

Dossier n° 28

Tricontinental: Institute for Social Research  
May 2020

For this dossier, *CoronaShock: The Virus and the World*, we invited artists and militants from around the world to contribute visual reflections made in quarantine to the *CoronaShock Sketchbook*. Just as we are living the dehumanisation of neoliberalism – characterised by the flexible and fragmented world of work that makes working while quarantined possible – our streets and public spaces have also become dehumanised, largely emptied of their human and economic life. From the exodus of migrants in Delhi to the plight of precarious women workers in Barcelona and Kuala Lumpur, the question emerges: what are essential services and who are the workers who maintain them? From Buenos Aires's vacated Plaza de Mayo to the township evictions in South Africa, from the banners hung from New York City's fire escapes to the shouts of São Paulo's *panelaços* (pot-banging protests), we wonder: what could the shape of mass resistance could look like under social distancing? The sketches of Cuban medical brigades and the civic collectivity in China remind us of the vital importance of human and state-led solidarity in this conjuncture. This sketchbook provides a snapshot and asks us how we might fill – and humanise – these emptied and haunted public streets and spaces again; it allows us to imagine what future is possible for life after coronavirus.

Cover image:

**'HOME', A DISTANT DREAM FOR INDIA'S MIGRANT LABOURERS.**

Delhi, India

Vikas Thakur / *Tricontinental: Institute for Social Research*

In India, migrant labourers traveled across the country en masse after the government declared a lockdown. These are workers who, before the pandemic, already had to struggle daily for even an ounce of food – then COVID-19 hit.

# **CORONASHOCK: A VIRUS AND THE WORLD.**



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In December 2019, doctors in Wuhan (China) began to see patients with a kind of viral pneumonia. By the end of the month, an investigation began and China's health authorities sent out a public warning and notified the World Health Organisation (WHO). The Chinese authorities isolated a new type of coronavirus on January 7, and then on January 12 they shared the genetic sequence of the novel coronavirus for use in developing diagnostic kits. The government, the Communist Party, and the Chinese public began a major effort to contain its spread. This mysterious pathogen was a form of coronavirus, which received the official name of SARS-CoV-2; unlike other respiratory viruses, this one is able to live both in the nose and throat – from where it is highly contagious – and in the lungs – where it is deadly for its host, and for whom it often does not present symptoms immediately. It has spread rapidly around the world, striking almost every country, causing lockdowns and quarantines, and therefore having an immense – and continued – impact on social and economic life. Even as the virus seems to have been contained in many parts of the world, the return of this strain and of the other thousands of strains of the coronavirus should be anticipated. This global pandemic, like the outbreak of cholera in 1832 and the flu in 1918, will return in cycles.

Country after country has gone into various forms and lengths of lockdowns as the virus has infected more and more people and killed thousands. As a result of the quarantines and isolation orders, economic activity has shuddered to a near halt. The International Labour Organisation released a report which suggested that 25 million jobs will be lost due to the CoronaShock,

and that workers will lose about \$3.4 trillion in income by the end of the year. It could get worse, as businesses and corporations are taking advantage of CoronaShock to restructure their operations to become more 'efficient' with less employees. A consequence of long-term unemployment and underemployment, as well as of uncertainty in the oil market, is that the global growth rate will likely splutter down to around 1%, as the International Monetary Fund (IMF) suggests; even this is predicated upon Chinese growth which – though dented – is expected to increase as the SARS-CoV-2 seems to have been managed within the country's borders. Stock markets from Hang Seng to Wall Street saw significant losses, their already inflated value collapsing.

Vast amounts of emergency funding were brought together by governments and by international bodies. Money was accumulated by the United Nation's Central Emergency Response Fund (\$15 million), the World Bank (\$12 billion), and the International Monetary Fund (\$1 trillion), and central banks opened new facilities to lend money to financial institutions and to companies. The United States Congress passed a bill for an astronomical \$2.2 trillion in emergency funds, vast amounts of it to bolster corporations. It became very clear that the problem was not illiquidity in financial markets, which was one of the causes of the 2008-09 financial crisis, but a concatenation of events: the lack of certainty about the coronavirus, the rapid decline in oil prices, and the long-term problems of unemployment and underemployment. The money raised is supposed to deal with the CoronaShock, but how it will be spent is precisely the issue at hand. There is a habit in a capitalist society to throw money at

banks and at large corporations. Experience shows us, however, that these entities seldom use this money to meet key goals of our predicament: to provide relief for the general public – including the provision of income and jobs – and to provide a long-term solution to social inequality. That is why Tricontinental: Institute for Social Research and the International Assembly of the Peoples has produced a document, whose 16-points we reproduce in part 2 of this dossier, that responds to the CoronaShock from the standpoint of the peoples of the world.

