

# Noam Chomsky & Robert Pollin: To Heal From COVID-19, We Must Imagine A Different World



Prof.dr. Robert Pollin

The coronavirus disease (COVID-19) caught the world unprepared, and the economic, social and political consequences of the pandemic are expected to be dramatic, in spite of recent pledges by leaders of the Group of 20 (G20) major economies to inject \$5 trillion into the global economy in order to spur economic recovery.

But what lessons can we learn from this pandemic? Will the coronavirus crisis lead to a new way of organizing society — one that conceives of a social and political order where profits are not above people?

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Noam Chomsky

*C. J. Polychroniou: Noam, what are some of the deeper lessons we can draw from*

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The basic factors are clear enough. The damage was rooted in a colossal market failure, exacerbated by the capitalism of the neoliberal era. There are particularities in the U.S., ranging from its disastrous health system and weak social justice ranking — [near the bottom of the OECD](#) — to the wrecking ball that has taken over the federal government.

The virus responsible for SARS was quickly identified. Vaccines were developed, but were not carried through the testing phase. Drug companies showed little interest: They respond to market signals, and there's little profit in devoting resources to staving off some anticipated catastrophe. The general failure is illustrated dramatically by the most severe immediate problem: [lack of ventilators](#), a lethal failure, forcing doctors and nurses to make the agonizing decision of who to kill.

The Obama administration had recognized the potential problem. It ordered high-quality low-cost ventilators from a small company that was then bought by a large corporation, Covidien, which shelved the project, apparently because the products might compete with its own high-cost ventilators. It then informed the government that it wanted to cancel the contract because it was not profitable enough.

So far, normal capitalist logic. But at that point the neoliberal pathology delivered another hammer blow. The government could have stepped in, but that's barred by the reigning doctrine pronounced by Ronald Reagan: Government is the problem, not the solution. So nothing could be done.

We should pause for a moment to consider the meaning of the formula. In practice, it means that government is not the solution when the welfare of the

population is at stake, but it very definitely is the solution for the problems of private wealth and corporate power. The record is ample under Reagan and since, and there should be no need to review it. The mantra “Government bad” is similar to the vaunted “free market” — easily skewed to accommodate exorbitant claims of capital.

Neoliberal doctrines entered for the private sector too. The business model requires “efficiency,” meaning maximal profit, consequences be damned. For the privatized health system, it means no spare capacity: just enough to get by in normal circumstances, and even then, bare bones, with severe cost to patients but a good balance sheet (and rich rewards for management). When something unexpected happens, tough luck.

These standard business principles have plenty of effects throughout the economy. The most severe of these concern the climate crisis, which overshadows the current virus crisis in its import. Fossil fuel corporations are in business to maximize profits, not to allow human society to survive, a matter of indifference. They are constantly seeking new oil fields to exploit. They do not waste resources on sustainable energy and dismantle profitable sustainable energy projects because they can make more money by accelerating mass destruction.

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The reaction of the Davos crowd — the “masters of the universe” as they are called — is instructive. They dislike Trump’s vulgarity, which contaminates the image of civilized humanism they seek to project. But they applaud him vigorously when he rants away as keynote speaker, recognizing that he has a clear understanding of how to fill the right pockets.

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Returning to the pandemic, there was ample evidence that it was coming. Trump responded in his characteristic manner. Throughout his term, budgets for health-related components of government were slashed. With exquisite timing, “Two months before the novel coronavirus is thought to have begun its deadly advance

in Wuhan, China, [the Trump administration ended a \\$200 million pandemic early-warning program](#) aimed at training scientists in China and other countries to detect and respond to such a threat” — a precursor to Trump’s fanning “[Yellow Peril](#)” flames to deflect attention from his catastrophic performance.

The defunding process continued, astonishingly, after the pandemic had struck with full force. On February 10, the White House released its new budget, with further reductions for the beleaguered health care system (indeed anything that might benefit the population) but “[the budget promotes a fossil fuel ‘energy boom’ in the United States](#), including an increase in the production of natural gas and crude oil.”

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The American people are also a target of Trumpian values. Despite repeated pleas from Congress and the medical profession, Trump did not invoke the Defense Production Act to order companies to produce badly needed equipment, claiming that it is a “break the glass” last resort and that to invoke the Defense Production Act for the pandemic would be to turn the country into Venezuela. But in fact, *The New York Times* points out that the Defense Production Act “[has been invoked hundreds of thousands of times in the Trump years](#)” for the military. Somehow the country survived this assault on the “free enterprise system.”

It was not enough to refuse to take measures to procure the required medical equipment. The White House also made sure that stocks would be depleted. A [study of government trade data by Congresswoman Katie Porter](#) found that the value of U.S. ventilator exports rose 22.7 percent from January to February and that in February 2020, “the value of U.S. mask exports to China was 1094 [percent] higher than the 2019 monthly average.”

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Writing in [The American Prospect](#), David Dayen comments: “So manufacturers and middlemen made money in the first two months of the year shipping medical

supplies out of the country, and now they're making more money in the next two months shipping them back in. The trade imbalance took precedence over self-sufficiency and resiliency."

