Indiana University, October 16, 2020

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The Politics of Coronavirus. Investigating the Future of Neoliberalism

Abstract

The current pandemic challenges established ways of life in many parts of the world and there is a need to take stock of its political implications. While it is easy to see that neoliberalism played a key role in facilitating the spread of Coronavirus and in exacerbating its impact, the scenarios emerging from the management of the pandemic are more difficult to predict. Malthusianism and social Darwinism are definitely characteristic of current developments in several countries and regions, while elsewhere we witness a new emphasis on welfare and public health. Focusing on Europe, the talk will analyze a set of shifts in the macroeconomic governmental framework asking whether it is possible to speak of an emerging “post-neoliberal” conjuncture. In order to test this hypothesis and its implications, which are not necessarily “positive,” the very notion of neoliberalism will be discussed once again.
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In the following pages readers will not find a full-fledged paper. What I aim to provide is rather a first sketch of a research project on the political implications of the current pandemic. I hope this sketch will work to trigger a lively discussion on October 16, and I want to thank Ricardo Andrés Guzmán and Edgar Illas for the invitation to give a talk at the Center for Theoretical Inquiry in the Humanities, Indiana University and for the opportunity to share with you a set of ideas that are still in the making. Focusing on neoliberalism, I attempt to demonstrate that the current conjuncture is a turning point for neoliberal policies as we knew them. My analysis is consciously limited here, since my reference is basically to Europe, and I am aware of the fact that there is a need to widen the scope of the investigation and to take into consideration a large number of other instances to diagnose the future of neoliberalism. The latter has been since the beginning of its hegemony a global phenomenon and its mutations and crises must be analyzed at the global level. Nevertheless, one has to start from a location, and I start from Europe since it is the part of the world where I live, I work, and I am primarily politically engaged.

1. *Neoliberalism and the virus*

It has been recently noted that the expansion of neoliberalism over the last four decades has coincided with at least four large epidemics – Ebola, SARS, MERS, and now Covid-19 (V. Navarro, “The Consequences of Neoliberalism in the Current Pandemic,” *International Journal of Health Services*, 50 (3): 271-275). Needless to say, it would be misleading to assume a unidirectional relation of cause and effect between the global spread of neoliberalism and the outbreak of epidemics. One has just to think of the environmental factors that come into play here to get a sense of the complexity of the dynamics of spillover and circulation of viruses. Nevertheless, it is definitely possible to speak of a kind of “elective affinity” between neoliberalism and viruses, which is apparent for instance when one looks at the mathematical models employed to make sense of and to steer financial flows, or at the epidemiological models that employ logistical data to trace the diffusion of the virus along transport and trade routes (B. Neilson, “Virologistics I: The Virus as Logistical ‘Force Majeure’,” *COMPAS*
And there is no need to dwell on the relevance of logistics and finance for what we can call the material constitution of neoliberalism (see S. Mezzadra and B. Neilson, *The Politics of Operations. Excavating Contemporary Capitalism*. Durham, NC: Duke University Press, 2019). The coronavirus could work from this point of view not only as a symptom but also as a lens, since its uneven circulation at the global level mirrors constitutive aspects of global processes as well as the patterns of variegation that have shaped the spread of neoliberalism (see N. Brenner, J. Peck, and N. Theodore, “Variegated Neoliberalization: Geographies, Modalities, Pathways.” *Global Networks* 10, 2010 (2): 182-222).

Even more relevant for the current discussion is the fact that neoliberalism actually facilitated the spread and the morbidity of the Coronavirus in many parts of the world. The reorganization of health services according to the primacy of the private sector or the competition between the public and the private sectors has led to a downsizing and to a fragmentation of health care not only for the poor, but also for the working class and for sections of the middle classes. Preemption in particular has become more and more difficult under these conditions, while treatment has taken on more and more selective characteristics. Even more generally, the disruption of societal solidarities engendered by the spread of the neoliberal norm of competition has had far-reaching implications for the conditions of the elderly, who have become privileged victims of the Covid-19. Needless to say, the list could go on. There is no doubt that neoliberalism contributed to the spread and to the morbidity of the Covid-19, that neoliberal regimes were not prepared to confront a pandemic that had been announced several times by scientists and by the World Health Organization in the last years. The question is what comes after the shock of the pandemic – whether on the one hand new governmental frameworks for the capitalist stabilization of the crisis will emerge (which may well be “post-neoliberal”); and whether on the other hand social struggles and mobilizations will effectively challenge both neoliberalism and emerging patterns of crisis management.