*CoronaShock: The Virus and the World* will come in three parts. Part 1 is on the structural features that resulted in our present crisis. Part 2 is on the 16-point programme from the International Assembly of the Peoples and Tricontinental: Institute for Social Research. One of the points in the programme is for a Universal Basic Income. This is a complex idea that requires discussion. In Part 3 of our dossier, we provide a brief introduction to the idea of the Universal Basic Income (UBI) and offer some critiques of the concept and some ways to sharpen the way we think about it.





## **NUNCA MÁS**

Havana, Cuba

Kalia Venereo / [Dominio Cuba](#)

'Neoliberal policies that deprive people of the right to health #NeverAgain'. This piece represents the Cuban doctors who set out to overcome the pandemic through solidarity. It was created for the organisation Dominio Cuba in support of the convocation of French organisations and celebrities for a global social media campaign to promote a future without neoliberal policies, which deprive people of the right to health.



## *Part 1. The Austerity Virus.*

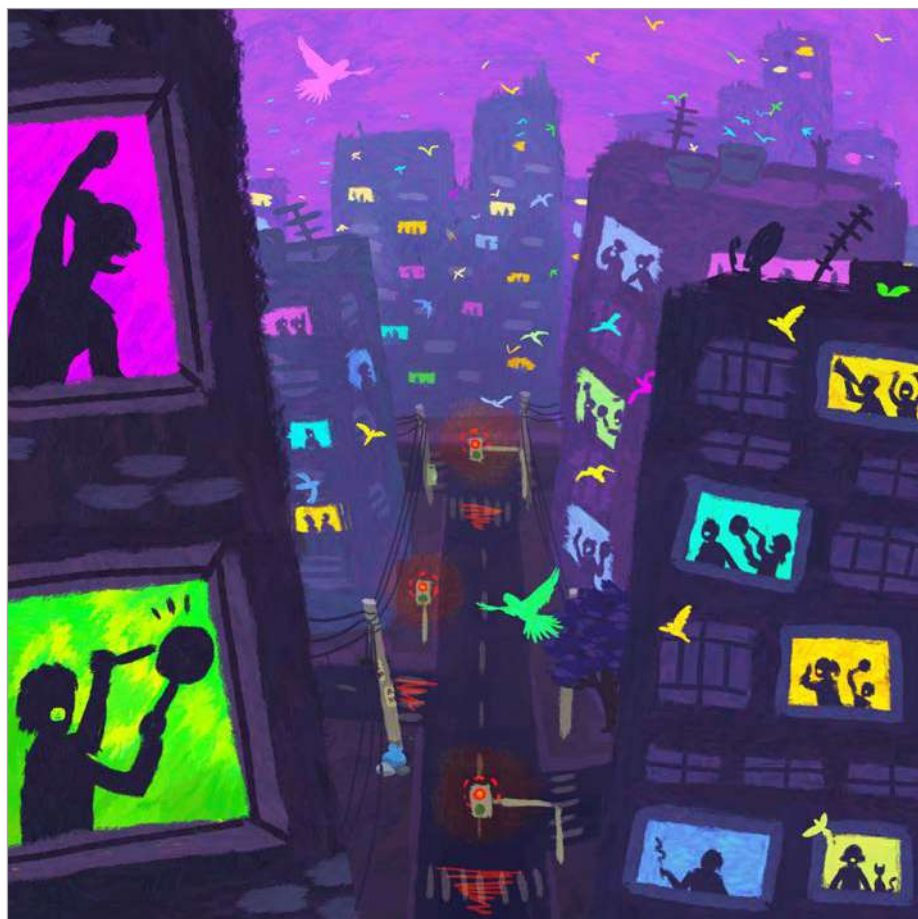
The global pandemic shows us the clear destructive tendencies of capitalism in its neoliberal phase. This conjuncture, with the slowdown of economic activity and the turbulence in the stock markets, has turned neoliberal capitalist leaders and multilateral institutions into Keynesians – be they Angela Merkel (Germany) and Emmanuel Macron (France) or the World Bank and the IMF. Each of them opened windows at their central banks and in their finance ministries to pour money into the private sector (and to expand state programmes). On the other hand, it has made radical right-wing leaders – such as Donald Trump (USA), Narendra Modi (India), Jair Bolsonaro (Brazil), *Recep Tayyip Erdoğan* (Turkey), and *Viktor Orbán* (Hungary) – tighten their grip on their already obscene programmes, including xenophobia. For them, it has been far easier to blame China for the virus than to take responsibility for their own failures to tackle the pandemic, even after they received ample warning. These leaders of the North Atlantic states and the institutions they control created the conditions for this crisis, which has led to an unsustainable social situation for the people of the world – particularly in the Global South. They treated the crisis as though it had emerged merely from a confluence of circumstances that could be entirely explained by the pandemic; headlines announced that the ‘crisis is provoked by the coronavirus’. This virus – like other such viruses – raises the fundamental question of human encroachment into forests and the balance between human civilisation



(agriculture and cities) and the wilds. As Miguel Tinker Salas and Victor Silverman write in *La Jornada*, the virus is the product of nature, while the crisis is the product of neo-liberalism.