There was [no doubt](#) about the [coming dangers](#). In October, a high-level study revealed the nature of the pandemic threats. On December 31, China informed the World Health organization of an outbreak of pneumonia-like symptoms. A week later, it reported that scientists had identified the source as a coronavirus and sequenced the genome, again providing the information to the general public. For several weeks, China did not reveal the scale of the crisis, claiming later that the delay had been caused by failure of local bureaucrats to inform the central authorities, [a claim confirmed by U.S. analysts](#).

What was happening in China was well-known. In particular, to U.S. intelligence, which through January and February was beating on the doors of the White House trying to reach the President. To no avail. He was either playing golf or praising himself on TV for having done more than anyone in the world to stem the threat.

[Intelligence was not alone in trying to get the White House to wake up](#). As *The New York Times* reports, "A top White House adviser [Peter Navarro] starkly warned Trump administration officials in late January that the coronavirus crisis could cost the United States trillions of dollars and put millions of Americans at risk of illness or death ... imperiling the lives of millions of Americans [as shown by] the information coming from China."

To no avail. Months were lost while the Dear Leader flipped up and back from one tale to another — ominously, with the adoring Republican voting base lustily cheering every step.

When the facts finally became undeniable, Trump assured the world that he was the first person to have discovered the pandemic and his firm hand had everything under control. Throughout, the performance was loyally parroted by the sycophants with whom he has surrounded himself, and by his echo chamber at *Fox News* — which also seems to serve as his source for information and ideas, in an interesting dialogue.

None of this was inevitable. It was not only U.S. intelligence that understood the early information that China provided. Countries on China's periphery reacted at

once, very effectively in Taiwan, also in South Korea, Hong Kong and Singapore. [New Zealand instituted a lockdown at once](#), and seems to have virtually eliminated the epidemic.

Most of Europe dithered, but better organized societies reacted. Germany has the world's lowest reported death rate, benefiting from spare capacity in reserve. The same seems to be true of Norway and some others. The European Union revealed its level of civilization by the refusal of the better-off countries to help others. But fortunately, they could count on Cuba to come to their rescue, providing doctors, while China provided medical equipment.

Throughout, there are many lessons to learn, crucially, about the suicidal features of unconstrained capitalism and the extra damage caused by the neoliberal plague. The crisis shines a bright light on the perils of transferring decision-making to unaccountable private institutions dedicated solely to greed, their solemn duty, so Milton Friedman and other luminaries have explained, invoking the laws of sound economics.

For the U.S. there are special lessons. As already noted, the U.S. ranks near the bottom of the Organisation for Economic Co-operation and Development in social justice measures. Its privatized for-profit health care system, pursuing business models of efficiency, is a disaster, with twice the per-capita costs of comparable countries and some of the worst outcomes. There is no reason to live with that. Surely the time has come to rise to the level of other countries and institute a humane and efficient universal health care system.

There are other simple steps that can be taken at once. Corporations are again rushing to the nanny state for bailouts. If granted, strict conditions should be imposed: no bonuses and pay for workers for the duration of the crisis; permanent ban on stock buybacks and resort to tax havens, modes of robbery of the public that run to tens of trillions of dollars, not small change. Is that feasible? Clearly so. That was the law, and was enforced, until Reagan opened the spigot. They should also be required to have worker representation in management and to adhere to a living wage, among conditions that quickly come to mind

There are many further short-range steps that are quite feasible and could expand. But beyond that, the crisis offers an opportunity to rethink and reshape our world. The masters are dedicating themselves to the task, and if they are not

countered and overwhelmed by engaged popular forces, we will be entering a much uglier world — one that may not long survive.

The masters are uneasy. As the peasants are picking up their pitchforks, the tune in corporate headquarters is changing. High-level executives have joined to show that they are such nice guys that the well-being and security of all is assured if left in their caring hands. It's time for corporate culture and practice to become more caring, they proclaim, concerned not just with returns to shareholders (mostly very wealthy), but with stakeholders — workers and community. It was a leading theme of the last Davos conference in January.

They aren't reminding us that we've heard this song before. In the 1950s the phrase was "the soulful corporation." How soulful, it did not take long to discover.

*C. J. Polychroniou: Bob, can you help us understand the economic shock of coronavirus? How severe will the socioeconomic impact be, and who is likely to be most affected?*

*Robert Pollin: The breakneck speed of the economic collapse resulting from COVID-19 is without historic precedent.*

Over the week of April 4, 6.6 million people filed initial claims to receive unemployment insurance. This is after 6.9 million people filed the previous week, and 3.3 filed the week before that. Prior to these three weeks, the highest number of people filing claims was in October 1982, during the severe Ronald Reagan double-dip recession. At that time, the record number of claims added up to 650,000. This disparity between 1982 and today is eye-popping, even after one takes account of the relative size of the U.S. labor force today versus in 1982. Thus, in 1982, the 650,000 unemployment insurance claims amounted to 0.6 percent of the U.S. labor force. The 6.6 million people who filed claims in the first week of April and 6.9 million the week before both equaled fully 4 percent of the U.S. labor force. So as a percentage of the labor force, these weekly filings for unemployment claims were 7 times higher than the previous record from 1982. Adding up the past three weeks of unemployment insurance claims gets us to 16.8 million people newly unemployed people, amounting to over 10 percent of the U.S. labor force. The expectation is that this figure is going to keep rising for many more weeks to come, potentially pushing unemployment in the range of 20 percent, a figure unseen since the depths of the 1930s Great Depression.