2. *Neo-Malthusianism and social Darwinism*

The first reactions of the ruling classes to the pandemic were not particularly encouraging to say the least. A kind of “neo-Malthusianism,” with social Darwinist inflections, has not only shaped the policies of several governments, say in the UK at least in the first phase of the pandemic, in the US, in Brazil, in India, under the motto of “herd immunity.” Also in other parts of the world, including Europe, industrial federations and organizations of employers
have struggled to prioritize the interest of “economy” over public health, exposing workers to the risk of infection and adopting in fact a “neo-Malthusian approach.” Needless to say, “now-Malthusianism” and “social Darwinism” play important roles in the genealogy of liberalism. When one looks at the racial selectivity of the impact of Coronavirus in such countries like the US and Brazil, there is a need to remind that neoliberalism itself – as Quinn Slobodian demonstrates in his Globalists (Cambridge, MA: Harvard University Press, 2018) – is far from being “race blind” and immune to racism.

Should we conclude that we are confronted today with a continuity of neoliberalism under the sign of an exacerbation of its racist and social Darwinist components? This is for instance what Ranabir Samaddar contends writing from India under the impression of the massive, painful, and often lethal exodus of internal migrant workers from the cities in the wake of the outbreak of the pandemic. Samaddar writes: “The only way out for liberal politics, it seems, is to create racist and xenophobic responses to the crisis, blame others to hide its own systemic incompetence, and for that as a beginning shower abuses on an ‘authoritarian’ framework of containing the disease. The response is neo-Malthusian in its essence. People are the victims of the neo-Malthusian game” (see Samaddar’s introduction to the collective work Borders of an Epidemic. Covid-19 and Migrant Workers, Kolkata: CRG, 2020: 31). This is a compelling argument against the background of the Indian experience. And I am aware of the fact that such “neo-Malthusian” logics are doomed to remain an aspect of the current conjuncture – not only in India. My question is whether they will be uncontested. And I am not thinking only of social resistance, I am also asking whether a different hypothesis of capitalist stabilization of the crisis will emerge.

3. A different approach: Europe, South Korea, China

It seems to me indeed that the outbreak of the coronavirus was managed in a quite different way by governments in such places as Europe, South Korea, and China. I am aware of the fact that there are huge differences among these countries and regions, but the point is precisely to stress the heterogeneity of measures and policies that can be considered to have taken public health as the main reference for the management of the coronavirus outbreak. If I were asked to mention a single motto that can grasp the specificity of such measures and policies despite their deep heterogeneity, I would mention the title of a famous course held by Michel Foucault in 1976, “Society must be defended.” As we know from Foucault, such a motto points
both to the origins of liberal social policies that foreshadow the democratic Welfare State and to a development of racism and hygienics that culminates in the Nazi regime. One can say that these are the two meanings of the notion of biopolitics in Foucault’s work. And the management of the pandemic by the governments that I just mentioned can definitely be interpreted as biopolitical exercises, with all the ambivalence pertaining to the concept of biopolitics.

Lockdowns and militarization, “test, trace, and treatment approach,” technological innovations and digitalization, logistical infrastructures and displacement of populations were some of the means employed to “defend the society” – sometimes (not only in China) with a pronounced authoritarian inflection, with exclusion of migrants, and with a disproportionate burden of care and reproductive labor attributed to women. This approach, which should be studied going into the details of the different countries involved, outlines an alternative to “neo-Malthusianism” (although it is definitely not fully incompatible with it). There is a need to repeat that both in history and in the present the emphasis on “public health” is an ambivalent concept, since it can be at roots of violent policies of social disciplining of subaltern and laboring populations and of the establishment of a universal right to healthcare. Such an emphasis, nurtured by the experiences of the pandemic, foreshadows nevertheless a new battleground that must be explored by anyone interested in social justice – a new battleground where we need to rethink the politics of social movements and struggles.