However, since the 1970s (and most intensely since the fall of the Berlin Wall in 1991), the neoliberal globalisation project has shown increasingly striking levels of dehumanisation – including cuts in public institutions and austerity towards social policies. This dehumanisation convulsed in a cycle of crises, often motivated by the turbulence of precarious work, the unsustainable credit given to people with suppressed incomes in order to manufacture demand, and by the further shift of capital from industry to finance. The crises that emerged did not come from an upsurge of popular struggles that challenged capitalism; they came, instead, from the dehumanised logic of capital in its neo-liberal phase. Crises were resolved through remedies that were often worse than the disease.

The new coronavirus reveals the decay of capitalist civilisation. Perhaps the world will not be the same after the pandemic has been controlled. The eroded neoliberal state can either be supplanted by a state structure that favours the neo-fascist project, or by one that builds public institutions and public action that put the needs of the people over profit. This is a formidable choice. There is anxiety in sections of the neoliberal bloc that whatever policies of a social nature are put in place on an emergency basis during the CoronaShock might become hard to undo; it will take more than inertia to ensure that any gains made in this period remain in place when the immediate crisis is over.



***FORA BOLSONARO!*** | GET OUT, BOLSONARO!

São Paulo, Brazil

Ingrid Neves / Tricontinental: Institute for Social Research

'Get out Bolsonaro', 'get out Fascist', and 'not him' are among the chants that fill the air during *panelaços* (protests characterised by the banging of pots and pans) in Brazil under quarantine. Isolation has not stopped voices, pots, and noisemakers from uniting against the government of President Jair Bolsonaro in large urban centres.

The crisis engendered by the global pandemic far exceeds the issue of health. Beyond the chaos and uncertainty of the present, the question is posed about whether a new social model and political order is possible in the near future. In a discussion between the philosophers Slavoj Žižek and Byung-Chul Han, they posed an idea of the future: will what emerges resemble some kind of ‘re-founded communism’, or will it develop into a kind of police state propped up by big data?

There is no *a priori* answer to these questions. The current crisis is part of a series of accumulated trends that have accelerated over the previous decades and that have exploded as a result of the global pandemic. Four structural characteristics of the crisis need to be elaborated: deepened financialization, the decline of US hegemony, the displacement of labour by technology and increases in productivity, and the crisis of the neoliberal state.

### *A Wave of Financialization*

What was presented as a way out of the 2008 credit crisis was not a true exit. The bailout policy for investment banks and large non-financial companies adopted by the countries of the Eurozone, as well as the United States and the United Kingdom, generated a process of global hyper-liquidity (that is, an over-abundance of dollars). Whenever capital faces weak profitability, it always prefers speculative fictitious activity – rushing, for instance, to the stock markets; in the current period, the quantitative extent of

the financial sector relative to the real economy is stunning, and this is what makes it unique.

There are at several elements to the process of financialization. The process refers to the ballooning of the financial sector since the 1980s, with larger volumes of surplus value created by the productive sector being absorbed into the financial firms. Immense debt of various kinds is accumulated by households – notably working-class households – to finance everyday life; this debt is packaged into securities and bounces around in the giant casino of the financial world. What we observe is a qualitative shift in economic activity, so that new crises develop out of the instability of finance in the realm of circulation alongside the old crises of profitability from activities of production.

This great abundance of money did not trigger a global process of productive investments. On the contrary, most of the world's money once more ended up adding to sovereign debt and financial assets (including through re-energized stock buys), causing the process of financialization to accelerate. New asset bubbles were inflated through such instruments as government bonds, and finance flew to capitalise companies in the new technology sectors.

Technology firms have begun to dominate the stock markets, and they have absorbed a considerable part of the world's liquidity; this absorption was generally characterised by the centralisation of capital, especially in US firms (Apple, Amazon, Alphabet, Microsoft, and Facebook were the firms that had the highest

valuations). These US technology firms have been fundamentally challenged by the growth of Chinese technology firms – such as Huawei; Huawei’s advances in such areas as 5G threaten the US firms domination over intellectual property rights claims, which give it the advantage of monopoly rent over these property rights. The trade war prosecuted by the United States against China can be understood directly by the threat posed by Chinese technology firms against the powerful US technology firms.