The situation for unemployed people in the U.S. is worse still because a large share of them had health insurance coverage through their employers. That insurance is now gone. The stimulus bill that Trump signed into law on March 27 provides no funds for treating people who are infected. The Peterson-Kaiser Family Foundation estimated that treatment could cost up to \$20,000, and that even people with health insurance coverage through their employer could end up with \$1,300 in out-of-pocket bills. Thus, fully in the spirit of our corporate-dominated and egregiously unfair U.S. health care system, COVID-19 will hit millions of people with major medical bills at exactly when they are most vulnerable. If Medicare for All were operating in the U.S. today, everyone would be covered in full as a matter of course.

In addition to the situation for people losing their jobs, we also need to recognize conditions for people working in front-line essential occupations. These people are putting themselves at high risk by showing up at work. A report by Hye Jin Rho, Hayley Brown and Shawn Fremstad of the Center for Economic and Policy Research shows that [more than 30 million U.S. workers](#) (nearly 20 percent of the entire U.S. workforce) are employed in six broad industries that are now on the front lines of the response. These workers include grocery store clerks, nurses, cleaners, warehouse workers and bus drivers, among others. Fully 65 percent of these workers are women. A disproportionate share of them are also low-paid and lack health insurance. These essential workers are putting themselves at high risks of infection, and if they do become infected, they will face the prospect of a severe financial crisis on top of their health crisis.

The coronavirus is also hitting low-income African American communities in the U.S. most brutally. Thus, in Illinois, African Americans account for more than half of all deaths from COVID-19, even while they account for only 14 percent of the state's population. In Louisiana, [70 percent of those who have died thus far are African American](#), while the African American share of the population is 32 percent. Comparable patterns are emerging in other states. These figures reflect the simple fact that lower-income African Americans do not have the same means to protect themselves through social distancing and staying home from their jobs.

As severe as conditions are now for people in the U.S. and other advanced economies, they are going to seem mild once the virus begins to spread, as it almost certainly will, with catastrophic impacts, in the low-income countries of Africa, Asia, Latin America and the Caribbean. To begin with, the strategies of



social distancing and self-isolation that have been relatively effective in high-income countries in slowing down the infection rate will be mostly impossible to implement in the poor neighborhoods of, say, Delhi, Nairobi or Lima, since people in these communities are mostly living in very tight quarters. They also largely have to rely on crowded public transportation to get anyplace, including to their jobs, since they cannot afford to stay home from work. This problem is compounded by the conditions of work in these jobs. In most low-income countries, about 70 percent of all employment is informal, meaning workers do not receive benefits, including paid sick leave, provided by their employers. [As the Indian economists C.P. Chandrasekhar and Jayati Ghosh write](#), these workers and their families “are clearly the most vulnerable to any economic downturn. When such a downturn comes in the wake of an unprecedented public health calamity, the concerns are obviously multiplied.”

In addition, most low-income countries have extremely limited public health budgets to begin with. They have also been hard-hit by the collapse of tourism as well as sharp declines in their export revenues and remittances. Thus, in recent weeks, 85 countries have already approached the International Monetary Fund for short-term emergency assistance, roughly double the number that made such requests in the aftermath of the 2008 financial crisis. The situation is likely to get worse very quickly.

*C. J. Polychroniou: Noam, will coronavirus kill globalization?*

*Noam Chomsky:* Globalization in some form goes back to the earliest recorded history — in fact, beyond. And it will continue. The question is: in what form? Suppose, for example, that a question arises as to whether to transfer some enterprise from Indiana to northern Mexico. Who decides? Bankers in New York or Chicago? Or perhaps the workforce and the community, perhaps even in coordination with Mexican counterparts. There are all sorts of associations among people — and conflicts of interest among them — that do not coincide with colors on maps. The sordid spectacle of states competing when cooperation is needed to combat a global crisis highlights the need to dismantle profit-based globalization and to construct true internationalism, if we hope to avoid extinction. The crisis is offering many opportunities to liberate ourselves from ideological chains, to envision a very different world, and to move on to create it.

The coronavirus is likely to change the highly fragile international economy that

has been constructed in recent years, profit-driven and dismissive of externalized costs such as the huge destruction of the environment caused by transactions within complex supply chains, not to speak of the destruction of lives and communities. It's likely that all of this will be reshaped, but again we should ask, and answer, the question of whose will be the guiding hands.

There are some steps towards internationalism in the service of people, not concentrated power. Yanis Varoufakis and Bernie Sanders [issued a call for a progressive international to counter the international of reactionary states being forged by the Trump White House.](#)

Similar efforts can take many forms. Unions are still called "internationals," reminiscent of dreams that do not have to be idle. And sometimes are not. Longshoremen have refused to unload cargo in acts of international solidarity. There have been many impressive examples of international solidarity at state and popular levels. At the state level, nothing compares with Cuban internationalism — from Cuba's extraordinary role in the liberation of southern Africa, described in depth by Piero Gleijeses, to the work of its doctors in Pakistan after the devastating 2005 earthquake, to overcoming the failures of the European Union today.

