the capital gain that will be produced tomorrow. Thus from now on, all money is capital.⁹

States in countries with strong economies issue an attractive currency. The currency of the world's leading power, the dollar, reigns supreme, and the United States can go into unlimited debt, which the Reaganian power does not deprive itself of. The suspension of convertibility of the dollar into gold at the beginning of the 1970s does not call into question its role as the currency of international payments.

Of course, the financial solution alone cannot solve the crisis of the 1970s: it also provides the decisive advantage of making pos-

⁸ Marx refers to the relationship between constant and variable capital as the "organic composition of capital."

⁹ This formula summarizes the fact that money is based on the anticipation of the value that capital will be able to generate in production. On money, in addition to Crises, see the series of articles entitled "Bitcoin crash" on the website of 19h17 (<http://www.19h17.info/2018/05/14/illusions-perdues-de-la-monnaie/>).

sible the second part of the neoliberal agenda: globalization. Here again, globalization is nothing new in capitalism, but it is developing in unprecedented proportions. It is not only the trade of goods, but also and above all investment in countries that were previously called “underdeveloped” (where cheap labor makes it possible to generate added value again) that is made possible by the development of global finance.

The major trade liberalization agreements allow for a surge in the global exchange of goods. A global division of labor is formed by the creation of workshop countries, the “four dragons” in the 1980s, followed by the “four tigers” and then the industrial development of China. Today, production is globally integrated, spare parts and semi-finished products are continually moving from one part of the world to another.

Two things about this globalization: firstly, it is only possible thanks to global finance, because without fast and secure means of international capital exchange there is no productive investment on the other side of the world and no integrated world trade. Secondly, its essential aim was to lower the cost of labor, thus to restore the rate of profit by a return to the extraction of absolute surplus labor, by integrating into the proletariat the masses available in the hitherto “underdeveloped” countries.

This leads to a relative de-industrialization of the countries of Western Europe, North America and Japan, and to a gradual questioning of the welfare state in those countries where the Fordist compromise had prevailed. These changes were accompanied by a neo-liberal discourse. However, the cause and consequence should not be confused here. Neoliberalism is not the cause of the restructuring of capitalism, de-industrialization and the questioning of welfare: it is only the *ideology* of it, that is, the dominant and self-justifying discourse that accompanies its concrete implementation.

The primary cause, as always, is the need for Capital to counter the falling trend of the rate of profit and to win the class war

proletariat exist and gives its representatives, the trade unionists for example, their legitimacy. On the other hand, however, and because capitalism is a mode of production full of contradictions, the class struggle can become a questioning of the class relation by the proletariat.

At the outset these struggles think themselves through categories of the dominant ideologies.¹⁶ Their demands, even when they focus on basic needs, are a form of integrating protest with an achievable goal: to ask what capital can offer. However, demand struggles, precisely because they are class struggles, also have the capacity to go beyond their beginnings. Overcoming means that the initial demands and ideological representations that prevailed in the beginning become obsolete as the struggle develops. Moving from a partial questioning of one’s condition as a proletarian to an attempt to abolish this condition is not done through a prior awareness, quite the contrary: awareness comes gradually, as the struggle progresses.

Struggles are not homogenous, and some aspects of a struggle may lean towards renewing the class relation while others lean towards questioning it. What seems to be decisive is the capacity to break the established frameworks: to self-organize; to do without unions and representatives; to break with the paralyzing dominant discourses. Before certain ideas, it is certain practices and ways of doing things that make it possible to question capitalist social relations within struggles. Which practices? The answer is never obvious. If, for example, wildcat strikes or riots seem conducive to provoking the necessary ruptures, we must be wary of any fetishism. It all depends on the content that these practices carry in the particular context of this or that struggle.

Here, the objective of revolutionary theory is not to bring in recipes to be applied from outside, but to formulate hypotheses to

¹⁶ Because there isn’t just one. Although they compete with each other, they are all equally capitalist.