Both the Global North and the Global South saw the rise of financialization. While finance in the North channelled capital into new hyper-profitable sectors (such as platform capitalism and technology), in the South finance took on the dynamic of indebtedness followed by capital flight. In 2015, the US Federal Reserve adopted the policy of strengthening the US dollar by increasing the federal funds rate (i. e. the overnight rate that depository institutions charge each other for loans), which drew in money from the rest of the world to bolster the US economy. As a result of such policies, the United States recovered its leading role as the destination of capital after more than a decade of the ‘emerging markets’ drawing in global capital. In 2018, the three countries with the highest net capital inflow were the United States (\$258 billion), China (\$203 billion), and Germany (\$105 billion). The United States attracted a large part of the world’s liquidity, largely due to the US Federal Reserve policy of higher interest rates; this drew capital from the Global South to the Global North.

The deepening power of finance over society and the economy has led to three outcomes: the political dependence by the economically indebted Southern countries, the stagnation of the productive sectors of the economy in the Global North, and the chronic instability of the world system, which puts the interest of capital before the needs of people. The appearance of the coronavirus has accelerated this process. China has become central to global manufacturing; the halt of production in China, and the fall of its industrial production by 15% (as compared to performance in the previous year), makes it hard to understand how liquidity to the big banks in Global North is expected to revive not only the global supply chain but also aggregate global demand.

### *The Acceleration of the Decline of the United States*

Giovanni Arrighi, in *Adam Smith in Beijing: Lineages of the Twenty-First Century* (2007), considers the increased and accelerated financialization process to be an indicator of the crisis of US hegemony. The United States has driven a hybrid war against several non-aligned states (Iran and Venezuela) in order to gain dominance over China in Eurasia, and it has used its financial power for this process, as well as to re-establish its position of eminence over its allies. But this drive marks the weakness of the unilateralism of Washington.

The health and humanitarian crisis aggravated by this global pandemic has strengthened the role of China, in particular, as a

state capable of controlling the virus within its borders, and then of using its expertise and resources to help people suffering outside of its borders. On the other hand, Trump's callous attitude towards even his own people – putting 'care' for the economy ahead of the humanitarian disaster – made the decline of US leadership evident as the US failed to lead any kind of response, even through the typically pliant G20. Whatever the lack of clarity about what will come in the future – whether we have entered an Asian Century or a bipolar era or a multipolar period – it is clear that that Western liberal civilisation has not even been capable of responding to the needs of the people in its own part of the world.

### *Digitalization Against Labour*

The concentration of capital in the technology sector should not go unnoticed. It raises at least two important debates: first, that it generates a speculative asset bubble focused on high-tech companies, and second, that it both expands the influence of global capitalism throughout the world and allows for the control of data that is in turn used to manage people. The exponential growth of 'platform capitalism' – or economic activity that is rooted in Internet-based platforms – and of the collection and analysis of big data produces new logics of consumerism; this is a key part of what is known as the Fourth Industrial Revolution. This platform capitalism shapes and channels consumer needs, produces new forms of subjectivity, and even intervenes in producing political



identities. The overall creation of individualisation through the atomisation of social activity creates new ways of being in the world.

The global pandemic, and the lockdown that it has occasioned in large parts of the world, have been propitious for the development of platform capitalism. Remote work using the Internet provides a way to continue working during the quarantine. Google, Amazon, Facebook, and Zoom have made it possible to work from home, and they have suggested that this is beneficial for the world's workers. For example, they suggest that we are able to use our time more freely, and that we are – through flexible contracts – able to change jobs with greater frequency. Of course, the idea of life-long employment for workers under capitalism is now anachronistic, and flexible work has become the paradigm of this period of neoliberalism. Among jobs that are possible to carry out remotely, this model also ignores the increased burden of uncompensated labour – such as caring for children who are out of school due to the crisis and caring for family members who are at increasing risk of falling ill, all while working remotely. Furthermore, the central role played by platform capitalism in the midst of this lockdown period advances the agenda of neoliberalism – notably the segmentation of the work force and the fragmentation of workers – further subordinating the workforce to the unfettered interests of capital.



### **WHO SUSTAINS LIFE?**

New York City, United States

Belén Marco Crespo / The People's Forum

The working class has been facing the systemic crisis of capitalism long before the outbreak of Covid-19 and it is the working class, still, who continues to sustain life. Immigrants, informal and low-wage workers, and women in New York bear the burdens of care work in a time when all of humanity needs to prioritize care over profit.