4. The peculiarity of the European situation

There is a need to stress the peculiarity of Europe in this respect. I do that taking stock of the “provicialization” of Europe, which is both a political and epistemic principle and a material outcome of a complex set of processes that have displaced Europe from the center of the world. To be clear, I am not thinking of the emergence of a new global model or norm from the developments in Europe. I am simply trying to outline some of the specific characteristics of the European response to the pandemic, which should be further specified looking at the different countries and regions that compose the heterogeneous assemblage of Europe – both within and beyond the European Union. Asking whether European developments can represent an instance of a wider global trend requires a much more detailed investigation that cannot be pursued here and that remains a task for the future.
The main peculiarity of the European situation lies in the multilevel assemblage of politics in the framework of the regional integration process that started in the 1950s and led to the establishment of the European Union (EU) in 1993. As I demonstrate elsewhere, the management of the crisis of the democratic welfare state was a key issue for the establishment of the EU, and the ordoliberal framing of the single currency and of the European Central Bank played a crucial role in promoting the hegemony of neoliberalism, although with different national shades, at the regional level (see S. Mezzadra, “Seizing Europe – Crisis Management, Constitutional Transformations, Constituent Movements,” in Ó.G. Agustín – Ch. Ydesen (eds), *Post-Crisis Perspectives. The Common and Its Powers*, Frankfurt a.M.: Peter Lang, 2013: 99-118). The neoliberal imprinting of the EU was under attack from the left and from the right in 2005 in France and in the Netherlands, where the proposal to adopt a “constitutional treaty” was rejected at a referendum. After those votes, neoliberalism was even more entrenched in the “governance” of the EU, while the spaces for the representation of national interests became wider. Nationalism and what is called in Europe “sovereignism” became stronger in the wake of the crisis of 2007/8 with the rise of old and new forces of the right in several countries. What resulted from that was a “monstrous” combination of neoliberalism, authoritarianism, and nationalism that dominated the last decade. A key moment from this point of view was what critical migration and border scholars and activists call “the long summer of migration” in 2015, when hundred thousands of migrants and refugees successfully challenged the European border regime and were able to reach countries like Austria and Germany across the so-called “Balkan route.” The European response to that challenge was a renationalization of borders that led to a paralysis of a system of cooperation that had been steadily established in the previous twenty years.

5. *The crisis of 2007/8 and the “sovereign debt” crisis*

In order to understand the impact of the social and economic crisis engendered by the current pandemic in Europe (and particularly in the South of the continent) one has necessarily to take into consideration a previous crisis, the one of 2007/8. This is first of all because the effects of that crisis have been long-lasting and have spread poverty and precarity across the societal fabric making it weaker in front of the outbreak of coronavirus. But this is also because the response of the EU and of national governments to the financial crisis establishes a parameter that we can adopt to evaluate the response to the current crisis.
As it is well known, the crisis of 2007/8 took in Europe the form of a “sovereign debt crisis.” There is no need here to go into the details of that crisis and of the European crisis management (see again S. Mezzadra, “Seizing Europe”). Countries like Ireland, Portugal, Spain, and Cyprus were literally punished and disciplined by the European institutions, led by Germany. It was the time of austerity, which came to be strictly associated with a neoliberalism deprived of any “promissory” character and reformulated according to a moral logic that was always a constitutive aspect of German Ordoliberalism. Debt, following the double sense of the word Schuld in German already underscored by Nietzsche, came to be associated with “guilt,” with dissipator behaviors to be rectified and punished. This was nowhere clearer than in the Greek crisis of 2015, when the left government of A. Tsipras (supported by massive social movements in Greece and elsewhere in Europe) was violently compelled by the European institutions to accept a neoliberal “memorandum of understanding.” That was really a defining moment in the recent history of Europe. More generally, the European crisis management of the early 2000s has exacerbated a split along the North/South axis that is far from recomposed today, while in recent years the rise of nationalist and authoritarian governments in such countries like Hungary and Poland has made also the relations between the East and the West of the continent particularly difficult.

