

# Mask Off: Crisis & Struggle in the Pandemic<sup>1</sup>

*Richard Hunsinger & Nathan Eisenberg give an in-depth analysis of the current crisis where economic breakdown, pandemic, and mass revolt collide into a historic conjuncture that will forever shape the trajectory of world events.*



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<sup>1</sup>Originally published by [Cosmonaut](#)

## Disruption

We are running out of places to keep the bodies. In Detroit, a hospital resorted to **stacking up the dead** on top of each other in a room usually used for sleep studies. In New York, the epicenter of the pandemic where, for a week in April, someone died of COVID-19 **every 3 minutes**, a fleet of **refrigeration trucks** is enabling interment in parking lots for overcrowded hospitals. The chair of New York's City Council health committee, publicly stated that they were preparing contingency plans, per a 2016 "fatality surge" study, to dig mass graves in a **public park**. The resulting moral backlash prompted Mayor de Blasio to deny any such plans would be carried out, but he would go on to emphasize the necessity for **mass graves on Hart Island**, an old potter's field in the Bronx long home to the unclaimed corpses of the indigent, which has quintupled its monthly intake of bodies. As is protocol, the excess demand for the work of burying bodies on the island is being met with **the use of prison labor** from Rikers Island, which itself has **the highest infection rate in the world**. The situation in private funeral homes is similarly dire. Dozens of corpses were recently found **rotting in U-Hauls** outside a funeral home in New York. In Ecuador, there are cases of bodies being **wrapped in plastic** and left on the sidewalk for days before strained hospitals can send an ambulance, prompting engineers in Colombia to come to their aid by developing **hospital beds that transform into coffins**. Mass graves are cropping up across the world, in **Ukraine**, in **Iran**, in **Brazil**. A man in Manaus, Brazil, interviewed by a Guardian reporter while watching his mother's coffin be lowered into a trench alongside 20 others, despaired, "They were just dumped there like dogs. What are our lives worth now? Nothing."

Such macabre undertakings point to a sense that this pandemic is *unmasking* the real immanent content of capitalist society in all its uncaring austerity and banal cruelty. The simple fact, now visible to anyone forced to work without PPE or handing over rent payments from dwindling savings with no horizon of replenishment, is that capitalist social relations cannot sustain human life, that their own perpetuation requires our mass endangerment. The

exceptional nature of these present circumstances show the degree to which basic subsistence has been whittled down through protracted class struggles to the point where it is more or less precisely calibrated to merely maintain bare social coherence, leaving the system in a place where it cannot endure significant disruption. This fragility, which routinely exposes proletarians to the most brutal deprivations, is now generalizing across previously secure populations, emanating directly from capitalism's constitutive contradictions, contradictions between the human fabric that serves as labor-power inputs and the circuitous process of capital accumulation that it animates. All creative activity is organized for this end, no matter the consequences. In the current moment, an accumulation of consequences, previously arrested and deferred, are now spilling forth all at once, like a burst clot. Blood is pooling in the tissues of the social body; the airways are blocked.

If we seek to give an honest diagnosis of the injury and trace the symptoms back to determining conditions, we find an advanced necrosis. This necrosis has many appearances. Capital overaccumulation, taking the form of frantic and increasingly fictitious credit-money markets, on the one hand, and a build-up of industrial capacity far in excess of what is profitable to operate, resulting in chronic overproduction, on the other. Intertwined with this surplus capital are the masses of surplus populations, an explosion in the landless proletariat in absolute numbers colliding with depressed capital that can profitably exploit only a relatively waning subset, rendering the remaining masses superfluous and subject to the diverse tortures of increasing lumpenization. The declining social wage fund that results from this is managed and calibrated with protracted disinvestment in public welfare infrastructure, now most spectacularly in the arena of public health, constituting an outright abandonment of social reproduction. The result has been a managed decline, never so precipitous as to descend fully into social chaos or break **the holding pattern**, except in punctuated moments that have proven containable in time. While these morbid symptoms of the capitalist mode of production sputtering under its own weight metastasized, the rot was allowed to fester through a palliative nurturance

designed to mask it.

We are now witnessing a precipitous collapse of some kind, novel in many of its features, even if it is not yet recognizable as the eschaton many communists (at least implicitly) imagine. Several prominent left-liberal commentators have formed a chorus, which always seems to be at-hand during such a spectacle, theorizing the transformative potential of the pandemic, tending to speculate with unwarranted utopian optimism. Slavoj Žižek activated his Verso show-erthought pipeline to crank out a book of impressionistic digressions on the virus, musing that coronavirus is a “perfect storm” that “**gives a new chance to communism.**” Of course, this would not be the “old-style communism”, but rather the communism of the World Health Organization, where we “mobilize, coordinate, and so on. . .”; in other words, the banal mechanisms of liberal governance (though as we will see, even this is too much to ask anyway). He makes a vaguely humanist point about how our shared biological vulnerability generates some basic solidarity, citing how even the state of Israel “immediately” moved to help Palestinians, following the logic that “if one group is affected, the other will also inevitably suffer.” This claim is, of course, absurd, as a cursory glance at recent news reveals: Israeli police **shut down a testing clinic** set up by the Palestinian Authority in East Jerusalem, settler violence against Palestinians in the West Bank **increased 78%** in late March, **house seizures and IDF abuses only worsened** and plans to **annex the West Bank** continue uninterrupted. In a significantly more sober and careful appraisal of the situation, looking at India, Arundhati Roy still characterizes the pandemic, in a turn of phrase reminiscent of Walter Benjamin’s Janus-faced figure of a historical juncture, as a **portal** through which we might step into a better world. The environmental economist Simon Mair finds hope in the revelatory nature of the crisis, as the failures of “market neoliberalism” are bared for all to see, and maps out **four futures** after the pandemic, the boldest horizon of which is a program of nationalization plus “new democratic structures.” This “democratic antidote” appears frequently in a context notably distanced from the violence of the present. In a call to “**socialize central bank planning,**” Benjamin Braun

writes on behalf of the “Progressive International” of a democratic vision for finance. Amidst the muddled juggling of abstractions, democracy, capitalism, and technocracy are posited in an assumed possibility of harmonious balance; a goldilocks-esque treatment for reinvigorating capital accumulation. Echoing the wonkish dialect of Elizabeth Warren, Braun writes: “indeed, the left’s capacity to develop sophisticated, actionable economic policy blueprints **is growing fast**. TINA (“there is no alternative”) was yesterday — today, progressives ‘have a plan for that.’” For the supposed strength of this ideology of “the plan,” a plan of any sort is nowhere to be found outside of these aimless gestures at a remote possibility. Most importantly, the class struggle required for even these tepid evolutions is conspicuously unmentioned.

For all the aspirations to a “radical reform” embedded in the slew of prescriptions, these supposedly “realistic” invocations of new horizons of possibility continue to ring hollow. The immediacy of crisis is inevitably lost in the wish-lists of those that appear merely disappointed in power. The rose-colored glasses of the “democratic” path see opportunity conveniently devoid of context. Begging sobriety, it is critical to acknowledge that no matter where we go from here, it is in the wake of unfathomable loss. Such is the ritual of capital, a totalizing directional movement based on a logic of infinite expansion, only realized through the domination of the living by the dead in a process existing purely for its own sake. While it is true that with crisis comes contingency, and thus new possibilities, these only emerge under certain determinate conditions. In the last instance, it is in the terrain of economy, by which we enter into relations independent of our will and become bound to the social productive forces of material existence, that we ascertain the most pronounced objective shape to history. This edifice, however, merely appears objective, as an undead automaton distorting time and space at a steady interval. Our lives, the time we breathe into them, are rendered unconscious non-events by the mechanical operations of capitalist reproduction. Despite the novelty of this present crisis and the rapid pace of developments, there are trends and outcomes we can begin to apprehend with relative confidence. Critically engaging this material

substratum of the economic, the fundamental base of society's reproduction, presents us with a range of interpretation. Our intention is not to speculate or to anticipate what new reality will emerge out of this situation, but rather to demonstrate that the events and ensuing struggles of the present, despite their unprecedented scale and intensity, have clear origins. For us, this is the best way to interpret the present crisis: in context.

For the crisis at hand, to merely meditate on the apparent ruptures will not suffice. Despite this particularly catastrophic iteration of the onset of crisis, it fundamentally cannot be divorced from the prior dynamics of capitalist development. The pandemic acts as both disruptor and accelerant, imposing strains on an already struggling and weak global economy. Both the imminent threats of recession and **pandemic** having long before been present and dire. The failures of the present order bring the world as it was before into a new clarity. Necessity invigorates demands that may prove to undermine capitalism's conditions of possibility. Social relations previously taken as fixed begin to reveal that their rigidity was in fact fast-frozen movement. The roles played in mediating these contradictions, the bourgeois classes, revealed as nothing but mere figures carved of wood: mocked-up subjects performing an empty ritual, a mockery of life largely reliant on birth lottery and sycophantic power games. It is ironic, then, that the very moment that we may not enter the world without a mask, these character-masks of our era would begin to show signs of slipping. In light of this, simply anticipating a return to "normal" seems premature. It is only through the impacts of emergent struggles that we will know what becomes possible at this juncture.

It is here that we must speak of another potential unmasking. Marx theorizes class in the abstract as defined by one's relation to production, a crucial element of which is the functional role thus performed within the circuit of capital accumulation. Marx referred to such reified social roles as "character-masks" (*Charaktermaske*), which is frequently translated into English as "bearer": subjects who are compelled to carry the process of capital accumulation forward. With the original wording, the emphasis rests more on an external construct

that comes to displace the interiority of the subject: as one assumes the mask, so they assume the character. Capital, as the dominating logic of society, is otherwise indifferent to the lives of its subjects beyond adherence to this character-mask, a hazard true for any specific members of the bourgeoisie. And so he writes “As a capitalist, he is only capital personified. His soul is the soul of capital.”<sup>2</sup> This near-total identification is no natural relation, of course, but a contingent one existing in a continuum of ceaseless struggle.

Of course, the two character-masks in this process, the bourgeoisie and the proletariat, are not static structures, two opposites with parity, but mutually contradictory social forms locked into an antagonistic dialectic between the owning class and the class which owns nothing that has yet to be resolved. In this way, we can understand class as a matter of material compulsions embedded within the general problem of social reproduction. The proletariat is maintained as such in order for it, as a class, to fulfill its role selling labor-power, the exploitation of which is the foundation of capitalist society. Capital is more forgiving of the proletariat: if they fail to sell any labor-power, and are thus relieved of this function, they remain a proletarian. The immiseration of their position is a given in their role. The strictures of performance, however, are much more severe for the bourgeoisie. The extent to which one *personifies* this role in relation to production, how successfully one allows their social behavior to be subsumed into the dictates of capital, determines one’s ability to stay a member of the capitalist class. If one is caught off guard, either by allowing their workers to slack off or neglecting the growth of their profits, then one is promptly expelled from the class by their competitors, expropriated and ruined like any proletarian.

Such purges are cyclical within capitalism, as recurring economic crises brush aside the low-performing capitals and pave the way for concentration, thus allowing capital as a totality to maneuver out of its convulsions and establish accumulation anew. This secular process of consolidation brings with it qualitative shifts, such as the late-19th century emergence of monopoly capital that

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<sup>2</sup>Marx 1976, *Capital* Vol. I, p. 342



Lenin and Hilferding identified as the driver of imperialism, resulting today in substantially internationalized capital blocs. The exact social geography of these particular capital blocs was laid down through the bloody history of our long epoch. In *Capital*, Marx methodologically distinguished between “capital in general” and the operation of “many capitals”, analyzed in Volume I and III respectively (though one implicitly containing the other from the beginning), the former a logical structure and the latter taking a concrete appearance more sensitive to history. But this is no relation of accident, with the essence towering above, the weight of ontology behind it, and the appearance flitting across the surface, a mere virtuality. Capital as an abstract logic works itself out through the activities of its constituents, the “universal drawing itself out of a wealth of particularity,” as Jairus Banaji put it.<sup>3</sup> Capital in general develops, clashing against itself, as the froth of many capitals.

The centripetal force here is competition. Capitalism is a society without guarantees. As with the interchangeable exchanges of a commodity-producing society, all positions are, strictly speaking, precarious relative to the individual. These different layers of mediation imply within them a whole grid of conflicts, as particular capitalists compete to better exploit fractions of the working class and workers externalized from reproduction compete with each other in the market in order to be exploited, resulting in a violent fragmentation that obfuscates the relations of production, substituting instead diverse outward manifestations as members of the bourgeoisie compete to install themselves behind the character-masks of different capitals. This struggle to realize a contradictory totality, capital in general, leads to a succession of ill-fitting masks. “The fact that the movement of society is full of contradictions impresses itself most strikingly on the practical bourgeois in the changes of the periodic cycle through which modern industry passes, the summit of which is the general crisis”.<sup>4</sup> The destabilizing onslaught of crisis forces this contradictory totality to the extremes of its formal coherence. The antagonistic relations of social

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<sup>3</sup>Jairus Banaji, “From the Commodity to Capital: Hegel’s Dialectic in Marx’s ‘Capital’ ” *Value: The Representation of Labour in Capitalism*, ed. Diane Elson, p. 80

<sup>4</sup>Marx, Postface to the Second Edition, *Capital* Vol I, p. 103



reproduction are revealed here in an abstract social totality often assumed universal amongst the classes, while the concrete particularity of need violently asserts itself, inflamed by the way the crisis intensifies the disparities in their relative degrees of externalization from reproduction. Conflict first appears over this asymmetrical distribution amongst class fractions, but often reveals its roots to be found deeper, in the fundamental relations of production, whose forces ultimately determine this reproduction.

Though the class structure may be submerged under this fragmentary appearance, these social relations appearing as fetishized fragments themselves constitute the actuality of capitalist society. Class position is never separate from the spontaneous and cultivated ideologies that crisscross social existence. Though embedded in the general cognition of its subjects, which always exists in excess of social formations, ideology follows closely behind the material recomposition of individuals *out* of self-consciousness of their class, dependent on all manner of “exterior” relationships ranging from the spurious to the deeply felt, into an infinite variety of social interest groups. Such mediations can be very intensive, dissolving wayward subjects within powerful structures of feeling, and able to appear as authentic products of one’s individual will. This is entailed by the specific fetish-structure of the capitalist social form, in which everyone is classified individually as commodity-sellers, merely distinguishable quantitatively. All are equal under bourgeois right, in a liberal harmony free from the materiality of systematic exploitation. In this sense, ideology emerges “spontaneously” from the social relations of capital. But fragmented identifications can also be cultivated, drawn out through deliberate attempts at “non-class composition”, in which ideological formations push people towards the liberal-democratic imperative to gain representation within the body politic (or attempt to commandeer it, as the case may be). Politics dominates class in capitalist society, displacing it in the appearance of an endlessly speciated but classless citizenry, as they variously campaign, petition, assemble, protest, advertise, analyze, persuade and sell to each other ad nauseum like carnival barkers.

The proliferation of ideological incoherence that we see in this moment, and its intensification over the turbulence of the preceding decades, reveals the extent of the crisis of bourgeois society today. The social logic of capital must be imposed and perpetuated within concrete circumstances, and so, while the circuit of capital accumulation can be grasped in abstraction from human particularity, its practical existence depends crucially on such situated, “extra-economic” ideological arrangements to tamp down class struggle, extract submission to hegemony, discipline capitalists who disrupt the balance, or keep people going to work when material compulsion is not enough. It must also gravitate towards the production of particular commodities, using particular technologies for particular markets. Capital would be content to produce qualityless widgets at ever-increasing scale indefinitely, but it is consigned to always stand in some bare relation to the social reproduction of those who bear its character-masks. We can refer to this kind of historicized picture of the social environment conducive to capital accumulation as a conjuncture, a *joining together* of incidental human concerns in a subordinate and form-determined manner, based upon the prevailing balance of class forces.

Though the exhaustion of economic growth is systemic and global, it is not necessarily the case that the potential depression we face will constitute an existential crisis for the capitalist system. Indeed, economic crashes tend to facilitate capitalism’s longevity through the concentration and rationalization of the surviving capitals. The global proletariat is too dispersed and disorganized to mount a significant enough challenge when the decisive moments will call for it. But in order to successfully reorganize and perpetuate capitalist social relations for another business cycle, the entire ensemble of political, ideological, and proprietary relations might have to undergo seismic adjustments before resettling into a stable regime of accumulation. Masks will fall away. Class contradictions will become unbearable, straining, and tensing to breaking points. Even if not quite an existential crisis, we may be in the midst of a conjunctural crisis, a disruption that brings these relations within the contradictory totality into sharper relief through the struggle between classes, an explosive struggle

of content within form.