## *The Crisis of the Neoliberal State*

The neoliberal state system has shown that it is incapable of solving the problems that its model creates. In 2008, for instance, the neoliberal state system, led by the United States, hastened to pump enormous amounts of capital into the financial system, and into particular large corporations (such as General Motors). This intervention was known as ‘financial Keynesianism’, or state intervention to sustain the architecture designed by financial firms to promote and benefit the neoliberal project. The underlying issues – namely the lack of income for billions of people who live on expensive and unsustainable credit – were not addressed.

In many countries, discredited neoliberal and ‘third way’ (or centrist) politicians gave way to projects of the far right and the neo-fascists. Álvaro García Linera, the former Vice President of Bolivia, calls this the stage of capitalism *zombie neoliberalism* – a neoliberal project that favours hatred and resentment. In the context of this zombie neoliberalism, the bourgeois state enters into crisis, since it cannot acknowledge – let alone address – the democratic demands of the people; a ‘state of exception’ prevails, with neo-fascist authoritarianism eclipsing the already frazzled liberal democratic institutions. Political theorist William Davies calls this *punitive neoliberalism* – a neoliberalism that responds to the crisis by deepening its policies of austerity and fiscal rigour and imposing greater indebtedness, especially in the Global South. In Davies’ words, this leads to ‘a melancholic condition in which governments and societies unleash hatred and violence upon members of their own populations’.

## *Part 2. In Light of the Global Pandemic, Focus Attention on the Needs of the People.*

Those with power in the system are the first to design mechanisms to protect themselves during a crisis. Whenever there is a financial crisis, for instance, the actual cause of the meltdown is not addressed; what is hastily put on the table is an enormous financial bailout for those who provoked the crisis in the first place. As the global pandemic unfolded, governments once more set aside great sums of money for the interests of capital to protect themselves, as central banks – following the lead of the US Federal Reserve – cut interest rates to deliver liquidity to the stock markets so that the wealthy could ensure the health of their investments, rather than ensuring the health of the people. Resources of the public, which in this period are rarely turned over for the public good, are rapidly made available to save the private sector.

The states with a socialist orientation (from national governments as in China to state governments as in Kerala) mobilised whatever resources they had available – regardless of economic losses – to contain the pandemic. The WHO called China's efforts 'the most ambitious, agile, and aggressive disease containment effort in history'. Meanwhile, the state of the bourgeois order utterly failed to use their considerable resources and failed to prepare a rational plan for these resources; the death rates from Italy to

the United States of America have been catastrophic, a political crime against humanity.

Over the course of the past thirty years since the fall of the USSR and the weakened condition of the global left, forces of the left have been placed on the back foot. Governments eager to please the interests of the billionaire class have cut taxes and enforced austerity, privatised precious public assets, and deregulated industry and commerce. In the name of efficiency, the bourgeois state intensified the class struggle, attacking labour unions and left organisations, attempting to fragment the reservoirs of the left. The growth of non-governmental organisations (NGOs), often backed by the foundations of the plutocracy, undermined the political left as it turned the attention of people away from the totality of their problems to single-issue campaigns; someone was interested in water delivery, someone else in education, but no entity was drawing the people into a frontal assault on the system as a whole – namely against capitalism.

A consequence of the weakening of the left in a period of full-front class struggle and the development of a media onslaught that sold commodities as dreams was that the left was forced to engage considerable energy on short-term struggles. Relief against the regime of austerity came alongside building struggles against the increased brutality of capitalist production processes and state violence. Without the left forces playing a role alongside popular sentiment against the cuts and the violence, the brutalisation of the labour process, and the impoverishment

of the workers, the impact of neoliberalism and globalisation on the dispossessed and working class would have been far worse. A weakened left, driven by reality to focus on the short-term, nonetheless produced many programmes for a socialistic approach towards the several crises; these programmes had important elements that require study. Where the left has been in government, it has experimented with new approaches to the endemic crisis of capitalism and has sought to mobilise its resources for the social good and to develop public action to transform society and to advance the class struggle.

As the global pandemic escalated beyond China's borders, it became clear that the societies that had undermined their public institutions would suffer immeasurably from the virus. The Chinese government has used its considerable resources to test its population, to establish who the infected patients had contacted, to treat and monitor patients, to tend to the needs of the shut-down cities, and to ensure that society did not suffer unnecessarily from disruptions. From the United States to India to Brazil, however, the evisceration of public institutions – particularly public health institutions – has left society vulnerable. The privatisation of medical colleges has led graduates to the higher paying end of medicine as a way to pay off their debts, while the privatisation of hospitals has driven cuts to the surplus or surge capacity; in these hospitals, every bed and machine is treated as real estate from which to maximise rent collection. Just-in-time medicine for private gain became the formula.