At the level of people, I know of nothing to compare with the flow of Americans to Central America in the 1980s to help victims of Reagan's terrorist wars and the state terrorism that he supported, from all walks of life, some of the most dedicated and effective from church groups in rural America. There has been nothing like that in the prior history of imperialism, to my knowledge.

Without proceeding, there are many kinds of global interaction and integration. Some of them are highly meritorious and should be actively pursued.

*C. J. Polychroniou: Governments around the world are responding to the coronavirus economic fallout with massive stimulus measures. In the U.S., the Trump administration is prepared to spend \$2 trillion of stimulus money approved by Congress. Bob, is this enough? And will it test the limits of how much more debt the U.S. can bear?*

*Robert Pollin: The stimulus program that Trump signed into law in March is the largest such measure in U.S. history. At \$2 trillion, it amounts to roughly 10 percent of U.S. gross domestic product (GDP), which the government aims to*

distribute quickly in the coming months. By contrast, the 2009 Obama fiscal stimulus was budgeted at \$800 billion over two years, or about 3 percent of GDP per year over the two years.

Despite its unprecedented magnitude, it is easy to see that the current stimulus program is too small, and will therefore deliver too little, in most of the ways that matter. This is while recognizing that, adding everything up, the stimulus provides massive giveaways to big U.S. corporations and Wall Street — i.e. the same people who benefited the most only 11 years ago from the Obama stimulus and corresponding Wall Street bailout. I noted above the fact that the stimulus provides no health care support for people infected by COVID-19. It also offers minimal additional support for both hospitals fighting the virus on the front lines as well as for state and local governments. State and local governments are going to experience sharp falls in their tax revenues — from income taxes, sales taxes and property taxes — as the recession takes hold. During the 2007-09 Great Recession, state and local tax revenues fell by 13 percent. We can expect a drop now of at least equal severity. Absent a large-scale injection of funds from the federal government — i.e. an injection of roughly three times what has been allocated thus far through the stimulus — state and local governments will be forced to undertake large-scale budget cuts and layoffs, including for school teachers, health care workers and police officers who, in combination, represent the bulk of their payroll spending.

Even the Trump administration appears to recognize that the stimulus bill is far too small. That is why both Trump and the congressional Democrats are already talking about another stimulus bill that could amount to another \$2 trillion. The U.S. does have the capacity to maintain borrowing these enormous sums. Among other considerations, as was true during the 2007-09 Great Recession, U.S. government bonds will be recognized as the safest assets available on the global financial market. This will place a premium on U.S. bonds relative to every other credit instrument on the global market. The Federal Reserve also has the capacity, as needed, to buy up and effectively retire U.S. government bonds if the debt burden becomes excessive. No other country, or entity of any sort, enjoys anything like this privileged financial status.

Working from this position of extreme privilege, the Fed has now committed to providing basically unlimited and unconditional support for U.S. corporations and Wall Street firms. Indeed, between March 18 and 31 alone, the Fed purchased

\$1.14 trillion in Treasury and corporate bonds, at a rate of over \$1 million per second. The *Financial Times* reports projections that [the Fed's asset holdings could reach \\$12 trillion by June](#)— i.e. 60 percent of U.S. GDP — with further increases to follow. By comparison, just prior to the 2007 -2009 financial crisis, the Fed's bond holdings were at \$1 trillion. They then spiked to \$2 trillion during the crisis — a figure equal to only about 1/5 where the Fed's interventions are heading over the next couple of months.

The U.S. and global economy do need a gigantic bailout now to prevent suffering by innocent people resulting from both the pandemic and economic collapse. But the bailout needs to be focused, in the immediate, on delivering to everyone the health care provisions that they need and to keeping people financially whole.

Taking a broader structural perspective, we also need to stop squandering the enormous financial privileges enjoyed by the U.S. on propping up the neoliberal edifice that has denominated economic life in the U.S. and the world for the past 40 years. The fact that the U.S. government has the financial wherewithal to bail out giant corporations and Wall Street twice within the past 11 years means that it also has the capacity to take control over some of the most dysfunctional and anti-social private enterprises. We could start by replacing the private health insurance industry with Medicare for All. The federal government could also take a controlling interest in the fossil fuel industry that must be put out of business, in any case, over the next 30 years. Other targets for at least partial nationalizations should include the airlines that face desperate straits now, but that squandered 96 percent of their cash on buybacks over the past decade. The Wall Street operators that helped engineer such financial practices need to face both strong regulations and competition from large-scale public development banks capable of financing, for example, the Green New Deal.

In short, the U.S. economy that will emerge out of the present crisis cannot be permitted to return to the neoliberal status quo. It was clear during the Great Recession that some of the biggest U.S. corporations and Wall Street firms could not survive without government life supports. Now, only 11 years later, we are about to rerun the same movie, only this time on a jumbotron screen. Forty years' worth of neoliberal indoctrination has pampered big business and Wall Street into believing that corporate socialism will always be theirs for the asking — that they can hoard profits for themselves at will while foisting their risks, as needed, onto everybody else. At this moment especially, if businesses want to insist that they

exist only to maximize profits for their owners, then the federal government needs to sever their lifelines. Progressives should keep fighting hard for these principles.