Class struggle and pandemic

This the second part of the text entitled, “Corona Capital.” The first part posed the question of the economic and financial crisis of capitalism and its possibilities of restructuring. Now it is a question of looking at the struggles during the epidemic and its aftermath, when the restructuring of capitalism may begin.

Class struggle: renewal or questioning of capitalist social relations

Before developing this second part, some generalities about class struggle. It opposes two poles of the capitalist mode of production: the capitalist class and the proletariat. These two poles are not sociological entities, but the two sides of the same system and their confrontation is its dynamic. On the capitalist side, the class struggle is carried out directly in the process of work for the extraction of surplus value, but also in a very general way, since capitalism at the present moment takes charge of all aspects of the reproduction of society. Likewise on the proletarian side, the class struggle is not limited to conflicts in the workplace but concerns daily life: housing, education, immigration status, living conditions, etc. It is therefore necessary to understand the notion of class struggle in a very broad way, encompassing, in one pole as in the other, various forms, and not only open conflicts. On the proletarian side, the refusal of labor, certain illegal practices, collective or individual acts of revolt are elements of class struggle. On the capitalist side, law, propaganda and politics are instruments at the service of class struggle.

For the capitalist class, the struggle is only a renewal of the class relation. Capital has an absolute need of the proletariat, which is its creation. On the other hand, for the proletariat, the class struggle is two-fold. On the one hand, as for the capitalist class, it is a renewal of the class relation, but it is this relation that makes the

against the proletariat. Those who fight the ultra-liberal discourse and believe that it is possible to return to the program of the National Council of the Resistance [of France] ignore this dimension of this ideology: they seem to naively believe that neoliberalism is a simple choice, and that another choice would have been possible within the capitalist framework. Now, if it is true that the implementation of restructuring stems from the action of certain politicians and capitalists, the discourse that has been carried by them and the ideologues they have paid on this occasion (experts, academics, journalists) is the translation of a policy made necessary by the imperatives of capitalist valorization.

The crisis of the current phase of capitalism in the face of the epidemic shock

Since 2007 – 2008, the current phase of capitalism has been in deep crisis. We will not go back over the episodes of liquidity and sovereign debt crisis, but we will only say this: for the past twelve years, the financial system has only postponed inevitable maturities.

Financialization is recycling more and more capital that is surplus to production capacity and thus must be fed to the detriment of the productive cycle. Despite the astronomical growth of the world capitalist production (which endangers the survival of humanity), the thirst for surplus value that finance perpetually needs eventually consumes the productive apparatus. In order to guarantee stock market values, many companies are led to withdraw from production capital that is essential to the extraction of value in the long run.¹⁰

¹⁰ The example of Boeing, which sacrificed investment to finance the share of buybacks needed to maintain dividends, is significant. The attempt to modernize the 737 at low-cost instead of investing in the development of new aircraft led to the disaster that has grounded the Max for over a year.

Until the 1970s, finance was periodically able to maintain a certain illusion even when the surplus value generated in production proved insufficient: as long as interest payments can be financed by new loans, the system can continue to live on its momentum like a Ponzi scheme. But in the case of capitalism restructured after the 1980s, this system is even more perverse because its normal functioning, which made it possible to re-establish the extraction of surplus value by relocating a large part of industrial production to Asia, already rests on the anticipated redistribution of surplus value. The moment when the latter comes to diminish is therefore felt with an even more accentuated lag than in previous periods of capitalism. Because government debt makes it possible to fictitiously postpone maturities, finance can continue to flourish even though the organic composition of capital has already caused the rate of profit to fall and made the eventual collapse of the entire system inevitable.¹¹ Like a cartoon character advancing above the void, financial capitalism continues to flourish even as its productive base disappears beneath its feet. At some point, however, the character becomes aware of the abyss that has opened up beneath him, and, as with capitalism, it is precisely this awareness that precipitates its actual downfall.