In the following sections, we will elaborate some of the causes and consequences of the conjunctural crisis that is developing. In the section below, we will attempt to provide a basic etiology of several of the morbid symptoms that are starting to present themselves. We will set the current stimulus bills and monetary measures in the context of the chronic overleveraging of the credit system that has accompanied the global slump in production. It becomes clear that such maneuvers are first and foremost attempts to preserve the existing complex of asset titles and price levels in order to maintain the volume of financial claims on surplus value produced around the world that are at the core of contemporary imperialism, and only as a secondary matter provide scant relief for masses of workers at the hard edges of unemployment or infection risk. In section three, we examine the recent collapse of employment, widely posited as a temporary predicament but likely to leave long-term scars on the labor market, against the wider global patterns of underemployment and the consequences this has had for the social reproduction of the proletariat. In the final section, we will look at some of the political conflicts and class struggles that have exploded as a result of the pandemic crisis. Certain terrains of struggle are expanding, while others are closing, possibly pointing to the shape of class compositions to come. The fascistic ideological passions, particularly conspiracism, which have been enervating the right since 2008 are coalescing into organization and action in the service of big capital, while the tensions of the present begin to erupt as well in a new cycle of riots over police executions, exposing the sharp contradiction between our economic dependence on business as usual and the bodily vulnerabilities of we who bear it. These are just preliminary outbreaks, but they are worth tracing, as the abyss looming over future capital accumulation will continue to intensify such conflicts.

The prefiguration of even modest utopias then offers us nothing but a disengagement from examining the particular tendencies that overdetermine the present. Any move to preserve the stability of the present totality forestalls the possibility of its abolition. Likewise, the means of achieving this cannot be

prefigured but must be derived from a concrete analysis of a concrete situation. The **crisis maneuvers** undertaken to date appear both unimaginable without such devastation, and yet also the bare minimum tolerable to assure that demands will not exceed the capacity of bourgeois will. We have yet to see the full scope of the developing economic crisis of capital, its exact depths and contours are still in indeterminate flux. Taking shape amidst this crisis-in-formation are political subjectivities emerging in the struggles born out of necessity. The renewed importance of political expressions reveals that history is not content to allow itself to appear as the indefinite neutral passage of time. It is this subjective, conscious action upon the objective, material factors of the present that determine if we will, in fact, be living through history. More than anything else, bourgeois society fears history.

## Necrosis

*“Capitalist production constantly strives to overcome these imminent barriers, but it overcomes them only by means that set up the barriers afresh and on a more powerful scale.” – Marx 1981, Capital Vol. III, p. 358*

This eternal fear of history leads to a tendency to distort time. The long crisis we are in presents itself as an indefinite series of small disasters that occasionally escalate into catastrophe. But their pattern and distribution reveals subterranean faultlines. Every successive business cycle follows the narrow conditions of profitability, and state policy follows the path of least resistance to ensure the bare minimum of capital accumulation, a process itself increasingly disjunct and subject to violent, incomplete cycles. Cyclical invigorations of economic activity in the advent of crisis has led to an indefinite state of debt-led growth regimes, forever deferring the arrival of the present by constantly hedging the future, only ever capable of momentarily extending the cheap credit lending and borrowing conditions necessary to reestablish a sense of general equilibrium, serving to make the barriers to reproduction increasingly

insurmountable with every business cycle.

The latest iteration of this crisis management, the \$2+ trillion CARES Act stimulus effort and the measures of the US Federal Reserve and Treasury Department, are fated to the same eternal return. While the bill is touted for its scope, every declaration that “**this will save Main Street**” reads as an insincere cliché. In practice, the stimulus package is already revealing itself to be a glorified bailout, a scaling up of now routine monetary practices that have kept capital afloat since the post-2008 “recovery” and determined by the crises preceding it. The dysfunctions in the implementation of the still-growing stimulus efforts reveal that much of the targeted elements serve only to give the appearance of a state apparatus that can adequately respond to the economic strains on the broader population. In truth, it’s all about keeping open lines of cheaply available credit to forestall the evaporation of fictitious investments heretofore unable to be realized through productive investment. It is life support for the existing arrangement of capitals. The collapse of smaller business capitals and the centralization of capital in more intensely concentrated industries remains an underlying dynamic crucial to capital’s survival at present, and therefore an inevitability.

The cracks in the foundation are becoming more and more visible as the expressed goals and concrete execution of the stimulus spending diverge. The initial \$350 billion allocated in funding Payroll Protection Program (PPP) for small business lending was **rapidly grabbed up**, prompting an additional \$320 billion in congressional funding allocation (and possibly more to come), as well as new guidelines from the Small Business Administration (SBA) on who qualifies, as large **chain restaurants, hedge funds, and private equity firms** had all applied for and acquired loans, meeting with public outrage. The new rule, however, **does not prevent private equity-owned firms** from applying for relief as long as applicants certify that “current economic uncertainty makes this loan request necessary.” As of **April 20**, 45% of the initial \$350 billion went to larger companies who were borrowing more than \$1 million, while merely 17% went to those applying for loans of less than \$150,000. On a volume basis, those small

businesses accounted for 74 per cent of the funds' recipients. Following the racial composition of prior proletarianization in the US, **black-owned businesses have suffered a disproportionately faster rate of closures** and less aid. After public outrage, of the 234 public firms that received PPP loan funding, **only 14** had promised to return the money.

The \$50 billion Payroll Support Program for airlines has also proven itself a simple matter to circumvent, as United Airlines received \$5 billion from the US Treasury to retain staff, but is still cutting the hours of **15,000 workers**. Despite the 120-day ban on evictions of tenants that reside in properties that receive federal subsidies or have federally-backed mortgages, **these landlords are still executing evictions**, and tenants in the rental market at large are left to a patchwork of state and municipal level measures of varying efficacy, themselves subject to even less capacity for enforcement. The only saving grace in many municipalities is that the courts have been closed, stalling what will become a wave of eviction filings. The temporary expansion of unemployment insurance benefits will likely never get to the mass of unemployed, as governors are **cutting off new unemployment benefits** before many applicants have even received their first checks, following the stresses to reopen their economies from the federal government, protests, and budgetary strains from the loss of sales tax revenue. Stimulus checks being sent to **dead people** offer an almost too poetic reflection of reality in this naked redistribution of social wealth to capital. Whatever might have remained of America's mythic Main Street before this, it is surely now nothing more than an empty shell, upon which political parties will still hang their banners in the months to come.

Even as we watch stimulus efforts turn into a life support system for capital, turning our attention to the scale of response on the part of the US Treasury Department and Federal Reserve should relieve us of the illusion that they could be anything but. While central bank intervention and the stop-gap measures of governments have taken center-stage in the whirlwind timeline of the pandemic's economic fallout, it must be remembered that these direct measures of intervention returned months before the pandemic. In **September**

2019, the unexpected spike in overnight money market rates led to a liquidity crisis in the repurchase agreement (repo) market, prompting swift intervention by the US Federal Reserve. The immediate trigger for this was the quarterly corporate tax payment deadline on September 16 leading to a high volume of withdrawals from bank and money market mutual fund accounts into the US Treasury's account at the Federal Reserve, leaving bank reserves \$120 billion light and unable to match the volume of repo market agreements in Treasury securities that required financing the next day. The resulting inflexibility in banks to increase lending from their thinning margin of excess reserves, in part due to reserve requirements imposed after the 2008 financial crisis, led to more loan requests from US financial institutions to the federal funds market, as banks resorted to Federal Home Loan Banks over interbank lending, leading to a decreased supply in federal funds lending and an excess demand among banks and financial institutions. Initial Fed intervention in September offered up to \$53 billion in additional reserves and led to a decline in interest rates for lending, and the effective federal funds rate was lowered to stay within a stable target range. By mid-October, it appeared that this would not be enough to address the extent of the liquidity problem, as trade disputes signaled the possibility that the securitized loans at the base of this liquidity market might become non-performing, and the Federal Reserve announced it would be engaging in overnight repo operations of up to \$60 billion a month. Over the course of 2019, the Fed cut the interest rate 3 times, almost down to zero, to stabilize reserves for lending in money markets, with plans to reassess in January 2020.

But the hopes for a resurgence of economic vitality were dashed by the beginning of the year, though these emergency actions themselves, implemented to counteract a turbulent environment for liquidity operations, should already have been a massive clue that this would be the case. In the bailout effort from the 2008 crisis, the quantitative easing operations undertaken by the Treasury and Federal Reserve, to keep markets solvent and credit available for lending through asset purchases, saw the Federal Reserve's balance sheet expand by



\$4.5 trillion from 2010 to 2015. Furthermore, it cannot be forgotten that much of the global economy after the 2008 crisis was further bolstered by China's debt stimulus fueled infrastructure projects, running a debt-fueled growth regime of roughly \$586 billion USD. It was only by 2018 that the Federal Reserve began attempts to deleverage, though the gradual offloading of \$800 billion in assets was met by stock market volatility and by September 2019 immediately met with this liquidity crisis set off in the repo markets.

By early 2020, the emerging disturbances in Wuhan, the manufacturing metropole in the Hubei province of China, started roiling supply chains and put many key industries in danger of financial insolvency, thwarting the Federal Reserve's expectations of rolling back its efforts and prompting escalated intervention in money markets and repo operations. The months of February, March, and April 2020 saw an unprecedented scale of operations, an expansion of the Fed's repo market operations and a reintroduction of quantitative easing up to hundreds of billions of dollars in a whirlwind series of overnight decisions as global stock markets plunged. From **February 24th to April 27th**, the Federal Reserve expanded its balance sheet by \$2.6 trillion to a total of roughly **\$7.1 trillion**. These trends, having already been in motion, should sufficiently deflate any notions that the so-called fundamentals of the distant bourgeois god known as "the economy" were at all strong even months before the pandemic. The circulation of money capital itself appears incapable of operating without a ventilator.

Now, as part of stimulus efforts undertaken to avoid a depression at all costs, the Federal Reserve enters into new territory, the consequences of which remain to be seen. The precedent set by the government bond purchases that characterized the Federal Reserve's post-2008 quantitative easing policy has left little terrain of movement than what is currently underway: the introduction of a wide variety of programs and lending facilities to directly purchase assets, now notably including corporate debt, via direct lending, buying bonds, and buying loans. What has rightly prompted even more concern about the possible outcomes of this hail mary is the Fed's purchases of high-risk, high-yield corporate debt,

known as junk-rated bonds, which could put what is effectively the world's central bank towards a **point of no return**. This is all occurring with the facilitation of \$2.3 trillion in credit lines opened through the newly fashioned lending facilities, and interest rates set almost at zero with speculations of going negative. In addition to the \$3 trillion added to Fed capacity for liquidity support in the current quarter, largely from the stimulus efforts, the US Treasury expects to borrow a further \$677 billion in the three months before September. Having already borrowed \$477 billion in the first quarter of the year, it would bring the total amount to more than **\$4 trillion for the full fiscal year**. As if the thin veil covering the obvious bailout underway was not enough, all pretense is stripped as a division of **BlackRock**, the world's largest asset manager, has been hired by the Federal Reserve to act as the investment manager for three of the newly created lending facilities: two **Fed**-backed vehicles that will buy corporate bonds, and a program that will buy mortgage-backed securities issued by US government agencies. Furthermore, BlackRock can direct the Federal Reserve to purchase their own assets, including their own junk-rated exchange-trade fund (ETF) bonds, and BlackRock employees involved in this effort can use the knowledge they gained as advisors for trading purposes that benefit their own firm after a mere **2-week "cooling-off" period**.

Lest we make the mistake of thinking the Fed has merely gone rogue, let's briefly consider the doctrine of negative interest rates recently implemented in the turbulent economies of other capitalist powers. Setting central bank deposit rates negative effectively charges a fee for storing money-capital, forcing banking institutions to dump their holdings into whatever asset markets seem remotely viable, thus "growing" the economy. Even before the US repo market liquidity crisis of September 2019, the European Central Bank (ECB) had dropped the deposit rate to -0.5%, the **lowest on record**, and initiated a new quantitative easing program of €20 billion per month in asset purchases, for the third time in a decade. The **Bank of Japan** (BOJ) followed suit, cutting rates in multiple rounds. The ECB and BOJ had both experimented with negative interest rates previously: the ECB in 2014 to shake off the slump

from the 2011 sovereign debt crisis and at a time when the unemployment rate in the eurozone was ~12%; Japan in 2016 in a desperate bid to combat deflation. Though neither case worked as intended in the first iteration, each central bank sought this time to go even more negative to inject some activity into undeniably sagging growth. That the largest currency zones in the world all engaged in periodic and escalating programs of severe interest rate cuts and massive asset buyouts throughout the 2010s, *and with little success*, suggests not so much an extremist interpretation of mandate on the part of central banks, as some post-Keynesians accuse, but rather an expression of structural decrepitude.

A cursory overview of Federal Reserve policy over the past few decades reveals that these new drastic measures actually reflect the limited range of motion available to mitigate crisis while still maintaining the reproduction of capitalist relations. The **Volcker shock** of 1979, in the unprecedented raising of interest rates with the intention of curbing inflation, set off a wave of unemployment in the US and cemented the finance-dominated global restructuring of industry that was progressively taking shape throughout the 1970s, ultimately meeting its own fate once again in the 1987 crash of the high-risk, high-yield junk bond market that fuelled the financial means of this global expansion. The ensuing neoliberal regime of accumulation from 1982-1997 unleashed growth in the expansion of industrial capital further into the Global South and peripheries, bolstering rates of profit, but nowhere near the highs prior to the downturn of the 1970s. Following the 1987 junk bond crash, the Federal Reserve of the 1990s, under the tenure of Alan Greenspan, saw the official onset of such practices dubbed by Robert Brenner as “**asset price Keynesianism**,” cementing as official policy market capitalizations of publicly traded companies through direct liquidity support via lowering the Federal Funds Rate. This effectively freed up credit to stimulate asset price inflation, and with it an illusory “wealth effect” in which personal fortunes and GDP alike depended on low-interest rates. The rise in pension funds and the doctrine of shareholder value, now with official backing in Federal Reserve policy, left the US economy perpetually subject to

and ultimately **dependent on the inflation of asset bubbles**. This culminated first in the chain of events set off by the East Asian crisis of 1997, itself the cumulative effect of the Japanese banking crisis of the 1980s that would domino into a real estate bubble in Thailand by the early 1990s, resulting in a series of chain reactions throughout the region that spilled over into the Western economies through the collapse of the Long-Term Capital Management Hedge Fund in 1998 and the dotcom bubble crash of 2000. Asset price valuations have long been the driving force of the projection of vitality for capital, not the expansion of production, which has long been redundant and overproducing due to a high organic composition of capital. The terrain of expansion is increasingly insufficient relative to the mass of capital valuations it requires. Expansion must take the shape of an upward ticker in stock market activity. Anything else would be effective suicide. The 2008 housing bubble that ripped through the credit-reliant construction and real estate industries prompted the Federal Reserve to respond with both lowering rates and direct asset purchases in quantitative easing.

While private capital requires a relatively autonomous state to assist in guaranteeing reproduction, these roles have increasingly become intermeshed, forming neither a state takeover of the free market, as bemoaned by devotees of the invisible hand, nor the gutting of the state, as often decried by left critics of “neoliberalism”. What we see is rather a reflection of the growing centralization of capital and its concentration within specific spheres of industry, in this case, the banking and finance sector involved in controlling circulatory flows of money-capital, drawing the international state system into a more coordinated global regime of accumulation that cannot cohere due to global overaccumulation of capital. The instance of BlackRock’s direct involvement in directing Federal Reserve corporate debt purchases reveals that the world’s most powerful central banking institution’s status as “lender of last resort” has been resorted to so frequently in recent history that it has effectively displaced the executive as the central “committee for managing the common affairs of the whole bourgeoisie.” Financial accumulation to this degree has meant that

global manufacturing overcapacity and declining output can only be continually managed by an ever more swelling and carefully attenuated market regime, a regime where accumulation primarily occurs through the cornering of market shares through appropriations of the flows of realizable surplus value via property-based mechanisms of capital acquisitions that consolidate firms. We see here the rise of multinational conglomerates with massive asset portfolios that allow them to dominate the labor of large swaths of the global working class in both direct and indirect ways. Due to the decline in complete accumulation by means of reproductive expansion, credit becomes increasingly important to maintaining the continuity of economic functions, and thus the appearance of capital writ large as profit-making via price speculations and fictitious profit generation.