*C. J. Polychroniou: Noam, coronavirus seems to be producing an uplift in solidarity among common people in many parts of the world, and perhaps even the realization that we are all global citizens. Obviously, coronavirus itself won't defeat neoliberalism and the resulting atomization of social life that we have been witnessing since its advent, but do you expect a shift in economic and political thinking? Perhaps the return of the social state?*

*Noam Chomsky:* Those possibilities should remind us of the powerful wave of radical democracy that swept over much of the world under the impact of the Great Depression and the anti-fascist war — and of the steps taken by the masters to contain or crush such hopes. A history that yields many lessons for today.

The pandemic should shock people to an appreciation of genuine internationalism, to recognition of the need to cure ailing societies of the neoliberal plague, then on to more radical reconstruction directed to the roots of contemporary disorder.

Americans in particular should awaken to the cruelty of the weak social justice system. Not a simple matter. It is, for example, quite odd to see that even at the left end of mainstream opinion, programs such as those advocated by Bernie Sanders are considered “too radical” for Americans. His two major programs call for universal health care and free higher education, normal in developed societies and poorer ones as well.

The pandemic should awaken us to the realization that in a just world, social fetters should be replaced by social bonds, ideals that trace back to the Enlightenment and classical liberalism. Ideals that we see realized in many ways. The remarkable courage and selflessness of health workers is an inspiring tribute to the resources of the human spirit. In many places, communities of mutual aid are being formed to provide food for the needy and help and support for the elderly and disabled.

There is indeed “an uplift in solidarity among common people in many parts of the world, and perhaps even the realization that we are all global citizens.” The challenges are clear. They can be met. At this grim moment of human history,

they must be met, or history will come to an inglorious end.

*This interview has been edited for clarity and length.*

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Writing in [The American Prospect](#), David Dayen comments: "So manufacturers and middlemen made money in the first two months of the year shipping medical supplies out of the country, and now they're making more money in the next two months shipping them back in. The trade imbalance took precedence over self-sufficiency and resiliency."

The defunding process continued, astonishingly, after the pandemic had struck with full force.

There was [no doubt](#) about the [coming dangers](#). In October, a high-level study revealed the nature of the pandemic threats. On December 31, China informed the World Health organization of an outbreak of pneumonia-like symptoms. A week later, it reported that scientists had identified the source as a coronavirus and sequenced the genome, again providing the information to the general public.

For several weeks, China did not reveal the scale of the crisis, claiming later that the delay had been caused by failure of local bureaucrats to inform the central authorities, [a claim confirmed by U.S. analysts](#).

What was happening in China was well-known. In particular, to U.S. intelligence, which through January and February was beating on the doors of the White House trying to reach the President. To no avail. He was either playing golf or praising himself on TV for having done more than anyone in the world to stem the threat.

[Intelligence was not alone in trying to get the White House to wake up](#). As *The New York Times* reports, “A top White House adviser [Peter Navarro] starkly warned Trump administration officials in late January that the coronavirus crisis could cost the United States trillions of dollars and put millions of Americans at risk of illness or death ... imperiling the lives of millions of Americans [as shown by] the information coming from China.”

To no avail. Months were lost while the Dear Leader flipped up and back from one tale to another — ominously, with the adoring Republican voting base lustily cheering every step.

When the facts finally became undeniable, Trump assured the world that he was the first person to have discovered the pandemic and his firm hand had everything under control. Throughout, the performance was loyally parroted by the sycophants with whom he has surrounded himself, and by his echo chamber at *Fox News* — which also seems to serve as his source for information and ideas, in an interesting dialogue.

None of this was inevitable. It was not only U.S. intelligence that understood the early information that China provided. Countries on China’s periphery reacted at once, very effectively in Taiwan, also in South Korea, Hong Kong and Singapore. [New Zealand instituted a lockdown at once](#), and seems to have virtually eliminated the epidemic.

Most of Europe dithered, but better organized societies reacted. Germany has the world’s lowest reported death rate, benefiting from spare capacity in reserve. The same seems to be true of Norway and some others. The European Union revealed its level of civilization by the refusal of the better-off countries to help others. But fortunately, they could count on Cuba to come to their rescue, providing doctors,

while China provided medical equipment.

Throughout, there are many lessons to learn, crucially, about the suicidal features of unconstrained capitalism and the extra damage caused by the neoliberal plague. The crisis shines a bright light on the perils of transferring decision-making to unaccountable private institutions dedicated solely to greed, their solemn duty, so Milton Friedman and other luminaries have explained, invoking the laws of sound economics.

For the U.S. there are special lessons. As already noted, the U.S. ranks near the bottom of the Organisation for Economic Co-operation and Development in social justice measures. Its privatized for-profit health care system, pursuing business models of efficiency, is a disaster, with twice the per-capita costs of comparable countries and some of the worst outcomes. There is no reason to live with that. Surely the time has come to rise to the level of other countries and institute a humane and efficient universal health care system.