### **THE EAST IS RED.**

Shanghai, China

Tings Chak / Tricontinental: Institute for Social Research

On 4 April at 10am, China held three minutes of silence to commemorate those who fought and died in the international battle against COVID-19 – it was the Qingming, the festival for ancestors. The country stopped and the sounds of sirens, car and ship horns, and the belltower playing 'The East is Red' filled the air.



The failure of the austerity health care system is now clearly visible. So too is the utter failure to establish institutions to take care of the vulnerable in times of an emergency, and the universal failure to nurture a culture of public action that would propel worker organisations and social groups to help sustain communities in the midst of the crisis. This failure of the state and of society in countries that have watched neoliberalism and austerity cannibalise public resources could not be justified by the wrath of the virus itself; why was it that countries with more robust states and with a tradition of public action have been able to more effectively curtail the virus?

One of the key achievements of the very rich has been to delegitimise the idea of state institutions. In the West, the typical attitude has been to attack the government as an enemy of progress; to shrink government institutions – except the military – has been the goal. Any country with a robust government and state structure has been characterised as ‘authoritarian’. But this crisis has shaken that view. Countries with intact state institutions that have been able to handle the pandemic – such as China – cannot be easily dismissed as authoritarian; a general understanding has come that these governments and their state institutions are instead efficient. It is impossible to make the case any longer that this sclerotic and hollowed-out bourgeois state form is more efficient than a system of state institutions that are made efficient by the process of trial and error.



**QUIEN SOSTIENE LA VIDA** | THOSE WHO SUSTAIN LIFE.

Madrid, Spain

Henar Diez Villahoz

The stock exchange is empty, the stock market has plummeted. Solidarity networks are being organized in neighborhoods as well as a call to defend public health, which has been collapsed by budget cuts. At the forefront of this struggle are precarised workers, who continue to go to work in sectors such as distribution, food provision, and cleaning in order to sustain life.

What we have learned not only from China, but also from Cuba, Venezuela, and the Indian state of Kerala, is that if a society is organised by people's organisations (trade unions, women's organisations, student unions, youth organisations, cooperatives), then they have the capacity for public action. An organised society is one that builds the ability of people to learn how to act collectively in normal times – even more so in a crisis. The socialist project is only partly developed through the institutions of the state; the other part – the most vital part – is for society to be organised and energised and to be prepared for the everyday and extraordinary work of social construction.

As the global pandemic grew in scope, Tricontinental: Institute for Social Research and the International Peoples' Assembly (IPA), a platform of over two hundred organisations from almost a hundred countries, opened a discussion on the crisis and on the most dire and immediate needs for the global working class. The document that we produced included a sixteen-point programme, based on the experience of struggle and governance that has emerged from these movements, unions, and political parties. More than a debate about each separate policy and point, the programme initiates a debate about the very nature of how to understand the state and its institutions.

1. Immediate suspension of all work, except essential medical and logistical personnel and those required to produce and distribute food and necessities, without any loss of wages. The state must assume the cost of the wages for the period of the quarantine.

2. Health, food supply, and public safety must be maintained in an organised manner. Emergency grain stocks must be immediately released for distribution amongst the poor.
3. Schools must all be suspended.
4. Immediate socialization of hospitals and medical centres so that they do not worry about the profit motive as the crisis unfolds. These medical centres must be under the control of the government's health campaign.
5. Immediate nationalization of pharmaceutical companies, and immediate international cooperation amongst them to find a vaccine and easier testing devices. Abolishment of intellectual property in the medical field.
6. Immediate testing of all people. Immediate mobilization of tests and support for medical personnel who are at the frontlines of this pandemic.
7. Immediate speed-up of production for materials necessary to deal with the crisis (testing kits, masks, respirators).
8. Immediate closure of global financial markets.
9. Immediate gathering of the finances to prevent the bankruptcy of governments.

10. Immediate cancellation of all non-corporate debt.
11. Immediate end to all rent and mortgage payments, as well as an end to evictions; this includes the immediate provision of adequate housing as a basic human right. Decent housing must be a right for all citizens guaranteed by the state.
12. Immediate absorption of all utility payments by the state – water, electricity, and internet provided as part of a human right; where these utilities are not universally accessible, we call for them to be provided with immediate effect.
13. Immediate end to the unilateral, criminal sanctions regimes and economic blockades that impact countries such as Cuba, Iran, and Venezuela and prevent them from importing necessary medical supplies.
14. Urgent support for the peasantry to increase the production of healthy food and supply it to the government for direct distribution.
15. Suspend the dollar as an international currency and request that the United Nations urgently call a new international conference to propose a common international currency.