Now that the future is arriving, decades of political imperatives to buttress risk at all costs in order to maintain dominance has left too many landmines. The federal government's insurance of risky corporate debt poses a new problem, of which the outcome is still unknown. The IMF raised the alarm over a \$19 trillion corporate debt "time bomb" in its Global Financial Stability Report in October of 2019. Tobias Adrian and Fabio Natalucci, two senior IMF officials, said of their findings, "We look at the potential impact of a material economic slowdown [that would trigger said "time bomb"] – [requiring only] one that is *half as severe* as the global financial crisis of 2007-08. Our conclusion is sobering: debt owed by firms unable to cover interest expenses with earnings, which we call corporate debt at risk, could rise to \$19 trillion. That is almost 40% of total corporate debt in the economies we studied." To place this alarming conclusion in the present context, the impact of the present crisis in the lockdown periods results in a global average rate of GDP growth of -3.0%, as estimated by the IMF. For further context, the impact of the Global Financial Crisis of 2009 was -0.1%. Two trillion dollars of corporate debt is set to be rolled over this year, and according to findings from the OECD, more than half of all outstanding investment-grade corporate bonds have a BBB credit rating, just one grade above junk status. If we want to understand why such intensive measures

are being taken by central banks at the present moment to keep credit lines open and available, there it is. To date, US companies have continued to take on debt, **borrowing a year's worth of cash in the past 5 months alone**. Here we find something of the double edged sword of liquidity. Everything may be done to maintain the circulation of money-capital in hopes of realizing a prospective value, but circulation itself yields nothing. Merely adding to the money supply might throw things into a sense of motion, but it may still do so with no traction. Now, as the threat of hyperinflation looms, **Goldman Sachs has begun establishing short positions on the US dollar**, anticipating the currency's devaluation and preparing to make a profit on it. For all that is made of the Federal Reserve and its role, it is clearly only buckling under the pressure of what is required to maintain capital at present, and that is cheap credit and viable conditions for lending *by any means necessary*.

## Amputation

“The greater the social wealth, the functioning capital, the extent and energy of its growth, and, therefore, also the absolute mass of the proletariat and the productivity of its labour, the greater is the industrial reserve army. The same causes which develop the expansive power of capital, also develop the labour power at its disposal. The relative mass of the industrial reserve army thus increases with the potential energy of wealth. But the greater this reserve army in proportion to the active labour army, the greater is the mass of a consolidated surplus population, whose misery is in inverse ratio to the amount of torture it has to undergo in the form of labour. The more extensive, finally, the pauperized sections of the working class and the industrial reserve army, the greater is official pauperism. **This is the absolute general law of capitalist accumulation.**” – \*Marx 1976, Capital Vol. I, p. 798

Meanwhile, unemployment has skyrocketed with no end in sight, stimulated

by the shelter in place orders instituted around the country. The official count of unemployment insurance filings are, as of the time of publication, roughly **40.8 million** since mid-March, adding to the existing **7.1 million already on UI**, with the US real unemployment rate in April reaching a post-WWII high of **14.7%**. The measurement that month for the U6 rate, which includes workers precariously employed and involuntarily part-time for economic reasons and is by definition higher than “real unemployment,” was at **22.8%**. Given that data collection for the most recent surveys are affected by the pandemic, these figures are underestimations of the actual number of people suffering significant cuts to their income. At the beginning of June, the **financial press** and the **state’s economic advisors** touted a success in an apparent employment resurgence, as 2.5 million jobs were “created” and the unemployment rate fell to **13.3%**. U6 only dropped down to **21.2%**. While temporary lay-offs declined from 18.1 million to 15.3 million in May, **the number of permanent job losses increased** from 2 million to 2.3 million. Furthermore, the US Labor Department already conceded making errors in the employment classifications of the May report, **including counting 4.9 million temporarily laid-off people as employed**, revealing that any “impressive” numbers are in fact quite deceptive.

It appears quite clear that this, rather than a resilient economy arising like a phoenix from the ashes of its immolation, is more likely a reflection of just how weak efforts to reopen have been thus far. While leisure and hospitality services appear to be hailed as a sector surging back to work, the unemployment rate for this sector is still at **35.9%**. Government unemployment is also continuing to surge, as **1.6 million** were unemployed in this sector the last two months alone, following the contours of austerity we can expect in any attempts at “recovery.” We still have yet to see the full effects on long-term unemployment that the threats of a second wave of COVID-19 infections may have, and further what will happen to economic activity once additional funding for unemployment relief halts in July, should a stimulus effort here not be repeated. It is now still estimated that **at least 42% of recent layoffs will result in permanent job loss**. In the US, it is also clear that this wave of unemployment is cutting along



prior racializations of labor precarity, with hispanic and black workers facing disproportionately **higher rates of unemployment** than white workers. Globally, the International Labor Organization estimates that **1.25 billion workers**, 40% of the total global workforce, are employed in sectors vulnerable to cuts in hours due to expected declines in output. Counted in lost hours, we can expect the equivalent of **305 million full-time jobs to disappear**, constituting 10.5% of the worldwide total work hours in the last pre-crisis quarter, suggesting underemployment will far outstrip the unemployment numbers alone. In the vast informal sector in which **60% of workers** eke out a living, there was a 60% decline in earnings in the first month of lockdowns, and as high as 81% in Africa and Latin America. Since a missed day's work means missed income full stop, informal workers will, in **the words of the ILO**, "face this dilemma: die from hunger or die from the virus."

At the end of their recent report linked above, the ILO advocates strong "labor market institutions" and "well-resourced social protection systems" to ensure a "job-rich recovery." This comes off as idealistic and naive when set against the context of the global slump of the last few decades, in which the fundamental reproductive institution for proletarians, wage labor, has increasingly given way to the uncertainties and tribulations of **wageless life**. The growth of informality itself is a consequence of the rising organic composition of capital, a tendency where the double bind at the core of the capitalist value-form – between *socially necessary labor-time*, the first determinant of the value that can be realized on the market given prevailing technical and social conditions of production, and *surplus labor*, which marks the proportion of this value which can be appropriated by the capitalist above the costs of production – ratchets production in the direction of **secular, systemic and often "premature" deindustrialization**, permanently expelling millions of workers from manufacturing in several rounds of restructuring since the end of the post-war boom. There is a persistent decline in labor demand and in labor share of income, as the capitalist class reorganizes the labor process, suppresses wage growth, and opens barriers to capital, yoking workers of the world into a

single giant labor market exploited as nodes in logistics chains increasingly stationed in exurban peripheries, still dependent upon the social wage fund, but **perpetually underemployed**. The “working class” strives daily to survive but less and less of this work itself is integrated into the circuit of valorization of capital.

The incapacity of the global economy to adequately generate jobs is evidenced in the travails of youth unemployment. As new entrants into the labor market, young workers are subject to whatever potential economic growth may or may not contain for the reproduction of the working class intergenerationally and as such give us a glimpse of future trends. In the months before the pandemic, **youth unemployment** (ages 15-24) was at 13% globally, and up to ~40% in the Middle East and North Africa, a steady rise from 2008. In addition to the more temporary unemployment rates, youth labor force participation is at an all-time low, with 21% of young people fully disengaged from the economy or education. Of those working, 80% of young workers around the world are in informal work, as opposed to 60% of older adults. And young workers have to travel farther to find the work they do have: 70% of labor migrants are under the age of 30. There are several reasons for this dismal state of affairs. First, there is **an increase in early school dropouts**, due to precarity at home and the need for children to labor, usually either to take over housework for an older caretaker who is out earning money or to join the informal workforce themselves, often permanently barring them from ever obtaining stable, formal employment. Simultaneously, there are diminishing returns on higher education, **with longer transition times between school and work**, and for consistently less compensation relative to costs and time spent in education, with these transition times increasingly uncorrelated with education level, instead reflecting job availability. This latter fact can perhaps be accounted for by the overall trajectory of work composition, with semi-skilled jobs evaporating in favor so-called low-skilled (that is, low-paid) work. Entry-level jobs are becoming less compensatory on average, and often lead only to a quagmire of dead-end work – nearly 40% of youth fail to transition to stable jobs even when they

are older, a phenomenon referred to as “**scarring**” by the ILO to describe how failed labor market integration in youth follows workers around for many years into their adulthood.

The rhetoric of scarring suggests a kind of stigma that marks each worker as they travel through life, euphemizing and obscuring what is actually a structural inability of developing economies to adequately absorb new workers. This is especially egregious when considering that job prospects are so stagnant compared to population growth that the global economy will need to **generate 5 million new jobs each month** just to keep unemployment rates constant, a veritable pipe dream now. Finally, young workers are **especially vulnerable to long term scarring from the pandemic crisis**. They are generally more sensitive to recessions, experiencing steeper inclines in the unemployment rate as they are laid off before older coworkers. In addition to the aforementioned overrepresentation in informal work, young workers are more likely to have precarious job arrangements, such as gig work, and make up the primary workforce for the retail, hospitality, and food service industries that are most affected by the lockdowns. Jobs among youth are composed of automatable tasks at a higher rate, leaving them **uniquely susceptible** to automation-based job loss, both historically and in the future as companies seize the vacuum left by the pandemic to rationalize their production costs. The very ability of capitalism to sustain the bare reproduction of the proletariat within the exigencies of accumulation is receding over the horizon.

This dialectical process of subsuming creative labor-power, replacing it wherever possible with machinic repetition of motion and cutting the human being loose (so fundamental that Marx referred to it as the general law of capitalist accumulation) is exacerbated by a parallel bloodbath in which masses are *newly proletarianized* in droves. Between 1980 and 2000, **the global workforce doubled in size**, before adding **a further 1.3 billion workers** by 2019. These increases came from the absorption of workers following the full integration into global capital of the USSR and China (who were not previously counted), but significant segments came from **a wave of land grabs**, from agribusiness

and extractive industries, and debt traps, where subsistence peasants forced into the market take out loans and microfinance to counteract losses from intensified global competition, effectively abolishing the smallholding peasantry as a significant class, pushing them to the margins of the market in labor-power as new proletarians. That capital is little prepared or interested in incorporating the swollen ranks of the reserve army of labor is evidenced in the massive growth of exurban slums and crowded megacities, with hinterlands many hours from the new factories. Any given person may cycle through a job relevant to the production of value for a time, but each individual, especially in the age of longer, more treacherous and **more frequent migrations**, is strictly expendable. The condition of dependence on the labor market for bare subsistence is generalized, but the labor market is everywhere shedding labor to cut costs.

These are the material circumstances that overdetermine possible economic recoveries from recessions, which have been **increasingly jobless**, with the restoration of employment levels to pre-recession rates taking longer in each of the last five recessions, lagging behind other indicators. Returning to the US, the Great Recession took **a full ten years** to recover in this sense, and even this has been uneven, with unemployment rates officially higher than before 2007 in more than 90% of metro areas. But more significant than the literal number of jobs is the stagnant wage level, which was flat between 2002 and 2014, only recently producing modest gains. Labor force participation has **declined absolutely** from ~66% in 2008 to ~63% in 2019, causing long term unemployment to **creep up** as a proportion of total unemployment. At least **1.5 million adults** had effectively dropped out of the workforce, and therefore unemployment rate statistics, by 2017. There were also significant shufflings, as jobs permanently shifted from some sectors to others. New jobs tended to be paid less, receive less benefits, have less long-term prospects and schedule less hours. **Ninety-five percent of jobs** created since 2005 have been independent contracting, temporary, part-time or on-call. Indeed, some of the most visible and celebrated innovations of the new “recovery economy” were

gig platform-middlemen like Uber, lauded for “disrupting” and redefining work itself. The average tenure at these shit jobs has dropped to **4.4 years**, and the rates of switching jobs, endlessly churning over in the vain search for better pay, hopped to **record highs** amongst the growing proportion of low-wage workers as of 2019. In short, the capacity of the economy to support wage growth in proportion to productivity growth, to proffer the expected quality of life from the postwar boom that both **left** and **right nationalists** nostalgically yearn for, is severely truncated as the dynamics of accumulation place hard limits on profitable exploitation. Meanwhile the remaining “decent” jobs are left to get cyclically hollowed out as the political consensus has converged on a program of constantly escalating the gutting process.

Against these dwindling fortunes, the severe contraction in income seen in the last two months will rip holes in the tattered safety net of private household finance. Earlier this year, the Fed found that 39% of Americans **could not cover an unexpected \$400 expense** without going into debt, if at all. Ten percent already could not cover existing bills. This is a small wonder when 58% have **less than \$1000** in savings at any one time. Many have become dependent on **side hustles** to make ends meet. Meanwhile, the costs of living have gone up. Transportation costs have **grown 54%** as average commute times have **lengthened**, which can be **correlated with housing prices**, now accounting for 9.2% of total household expenditures. **Food expenses** as share of income have remained steady at 10%, except for the lowest quintile of households, where it has **grown to 35%**.

After **\$19.2 trillion in household wealth completely evaporated** with the 2008 mortgage and subsequent retirement savings crisis, homeownership, long a mainstay in the US middle-class reaction formation, has increasingly given way to renting, with the renter population **growing 10%** between 2001 and 2015, primarily among older people. Median rent has gone up 32% over the same time period, as median income has fallen 0.1%. **Thirty-eight percent of renters are rent-burdened**, forking over at least 30% of their monthly income to their landlords, and 17% severely so, paying over 50% of their income. Of this

severely rent-burdened population, the Pew Research Center found that *over half had less than \$10 in liquid assets* in 2015. This bleeding out of savings quickly began to hemorrhage with the onset of the pandemic. On April 1, just two weeks after the initial spike in unemployment, **31%** of renters did not pay their landlords. This dropped down to **20%** in May, mostly due to the arrival of the one-time stimulus checks. Some percentage of this constitutes a newly politicized bloc of rent strikers and tenant unions, a trend that we will return to below, but the vast majority must be understood as the disorganized fallout of the abrupt plunge into wagelessness – especially when considering that **19% already missed rent every month before the pandemic**.

For homeowners, the situation is also grim. In the largest single-month gain on record, US home loan delinquencies surged by **1.6 million** in April. The proportion of loans over 30 days delinquent rose to 6.45%, with 3.4 million loans delinquent and another 211,000 properties now scheduled for foreclosure. While federal relief efforts aim to address this and avoid the foreclosure wave following 2008 that is seared into the collective memory, the sum total of these efforts are a forbearance program to delay payments for a six-month period without penalty, which assumes a sharper rebound in an economic recovery than any forecast can yet foretell. As of May 12, 4.7 million borrowers are in forbearance on their loans. As for businesses, commercial mortgage backed securities (CMBS) are in a severely precarious position, as it was announced that **\$45 billion** of loans bundled into US CMBS were overdue and entering “grace periods” in April. Of these, the **Mall of America’s** \$1.4 billion mortgage is now delinquent, sending the threat of a ripple of contagion throughout the rest of the market. To complicate the perils of the US CMBS market and fallout effects on retail further, a **whistleblower in 2019** revealed systemic efforts to inflate profits and wipe losses from the records of these loans, adjustments that served to continue CMBS lending and inflate the valuation of these sectors so that borrowers appear more creditworthy and credit can be extended. A familiar scenario. Facing risks of default exacerbated by the contraction in activity in hotels and retail, the potential fall in the wake of this bubble is

all the more precipitous. This will necessarily also foreclose employment for millions more, and those home loans in forbearance may require more than six months to avoid delinquency.

This disparity is made up for with debt. Peaking in 2008, **the US household debt to GDP ratio** has settled around 76%, while the **debt to income ratio** was at 96%, as of 2017. Auto lending in particular has **taken off**, 20% of which are **subprime loans** made secure to the lender with the implementation of **remotely-controlled devices** that the lender can use to interrupt the car's starter when the loan is delinquent. Severe delinquencies (90+ days without payment) have **doubled** for both auto and student loan debt since 2004, the latter being the fastest growing type of household debt. Credit card debt was actually decreasing over the last few years, until March of this year, when it **spiked 23%**, presumably as people scrambled to hold their lives together in the absence of real income. We can expect this trend to worsen.

Observing this ongoing breakdown of the wage relation's legitimacy in guaranteeing reproduction, we can apprehend the trajectory of its deterioration through the concept of a "social wage fund." We can define the social wage fund as the aggregate of personal wage compensation, benefits spending, and state expenditures on public infrastructure, social welfare and common resources; in short, the general costs of production in variable capital and business operations taxation that capitalists must forfeit for purposes of general social reproduction and which impinges on the rate of profit. As the rate of profit and the rate of accumulation slug downwards, there is a struggle over the value of labor-power as capitalists tighten the vice grip it holds over this fund, both at the point of origin in the diminishing payouts received by proletarians for their labor and through intensified recuperation with the privatization and commodification of everything possible. This leaves the totality of social reproduction in an increasingly fragile and vulnerable state, with more and more people being expelled from the material community of capital to attempt to survive in abjection. We have already covered the decline in real wages and wage-labor conditions at some length, but to really understand what is at stake in the downturn and



subsequent intensification of class warfare we will cursorily detail the pattern of deterioration of social infrastructure, which has many manifestations too numerous to fully expand on.