6. 2020: monetary politics and “recovery fund”

The EU has been hit by the pandemic in a moment of deep crisis – and the splits between North and South as well as between East and West continue to haunt it. Nevertheless, by the force of things, it was compelled to confront the crisis in a quite different way with respect to the crisis management of the early 2000s. Take first of all the monetary politics of European Central Bank. In the wake of the financial crisis of 2007/8 and the ensuing sovereign debt crisis, the European Central Bank followed the policies of other central banks around the world. “Quantitative easing” created huge amounts of money that were directly poured into financial markets, nurturing processes of financialization and ultimately exacerbating social inequalities. In March 2020 the European Central Bank announced a 750 billion euros “Pandemic Emergency Purchase Program” that has quite different characteristics. Expanding the range of eligible assets and increasing the flexibility of purchases, the program aims first of all to cover and enable deficit spending by the national governments. Such an expansive monetary politics, which should be compared with the one of the Fed after the shift to
“average inflation targeting” announced by Jerome Powell on August 27, is difficult to reconcile with neoliberal monetary orthodoxy. In particular, it challenges the dogma of balanced budget that was one of the refrains of European crisis management in the early 2000s.

While in March the European Commission activated the safeguard clause in the European Stability and Growth Pact, to enable governments – as the President of the Commission, Ursula von der Leyen, stated on March 20 – to “pump as much money as it takes into the system,” an ambitious plan was launched at the end of May, the so-called “Recovery Fund” (or “Next Generation EU”). Even beyond the fact that it mobilizes 750 billion euros (500 billion grants, 250 loans), it is important to note that the Commission will borrow on the capital markets to distribute money to the member states. This has never happened before on such a scale and it can be interpreted as a first step toward the mutualization of debt. If one reads the official European documents and statements regarding the “Recovery Fund,” it is clear that classical neoliberal keywords, e.g. competitiveness, are far from absent. But the emphasis is elsewhere, on the green agenda, on the digital economy, and above all on health and education systems as well as on the need to establish a European minimum wage framework. It is definitely too early to conclude that a post-neoliberal approach to the capitalist stabilization of the crisis is emerging in Europe. But what is sure is that, after decades of struggles and resistance against the neoliberal roll back of the state and dismantlement of Welfare, the situation will be quite different in the next months and years. The struggle will be over the allocation and use of a huge amount of resources. Needless to say, it will be a hard struggle.

7. Neoliberalism, reloaded

Expansive monetary politics, deficit spending, big public investments in health and education are in any case all elements difficult to reconcile with a standard neoliberal macroeconomic policy framework. To repeat it once again, they do not necessarily imply a positive or “progressive” development and they should not be read in terms of a return to the past, to Keynesianism for instance. But they definitely point to a crisis management (a capitalist crisis management) different than the classical neoliberal one. Monetarism and strict budgetary control are defining features of neoliberalism since the years of Margaret Thatcher and Ronald Reagan. “Deregulation, privatization, and withdrawal of the state from many areas of
social provision,” writes David Harvey in his *A Brief History of Neoliberalism* (Oxford and New York: Oxford University Press, 2005, 3), are the hallmarks of neoliberalism once it is considered from the angle of its macroeconomic framework and of the strategies of the ruling economic and political classes.

There is nevertheless a need to note that over the last years we have witnessed the emergence of a different way to view and criticize neoliberalism. I am thinking of the growing literature that takes a Foucauldian angle on neoliberalism, considering it – also beyond the course held by Foucault himself in 1979 and entitled *The Birth of Biopolitics* – a specific form of *governmentality*. Such works as *The New Way of the World* by Pierre Dardot and Christian Laval (London – New York: Verso, 2014) and *Undoing the Demos* by Wendy Brown (New York: Zone Books, 2015) come to mind here. Dardot and Laval, in particular, convincingly stress the difference between classical liberalism and neoliberalism arguing that, while the former was focused on the question of limits to government, the latter aims at spreading the “rationality” of the market and competitiveness across the whole political and social fabric. This requires a different critical gaze on neoliberalism than the one epitomized by Harvey’s book, a gaze focused on its pervasiveness at the level of the working of social institutions and ultimately at the level of subjectivity. Joining this literature in an original way, Argentinian scholar Verónica Gago suggests looking at neoliberalism “from below,” analyzing the ambivalent and contested ways in which neoliberalism penetrates and shapes even “popular economies” in Latin America (V. Gago, *Neoliberalism from Below. Popular Pragmatics and Baroque Economies*. Durham, NC: Duke University Press: 2017). It is important to note that Gago’s book was written at a time in which Latin American “progressive” governments were claiming to have opened up a new “post-neoliberal” epoch challenging the macroeconomic framework of neoliberalism. I think there is a lesson to learn for us here. Once we carefully analyze the pervasive spread of the neoliberal “rationality” across social relationships and in the working of governance and social institutions like schools, universities, and hospitals, getting rid of neoliberalism with the “return of the state” or even of the centrality of welfare becomes difficult to imagine. Neoliberalism will definitely stay with us for a while, and we will continue to struggle against it although possibly under different conditions (at least in Europe).