16. Ensure a universal minimum income in every country. This makes it possible to guarantee support from the state for millions of families who are out of work, working in extremely precarious conditions or self-employed. The current capitalist system excludes millions of people from formal jobs. The State should provide employment and a dignified life for the population. The cost of the Universal Basic Income can be covered by defence budgets, in particular the expense of arms and ammunition.

These sixteen points are a charter for discussion and debate to begin to focus attention towards struggles and policies for a post-capitalist future.



**MADRES DE LA PLAZA, EL PUEBLO AÚN LAS ABRAZA** | MOTHERS OF THE PLAZA DE MAYO, THE PEOPLE STILL EMBRACE YOU.

Buenos Aires, Argentina

Daniela Ruggeri / Tricontinental: Institute for Social Research

The Plaza de Mayo is empty on this 24 March, the Day of Remembrance for Truth and Justice. For the first time in the history of this march, we could not take to the streets in support of our comrades who were disappeared during the dictatorship that began in 1976. On social media and on our balconies, we hung white handkerchiefs for our Mothers of the Plaza de Mayo.



### *Part 3. Universal Basic Income.*

Over the course of the past half century, it has become clear that the entire system of employment has broken down. In a modern capitalist society, some percentage of unemployment is seen as acceptable (it was even codified into theory as the ‘natural rate of unemployment’); the state provides various forms of social assistance to compensate for the lack of wages. Now, as a consequence of the globalisation of labour and the technology-induced increase in productivity, billions of workers are either unemployed, underemployed, or in situations of great precariousness (such as short-term contract workers and day labourers). There are at least 157 million migrant workers out of 258 million international migrants – according to the International Labour Organisation – who are often excluded from social security measures; their perilous state is rarely brought up for discussion. Social inequality has dramatically increased, and oceans of poverty lap at the doors of the majority of the world’s population.

A percentage of workers – the reserve army of labour – is unemployed even in the most buoyant phase of capitalism; but, increasingly, as capitalism faces a long-term crisis of profitability, the majority of workers experience extreme precariousness. Within the logic of capitalism, these workers are either being super-exploited, or they have become a surplus population. Their survival is at the level of desperation.

It is to tackle these problems of poverty and inequality within the social relations of capitalism that the idea of a ‘Universal Basic Income’ emerged. If capitalists will not use their financial resources to invest in jobs, then this surplus population will have to earn its living from elsewhere, such as from the state. This state-sponsored payment is known as Universal Basic Income (UBI). It is in the 16<sup>th</sup> point of the declaration above.

We should be clear about the limitations of the UBI. The UBI would free the enormous surplus population from unemployment and destitution, but it would not emancipate people from either the money form or from the power of the capitalist state. Cash disbursement means that cash would still be needed to buy essential goods and services, which could otherwise be provided on a need basis without the exchange of money (public education, as an example, or public food distribution systems). Part of the attraction of a UBI for the neoliberal bloc is that they would put cash in the hands of the surplus population, who would then be able to buy goods and services that they would otherwise not purchase. The social relations of capitalism are not threatened by the UBI, which is merely a social welfare scheme within the norms of the capitalist system. In the context of widespread hunger and desperation, such a scheme should not be scoffed at even, if it has immense limitations in scope and implementation.

Over the course of the past several decades, Marxist feminists have developed powerful theories of social reproduction – namely, the production of labour power. Social reproduction, or the sector of care that renews human life, is an essential part of social – and

economic – existence. Despite this, it is typically neglected in discussions on income support and wages.

Analyses of social reproduction seek to explain the linkages between capitalism's circuits of accumulation and patriarchal frameworks for the renewal and reproduction of human labour power. Compensation for those who do the work of social reproduction – mainly women – is seldom available, unless the work is itself commodified (such as through maid services, food production, and delivery services). The reproduction of the working class is a vital condition for capitalist production, but the reproducers of the working class are themselves not compensated in a commodified (monetary) form. The debate about the UBI provoked a discussion about 'wages for housework' and about a UBI that would effectively substitute for wages. The argument for UBI or an equivalent form of compensation to cover the work of social reproduction, and to cover the livelihood of those who are disabled and unwell, is a strong and powerful one. However, compensation for care work is not by itself going to overcome the long history of disparagement of such work; it will take a strong anti-patriarchal struggle to break the idea of the gendered division of labour.

The range of support for UBI is stunning, from socialists to the far right. Each has a different vision for it, and these differences are important to catalogue.