We will briefly summarize the nature of the class conflicts over healthcare insurance in order to demonstrate the particular limits that healthcare imposes. There is an intrinsic relation between the declining investments of variable capital that compose the social wage fund, and the process of externalizing costs of labor's reproduction in the capitalist subsumption of healthcare services. In the production process, the value of labor-power constitutes a diversion of the quantity of value expropriated by the capitalist, primarily in the form of reluctantly doling out wages. The value of labor-power is defined by Marx as the sum of values of the necessary goods which go into the reproduction of the worker. The ratio of this to the total value formation, as set by the socially necessary labor time of the commodity, brackets the entirety of surplus value, the increase of which is the sole aim of capital, and the necessary condition for its material reproduction. As the socially necessary labor time of commodities generally drops, the value magnitudes obtainable from the market drop as well, reflected in the volatile movement of prices outside of various special conditions. This constitutes a perennial and even existential problem for capital that underlies the tendency for the fall in the rate of profit, driving it along a winding, nonlinear path towards the breakdown of reproduction. If the value of labor-power were fixed in place, this would constitute a severe problem for capital accumulation, and indeed it did as the growth engine of postwar expansion dwindled to a low hum in the mid-1970s, crashing into the floor set by a historic height of wage levels in the imperial core that reflected the balance of class forces rising from the corporatist union-mediated labor accord. The struggle over the value of labor-power has been central to a countertendency to this crisis, through labor market arbitrage, wage suppression, and the "organic" decline of the value of labor-power, as necessary goods cheapen due to the improvements in necessary labor times mentioned above. Having once been necessitated by the Great Depression, the persistent escalation of conflict pushed

by the proletariat and the resulting conjunctural crisis of the interwar period, the succeeding interregnum saw the progressive deterioration of proletarian class composition, midwifed by ruthless anti-communist containment worldwide and bureaucratic anti-militancy in the labor movement. This set the conditions for the boss's offensive and neoliberal restructuring that enabled a minor but insufficient rally in the rate of profit between 1982 and 1997 before exhausting itself into the slump we are in today.

An apt metonym for the effect that this process has had on the extreme and preventable fatality rate of COVID-19 in the US might be the recent flash floods in Midland, MI, as **two dams burst**, forcing 10,000 people to evacuate and flushing a Federal superfund site near the Dow Chemical plant into the watershed. The dams are **privately owned**, by Boyce HydroPower, who bought the dams but refused to finance their retrofitting and maintenance, leading to their inability to withstand high water flow. **Over half** of the dams in the US are privately owned by energy companies, large landowners, and private equity firms in **an increasingly crowded "public infrastructure market"**. Reconfiguring basic infrastructure as a new revenue-generating asset class has only intensified a **long pattern of systematic disinvestment**, leading to pronounced physical degradation. The private companies investing in them often have their profits secured through **predatory contracts** with municipalities which guarantee that any losses are covered through taxes, leaving little interest in that wasteful and unproductive enterprise of routine maintenance. The incremental excision of all state expenditure on public goods, in waves of austerity forced through over a decimated workers' movement, has affected nearly every facet of life. Similar patterns of privateering and disinvestment, with the added dynamic of ruthless rent-seeking at every access point, has left the medical system with enough cracks in it to buckle against the floodwaters of infection.

There are a number of components that make up the blanket healthcare system in the US, each subsumed by capital in their own way, contributing to an infrastructure defined by extremely patchy coverage, absurd costs and declining, uneven quality. The **dilemma for capital**, starkly revealed now by the **willful**

sacrifice of thousands of lives a day, is between, on the one side, allowing for the expansion of the social wage fund that robust public health measures would require, and thus cut into the already suffering rate of profit, and, on the other, letting the general health of the populace decline to the point where it cuts into productivity. Historically, the US capitalist class has opted to thread this needle very close to the bare minimum, foisting more miseries and indignities onto the working class as increasing portions come to contribute to the economy not primarily as labor-power, but as “medical consumers.” The private healthcare industry has a unique position within the wider historical process of declining profitability and the suppression of the social wage fund.

We relate this to the long-term deterioration of the public health and healthcare system in the US, constituting a kind of class-based triage, which underlies the current difficulties it faces with COVID-19 and going some way to explaining the unique severity of the pandemic here in the US. Generally, we can characterize the trend in healthcare profiteering as one of partial subsumption which, though this situation would normally hurt the growth of an industry, has been circumnavigated with the ability to exploit the inelastic demand of a captive market, due to healthcare’s place as a central pillar of necessary social reproduction. Marx used the example of the architect to explain how our cognitive capacities enable us to change our environment, and therefore our own natures, but a more fitting example might be the physician, fundamentally transforming the ways we inhabit our bodies.

Capital progressively subsumes social life into relation with it. Social reproduction as a real category, that is, as a series of concrete activities oriented towards the maintenance of populations, is itself a consequence of this process of subsumption, as capital institutes a rigorous separation between work and life activities. The inclusion of public health and healthcare within social reproduction means that it is organized out of the social wage fund, and represents a cost within the value of labor-power. It is unsurprising then that the first battles over the funding source and method of distribution emerged as dependence on the wage became generalized at the turn of the century with the rise of

US industrial prominence. Struggles over the definition and administration of public health measures emerged directly out of the work of reformist leagues attempting to sanitize urban slums and agitation on the part of workers to improve their working conditions in the first decades of the 20th century. The hazards of life for industrial workers lead to the development of a hodge-podge of illness, accident and death insurance plans, originally created to overcome the chronic unemployment that would leave them wageless to fend for themselves. Such plans were often perpetually low on funds, with premiums still too high for many workers, in part from strict price controls for drugs, hospital care and medical services maintained by reactionary professional lobbies that functioned as cartels at the time, such as the American Medical Association and American Hospital Association.

More important than these plans were the union-sponsored clinics, attempts by workers to directly organize medical services in conjunction with medical professionals, some of which *still exist*. The first insurance benefits offered by employers were specifically to attack these meager but autonomous worker organizations while undermining unions generally, a reaction to the balance of class forces shifting in the direction of labor that had been building with the union movement. The 1930s saw the widespread adoption of the hospital model of distributing care, as they became attractive “cost centers,” stimulating the parallel growth of the private voluntary insurance industry. As the network of independent worker clinics was displaced by the hospital system, the battle lines moved and workers began to fight for insurance plans and other forms of payment support rather than for direct control over the care itself. In other words, they increasingly had to accept the terms of commodification. But the inadequacy of union insurance plans and the conditional nature of employer plans, based on the principle of “cost-sharing,” lead to agitation for publicly funded coverage. The American Federation of Labor of Samuel Gompers, its latent conservatism coming to the fore as the wave of interwar class struggles began to crest in the early 1930s, opposed universal coverage on the grounds that it would counteract the unions’ appeal, as it would cover union members

and nonmembers alike.

Within this struggle, workers attempted to connect public health with working conditions, pointing to occupational hazards, chronic conditions and illnesses plaguing the industrial labor force by exerting influence primarily through control over the shop floor. As the Depression plunged millions into poverty, there was a rash of lawsuits over workplace injury and disease seeking remuneration from employers. The climate of ascendant labor struggles pushed the courts in a direction more sympathetic to labor and the framework for worker's compensation policies began to emerge from this era of case law. But as shop-floor control was wrested away with the move from militancy towards normalized business relations, worker's compensation became the official solution to dangerous and harmful work environments, not autonomy in the workplace enabling improved conditions. The labor movement, having initiated the first organizations of mass healthcare and public health, was outmaneuvered and had forfeited its conflictual and definitive place within the management of social reproduction for a position firmly outside of it, consigned to negotiating for access from across the counter. In the midst of these battles, both unions, with massively expanded memberships beyond the administrative capacities of the old clinics, and the bosses, eager for cheap concessions that would not give in to unions and lessen their domination, increasingly began to turn towards private, third-party insurance schemes.

With the Federal government guaranteeing industrial profits with the "cost plus" financing plans during WWII, more companies bought plans for their employees. This generalized in the post-war period, with coverage for unionized workers expanding from 625,000 beneficiaries to 30 million between 1945 and 1954. This new paradigm gave ample room for expansion. Hospitals, traditionally treated as community utilities, were becoming high-tech complexes with large staffs and overheads. Nurses and other hospital workers began to unionize themselves, driving their wages up. Hospital services went up in cost, which insurance companies made no attempts to negotiate back down, preferring to raise premiums. Meanwhile, though union involvement in medicine had

its origins in coverage for the unemployed, healthcare access had become a matter conditional on employment and union representation. The social forces were growing for another push at universal healthcare, as reformist organizations joined with unions to **mobilize the uninsured**. They struggled to manage benefits for retiring members, particularly the elderly, culminating in the creation of Medicare and Medicaid. These proved to be the high watermark, incomplete as they are, in the aborted project of constructing a national health insurance. These programs became frequent targets for irate conservatives or slick neoliberals looking for governmental bloat to trim in times of austerity, as the program funds were increasingly eyed as a revenue source for insurance companies.

The relatively lucrative balance of class forces in the immediate postwar period that was produced by labor struggles started to unravel in the general conjunctural crisis of the 1970s. A severe depression, coming in two waves, inaugurated the long descent of the general rate of profit, as new global competition in trade and industrial overcapacity killed the engine of growth. This had two major impacts on public health. First, as stated above, the share of value diverted to the social wage fund for the maintenance and social reproduction of living conditions began to exert a pronounced strain on the total formation of value, and therefore on surplus value. This is a constant tension, experiencing perpetual movement, and depends on the overall balance of class forces, but is exacerbated during declines in profitability. In short, the capitalist class supports a high quality of life, both in terms of wage growth and in terms of political support for public benefits, when they can afford to, when it serves their interests and, especially, when the working class has the organizational strength to push demands. When they cannot afford it, the need to recuperate costs overdetermines the ground for any such capitulations, and, when the working class is weakened, such progress can be reversed. As a widespread boss' offensive kicked off in the 1970s and 80s, union membership declined and real wages were forced into a perpetual stasis, cutting off avenues to healthcare for many workers, fundamentally altering the course of public health. Second,

as US capital progressively deindustrialized, it entered the current period of high “financialization,” in which accumulation was systematically oriented towards firms that manipulated the global circulation of capital to extract profit. This process facilitated massive bubbles of surplus capital with low rates of accumulation, i.e. declining reinvestment into valorization activity, that flowed into many non-marketized areas, precipitating massive pressures of privatization. A wave of mergers and acquisitions followed, concentrating capital and “juicing up” the rate of profit, to a slight degree, between 1982 and 1997. This era saw the infusion of capital into the medical industry in a project of restructuring the entire apparatus of public health. The net effect of this has been to severely limit access to healthcare for large swaths of proletarians, at a multitude of access points.

Medical conglomerates, encompassing hospitals and care facilities, private practices, pharmacies, insurance, research, and pharmaceutical companies, were structured to extract as much profit as possible out of the business of care. Outside of the production of drugs and equipment, healthcare companies are not engaged in directly valorizing value (that is, “producing capital”) in the traditional sense. Rather, they are more akin to landlords and other rentiers, creating gated access to a necessary resource for which they charge admission, ultimately deriving their incomes by capturing circulating surplus value in finance and, more to our point, predating upon the social wage fund. Such rentier capitalists actually stand to gain from increasing the portion of capital that goes towards the social wage fund, and therefore stand in competition with industrial capitalists who instead seek to suppress this to maximize their share of surplus value. But this division between the interests of healthcare rentiers and that of industrial capitalists is not so clear-cut when placed in the context of class struggle and the long downturn. As already discussed, third party insurers and private hospitals provided a means for capitalists to recuperate their upperhand in workplace conflicts over worker control of the shop and union-run clinics. Furthermore, the commodification of medicine facilitated the envelopment of healthcare and wellbeing into the wage itself, rather than

in a social form that would be less easily subsumed and more ambiguous with respect to the value-form, like independent, universally accessible clinics. Because workers had to purchase care as a set of services and products on the market, a minimum standard of health could not be universalized or maintained but instead became incidental, a consequence of choices and the “anarchy of the market,” an externalized cost burden outside of capital’s concern as soon as paychecks were issued, perhaps with a deduction for the employee contribution to medical insurance.

The history of healthcare in the US up to this point can be viewed in retrospect as a period of potential alternative paths that, through union forfeiture and accommodation, became a patchy system begging for reform. The politicization of medicine had returned in the 1960s ready for another fight, but it had run head-long into the conjunctural crisis of the 1970s and, already vulnerable, became fertile ground for commodification. But as we stated, healthcare is only partially subsumed and is in fact *inherently resistant to subsumption*, due to a particular tension arising from its concrete qualities. Unlike manufacturing, the labor of caring for human health is subtle, complex and requires significant attention and is therefore not easily rationalized or automated. This is true of many services, but is subject to even more limitations than, say, retail. The “raw material” being “worked over,” so to speak, is the human body, not a substrate that is malleable in the hands of labor. Revolutionizing the production process to raise productivity rates and relative surplus value, the primary tool of capitalists to increase their profits, is not so much an option for capitalists wanting to make money off of medical services. This core contradiction, which is an aspect of the contradiction between human social reproduction and the expanded reproduction of capital, drives many of the trends within healthcare, exacerbated in the US due to a special political unwillingness to shield healthcare from the dictates of capital. Care labor productivity is fiddled with through various managerial schemes over the work process, technological assistance and expanded division of labor (the usual mechanisms) but it is nonetheless persistently sticky and productivity gains are



largely static. Capitalists cannot opt out of seeking profit, however (and even nonprofit institutions have been known to **turn a profit**), and as a result must pursue margins by driving down wages, diversifying revenue streams, raising prices and lowering the cost of care (and therefore also its quality).

Obamacare fits into a genre of schemes euphemized as “managed competition,” a highpoint in the feckless loyal opposition of the Democratic party, a perfect mix of corporate write-offs that could still be decried as socialism by the right. This paradigm, **first developed by RAND Corporation logistics analyst Alain Enthovan**, emphasized the reorganization of medicine into managerial sponsors who would choose from competing health plans on behalf of patients, supposedly optimizing based on abstruse cost-benefit models. This structure ensures that private insurance companies can harvest pre-set capitation fees from publicly administered trust funds, employers and individuals, which, unlike fee-for-service payment structures used previously, ensures a much more stable revenue stream that can be used as capital for these companies to diversify investments. Managed competition was rejected by the Carter Administration in 1977, but was subsequently promoted in countries in the Global South by the World Bank, and has served as a means of plundering the public sector social security funds in Latin America, Asia and Africa by private insurers, mostly based in the US. Hilary Clinton headed a task force in the 1990s, which helped jump-start her later political career, devising healthcare reform legislation based on managed competition, which was not passed by Congress. It later cropped up in Massachusetts in the form of Romneycare. After receiving the largest campaign donation from the private health insurance industry to any candidate in history, Obama adopted a managed competition reform plank, moving away from his previous support for a single-payer plan. The result, after endless tortured floor debate, was the Affordable Care Act (ACA), which actually **increased insurance company profits** directly from increased Medicare capitation fees.

Obamacare stopped short of, and in fact never aimed at, abolishing for-profit insurance and healthcare provision; as such, its structure, written with the help

of insurance lobbyists, is sensitive to the kinds of distortions that profit creates. While many private insurers still derive most of their income from contracts with big employers, there is still a tendency to avoid the ACA “marketplaces” and managed care organizations (MCOs). Nonetheless, like elsewhere, the public money pot, here in the form of pre-negotiated capitation fees, has proven to be quite lucrative. Public hospitals that historically have provided the safety net for the remainders and margins of capitalist public health, such as the **beleaguered county hospitals**, now compete directly with private companies for public funding. This has prompted budget cuts and reductions in services, and even set off a **wave of closures**. Obamacare was intended, at least nominally, to plug the holes and provide coverage for the 40 million uninsured Americans. To this end, it defines a minimum benefits package mediated by the MCOs in order to provide the floor for coverage, purposely allowing room for a variety of tiering schemes for those able to pay more. This way insurers and providers could avoid the burden of actually providing universal coverage through a labyrinth of hedging strategies, all of which tend to reduce quality and restrict access.