The crisis shines a bright light on the perils of transferring decision-making to unaccountable private institutions dedicated solely to greed

There are other simple steps that can be taken at once. Corporations are again rushing to the nanny state for bailouts. If granted, strict conditions should be imposed: no bonuses and pay for workers for the duration of the crisis; permanent ban on stock buybacks and resort to tax havens, modes of robbery of the public that run to tens of trillions of dollars, not small change. Is that feasible? Clearly so. That was the law, and was enforced, until Reagan opened the spigot. They should also be required to have worker representation in management and to adhere to a living wage, among conditions that quickly come to mind

There are many further short-range steps that are quite feasible and could expand. But beyond that, the crisis offers an opportunity to rethink and reshape our world. The masters are dedicating themselves to the task, and if they are not countered and overwhelmed by engaged popular forces, we will be entering a much uglier world — one that may not long survive.

The masters are uneasy. As the peasants are picking up their pitchforks, the tune in corporate headquarters is changing. High-level executives have joined to show that they are such nice guys that the well-being and security of all is assured if left in their caring hands. It's time for corporate culture and practice to become

more caring, they proclaim, concerned not just with returns to shareholders (mostly very wealthy), but with stakeholders — workers and community. It was a leading theme of the last Davos conference in January.

They aren't reminding us that we've heard this song before. In the 1950s the phrase was "the soulful corporation." How soulful, it did not take long to discover.

**C. J. Polychroniou: Bob, can you help us understand the economic shock of coronavirus? How severe will the socioeconomic impact be, and who is likely to be most affected?**

**Robert Pollin:** The breakneck speed of the economic collapse resulting from COVID-19 is without historic precedent.

Over the week of April 4, 6.6 million people filed initial claims to receive unemployment insurance. This is after 6.9 million people filed the previous week, and 3.3 filed the week before that. Prior to these three weeks, the highest number of people filing claims was in October 1982, during the severe Ronald Reagan double-dip recession. At that time, the record number of claims added up to 650,000. This disparity between 1982 and today is eye-popping, even after one takes account of the relative size of the U.S. labor force today versus in 1982. Thus, in 1982, the 650,000 unemployment insurance claims amounted to 0.6 percent of the U.S. labor force. The 6.6 million people who filed claims in the first week of April and 6.9 million the week before both equaled fully 4 percent of the U.S. labor force. So as a percentage of the labor force, these weekly filings for unemployment claims were 7 times higher than the previous record from 1982. Adding up the past three weeks of unemployment insurance claims gets us to 16.8 million people newly unemployed people, amounting to over 10 percent of the U.S. labor force. The expectation is that this figure is going to keep rising for many more weeks to come, potentially pushing unemployment in the range of 20 percent, a figure unseen since the depths of the 1930s Great Depression.

The breakneck speed of the economic collapse resulting from COVID-19 is without historic precedent.

The situation for unemployed people in the U.S. is worse still because a large share of them had health insurance coverage through their employers. That insurance is now gone. The stimulus bill that Trump signed into law on March 27 provides no funds for treating people who are infected. The Peterson-Kaiser

Family Foundation estimated that treatment could cost up to \$20,000, and that even people with health insurance coverage through their employer could end up with \$1,300 in out-of-pocket bills. Thus, fully in the spirit of our corporate-dominated and egregiously unfair U.S. health care system, COVID-19 will hit millions of people with major medical bills at exactly when they are most vulnerable. If Medicare for All were operating in the U.S. today, everyone would be covered in full as a matter of course.

In addition to the situation for people losing their jobs, we also need to recognize conditions for people working in front-line essential occupations. These people are putting themselves at high risk by showing up at work. A report by Hye Jin Rho, Hayley Brown and Shawn Fremstad of the Center for Economic and Policy Research shows that [more than 30 million U.S. workers](#) (nearly 20 percent of the entire U.S. workforce) are employed in six broad industries that are now on the front lines of the response. These workers include grocery store clerks, nurses, cleaners, warehouse workers and bus drivers, among others. Fully 65 percent of these workers are women. A disproportionate share of them are also low-paid and lack health insurance. These essential workers are putting themselves at high risks of infection, and if they do become infected, they will face the prospect of a severe financial crisis on top of their health crisis.

More than 30 million U.S. workers (nearly 20 percent of the entire U.S. workforce) are employed in six broad industries that are now on the front lines of the response.

The coronavirus is also hitting low-income African American communities in the U.S. most brutally. Thus, in Illinois, African Americans account for more than half of all deaths from COVID-19, even while they account for only 14 percent of the state's population. In Louisiana, [70 percent of those who have died thus far are African American](#), while the African American share of the population is 32 percent. Comparable patterns are emerging in other states. These figures reflect the simple fact that lower-income African Americans do not have the same means to protect themselves through social distancing and staying home from their jobs.