8. Welfare: then and now
As I already stressed speaking of public health, “welfare” can have completely different meanings. From Marx to Polanyi we have plenty of analyses that underscore the repressive and disciplinary character of poor laws since early modernity. The emergence of the “social question” in the early 19th century was immediately connected with a fear of workers’ insurrections that became concrete in 1848 and then again in 1871, with the Paris Commune. One can say that it was this fear, nurtured by the continuity of workers’ struggles and then embodied by the Soviet revolution, that opened up the space for the acknowledgment of social rights and that altered a course of social policies that in itself aimed at disciplining and punishing the working populations, establishing a firm difference between “laboring and dangerous” classes (L. Chevalier), enabling the smooth reproduction of the labor power, and policing poor and working class neighborhoods. A paternalistic and disciplinary imprint characterizes the history of the welfare state even in the second half of the twentieth century, when it entered an unstable equilibrium with a different logic – with what we can call with T.H. Marshall the logic of social citizenship (T. H. Marshall, *Citizenship and Social Class*. Cambridge: Cambridge University Press, 1950). The paternalistic and disciplinary imprint of social policies became even more pronounced with the crisis of the democratic welfare state and shaped for instance the (neoliberal) welfare reforms of the “new labor” in the UK, centered upon “New Public Management,” “private finance initiative,” and increases in resources for policing and security. This is an instance that would deserve closer scrutiny today, since those reforms could become sources of inspiration for several political forces.

There would of course much to say on the democratic welfare state in Western Europe, on the different models and experiences as well as on the relations with parallel developments in the US and with Brett Neilson and I call the “developmental” state in other parts of the world (see S. Mezzadra and B. Neilson, *The Politics of Operations*, chapter 3). What seems more important to me here is to point to the absolutely specific conditions that made possible the establishment of that form of state. To put it shortly, in the framework of what has been called the “Keynesian revolution” the establishment of a wide array of labor bargaining systems and “industrial democracy” accomplished the acknowledgment of the industrial working class as a driving force in economy and society. This happened in the age of “mass production,” or Fordism, which required the expansion of the workers’ demands and consumption for the general equilibrium and pace of capitalist development. The acknowledgment of the working class was immediately at the same time the mystification of its power. But it implied far-reaching reforms in the fields of public housing, public education, and public health (with
limits that should be analyzed in detail for the different countries involved). It is important to stress the structural link between Fordism and the welfare state that was established in Western Europe in the wake of World War 2, because it makes clear that there is no way back to that state today. And it is even more important to note that the Welfare state was criticized and attacked by workers and social movements in the late 1960s and in the 1970s, before the neoliberal counterrevolution. Some of the elements at the center of those critiques remain important today – ranging from the question of bureaucratization to the gender and racial exclusions upon which the Welfare state was predicated.

9. Capitalism, crisis, and social struggles

There is no shortage of analysis of the history of the Welfare state that emphasize different aspects in its genealogy, from the role of philanthropy to questions of social and political integration. I insisted on labor struggles and the “fear” thereof because I am indeed convinced that the democratic aspects of the Welfare state and the connected “social citizenship” cannot be explained without taking this element of struggle into consideration. And this is a more general principle regarding capitalist crises as the one we are living through. We know that in history crises are crucial moments of transformation and reorganization of capitalism. Such moments often take the form of a real “revolution from above,” where capital itself dictates the forms taken by a new cycle of valorization and accumulation. Take for instance the crisis of 1857, analyzed by Marx in his articles for the New York Daily Tribune. The missing revolution that characterized that crisis from Marx’s angle opened up the space for a reorganization of capitalism around a new role of finance and a new articulation between capital’s command and political structures.