There are three ways to look at healthcare spending: unit *cost* of service, unit *price* of service, and the quantity or rate of utilization, which are, of course, interrelated. For providers, keeping costs low, prices high and utilization frequent ensures maximum profitability; for insurers, not wanting to pay for such mounting costs, the incentive is to negotiate the unit price down – or push this cost onto the insured and do what they can to manage utilization. The cost structure in medical care is complex, but generally providers, like any business, want to suppress their own operation costs. Corporate restructuring of medical provision has tended to integrate both vertically, in the steadily **rising rate and size of mergers and acquisitions**, and horizontally, in the centrifugal sprawl of out-patient clinics, at-home services, nursing homes, urgent care centers, radiology, and lab testing companies, therapy centers and private specialist practices, referred to as the “care continuum.” Many of these are their own companies, rent-seeking around the edges of the continuum, but

many of these smaller facilities are owned by growing hospital conglomerates that are increasingly absorbing these smaller practices, to the point where more physicians are employed by a provider network than operate their own practices. The composition of physicians has decisively shifted, following the incentive structures of private healthcare which emphasizes expensive post hoc diagnoses and procedures rather than preemptive and lifestyle care: primary care physicians, the frontline of any public health system, make up just 12% of medical doctors, 85% some kind of specialist or subspecialist. This has been accompanied by a decline in people who receive primary care, especially in rural areas and urban centers, and lowered life expectancies. Such consolidation offers more opportunities to transition to contract labor and temporary staffing. The division of labor in clinical settings has shifted as well, with nurses taking on more tasks in direct patient care, leading to higher workloads, higher burnout and turnover, and more fatal malpractice. There is a global nursing labor shortage, especially in developing countries, which has contributed to such workload stress. This tight labor market has been capitalized on by nurses' unions to agitate for higher pay and better working conditions, but hospital employers have responded in turn by transitioning to contract labor and temporary staffing, such as traveling nurses and temps. Temporary staffing enables providers to cut costs and bust unions. The extensive and increasing casualization of nursing is a desperate attempt to produce fungibility in an extremely tight labor market. Radiating out from centralized hospitals, into the care continuum, we find even lower wages. In short-term clinical services, such as running lab tests, phlebotomists, who draw blood samples, make a median salary of \$35,510 per year. Workers at LabCorp, a private testing company with massive contracts, even managed to successfully unionize to combat dismal wages. In Long-Term Services and Support, where 8.3 million people, a majority of annual patients receive services from various assisted living programs, 71% of staff are low-waged direct care workers (DCW) who are mostly women of color. Still, an estimated 85% of long-term care is provided by unpaid family and community. Most DCW are certified nursing assistants, for whom wages have lagged behind inflation, 15% of whom live below the

federal poverty line and 13% of whom are themselves uninsured. Without worker organization this is likely to improve as, unlike the labor shortage amongst nurses, direct care workers, taken together, are among the **fastest growing employment sector** in any industry, due to the rapidly aging population. Certification and even **training** requirements for DCW are lax and inconsistent, constituting a deprofessionalization and even deskilling of nursing. This effect can be seen in the **dilution of Advanced Cardiac Life Support**, a protocol for dealing with cardiac arrest, which now is excised from many nurse training programs. Despite early success in a **unionization drive** by Service Employees International Union, union-busting efforts are aggressive and **well organized**. The Trump Administration **passed a rule** that prohibited home care workers from paying union dues with paychecks issued using Medicare funds, causing an **84% drop in union membership**.

All of the above personnel decomposition allows big providers to lower their operating costs. However, other factors push in the opposite direction. Administrative overhead, due to an increasing tilt towards management over medicine in hospitals and the expanding science of claims engineering, has come to take up 34% of healthcare costs, amounting to **\$2500 spent annually per person** on administration cost alone. The overreliance on managers to streamline the efficiency of care service has not met as much success, as mass casualization actually lowers productivity. Attempts to make doctors work faster and see more patients, by shortening the time they see patients and relying on nurses for everything else, have worked to some extent, but it gets tripped up under its own complexity. Lean techniques strive to reduce “wasteful” allocations, creating untenable rhythms and pacing. When services become spread across many providers, either subsidiaries of a conglomerate or separate companies networked together in an MCO, care becomes “**fragmented**” both raising the utilization rate and lowering the efficacy and quality of the care. Fragmentation does not follow differing regional health needs, but rather reflects the constraints of business strategy. The practical deconcentration but financial conglomeration of care services also allows these massive companies to reap the rewards of this

increased utilization, but it comes with costs as well. To overcome this barrier to coordination, providers have implemented a much-hyped new paradigm called Electronic Health Records (EHR) systems. But EHR, now a **\$23.6 billion dollar industry**, seems to have actually **reduced productivity**, diverting time spent with patients to filling out documentation, causing medical practitioners to see **fewer patients than before**. The interfaces are counterintuitive, making it difficult to actually track down much-needed information for physicians to get a holistic profile of patients. The data entry follows a series of prompts that don't reflect medical priority, but rather itemization to optimize billing. EHRs, despite their big data allure, often suffer from **interoperability issues** caused by proprietary boundaries, causing lossy transfers, formatting errors, and excessive human error. Nonetheless, this is a growing industry and one being pushed by hospital administrators to accommodate the paradigm of the "patient-centered medical home," which is no kind of home but rather a bundle of patient information that changes hands in large clinical teams managed under a single physician; in other words, the institutionalization of personnel changes described above. These EHR systems are costly, based on proprietary software, in a medical tech industry that increasingly resembles the kind of **overvaluation bubbles** of the rest of the tech industry. Medical equipment is the 4th largest category of capital investment, **40% of which is leased**, making it a \$200 billion a year industry. The regulatory environment is extremely lax, and so leasing contracts are rent-seeking at their finest, with the proliferation of "**per click**" **arrangements**, which charge providers based on use and just-in-time hospital management. To keep equipment costs down, providers have shifted over to "**just-in-time**" hospital supply chain management, in which inventories are kept low and calibrated to demand with heavy use of data. All the same, costs have steadily risen, even if not to wage growth, but providers have managed to keep unit cost growing at a slower pace than unit price, effectively capturing more shares of the social wage fund. Unit price growth is the **single primary driver** of increasing expenditure, over rising chronic disease rates, and increased system usage, growing at 150% the rate of unit cost. By dominating provision markets with a high pace of mergers, providers have been able to **negotiate**

higher commercial claims disbursements from insurers.

Insurers do not bear this burden alone, and in fact manage to reap incredible profits. They too consolidate in order to obtain regional monopoly, which allows them to **jack up premiums** with little limitation. There are various ways for insurance companies to pass these high claims onto patients. Total out-of-pocket spending has risen 54% between 2006 and 2016. Premiums have **risen 55%** between 2007 and 2017, rising **faster than wages**. In addition, for market insurance, the method of payment for medical service itself sneaks in hidden costs. The US predominantly relies on fee-for-service line-item billing (FFS), in which individual services are priced separately. Of all the types of billing structure in healthcare systems around the world, **FFS squeezes the most out of patients**, shunting the risk of business onto them, as providers can recuperate costs through increasing the variety of unbundled billable services. For MCOs, which use capitation billing (pre-negotiated lump sums), they structure their plans into a series of tiers. A “Bronze” plan, the lowest tier that qualifies as a coverage floor, is advertised as covering 60% of in-network expenses. This percentage reflects the total payout for all beneficiaries with Bronze plans, so an individual recipient may end up paying much more than 40% of costs in a year, in co-payments, deductibles, fees for dependents, tiers for pharmacy coverage. Various other plans – Silver, Gold and Platinum – justify higher premiums with less point-of-service and deductible cost-sharing, but all plans leave out-of-pocket expenses for the patient. Limited physician, pharmacy and hospital networks allow companies to charge penalties for going out-of-network. Co-payment increases of even \$1 have been shown to **turn the poorest patients** away from seeking care, leading to **preventable health deteriorations** requiring emergency room visits and costlier procedures. Deductibles, effectively forcing patients to pay their own way for most routine health services by front-loading more costs, have grown to half of total cost-sharing payments, **exceeding \$1200** on average. In addition, fewer payments can be applied to deductibles to draw them down; copays and monthly premiums leave them untouched. Plans are constantly restructured once a patient begins to pay in, allowing incremental

reapportionments of cost. These plans rely heavily on “healthcare rationing” with the use of **utilization management**, in which an external reviewer influences healthcare decisions on behalf of the MCO or private insurer, often over the patient or doctor, potentially leading to the denial of coverage for recommended treatments, depending on cost metrics. While ACA outlawed denial for pre-existing conditions, an endemic problem before, insurers still **denied 18% of in-network claims** between 2015 and 2017, with huge variation between insurers (<1% to 40%). These claims denials patterns have even opened up opportunities to game the system. A rash of “**surprise billings**” hit patients, as they went to an in-network facility which then quietly contracted out-of-network specialists who charged full rate; an estimated **40% of procedures** come with such surprises.

Adjusted for inflation, healthcare spending increased by an average of 9.9% every year between 1960 and 2006. This is **twice as fast as the GDP growth rate** over the same period, driven almost entirely by unit price increases in physician services, hospital costs and pharmaceuticals. Throughout the 1990s, healthcare prices rose at **double the rate of inflation**, and was already **expected to again this** before the onset of the pandemic. Per capita spending on healthcare expenditures compared to income can vary widely depending on coverage and health, but can go up to **14% of income** for households below the poverty line, and 18.5% if at least one family member has health complications. At the current growth rate, healthcare spending as a share of household income is projected to **equal median total income by 2033**. Nationally, the costs of healthcare, from hospital stays to insurance premiums to clinical services, are **unilaterally rising**, with total expenditure equaling 17.7% of GDP, predicted to rise to 20% in 2022, and averaging \$10,000 per household, **far in excess** of other OECD countries. Spending has **grown substantially** since 1970, outpacing the rate of growth of GDP and much faster than the rate of inflation, **over 50% of this driven by high pricing** rather than the quantity of provision. **Forty-two percent** of Americans have some amount of medical debt, contributing to the general condition of indebtedness for the working class described above. Medical debt is especially burdensome, accounting for **66.5% of bankruptcies** and often



requiring **dips into retirement savings or forgoing necessities**, and dangerous, with half of cancer patients reporting that they **delay medical care to avoid costs**, a common sacrifice which regularly leads to **unnecessary hospitalizations** and even **premature deaths**. This massive process of restructuring leads to a system of extraction operating in layers. As each and every component of the healthcare system is privatized and attempting to profit off each others' expenses, costs are pushed ever upwards. These are then compensated with suppressed wages and price gouging, pushing the burden first onto insurers and MCOs, who in turn construct arcane hedging methods to loot the pockets of patients less and less able to pay.

The frailty and inflexibility of the US healthcare system is thus a direct result of the industry's ongoing subsumption into increasingly profit-driven modes of organization confronting the particularity of healthcare labor processes. The outcome is a rigid and unresponsive infrastructure more capable of rentier extraction than dynamic movement when facing immediate crises. The convergence of these accumulating instabilities produces the novel extremes of this pandemic and the economic maneuvers required by capital to weather its consequences. The de facto public health system, distributed across the market and subject to the distortions of rent extraction, was a poorly tended-to dam, privately operated, waiting to catastrophically burst with any excessive strain. With **nearly 2 million** positive COVID-19 cases, as of June 4, we can safely say the flood came. **Twenty-eight million** Americans still entirely lack healthcare coverage. As COVID-19 spread to the US, many low-wage workers, **lacking paid sick leave**, continued to act as vectors against their will. **One in seven workers** said they wouldn't seek care for COVID-19 due to prohibitive costs. It's a small wonder: one uninsured person said her treatment for COVID-19 **cost \$34,927**. While governments have promised to cover the expenses of testing and treatment, the fragmentary and disorganized healthcare system allows **plenty of room** for insurers to stick patients with exorbitant costs. In a stark demonstration of the structural pressures toward austerity, the US has **repeatedly defunded** pandemic preparedness programs for over two decades, leaving



hospitals to weather the surge without much coordination or reserves. The paradigm of just-in-time supply chain management and lean operations has left the hospital system **extremely vulnerable** to being overwhelmed, quickly **stretched beyond capacity** and forced to “**ration care**,” restricting treatment for “non-emergency” conditions. Even **Bain Capital** reversed its earlier advocacy of lean supply management. **Shortages** of ventilators and personal protective equipment made headlines, and led to **bidding wars between states** and shady acquisitions, but **all manner of care** was subject to restriction, from medications to organizational capacity. Healthcare shortages are predicted to **last long after** the end of the pandemic. Electronic Health Records systems **immediately became an obstacle** to epidemiological tracking, designed as they were for billing rather than health profiles, with the low interoperability causing **opacity in the data**, and the pathwork system too convoluted to roll out software updates in time. Hospitals, whose revenues depend on high-price special procedures and treatments, not routine care or emergency services, have **tapped out their cash flow**, in some cases **furloughing health workers**, reducing salaries or even **filing for bankruptcy**. Unemployment for healthcare workers is at **9.5%**, in the midst of a **severe labor shortage**. In a perverse actualization of the euphemistic “patient-centered medical home” concept, some hospitals with no bed vacancies scrambled to make up for it by **using patients’ houses**. Meanwhile, patients, COVID-19 or otherwise, turned away from needed care lead to a severe spike in the rate of **people dying at home**. Home care, staffed by underpaid and deskilled direct care workers, have been **forced to pick up the slack** of the failing hospital system. Nursing homes and other outpatient facilities are **COVID-19 super-spreaders**. Direct care workers, unable to socially distance from patients they care for and who, again, are *primarily women of color*, work in facilities that are tied to **20% of all COVID-19-related deaths**. Healthcare workers, in general, are extremely vulnerable, accounting for **11% of total infections**, with over 9,000 documented infections in the US and **300 deaths**. To address the shortages, Congress **exempted** healthcare workers from the paid leave expansion in the CARES Act. Meanwhile, nurses’ unions have taken **various labor actions** to fight for better conditions. Healthcare workers have been the ones who have

had to square the circle of the public health crisis, practically navigating the equipment shortages, lack of protection and low staffing with work speedups, longer hours and high-stress loads. This kind of strain, in the context of a horrorshow of thousands of deaths a day, watching patients and colleagues die and everyday feeling the obvious abandonment and callous disregard from hospital managers and **governments**, is **traumatizing** and would lead anyone to despair. To date, two emergency medical workers overwhelmed by the tragedy, John Mondello and Lorna Breen, have **committed suicide**.

The inability to respond adequately to the scale of social need is a result of the accumulated necrosis which has plagued the system. In order to overcome barriers to its reproduction, capital has, in the past, resorted to a program of amputation, coordinating within the capitalist class to ensure that it is only living labor that is severed, deferring the re-emergence of a communist horizon but exacerbating the build-up of dead capital. The proletariat, **suffering from its own advanced decomposition**, has so far been largely ineffective at routing this onslaught. This dynamic of defeat, which has structured the last 50 bleak years, and the current move to sacrifice thousands of lives a day to maintain economic normality, suggests that we can expect more bloodletting in our future. But the exact extent of social decay that is currently being unmasked, and the depth of our current plunge, is unknown. The social arrangements which enable such a state of affairs to perpetuate in spite of the material requirements of reproduction are possibly running into real limits, pushing us further into an exceptional situation. These measures may only ensure a more destructive manifestation of the economic crisis going forward.

This most recent phase in the crisis of capitalist reproduction is still taking shape, and following along the lines of a consistent historical trajectory. Prospects for recovery and the future behind it look bleak and few are willing to predict otherwise. “Growth” in GDP in advanced economies is **projected to be -6.1%** by the IMF, -5.9% in the US, a roughly 10% decline from before. Emerging market and developing countries, a bourgeois euphemism for the imperial peripheries, are expected to “grow” at a collective rate of -2.2%, excluding

China (along with India, one of the few countries expected to have positive growth, 1.2% and 1.9% respectively). Goldman Sachs corroborates these figures. The UN reports an overall 15% contraction in world trade in 2020. But these already dire estimates presume a tapering off of the pandemic; indeed, some of them forecast positive growth by the end of the year and ample rates of ~5.8% in 2021. But the very real possibility of a second pandemic wave is looming, with the UN projecting a possible -0.5% GDP growth rate in 2021 in this case. Given that it will likely take 18 months to bring a vaccine from development to distribution, we still know very little about COVID-19's true virulence or symptom etiology, and the consensus that recovery means putting people back into the workplace, a second or prolonged initial wave is the likely scenario. Now, the stock market surges against all indications that the fabric of capitalist society is disintegrating, the Nasdaq is recovering total yearly losses. The continuity of accumulation merely exists in the hopes of the market's futures and the "investor confidence" in recovery. According to Moody's chief economist, this speculative surge (which doesn't reflect real profits or growth, but the willingness of possessors of fictitious money-capital to continue to circulate and trade) is attached to expectations of a "V-shaped" recovery, that is, a sharp return to the prior trajectory of growth. Given that the recovery from 2008 was "L-shaped" – recovering the same relative slope of growth, but not to the same levels – an economist at St. Louis Fed proposed that we finally pull the trigger and impose negative interest rates in order to obtain the sought after V curve.