The perpetual wager on the anticipation of value made possible by sovereign debt and unbridled financialization, and the absence of an alternative scenario at the present time, has made it possible to hold out until today. The 2007–2008 crisis was momentarily resolved by an ever faster race to the abyss, while State debt reached peaks that made it impossible to repay. From that time on, we knew that it would not be possible to continue like this for very long. It

¹¹ Some theorists have deduced from this particular aspect of contemporary capitalism that capital has become “fictitious” and value “evanescent”: the consequence would be that no crisis is to be expected since things could go on like this forever. Such a position, absurd if one agrees to think about it for even five minutes, is now disproved by the facts.

continental areas.¹⁵ However, it is only by trying to apply it that capitalists will see if such a solution is possible.

In any case, there is no doubt that this option will gain weight as the epidemic crisis ends. The inability to return to the initial model will favor this neo-national alliance, by calling for a relocation of production, will be a discourse of both the Right and the Left. We must therefore already prepare ourselves for this recuperative discourse.

It will no longer be liberal or neo-liberal rhetoric. In the 1970s and 1980s, the magnitude of the task of restructuring capitalism produced true ideologues of neo-liberalism, that is, leaders who were sincerely convinced of what the interest of their class demanded of them. But individual convictions are only a reflection (with all possible nuances, and complexities, of course, but it doesn't matter) of class interests, and for the last ten years the interests of the capitalist class have poured a lot of water into the wine of liberal ideology.

What will therefore dominate after the crisis is the pseudo-critical discourse on the excesses of globalization, with a program of relocation of industries and a more or less chauvinistic neo-nationalism. How far will it be possible to really implement this program? This remains an open question: but what is certain is that the ideology of bringing proletarians back in the line in the name of economic and political nationalism is already here, ready to accompany the maintenance of the authoritarian policies put in place everywhere by States to respond to the health emergency. It is now what this ideology is opposed to, namely proletarian resistance at the time of this epidemic, that we will devote ourselves to in the second part of this text.

¹⁵ The question of access to resources, in any case, would be crucial in this hypothesis.

American industrial groups collapsed while a new generation of capitalists and companies monopolized new profits.

If it is therefore impossible to know what might happen, bets can be placed on how a fringe of the capitalist class might try to proceed: for, in reality, it has already given some indication of what it intends to do.

Over the last ten years or so, there have been calls for a return to a form of protectionism, whether with Trump or other populists around the world. However, the choice of isolationism has so far run up against a major problem: the practical impossibility of reforming the integrated world economy. The protectionist ideology has thus so far appeared more as a symptom of the entry into crisis of the current capitalist phase than a genuine program. But this is precisely what the situation created by the pandemic could change.

From now on, the discourse of protectionism and industrial re-localization may seem more plausible: it could therefore open the way to a restructuring of capitalist production on the basis of a return to the looping of surplus value in a national or continental area. This new nationalism will present itself as a critique of capitalism, but it will only be a critique of certain characteristics of the current phase of capital.

If it is assumed here, finance and thus world trade are profoundly destabilized, a fringe of the capitalist class will no doubt be tempted to rally to this discourse. Some capitalists might try to take advantage of the opportunity to position themselves in this new niche of the re-industrialization of the countries of the North and try to marginalize the big multinational groups. This option, it is true, remains quite speculative: it is difficult to know whether it's really possible, under the current conditions of production, to recreate a partly compartmentalized capitalism on national or

is already a miracle that the mad race for financialized money has continued until 2020.

Under the conditions of profound imbalance in the global financial system that have prevailed for the past twelve years, it can be assumed that the coronavirus epidemic will deal the final blow to a building that is only waiting for a stronger jolt than the others to collapse. The inability of states to take on even more debt in a credible manner will make it impossible to guarantee payment instruments, and currencies, as a result of stock prices, will be on the verge of collapse. During the epidemic crisis period itself, and probably for some time thereafter, authoritarian measures taken by States may mask the problem. But after the end of the pandemic, a return to the international monetary system built up since the end of the Second World War and recast in the 1970s and 1980s will seem impossible.