As severe as conditions are now for people in the U.S. and other advanced economies, they are going to seem mild once the virus begins to spread, as it almost certainly will, with catastrophic impacts, in the low-income countries of Africa, Asia, Latin America and the Caribbean. To begin with, the strategies of social distancing and self-isolation that have been relatively effective in high-

income countries in slowing down the infection rate will be mostly impossible to implement in the poor neighborhoods of, say, Delhi, Nairobi or Lima, since people in these communities are mostly living in very tight quarters. They also largely have to rely on crowded public transportation to get anyplace, including to their jobs, since they cannot afford to stay home from work. This problem is compounded by the conditions of work in these jobs. In most low-income countries, about 70 percent of all employment is informal, meaning workers do not receive benefits, including paid sick leave, provided by their employers. [As the Indian economists C.P. Chandrasekhar and Jayati Ghosh write](#), these workers and their families “are clearly the most vulnerable to any economic downturn. When such a downturn comes in the wake of an unprecedented public health calamity, the concerns are obviously multiplied.”

In Illinois, African Americans account for more than half of all deaths from COVID-19, even while they account for only 14 percent of the state’s population. In addition, most low-income countries have extremely limited public health budgets to begin with. They have also been hard-hit by the collapse of tourism as well as sharp declines in their export revenues and remittances. Thus, in recent weeks, 85 countries have already approached the International Monetary Fund for short-term emergency assistance, roughly double the number that made such requests in the aftermath of the 2008 financial crisis. The situation is likely to get worse very quickly.

### **C. J. Polychroniou: Noam, will coronavirus kill globalization?**

**Noam Chomsky:** Globalization in some form goes back to the earliest recorded history — in fact, beyond. And it will continue. The question is: in what form? Suppose, for example, that a question arises as to whether to transfer some enterprise from Indiana to northern Mexico. Who decides? Bankers in New York or Chicago? Or perhaps the workforce and the community, perhaps even in coordination with Mexican counterparts. There are all sorts of associations among people — and conflicts of interest among them — that do not coincide with colors on maps. The sordid spectacle of states competing when cooperation is needed to combat a global crisis highlights the need to dismantle profit-based globalization and to construct true internationalism, if we hope to avoid extinction. The crisis is offering many opportunities to liberate ourselves from ideological chains, to envision a very different world, and to move on to create it.



The coronavirus is likely to change the highly fragile international economy that has been constructed in recent years, profit-driven and dismissive of externalized costs such as the huge destruction of the environment caused by transactions within complex supply chains, not to speak of the destruction of lives and communities. It's likely that all of this will be reshaped, but again we should ask, and answer, the question of whose will be the guiding hands.

As severe as conditions are now for people in the U.S. and other advanced economies, they are going to seem mild once the virus begins to spread in the low-income countries.

There are some steps towards internationalism in the service of people, not concentrated power. Yanis Varoufakis and Bernie Sanders [issued a call for a progressive international to counter the international of reactionary states being forged by the Trump White House.](#)

Similar efforts can take many forms. Unions are still called "internationals," reminiscent of dreams that do not have to be idle. And sometimes are not. Longshoremen have refused to unload cargo in acts of international solidarity. There have been many impressive examples of international solidarity at state and popular levels. At the state level, nothing compares with Cuban internationalism — from Cuba's extraordinary role in the liberation of southern Africa, described in depth by Piero Gleijeses, to the work of its doctors in Pakistan after the devastating 2005 earthquake, to overcoming the failures of the European Union today.

At the level of people, I know of nothing to compare with the flow of Americans to Central America in the 1980s to help victims of Reagan's terrorist wars and the state terrorism that he supported, from all walks of life, some of the most dedicated and effective from church groups in rural America. There has been nothing like that in the prior history of imperialism, to my knowledge.

The crisis is offering many opportunities to liberate ourselves from ideological chains, to envision a very different world, and to move on to create it. Without proceeding, there are many kinds of global interaction and integration. Some of them are highly meritorious and should be actively pursued.

**C. J. Polychroniou: Governments around the world are responding to the coronavirus economic fallout with massive stimulus measures. In the U.S., the Trump administration is prepared to spend \$2 trillion of stimulus**

## **money approved by Congress. Bob, is this enough? And will it test the limits of how much more debt the U.S. can bear?**

**Robert Pollin:** The stimulus program that Trump signed into law in March is the largest such measure in U.S. history. At \$2 trillion, it amounts to roughly 10 percent of U.S. gross domestic product (GDP), which the government aims to distribute quickly in the coming months. By contrast, the 2009 Obama fiscal stimulus was budgeted at \$800 billion over two years, or about 3 percent of GDP per year over the two years.

Despite its unprecedented magnitude, it is easy to see that the current stimulus program is too small, and will therefore deliver too little, in most of the ways that matter. This is while recognizing that, adding everything up, the stimulus provides massive giveaways to big U.S. corporations and Wall Street — i.e. the same people who benefited the most only 11 years ago from the Obama stimulus and corresponding Wall Street bailout. I noted above the fact that the stimulus provides no health care support for people infected by COVID-19. It also offers minimal additional support for both hospitals fighting the virus on the front lines as well as for state and local governments. State and local governments are going to experience sharp falls in their tax revenues — from income taxes, sales taxes and property taxes — as the recession takes hold. During the 2007-09 Great Recession, state and local tax revenues fell by 13 percent. We can expect a drop now of at least equal severity. Absent a large-scale injection of funds from the federal government — i.e. an injection of roughly three times what has been allocated thus far through the stimulus — state and local governments will be forced to undertake large-scale budget cuts and layoffs, including for school teachers, health care workers and police officers who, in combination, represent the bulk of their payroll spending.