Regardless, the long-term scarring is likely to plague the world economy for many years to come. The World Bank, looking ten years ahead, posits a number of deep adverse effects from the pandemic, focusing on long-term slowed growth in "emerging markets and developing economies," particularly in China, which has thus far this century been the veritable heart of world accumulation. They predict damage to productivity growth, as forms of social distancing will become widely adopted as regular health and safety practice in many workplaces, straining the primary tool capital has for improving

productivity: the concentration of workers. Output growth will fall even faster than it already has been, especially energy output as the rickety price structure of oil collapses. Most interestingly, they predict that capital capacity will be severely underutilized, reflected in the previously mentioned productivity and output rates. This means that an extremely high percentage of the accumulated productive forces would hum at lesser rates or outright lie fallow, producing more disused rust belts. This is exacerbated by the particular geographic distribution of the productive forces, organized into a global accumulation regime wholly dependent upon a stratified and deconcentrated industrial archipelago oriented for exports and trade. Given the unique nature of pandemics, it is this structure, so essential for propping up the rate of profit, that is especially vulnerable to long-term disruption, as countries are forced to institute export controls to stem the spread of the virus. Since the global industrial apparatus is already at severe overcapacity, due to a high organic composition of capital, these circumstances will only render this crisis tendency all the more intractable. We can expect a dip in total value formation and the capacity for valorization, and thus the rate of accumulation, the proportion of profit that goes back into production. As the World Bank notes, investment will have to continue innovating other pathways for accumulation, primarily in financial instruments or real estate, doubling down on the existing debt bombs. We can expect more financial asset crashes and more currency crises to hit a spiraling dollar reserve value-measure system.

We are certainly not looking at a coming boom. Large scale opportunities for profitable investment are increasingly non-existent. There will be no period of profitable reconstruction of productive capital, infrastructure, and housing, as there was in the ruins of Europe and East Asia after WWII; the virus alone will leave the industrial rustbelts, empty malls and overleveraged unfinished construction projects intact. The technological revolutions that once had massive effects on increasing employment have long **failed to deliver on productivity or output increases**, lead to **persistent declines in capacity utilization**, and have **bottomed out in employment**. Technological developments have only grown to

increasingly expel labor-power from the point of production, simultaneously rendering null the very element of the expansion of value. When conditions for productive investment decline, money-capital that cannot be valorized is instead diverted to financial investments fundamentally rooted in the sphere of circulation, affecting the rate of capital accumulation and leading to the formation of unproductive hoards which become increasingly susceptible to speculative activity. Capital hedges on a future that material reproduction does not allow.

Barring the absence of political feasibility for the massive destruction of capitals, any semblance of recovery only becomes possible, as before, through the maintenance of the conditions for credit creation and lending capacity of financial institutions. The accumulation of money-capital swells and the reproduction of private capitals increasingly becomes a matter of redistributions of claims on future surplus value. Cornering market shares through centralization of capital and concentrating holdings becomes the sole measure of success, and the fetish of money-begetting money takes hold as the flows come in, divorced from their connections to material expansion. In this environment of growth hinging on credit availability, the “zombie firm” becomes an apt symbol of the crisis in value. Overleveraged corporate debt burdens weigh heavily on the potential for productive growth in the coming future of industry, and this dead weight requires that the well of liquidity and credit continue flowing, lest it bring it all down again. The expansion of value, now petrified in dead forms, is only reproducible if this gradual means of intensifying the appropriation of surplus labor can be posited towards a future valorization of capital. As the base for this grows increasingly narrow, this surplus labor capacity implied by productivity growth manifests as **an absolute surplus population proportional to the growing masses of unrealizable surplus capital**. Capital finds itself then in a double bind, reproducing the social relations that form the content of value, but as these relations are increasingly running out of steam and becoming materially untenable. The predatory appearance of the appropriation of surplus increasingly takes on rentier forms as the nets are cast wider and hooks deeper

into the externalized costs of labor-power's reproduction, shaking extra coin out of any nook it can find. The spatial fix of deindustrialization produces a mutable terrain of capitalist production infrastructures, moving more and more into hinterland regions as a buffer from proletarian access and struggle over the very wage-relation that structures their subsistence, even in its absence. This crisis in the wage-relation serves only to further foreclose the mutual reproduction of the class relation, producing instead fragmented subjectivities bent on the destruction of the present order instead of a mere share in its plunders.

It is this very rigidity in the face of exceptional situations that reveal to us the ultimate necessity of superseding capitalist social relations, whose image of wealth necessitates mass privation. It remains to be seen what a new order would consist of, though it is now struggling to emerge out of the present crisis. There is no guaranteed immediacy of revolution from capitalist breakdown all on its own; we must content ourselves with a turbulent and ambivalent intensification of conflict which *may* shift the balance of class forces and help realize our revolutionary aims. The bourgeois response to contemporary crises are desperate, state-led attempts to preserve the existing equity systems of national capitals in the face of the centralizing pull of the crisis. Capital *can* reconstitute itself, but the great upheavals required would yield an unrecognizable landscape. It is not totally unreasonable to anticipate the possible reorganization of nation-states into new clusters and axes, the dissolution and swallowing of entire parties and parliamentary apparatuses, and new class compositions emanating from employment arrangements favorable to the capital leftover in the struggle to consolidate. We can detect the embryonic forms of these circumstances coalescing in the world today; they just need to "make their break" and therefore require some sort of occasion. In the past, this has meant war.

## Death-Masks

“The tradition of all dead generations weighs like a nightmare on the brains of the living.” – Marx, 18th Brumaire of Louis Bonaparte

The specter of war hangs heavy over the present conjuncture. Given the degree of instability at present and the flailing attempts by the institutions of capital to mitigate the crisis, it appears the question of war is merely one of *which kind*. In the heat of the pandemic a number of struggles have taken hold, and the conflicts of the years preceding are inherited and intensified by the newest threat to a global order of capital that is already under severe strain. In the deepening crisis of capitalist reproduction there lies an intrinsic tension between particular proprietary relations that serve to buttress a given national bourgeoisie, particular bearers of the character-mask, and the reconstitution of capital in a more globally-integrated, de-personified and concentrated iteration. Ensuing struggles might not exactly follow obvious pro-capital and anti-capital interests, but instead find themselves mediated by intra-class rivalries inflicted onto the respective national working classes. Revealed here is the dialectical relationship between functionalist notions of state and capitalist institutions and the compositions that the classes are constituted as at any particular moment. Fractions of each class coalesce into ideological affiliations and interest groups vying for political power, but these are fetishized forms, more specifically the fetishization of form, following a class polarization intrinsic to processes of capital accumulation, increasingly pursuing a fragmentation into innumerable surface antagonisms. The class binary of capitalist production is counteracted by this process of fragmentation and emergent antagonism. This is the actual concrete terrain in which capital moves and within which the proletariat must move to achieve liberation.

Compacts between different fractional compositions stabilize in a given conjunctural arrangement, but, as seen with events throughout the still-developing pandemic contraction, this base moves so rapidly that the numerous scattered fragments, each with their own force and velocity, are falling into the chasm,

producing the appearance of social chaos. The constant heat of agitation begins to overtake the pressure of its containment and threatens an explosive transition. As is seen in the case of the right-nationalist protests demanding economic reopening, it is possible for this unconstricted agitation to still be politically useful for capital. Antithetically, there appears an immanent opening for a war of position with the advent of the “essential worker,” contemporary development which suggests a possible resuscitation of a proletarian movement, drawing from the workplace and tenant struggles that are unleashed by the present instability and struggle over reproduction. In absolute terms, however, the prospects of a prolonged crisis in unemployment and the massive asymmetry in organizational capacity make it such that workers are more replaceable than ever. At the very moment that we must be intransigent, we are exceedingly solvent. The sharpening of these contradictions are fertile ground for the struggles over rents and a wave of wildcat strikes and actions unmediated by unions, but note that these contradictions, while sharp, are not yet our tools and are likely to cut away at us if we do not master them strategically. We already live in amputated social conditions.

Of importance is the ongoing struggle of the condition of surplus population, the growing mass of externalized surplus labor capacity increasingly spatially disembedded from the concentrations of production while also far removed from the spillovers of concentrated social wealth. These struggles take on the most violent and fragmentary extremes of capitalist domination, as superfluity robs the proletarian subject of reliable leverage in negotiations, while simultaneously rendering this subjectivity one that is exposed to the total and impersonal domination of military policing and surveillance in a reproduction increasingly dominated by informal economic relationships structured along the outskirts of the social wage fund’s circulation. This acts as a central location of the ongoing reproduction of racialization processes in contemporary capitalism, the exploitation of racial differentiation for wage stratification and labor arbitrage (“last hired, first fired”) giving way to various forms of overt carceral domination as surplus labor runneth over. The intensification of carceral regimes, the



widespread distribution of military surplus to even the smallest municipal police departments and the formalization of predominantly racialized extrajudicial killings speaks to the development of a sprawling apparatus for the management of capital's crisis of reproduction. As this crisis proceeds, we will see the limits of prison society's capacities tested.

Identifying these fault lines remains the work of any conscious action against the reconstitution of capital. These fragmentations in the assumed class binaries of capitalist production compose this dialectic of abstract and concrete, the actuality of class and politics and the retrofitting of the state to reflect the transformations that national capital has necessarily undergone with imperialism and globally-integrated production and trade. There is a growing tension between capital as a real abstraction – pure surplus value accumulation indifferent to who makes up the capitalist class and where anything takes place – and capital as the proprietary means for a particular group in a particular place to maintain their ownership relation to production. Intra-capitalist competition remains a factor, as does the question over whether capital as a totality can successfully reorganize production to perpetuate itself, and whether this restructuring will leave the same old bourgeoisie and nation-states in place. Is it a choice between the hegemony of US and Western capital and the entire mode of production? To what extent is a pivot to East Asia as the center of accumulation overdue, and how does this dynamic play into the manifestation of this particular crisis? Are the character-masks which have come to dominate through a cunning of history now forming a phalanx of death-masks for the reigning order, appearing more as obstacles to capitalism's reconstitution than guarantors, waiting to be swept to the side? This struggle is what makes it a conjunctural crisis, in which all the social institutions which support a regime of accumulation enter into a violent flux. When combined with the accumulating instabilities that accompany the growing surplus populations, this moment contains the possibility of resolving itself through the confrontation of these antagonisms into something qualitatively distinct from the preceding period. We will now look to the finer details of some of these recently escalating fault lines.

The current ecosystem of reaction is a contradictory outcome of the nonexistence of a nation as such, in old terms, and the failure of global integration to stave off crisis. This has produced intense nostalgia for past national might as both an organic expression and a manufactured political fringe. This is seen in the US most prominently in the Reopen protests, a series of efforts that began in mid-April and have developed in various forms, beginning with the primary impetus moving forward with plans to end lockdown measures to contain infection spread, famous for their disregard of “social distancing” measures and health protocol. There currently exist theories, plenty supported by convincing evidence, that these indeed are composed of a **coordinated effort from special interest groups** and coalitions that built connections during the Tea Party formation of the contemporary right-wing surge. Coordination alone, however, does not explain participation. In coverage of those involved, some **divergence of interest and political motive** can be discerned. There appear to have been disputes over method and urgency of reopening, some willing to adhere to cautious timelines and others largely organized around memetic incarnations of support for Trump and his interests, the anti-lockdown protest merely another site in the ongoing culture war. What appears consistent, however, is a high-degree of involvement and expression of business-owner, petty-capitalist interests in the displays, as the disruption of normative exploitation here can be a greater hindrance to subsistence than for larger capitals. It is in these circles that outright denials of COVID-19’s existence or severity are found, as conspiratorial thinking is anything but foreign to the contemporary US right-wing.

A political tension clear in these mobilizations is that between the reopening timelines set by states and the demands being placed on ensuing economic activities from the Executive branch, the current regime’s sensitivity to stock market volatility not being lost on anyone. Much of this has already manifested in **conflicts over PPE pipelines to states**, where Federal agencies have acted to intercept and requisition supplies procured by state governments, forcing many to resort to **covert forms of smuggling**. States have worked over the past few

months to form and operate within **regional pacts** to strategize reopening on their own terms, regardless of Executive wishes. Past statements of ominous portent from Trump and leading media figures on the right have gestured at the possibility of popular mobilization as a tactic to deploy in order to grease the wheels of a political impasse. A key element of that degree of enforcement capability in Trump's base of support on display in the Reopen protests is the far-right militia movement, an armed presence with Confederate or Nazi flags being a common fixture at these demonstrations. Another element within these formations to note is the **invocation** of the **Boogaloo meme**, a right-wing shibboleth referring to the apocalyptic desire and supposed readiness for a sequel to the American Civil War, presumably along much the same factional lines considering the neo-Confederate elements involved. The most notable escalation out of these has been the events surrounding the protests that moved successfully from the lawn to the center of the **Michigan State Capitol**. Armed protestors made it into the Capitol building on April 30 in a standoff with police inside, attempting to make their way to the legislative chambers housing the Governor and other state representatives. By **May 14**, two weeks later, the state government announced it would be closing the Capitol building and appears to be suspending certain sessions, in an attempt to avoid further clashes and armed escalations. During the protest on the day closure was announced, only 75 to 200 people were in attendance at any given time. This shows the striking ability of armed factions of the right-wing in the US to concentrate and deploy force to exploit crises, though contingent upon the sites where this promises to be most effective.

The synchronization of interests with armed right-wing militants and the Trump administration still appears one of mutual convenience, as the character of this intra-class fraction is one of opposing visions for the future of anti-social organization, but both converge on the maintenance of the reproduction of capitalist social relations at their respective levers of exploitation. While Trump remains inextricably bound by a reproduction of US capital that is reliant on global-integration and maintaining the US's particular hierarchical

position atop the organization of global value chains and trade arrangements, the militia movement is a product of the immiserating hinterland regions of systemic deindustrialization and exurbanizing poverty, led primarily by the petty-capitalist and wealthier landowners emerging above the overall historical trajectory of abjection. There is in these groups a defense of capitalist relations founded through an anti-globalization bent, placed at the forefront of their political commitments. A demonstration of this in the present instance can be seen in the **voluntary protection of businesses opening** in violation of state orders by armed militia groups, the more militant of them placing themselves “beyond left and right,” in an ultimate goal of autonomous territorialism founded on various forms of ethnic homogeneity or kinship in survivalism. The alliance with Trump in these instances are pragmatic maneuvers from groups that have a well-incorporated theoretical grounding in the exploitation of crisis to advance their particular interests by destabilizing state institutions in certain regions. The reaction in these incarnations of the right is such that these are ultimately movements that realize their ends through exclusionary methods backed by force, the vocal disdain for infection containment in the protests itself a manifestation of this anti-politics, where obfuscation and conspiracy cloud the terrain for the opposition, a phenomenon akin to a smoke grenade in combat.



A crisis of state legitimacy is not merely the terrain of reaction here. The unemployment wave and subsequent hit to the maintenance of relations of exploitation that keep economic activity moving has produced the discursive turn to the desperate and hollow celebration of the heroism of those workers endangering their lives, through the “essential worker” classification. For every

instance that the “essential” distinction appears to outline the actual contours of necessary reproductive labor in society, such as nurses, even more are plainly obvious to be merely necessary for the functions of realizing exchange values and preventing total economic collapse. For those attaching hope to the apparent sacrifices made of the so-called “essential worker,” are they not buying the boss’ propaganda? It is entirely questionable which of these labor tasks would even remain in a social reproduction that becomes emancipated from its subsumption by capital. The cyclical employment of surplus populations into an industrialized consumer and service-heavy economy is revealing of the crisis of surplus capital today. The unrealizable surplus of potential capital values and commodity outputs must be either pushed to the extremes of realizing value in the social processes of exchange, or constrained in output and thus consistently exert an overleveraged burden on the costs of enterprise. Our employment in society is increasingly meaningless, increasingly only existing to serve the maintenance of the waning abstraction of value and thus perpetuate the class domination which serves and is reproduced by it. It is then unsurprising to see where these sites of proletarian struggle in the US have broken out in the present conjuncture. The strange desperation of the “essential worker” ploy then deserves some broader contextual grounding in the composition of this particular historical instance of widespread wage precarity.

The mass precarity implied by the chronic underemployment and untenable costs of living detailed above are not a result of rampant greed but instead the terminal arc of necessary restructuring within global capital. The composition of the labor market in the US and many other imperial core countries is directly tied to the increasing superfluity of labor relative to valorization, leading to deep polarizations in the geography of production and consumption. There has been a wholesale reorganization in the global division of labor towards integrated and stratified value chains cutting across borders, with workers in several countries linked into a single process of capital turnover, the lowest-waged workers producing goods to be shipped, warehoused, handled, retailed and delivered by a vast services stratum in the Global North, elongating the



circulation time of the commodity before it reaches its terminus in consumption. The form this takes is a product of history. The so-called service economy of the Global North sediments the historic defeat of the working class, shattering the politicized composition of the class in the imperial cores and dispersing the most labor-intensive links in the increasingly transnationalized productive forces to dominated peripheries outfitted with debt-funded infrastructure and liberalized export practices. To be clear, most “services” are actually located in the Global South, in the informal work it takes to survive in slums, but the formal “service economy” that is now theorized in bourgeois economics to mark the most mature stage of development is distinguished by what it indexes underneath: the spatial concentration of consumption, forming a complementary half in world reproduction. The complexities of this historic arc are too numerous to fully explore here, but it suffices to say that new geographic sectoral concentrations emerged, with new producing and consuming countries, after the smoke cleared from neocolonial beach-heads in the 1970s and 80s.