1. Substitution versus supplement. The neoliberal wing (and the far right) would accept a UBI if it would substitute for

all other social welfare programmes. They see the UBI as a substitute for the range of policies such as public health, public education, public transportation, and public food distribution. By giving cash rather than services, they would like to commodify these parts of social life, and then certainly privatise them. There is money to be made by selling goods and services to the surplus populations. This is also a mechanism to dismantle the social security net and privatise it. The socialist argument is that the UBI is not a substitute for these schemes, but a supplement to them. These social wages – such as public education and public food distribution – must be enhanced and properly managed, with the UBI as merely an addition to them for other uses, such as leisure.

2. Means-testing versus non-targeted disbursement. The neoliberal wing accepts UBI, but then undermines the spirit of the proposal. It makes the case that the UBI should not be universal; everyone, they say, should not be paid a basic income. Instead, there should be a means test to ensure that only the neediest get access to this payment. A means test defeats the entire purpose of a *universal* income, which attempts to promote social unity rather than once more fragment the population into the ‘deserving poor’ and the ‘undeserving poor’. Any means test defeats the purpose of the idea.

There is something particularly odd about providing income support to all people. Why would income support be given to the

very rich? There are several arguments for a universal outlay of either income or goods:

- i. To avoid the moral problem of having to decide who is the 'deserving poor' or the 'needy'. This sets up divides in society and further it stigmatises those who do receive targeted welfare payments.
- ii. To avoid the massive implementation problems created by having this moral judgement rest on institutional systems that are not always able to make these decisions democratically and are not always able to be efficient in the transfer of these funds or these goods, depending on whether the 'income' comes in cash or in kind.
- iii. Would a cash payment to the rich undermine the goals of redistribution of wealth? Not at all, because the rich would pay a wealth tax to finance such a scheme and their tax burden would far outstrip the income support that they would receive.

If the UBI scheme is not a substitute for the social wage, but a supplement to it, and if the UBI scheme is non-targeted, then it has the potential for being a valuable demand within the capitalist system. If it is a substitute for the social wage and if it is targeted, then it is no longer a universal basic income, but a dangerous mechanism to commodify and privatise social benefits and to exacerbate divisions within the working-class.



**EVICT (V.): TO FORCEFULLY REMOVE PEOPLE FROM A PROPERTY WITH THE SUPPORT OF THE LAW.**

Johannesburg, South Africa

Kate Janse Van Rensburg / Socialist Revolutionary Workers Party

Despite a moratorium on evictions during South Africa's Covid-19 national lockdown, the state continues to displace people, deploying private security, the military, and the police. Since the end of Apartheid in 1994, the militarised state's response to the people's struggle for shelter has remained intact: apartheid continues.

One of the questions raised about the UBI is how states are expected to pay for it, and, based on that, what the actual income payment would be per working-age individual. The neoliberal solution is to shut down other social programmes, incorporate that money into one corpus, and then make cash payments from there; this is unacceptable from a socialist standpoint because it privatises social goods. Instead, a socialist mechanism for payments would rely upon at least four different sources:

- a. Wealth tax.
- b. Enhance the tax jurisdiction and dismantle tax havens and tax shelters.
- c. Increase taxes on socially undesirable sectors (armaments, for example).
- d. Increase profit taxes.

To ensure that the state will be able to collect this income, which would otherwise fly off to tax havens, the state will need to initiate capital controls. A UBI scheme which is not implanted in a suite of measures to develop economic sovereignty would merely become unaffordable and therefore seen as a failure because it would either be inadequate (if unfunded) or too much of a burden on the existing budget (if there are no new taxes).

The CoronaShock has exacerbated the problem of unemployment, precariousness, and hunger. What was being considered



as a solution to the normal crisis of unemployment under capitalism – a UBI – has now become a measure for the emergency crisis occasioned by the COVID19 disease. Once more, neo-liberals and the far right are quite happy with a one-time cash payment to both mollify anger amongst the precarious and the unemployed and to provide money to create demand for stalled businesses; there is little appetite for a genuine UBI scheme that would put a floor under the working class.

Certainly, there is grave danger in many parts of the world of the crisis of unemployment becoming immediately a crisis of greater hunger and of famine. Emergency measures are of the essence, including cash transfers and public food distribution; in a time of emergency, all measures must be utilised to prevent avoidable suffering.





### **OBJECTS AND LABOUR.**

Kuala Lumpur, Malaysia

Ezrena Marwan / Malaysia Design Archive

A scene of a private hospital in Klang Valley, Malaysia, at the heart of Covid-19 pandemic. As a preventive measure, Malaysia is under the Movement Control Order (MCO), which saw spaces shut down and emptied out, except for frontline workers: healthcare, janitorial, and food delivery workers – among others.





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