The integrated world economy, as it has functioned since the 1980s, with an unprecedented expansion of world trade, will find it difficult to recover. Without guaranteed global capital flows, as allowed by this tinkered but inefficient financial system, there will be no possible trade volumes comparable to what we have seen in recent decades. Of course, there may be attempts to recreate a global payments system, but in the face of the already deep political and strategic divisions that the epidemic is only reinforcing, there will be a lack of political and economic hegemony capable of imposing a solution.

If this hypothesis is correct,¹² the epidemic will not only precipitate the end of a world financial and monetary system that is running out of steam and which, for a decade now, has been known to collapse at one point or another.

¹² Many economists announce the end of the current phase of capitalism. Thus Daniel Cohen, director of the Economics department at the *Ecole normale supérieure*, declared in the *Le Monde* on April 3, 2020: "It is certainly the end, or the beginning of the retreat, of globalized capitalism as we have known it for forty years..."

And afterwards?

First a point probably deserves to be clarified. When this text talks about a collapse of the global monetary and financial system, we should not imagine an instantaneous phenomenon. Rather, it is a slow collapse, as in those films where we see buildings collapse in slow motion. The world stock exchanges experienced a resounding crash at the beginning of the pandemic: but for the rest of the pandemic, we can assume a long slump rather than a continued dizzying fall. A sudden currency collapse, with worthless banknotes and a return to barter is very unlikely: before that happens, governments will have imposed a forced exchange rate that may allow it to function for some time. In reality, the collapse will only be evident when it comes clear, perhaps after a few attempts, that the pre-crisis global financial system simply cannot be rebuilt.

Then will come a time of widespread sovereign debt default. This is likely to be relatively gradual: governments will start suspending and staggering interest and repayments, and will only acknowledge the default at the last minute. But everyone knows that States will never be able to draw down enough value in the future to reimburse these sums, which were already astronomical before the epidemic and which will increase even more so.¹³ The value of securities will fall to a few hundredths of their normal value, and the reconstruction of a new financial system will require the State to buy back these devalued securities at a discount when the new currencies are founded. Such a process can take years.

The question of financial restructuring will, of course, only arise in the context of the re-establishment of the framework of capitalist production. It is impossible to predict which new phase

¹³ “The debt of European countries, already quite heavy, is going to jump. In Italy, it currently stands at 135% of GDP and could rise to... 181% by the end of the year, according to the most pessimistic hypothesis of Jefferies’ analyses (or 151% from the most optimistic). In the same gloomy scenario, which forecasts a 15% recession in 2020, France would go from a debt of 101% to 141% of GDP and Spain to 133%.” *Le Monde* April 4, 2020.

of capitalism could succeed the one in crisis today. It is certain that capitalism will try, by all means, to create both new commodities and new ways of having them produced by human labor that can be bought.¹⁴ However it is likely that these new paths will not be enough, and that a deeper restructuring of production will be necessary. And the policies that might accompany this restructuring must already be considered.

For the capitalist class, domination is a multi-dimensional task. It must both organize itself to defend its common interests against the exploited and give free reign to competition between capitals. This dialectic between common organization and competition is constant. When, following a crisis, a new phase of capitalism begins, it is because a part of the capitalist class has succeeded in imposing new conditions, sometimes against another part of the same class: and for this reason, this conquering part of the bourgeoisie has sometimes dragged behind it a part of the proletariat. In the context of a war, this is particularly clear.

Capitalists are confusedly aware, in times of valorization crisis, that there is too much accumulated capital: but none of them wants to lose their capital, and each would prefer that it is the capital of the others that disappears so that their own can be valorized again. Then a dangerous period opens up, which can lead to war, which destroys fixed capital, or on the contrary it can be resolved peacefully when an enterprising fringe of the capitalist class discovers (by trial and error) a method which allows the relaunching of valorization to the benefit of the first ones who have embarked on this venture, and to the detriment of the timid capitalists who have remained confined in the old methods of production. This is exactly what happened in the 1970s and 1980s, when large European or

¹⁴ The economist Daniel Cohen, in the aforementioned interview with *Le Monde*, for example, refers to “the acceleration of a new capitalism, digital capitalism.”