This has a few relevant consequences for the present moment. The majority of European and American workers perform services. The proximity that these services have to production, in the form of scientific and technological development, or to the circulation of commodities, such as transport, retail, and marketing, may mark them as relatively “productive.” But large swaths are not strictly involved in the circuit of capital valorization. Nonetheless, the populations of the imperial core are responsible for **the majority share of consumption**, though these are skewed to the very top income strata. But this usurpation of manufacturing by the periphery has only resulted in extreme wage suppression and the distribution of goods out of those countries, contributing little in material improvement to their lives. Indeed, production in the periphery is increasingly tilted towards exports, as the export share of the world GDP has **more than doubled** between 1975 and 2018, from 13.6% to 30%. The export orientation and consumer product light industry emphasis of development was superintended through the loan and structural adjustment programs of the World Bank, International Monetary Fund and World Trade Organization, from

the late 1970s and, later, by the China Development Bank, and facilitated by **the proliferation of free trade agreements**. The fragmentation of the production process, in which the various steps of initial parts manufacturing through assembly and final packing occur at numerous sites across the world, facilitated by a logistics and shipping revolution, with multiple points of exchange in intermediary circulating capital, has enabled surplus value produced all down the line to funnel and concentrate in the final sale price, effectively distributing value upwards into the core, amidst a **net transfer of plundered wealth**. The material edifice of extraction through value chains underlies the **outrageous wage differentials** seen between OECD and developing countries. This arrangement has been necessitated by the spiraling development of contradictions in the value-form, a countertendency to the fall in the rate of profit to export damage from the imperial core to the periphery.

Diminishing prospects for capital to reproduce value directly follows the narrowing conditions for increasing or even maintaining the rate of profit. Technological advancement in processes of capitalist production develop means for the automation of labor tasks, increasing the efficiency in exploitation of each individual labor input in production, ultimately requiring less labor-power and the disembedding of proletarians from the point of production. However, as this increases the productivity of labor *in theory*, thereby increasing the rate of exploitation and thus the rate of surplus value, an increasing share of value in capitalist production is tied up in the fixed capital values that only reproduce the same magnitude of value through the course of the turnover time that encompasses their wear and tear and eventual obsolescence. While this increases the exploitation of each unit of labor-power, it progressively diminishes the base of a capital value's expansion, i.e. valorization, in the production process. Rates for productivity growth thus decline. Intensified output capacity of industrial capital and the ongoing reduction in ability to profitably exploit productive labor capacities lead this excess capacity to become increasingly susceptible to crises of effective demand due to chronic overproduction. Consumption must then be proportionately integrated into the reproductive circuit



of value, leading to a rise in service sector employment: an industrialization of consumption. Stagnating output following this kind of overcapacity leads to an imperative to lower the costs of production to the absolute floor. There are significant wage differentials between workers in the core and periphery, which are structurally required for capital reproduction, as they form the base of mass consumption which enables these value chains to be realized within the borders of the Global North. But, as the progressive immiseration described in section 3 demonstrates, we are approaching real limits in the capacity of this form of globalization to successfully realize the values latent in the global productive forces, as wages stagnate in the Global North and workers are beset on all sides with predatory capitalists cutting away little pieces of flesh.

With this understanding, it becomes more clear the exact nature of the fear lying behind the rushed calls to resume normal economic functions than the largely performative demonstrations of the Reopen protests: the entire edifice of world accumulation depends on every knick-knack making its way from the periphery through the Amazon warehouse into the hoards of merchandise we call homes in the imperial core. The backdrop in the rise of the “essential worker” reveals a widespread wave of actions taken by workers on their own initiative to combat the clear and present dangers to their health by being forced to continue work in the pandemic. Between March 1 and April 28, there were at least 151 wildcat strike actions, as can be examined in this essential [COVID-19 strike wave map from Payday Report](#). The planned strikes and walkouts in [Amazon fulfillment centers](#) have been well-documented, from an instance on April 21 where 300 workers called out of shifts at 50 fulfillment centers, to the [May 1 strike plan](#) joined by [Whole Foods, Instacart, and Target workers](#), demonstrating emergent coordination taking shape among workers in retail, distribution, and shipping centers within the industrial sector across capital owners. This is a strength in the present moment, as these are precisely those sectors increasingly prominent in labor market activity in the ongoing trajectory of the US as a highly-financialized service-heavy economy. Within the distribution and transportation industries, multiple instances of truckers

taking the tactic of “slow roll” actions to protest dropping wages and low freight rates by either disrupting traffic on interstates to a crawl or encircling capitol buildings, as in [Phoenix, AZ](#) and [Austin, TX](#). Public transportation workers and bus drivers have also demonstrated, as in a bus driver’s strike in [Birmingham, AL](#), and a transit workers’ walkout in [Greensboro, NC](#) after coworkers tested positive for COVID-19. Not all of these escalations in worker militancy are proceeding unopposed: sanitation workers in New Orleans, all hired through a temp agency, who went on strike to demand hazard pay, sick leave, and proper safety equipment were [all fired and replaced with prison labor](#) making \$1.30 an hour.

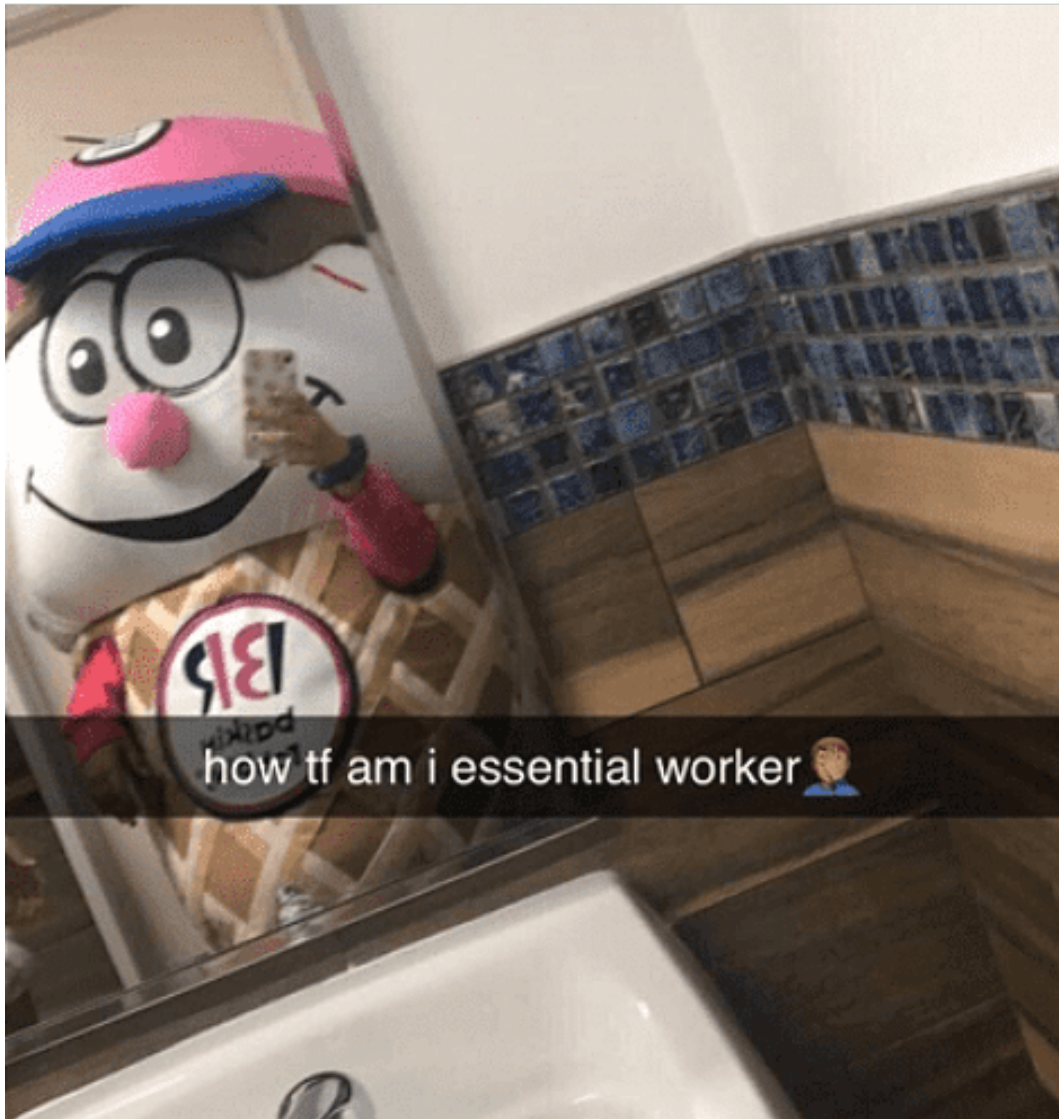
Industrial manufacturing sectors have also seen their fair share of struggle. Between March 19-20, workers in an automobile manufacturing plant in [Detroit, MI](#) shut down operations after infections emerged in the workplace. In this mainstay of the Rust Belt, hundreds of [FCA Mack Engine Plant workers](#) also walked out on the job over safety concerns, and on March 18 in nearby [Sterling Heights, MI](#) workers at a Chrysler plant went on strike over the same concerns. On April 20, workers at the Boeing factory in [Renton, WA](#) refused to show up to work, surely a detriment to a cornerstone manufacturing company for US capital that in recent history has seen [ongoing problems of stymied growth beyond the 737 Max crisis](#) of last year. In other production spheres of the domestic economy, a fixture of the present configuration of relative social stability has been the food sector, most notably that of meatpacking and slaughterhouse workers. COVID-19 has been found to [spread twice as fast as the national average rate](#) in US counties with major meatpacking plants. These counties accounted for 10% of all new cases reported from April 28 to May 5, primarily affecting rural regions where many of these plants are concentrated, away from the initial urban outbreak epicenters, affecting regions notorious for high poverty rates well above the national average and inadequate healthcare infrastructures. In one of the only actual invocations of the Defense Production Act to date, on [April 28](#) Trump signed an Executive Order to keep meatpacking plants open and workers active in the facilities in order to mitigate potential

disruptions to food supply chains.

Prior to this, workers in meatpacking plants across the US engaged in conflicts to deal with the health hazards of their environments. As early on as March 23, non-unionized workers at a Perdue Chicken plant in **Kathleen, GA** went on strike, with employee Kendaliyn Granville saying of the situation, “We’re not getting nothing — no type of compensation, no nothing, not even no cleanliness, no extra pay — no nothing. We’re up here risking our life for chicken.” In **Greeley, CO**, on April 1 approximately 1,000 workers, largely migrant laborers, walked off the job at a 4,000 person JBS processing facility. On April 15, Tyson Fresh Meats workers in **Waterloo, IA** staged a sick-out where hundreds refused to work. In response to the Executive Order, workers have been responding as needed. On May 1, a Tyson plant in **Dakota City, NE** had to slow production down due to a high degree of absent employees. Workers are quitting en masse at Smithfield Foods Inc.’s meatpacking plant in **Sioux Falls, SD**, following a wildcat strike by 50 workers at a Smithfield plant in **Crete, NE** on April 28, the day of Trump’s order. In response to the potential unrest and risk of infection, Nebraska state health officials decided to simply **stop reporting case numbers as they arise**. Just recently on May 14, a Tyson chicken processing plant in **Wilkesboro, NC** has been forced to shut down twice in one week due to high rates of absenteeism.

It is easy to see then how crucial economic reopening, ensuring a “normal” state of exploitation, is for the maintenance of capitalist reproduction at present, already taking a hit that will endanger it in the future in a still-to-come full realization of the general crisis. There is evidence of **endemic misreporting and manipulation of data on negative tests**, both at the CDC and in many states, to paint a portrait of successful containment and encourage reopening. The appearance of worker actions in these spheres are very much undertaken out of the immediate necessity of maintaining health in the face of endangerment, but could quite easily spill over into a generalized awareness of the capacity of an embedded workforce to bring capital to its knees, should the need arise in the future. This still, however, remains a resurgent front of the worker’s

movement completely contingent upon the instability of the present situation, and cannot yet be said to be the only front important to the development of the struggle to come as the crisis develops. Before inessential businesses are allowed to resume operations, “essential workers” constitute a possible strategic bottleneck, a fact recognized and taken into account in the current strike wave, with many workers using the boss’s propaganda against them. But the high degree of unemployment guarantees an opportunity for capital to liquidate troublesome workers, and the possibility that unemployment could stay high for some time with little promise of future relief from federal funds signals an extremely competitive situation for workers to stay “essential,” lest they be expelled once capital regains its footing. These are not the only sites of struggle, however, as things heat up in the now-vast sphere beyond the workplace.



Tenant struggles here can be seen as a site of struggle for both those with “essential” jobs or are still working from home and for the masses now rendered jobless, as many of the nearly 40 million unemployed are still expected to pay rent for shelter. With grim prospects of a job market recovery in the near future, the downward pressure this will exert on wages will manifest as deeper rent burdens for many. The tenant movement is having a clear moment in the inability of municipal, state, and federal governmental authorities to sufficiently mediate the class conflict between the proprietary appropriation of surplus by capital through landlordism and the inability of laid-off tenants to pay rent, lest they forego feeding themselves and their families. This faultline

really exposes the central contradictions of capitalism: because the danger of spreading infection is so severe, people are unable to work which, under capitalism, means they can no longer afford housing, at precisely the moment when society as a whole needs to be sheltered. While the inability to pay rent poses a challenge to the traditional strategy of a rent strike, where the tenant organization's leverage is withholding the rent with ability to pay, organizations across the US, largely in urban centers, have mobilized and worked with tenants to strategize coordinated strike actions.

The Autonomous Tenant Union Network quickly released a pandemic-specific organizing toolkit, as did some of its largest bastions, the Philly Tenants' Union, LA Tenants' Union and SF Bay Area Tenant and Neighborhood Councils, which are both COVID-19-related and generally applicable. These autonomous tenant unions have recently grown very fast. One of us organizes with Bay Area TANC and we can confidently say that our membership has quintupled since March. New autonomous unions have sprung up in a number of cities; individuals we've been in contact with have initiated unionization campaigns in new cities, laying the seed for an eventual grouping. New councils of tenants who all share the same landlord have formed within the unions and existing ones have been reinvigorated. Many of these groupings are in the process of organizing fellow tenants, agitating against their landlord, and openly struggling to extract demands from landlords such as protection from eviction, rent reductions, and full rent cancellation. Many state and local governments have passed a patchwork of injunctions, perhaps freezing evictions or allowing tenants to delay their rent for a range of months, all contingent on a hopeful but likely delusional scheduled return to normalcy sometime this next summer. As of writing, no jurisdiction in the country has moved to fully cancel or forgive rent for the period of the state of emergency, the only measure that will keep people securely housed long-term. And many existing measures are rather weak protections, requiring all sorts of means-testing and documentation, relying on court systems being dormant due to COVID-19 rather than explicit legislative language, or building in backdoors and loopholes for landlords to evict or take

action to collect on rent by turning it into debt subject to collections agencies. In truth, the protections are quite uneven, which has granted room to maneuver in some areas, such as Alameda County in the Bay Area, but much less so in others; this crapshoot of legal relief has as much effect on the success of organizing as anything else. These measures are all temporary and will likely require extending as the economic and health crisis surely will not be resolved. However, which states and localities actually grant the extension is up in the air, and likely the kinds of measures and extensions adequate to deal with the precarious situation so many find themselves in will depend on the organized pressure that such tenant unions can exert. While this growth is encouraging, this iteration of the tenant movement is still very nascent and finding its legs.

This new emergence is a double-edged sword. On the one hand, there is little in the way of existing bureaucracies mediating the activity of the “rank and file” as in the labor movement, which have proven time and again to be timid, conciliatory vehicles that are often outright obstacles. Without such an ossified husk of previous struggles standing in the way, the nascent tenant movement can grow on terms set by tenants themselves, including more flexible autonomous structures, resembling more the “earlier” stages of workmen’s associations but with the benefit of hindsight. On the other hand, the crisis of rent defaults is massive and unprecedented and the larval class organization that exists and is currently being built is not capable of rising to the occasion and shaping the course of things. In addition, a variety of advocacy and direct service nonprofits, insisting on petitioning the state, are very involved in these matters, steering the demands and messaging into models that fit their structure and fundraising needs. This low development of class composition is **insightfully discussed** by Justin Gilmore, a comrade in TANC.