Nevertheless, there are completely different instances, in which the very development of a capitalist crisis is crisscrossed by powerful proletarian and workers struggles that are able to inscribe themselves onto the capitalist stabilization of the crisis. The crisis of 1929 and the New Deal in the US are good instances of that. Again, a much more detailed analysis would be necessary here. For now, suffice it to say that the dramatic growth of workers’ struggles in the 1930s was able to dictate the pace and nature of Roosevelt’s New Deal (without of course managing to challenge its capitalist direction). Besides workers struggles, powerful movements of the unemployed and the poor contributed to defining the framework of Roosevelt’s policies. There is much to learn today from those movements and from the ways
they invented tools and forms of struggle to confront conditions of destitution and dispossession (see for instance F. Fox Piven and R.A. Cloward, Poor People’s Movements. New York: Vintage Books, 1979, chapter 2). The main point that I want to make, even beyond such impressive instances of social mobilization, is not at all that the New Deal has some kind of general model to offer to us. It is more modestly and at the same time more generally that the development of social struggles is a key variable in the complex set of factors that bring about the outcome of a capitalist crisis. This is no less true today than it was in 1929.

10. Welfare and the common

Summing up, we are confronted in Europe with a set of measures and plans that foreshadow a specific way to manage the social and economic crisis engendered by the pandemic (while there is a need to stress that the pandemic itself is far from over and the way in which its persistence is managed is deeply intertwined with the perspectives of social and economic “recovery”). Those measures and plans have at least partially “post-neoliberal” characteristics, regarding both their monetary framework and the proposed investments in public health, public education, and more generally in welfare provisions. Speaking of “post-neoliberal” trends, I want to repeat it, should not be taken as an “optimist” statement. There is a need to repeat that I am talking about a hypothesis of capitalist stabilization of the crisis. Investments in welfare can be managed according to neoliberal logics, as the reference to the “new labor” reforms in the 1990s in the UK amply demonstrates. “Public private partnership” can open up new spaces for the valorization of capital, competitiveness can shape the working of welfare institutions, the position of women as main performers of reproductive labor can be reinforced, as well as the differential inclusion and exclusion of migrants. Moreover, low wages and the further entrenchment of precarity can lead to a spread of poverty that would make welfare provisions (and in particular basic income measures) merely patronizing and ultimately patriarchal.

Nevertheless, there is a need to stress once again that the measures and plans that I sketched above point to the emergence of a new battleground for social movements and struggles. The main field of struggle will be defined by the distribution of resources and by the way in which they will be used. Public health and education will be crucial in this respect, and we urgently need to work toward the building of coalitions capable to express the needs and claims of the different subjectivities involved in those sectors. Feminist mobilizations, so lively in recent
years under the motto *Ni Una Menos*, will be crucial to contest the patriarchal character of welfare policies, while migrant struggles (both within Europe and at its borders) will keep open the space for a contestation of racism and of the borders of citizenship. Environmental actions will also be fundamental, raising the question of the “quality” of development connected to the supposed “recovery.” Even more importantly, struggles for higher wages and basic income will be crucial on the one hand to consolidate and make more powerful the position of the working class and the poor, while they will prompt the emergence and politicization of a new composition of living labor, completely different than the one on which the Welfare state of the post-war decades was predicated in Western Europe.

This is of course a political project that has to be tested in the next months and years. To conclude, allow me to add that parallel to the mobilizations and struggles that I have just evoked there is a need to work toward the invention of a different way of conceiving of and organizing welfare provisions – one that is not centered upon the state but rather upon the notion of the *common*. Pointing to a dimension that goes beyond the great divide between private and public, the notion of the common (at least as I understand it) is also characterized by an essential productive aspect, which translates onto a continuous generation of institutions, social relations, and forms of cooperation. To think of a welfare of the common does not necessarily involve a position of hostility toward the state. It rather decenters the state and opens up a new angle on state institutions themselves – one that prioritizes the principle of social self-organization within and often against the state. Such self-organization characterized and contested the development of the Welfare state even in the 1960s and 1970s, for instance in Italy with the establishment of autonomous feminist clinics and counseling center and in the process that led to the abolishment of psychiatric hospitals under the lead of Franco Basaglia. These experiences can be inspiring even today, although under completely new conditions. Combining the notion of the common with the feminist emphasis on the priority of social reproduction and care is a challenging research and political project for the next future.