The stimulus provides no health care support for people infected by COVID-19. Even the Trump administration appears to recognize that the stimulus bill is far too small. That is why both Trump and the congressional Democrats are already talking about another stimulus bill that could amount to another \$2 trillion. The U.S. does have the capacity to maintain borrowing these enormous sums. Among other considerations, as was true during the 2007-09 Great Recession, U.S. government bonds will be recognized as the safest assets available on the global financial market. This will place a premium on U.S. bonds relative to every other credit instrument on the global market. The Federal Reserve also has the

capacity, as needed, to buy up and effectively retire U.S. government bonds if the debt burden becomes excessive. No other country, or entity of any sort, enjoys anything like this privileged financial status.

Working from this position of extreme privilege, the Fed has now committed to providing basically unlimited and unconditional support for U.S. corporations and Wall Street firms. Indeed, between March 18 and 31 alone, the Fed purchased \$1.14 trillion in Treasury and corporate bonds, at a rate of over \$1 million per second. The *Financial Times* reports projections that [the Fed's asset holdings could reach \\$12 trillion by June](#)— i.e. 60 percent of U.S. GDP — with further increases to follow. By comparison, just prior to the 2007 -2009 financial crisis, the Fed's bond holdings were at \$1 trillion. They then spiked to \$2 trillion during the crisis — a figure equal to only about 1/5 where the Fed's interventions are heading over the next couple of months.

The U.S. and global economy do need a gigantic bailout now to prevent suffering by innocent people resulting from both the pandemic and economic collapse. But the bailout needs to be focused, in the immediate, on delivering to everyone the health care provisions that they need and to keeping people financially whole.

Taking a broader structural perspective, we also need to stop squandering the enormous financial privileges enjoyed by the U.S. on propping up the neoliberal edifice that has denominated economic life in the U.S. and the world for the past 40 years. The fact that the U.S. government has the financial wherewithal to bail out giant corporations and Wall Street twice within the past 11 years means that it also has the capacity to take control over some of the most dysfunctional and anti-social private enterprises. We could start by replacing the private health insurance industry with Medicare for All. The federal government could also take a controlling interest in the fossil fuel industry that must be put out of business, in any case, over the next 30 years. Other targets for at least partial nationalizations should include the airlines that face desperate straits now, but that squandered 96 percent of their cash on buybacks over the past decade. The Wall Street operators that helped engineer such financial practices need to face both strong regulations and competition from large-scale public development banks capable of financing, for example, the Green New Deal.

Neoliberal indoctrination has pampered big business and Wall Street into believing that corporate socialism will always be theirs for the asking.

In short, the U.S. economy that will emerge out of the present crisis cannot be permitted to return to the neoliberal status quo. It was clear during the Great Recession that some of the biggest U.S. corporations and Wall Street firms could not survive without government life supports. Now, only 11 years later, we are about to rerun the same movie, only this time on a jumbotron screen. Forty years' worth of neoliberal indoctrination has pampered big business and Wall Street into believing that corporate socialism will always be theirs for the asking — that they can hoard profits for themselves at will while foisting their risks, as needed, onto everybody else. At this moment especially, if businesses want to insist that they exist only to maximize profits for their owners, then the federal government needs to sever their lifelines. Progressives should keep fighting hard for these principles.

**C. J. Polychroniou: Noam, coronavirus seems to be producing an uplift in solidarity among common people in many parts of the world, and perhaps even the realization that we are all global citizens. Obviously, coronavirus itself won't defeat neoliberalism and the resulting atomization of social life that we have been witnessing since its advent, but do you expect a shift in economic and political thinking? Perhaps the return of the social state?**

**Noam Chomsky:** Those possibilities should remind us of the powerful wave of radical democracy that swept over much of the world under the impact of the Great Depression and the anti-fascist war — and of the steps taken by the masters to contain or crush such hopes. A history that yields many lessons for today.

The pandemic should shock people to an appreciation of genuine internationalism, to recognition of the need to cure ailing societies of the neoliberal plague, then on to more radical reconstruction directed to the roots of contemporary disorder.

Americans in particular should awaken to the cruelty of the weak social justice system. Not a simple matter. It is, for example, quite odd to see that even at the left end of mainstream opinion, programs such as those advocated by Bernie Sanders are considered “too radical” for Americans. His two major programs call for universal health care and free higher education, normal in developed societies and poorer ones as well.

The pandemic should awaken us to the realization that in a just world, social fetters should be replaced by social bonds, ideals that trace back to the Enlightenment and classical liberalism. Ideals that we see realized in many ways. The remarkable courage and selflessness of health workers is an inspiring tribute to the resources of the human spirit. In many places, communities of mutual aid are being formed to provide food for the needy and help and support for the elderly and disabled.

There is indeed “an uplift in solidarity among common people in many parts of the world, and perhaps even the realization that we are all global citizens.” The challenges are clear. They can be met. At this grim moment of human history, they must be met, or history will come to an inglorious end.

*This interview has been edited for clarity and length.*

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