While we, as tenant organizers, think that a measure of formal organizing, to aid in coordinating solidarity and amassing maximum impact, is the best route to the construction of a viable and toothed tenant movement, there are a number of exciting developments that are more spontaneous and sporadic. In New York, **12,000 signatures** appeared on a pledge to withhold rent, loosely



organized as an online petition. Strike activity amongst less organized pockets of tenants **kicked off** across the country and in Canada kicked off in April and May, possibly **numbering in the thousands**. As discussed above, nearly a third of tenants did not pay rent in April, a significant uptick. The other side of housing struggles, that of ending houselessness and soliciting or expropriating housing for this purpose, has had some significant developments as well. Earlier this year, **Moms4Housing**, a campaign of black homeless and marginally housed mothers and their children, took over an empty home in West Oakland, in their words “evicting the speculators.” They eventually had to resort to eviction defense shifts staffed by community supporters as the Alameda County Sheriffs menaced them with threat of eviction, which was eventually carried out with the brandishing of **assault weapons and armored vehicles** early one morning. The moms were later able to come to an agreement to purchase the home with the landlord. Inspired by this brave inhabitation of empty real estate, a group of unhoused people in Los Angeles called Reclaim Our Homes **took over 12 houses** in a 163-house tract owned and left empty by Caltrans, California’s transport infrastructure agency, a week before the shelter-in-place order. State police then stationed themselves throughout the neighborhood to **intimidate** the reclaimers. In Chicago, a group of rent strikers and unhoused people took over a building owned by Deutsche Bank and turned it into a shelter for people experiencing houselessness and a community **mutual aid hub**. Such instances are placed in their historic context of an illustrious proletarian tradition of **housing liberation** by some other TANC comrades, Julian Francis Park and Hyunjee Nicole Kim.

These are relatively small and infrequent actions, reflecting the extreme risk that squatting and expropriation requires and the low capacity to sustain long-term support. The eviction defense for Moms4Housing brought out over 300 people, many of whom eventually had to go home, opening the way for the militarized police to come around early the next morning. This enthusiastic volunteer base is encouraging, but for now the state and rich speculators can afford to wait it out. This thorny and dangerous practical problem is the



exact impasse generally facing nascent proletarian class compositions as they slowly coalesce into intermeshed movements capable of real actions that secure gains. In order to shift the balance of class forces decisively in our direction, the ability to sustain strike actions and expropriate and defend housing and other resources will have to be built up. These are daunting prospects, but there are latent and unexercised potentials in a tenant movement, centered around autonomous unions and councils composed of tenants, linking up with movements of the unhoused and landless. As hard to imagine as this is now, it is something that will become increasingly necessary as more and more people fall into housing insecurity by high rents and brutal evicters, get displaced into worse housing farther from their jobs and eventually become homeless. In truth, tenants, like all workers, are virtual paupers in waiting, easily expelled and replaced by the shifting needs of capitalists and property owners only to then face an increasingly policed and privatized urban space that pushes them to the absolute margins, joining the ranks of the disposable sleeping rough under freeway overpasses. Rent strikers are essentially squatters in the eyes of landlords, approaching that precarious place of living on another's land from the other side of the unsheltered by expropriating a house for themselves. There is no clear path or formula, but building a strong and militant base, tied together through shared struggle and solidarity, can perhaps hit a critical transition point and become a flexible movement, with well-tested tactics to seize housing and ably defend it.

The situation has seen a spur in an already growing sector of class struggle in the US, and the hits are **indeed impacting landlords**, perhaps forecasting a similar concentration of property in the rental market as we saw in the aftermath of the 2008 crisis. Given the centrality of rentier capitalists to the US economy, the cancellation of rent as a demand and potentially realizable action poses a threat to an entire sphere of capitalist reproduction. The construction of housing in real estate development and growth of a population of renters is an increasingly vital sphere of industry for the reproduction of capital domestically, as loans and credit continually flow into these sectors driving bubble expansions of

speculations and asset valuations, propped up by the appropriation of surplus value in these assets through interest on loans, the whole edifice only concretely backed up by the continual appropriation of wages through rent and loan payments. The possibility of a prolonged period of defaults would roil the entirety of the real estate market, a contagion that could rapidly work its way through into a generalized financial crisis in a similar way that brought the global economy to the brink in 2008. This is why state actions themselves cannot muster the political will for any response other than rent repayment plans and the accumulation of rental debt to tenants already unable to pay, for any rent cancellation cements the collapse that is already forming.

To return once again to the question of war, the disintegrating symbiosis between the US and China is a key international development signalling the erosion of the consensus arrived at in the late 20th century achievements of capitalist globalization. The previous year's trade war remains in negotiation, and following the efforts of the US to pin the blame of the pandemic on China, the value of newly announced **Chinese direct investment projects into the US** fell to just \$200 million in the first quarter of this year, down from an average of \$2 billion per quarter in 2019. As we observe the bipartisan chicken race over which party can be the most hawkish on China throughout the rest of this election year, it appears safe to say we have long passed the signal point of arrival for **the modern Cold War** with an ascendant capitalist counterpower. Countering US smears that China has failed to deliver on "promised reforms," President Xi Jinping has recently said that China will **no longer seek attempts at a planned economy**, a predictable outcome and the overdetermined culmination of decades of liberalization and global-integration that has been China's trajectory since at least 1978. China, itself **experiencing industrial restructuring** along the same lines as the systemic deindustrialization in the US, is making attempts to transition to a more service-led economy along the lines of the more developed capitalist core economies. Much of the tension of this attempted transition can be seen in the **ongoing internal problems of expansion and overcapacity** occurring in the Chinese workforce, as wage gains after the post-2008 stimulus

efforts gained by a strike wave from restive labor flatlined following the 2015 collapse of the Shanghai stock market, making export surplus increasingly vital to the national capital, and an aggressive position on trade conflicts with the US a matter of necessity. Technological dominance plays a crucial role here as well, as last year, for the first time, China surpassed the US in **international patent applications**, threatening the axis of US dominance in the tech sector through appropriation of surplus profits by way of intellectual property rents.

The rhetoric of politicians in the US often frames the pandemic as a war with the “invisible enemy,” and bipartisan hostilities towards China are **greatly intensifying**. As many analysts, commentators, talking heads, and even the IMF are already declaring this to be the **worst economic downturn since the Great Depression**, it escapes no one’s memory, despite the poverty of bourgeois society’s historical consciousness, the rejuvenating effects of war by which the US was able to emerge triumphant after that crisis. As we illustrated above, however, this immobile expansion of value, globally-integrating interests of the capitalist class, and internationalization of production, as well as the paradigm of nuclear-capable militaries, make the possibility of a hot war conflict between inter-imperialist powers not quite tenable, much less politically feasible, at least in the immediate term. With globalized expansion of productive capacity and the internationalization of trade flows, a major hub of production that has stayed prominent within the US and central to its internal expansion is the defense industrial base. Often a focus for demonstrating the disparity in public investment into social programs, the defense industry remains a leading field for the US economy. It is interesting to note, however, how the military-industrial sector itself has undergone a degree of equalization in production conditions and predominance of financial operations on par with the general trend of industry in global economies. The sensitivity of defense companies to capital markets and investors presents us with a militarization operating in a distinctly international context, far from the clashes of nations we fear in the present with increasing hostilities between the US and China.

The global landscape of war exists in the shadow of nation-states now am-

biguously attached to national capitals, an internal tension arising from the contradictions within capital's tendency to expand beyond any containers. The national bourgeoisie are defined best in terms of proximity and intermeshment with a given central bank and banking system required for firms to retain stability, yet increasingly manage investment portfolios much more global in practice. The practical maintenance of the national capital is now impossible without tending to the interpenetrating global networks of trade, supply chains, and flows of financial capital. Currency valuations hinge on bond markets and treasury securities, the asymmetrical organization of production and circulation activities that have resulted from the contradictory relations of value-determination give us a world of property alien to itself and yet interdependent. Inter-imperial conflicts between great powers appear to be complicated by the contestations between capitals untethered to any one state. Even the apparent autonomy of the US Federal Reserve's actions in the lead up to and wake of this crisis find themselves beholden to maintaining the fragile entanglements of a capitalist reproduction process in stasis.

For all this, however, a so-called "deglobalization" is indeed making itself an established presence through the disintegration of the order established by decades of international moves towards expansive liberalization. While the "trade war" between the US and China may have had the most immediate impacts and grabbed the most headlines, the [November 2019 OECD Economic Outlook Report](#) maps out a global economy experiencing trade disputes as a growing international trend, ushering in declining investment flows from a 4.33% annual growth rate in Q4 of 2017 to just 1.52% in Q2 of 2019. The shutdowns in travel and further contractions in investment brought about by the disruption of the pandemic prompted Henry Kissinger to pen, in an [op-ed published in the Wall Street Journal](#), that "the pandemic has prompted an anachronism, a revival of the walled city in an age when prosperity depends on global trade and movement of people." While the old guards of empire may now be recognizing such developments in print, the breakdown of the international consensus has been an established trend dominating the preceding

years' geopolitical movements, as can easily be seen in the intensification of border regimes to engineer suitably structured national labor markets amidst mass immigration. The manifestation of these trends into victorious democratic seizures of executive power over legislative stasis in core economies is certainly not merely the fault of the pandemic.

The signal year 2016, with the victories of Trump and the Brexit referendum, cemented a set of reactions not previously visible from the surface veneer of liberalism's global hegemony. The center has consistently failed to hold as it is overcome by the depth of the crisis faced by capitalist reproduction today, and panics in the face of another catastrophe that threatens to make this crisis of legitimacy irreversible. Even in stimulus efforts aiming to hold an economy headed towards depression together, fractures are emerging in the institutions of bourgeois rule. Notably, the crisis in the deteriorating Eurozone refuses to abate, as [Germany's constitutional court may bar Bundesbank](#), the German central bank, from participating in the ECB's multi-trillion bond-buying program, prompting the ECB to either take legal action themselves to bring Bundesbank back into the program or bear the burden of making up their quota without the largest shareholder in the ECB. This comes as recovery strategies are divergent across core economies, as Kristalina Georgieva, managing director of the IMF, has advocated for systemically important banks to [suspend dividends and stock buybacks to shareholders](#) to maintain buffers of retained capital in order to weather the crisis ahead, in direct conflict with the interests of the speculators, investors and corporations that subsist off these dividends, between capital as such and the cohort of particular capitals composing it, a sure sign that rifts in the global bourgeoisie will intensify in the conflicting interests that such measures would provoke.

While we observe these tensions forming amongst the bearers of capital, it remains more likely that it is, in fact, the class war that is in the most danger of becoming a hot conflict in the near future, and that the coalescing Party of Order is indeed aware of this and the measures that will be necessary to protect capital throughout this crisis. Defense industry production has shifted largely

into the production of surveillance technologies developed from knowledge gleaned in the urban conflicts of insurgent warfare characteristic of the Forever Wars in the Middle East. Already in the pandemic, a **surveillance apparatus has been rolled out for trial in Baltimore** using aerial capabilities, the location surely not a coincidence, and in **India a state-backed surveillance program**, designated now for contact tracing, is underway. The potential mission creep of contract tracing is obvious, as it entails tracking one's movements and social affiliations, and has already been actualized: police in Minneapolis are **using contact tracing technology** to map out the social networks of protestors there. The increase in military capacities at home is part of a broader feedback loop tendency of capital accumulation in this industrial sector. Military spending produces new use-values, but not posited directly to the future production of value. This depends on the specific application of these means of destruction. In the case of military force to secure domination of a raw material input for production processes, we can see a more direct path to value reproduction, though still not reproductively integrated itself. Military spending does, however, **tend to increase the rise in the organic composition of capital**, and thus the growth of the industrial reserve army, reproducing its own use-value by producing that necrotic and unruly surplus which it comes to police and incarcerate. It is no coincidence then that outside of imperial implementations to secure raw material inputs for production, military spending and the defense industries find productive expansion in surveillance technologies developed in insurgent zones abroad finding new homes in application to domestic populations who are increasingly rendered surplus. This build-up of military weaponry and surveillance tech, the circulation of counterinsurgency tactics, and **the global institutional interpenetration of police and militaries** constitutes a particularly menacing excess of enforcement capacity, mostly on reserve but able to muster concentrated force with increasing agility and itchier trigger fingers. The arsenal of the dictatorship of the bourgeoisie has historically and continually cut its teeth on people of color domestically, particularly black people in the US, and various colonized peoples in the periphery. This process then structures the ongoing processes of racialization that inflict gratuitous violence against people

of color and functions to recompose the proletariat into a stratified mass of effectively segregated populations.

The prison is increasingly a site of the present order's crisis of legitimacy as well, and a key area in the racialized geography of the pandemic's impact. Prisons in the US are already epicenters of infection, one example being seen in Lompoc Federal Prison in California, where **70% of inmates have tested positive**. **Women's prisons in Florida** have become epicenters for high infection rates across the board. At the **Yakima County Jail** in Washington, 14 inmates escaped in late March following the state's declaration of an emergency stay-at-home order. Throughout April, inmates in Cook County jails **participated in a series of actions**, from hunger strikes to uprisings and attacks on guards to a class action lawsuit, to demand COVID-19 testing, soap and face masks, end of the use of bullpens to group inmates in close quarters and even early release back into the community. On April 30, ICE detainees in **Adelanto, CA** went on hunger and work strikes to protest lack of disinfectants and general health measures. This was certainly to be expected, as in Italy at the outset of the emergency declarations widespread jailbreaks occurred, with such instances as a **revolt at Foggia Prison**, an escape following the assault and kidnapping of guards in **Pavia**, and an uprising at **Dozza Prison**, just to name a few. While these by no means can capture the full scope of the unrest happening behind the walls of capital's modern system for the brutal domination of those rendered surplus, the cracks in the penitentiary walls are growing, and with these capital's claims to legitimacy as it struggles to contain and mitigate its inherent antagonisms.

The brutality of the struggle we face moving forward is already making itself apparent to us beyond the mass death of the pandemic and the containment measures the state has **since abandoned**. As economic functions resume in the reopenings, the "**pent-up demand**" sought after by hopeful economists is revealing itself to be pent-up bloodlust, the collisions of fragmentary and alienated social relations in crisis taking precedence over any economic theory of "rational actors." Three teenage workers at a McDonald's in **Oklahoma City**,

OK suffered gunshot wounds as a woman opened fire on them for telling her that the dining area was closed. A security guard at a Family Dollar store in Flint, MI was murdered by a woman after asking her to put a mask on before entering the store. A black man in Brunswick, GA was murdered by two white men in broad daylight on unfounded suspicions of theft, sparking local protests and demands for prosecution. Racialized extra-judicial police executions have remained consistent despite the crisis, as seen most notably in Indianapolis, IN, San Leandro, CA, and Minneapolis, MN. The bare violence defining American life, well in the public eye for the better part of the past decade, has not ceased or slowed in deference to the pandemic.

The previous cycle of riots that erupted in Ferguson, MO and Baltimore, MD now have reasserted themselves with a vengeance. In Minneapolis, following the execution of George Floyd, a protest of thousands followed, and those present justly sought to exact a proportionate response in kind. The ensuing destruction of police cars, the fog of tear gas, the ripping of rocks and rubber bullets amidst barricades of steel and shopping carts all made national headlines in the hours of their unfolding. Over the week of May 25, the rapid shift from riot to insurrection took hold, as a siege of the MPD 3rd Precinct resulted in cops fleeing, having exhausted their ammunition, with the looting and incineration of the station following on May 28. *That night, the entire country learned that we can burn down the strongholds of the police if we are bold and numerous.* The following weekend, protests erupted across the country, at the time of this writing they are to the count of 380 cities across the US in all 50 states, and many countries across the globe in solidarity; protests often led by black youth. This moment has already broken numerous precedents, and there are many developments worth discussing, but things are still very much in flux. It is clear that no party is in a position to authoritatively predict anything, as both the police apparatus and the rioting milieu are currently testing their own limits and capacities, so we will just make a few comments. Actions have quickly escalated into direct confrontations with police, the lines of America's streets now lined with the burning husks of police cars and canisters



of CS gas. Journalists are now **consistent targets** of the police and military, all precedents for domestic conflict are being breached as the forces of order seek to control the narrative and enforce compliance. Following the explosion of 50 protests across the country on May 29 alone, **17,000 National Guard troops** have been authorized and **deployed in 23 states**, police forces in metropolitan regions have consolidated to the core sites of struggle, and the police have escalated their brutality as the threat to the power of heavily ideological policing institutions bubbles to the fore. Following the murder of **Breonna Taylor** from a no-knock raid by police in Louisville, KY, which set the current uprising there in motion, police there have already executed another unarmed black person, **David McAtee**, amidst the uprising. At the time of writing, it appears that there have been **7 verified murders of protestors** at the hands of police so far, a number that may not give the full picture, given the chaos of information. In addition, **11,000 people have been arrested** across the country in the span of a week; in comparison, **4,500 protestors** were arrested in 5 months during the Hong Kong uprising.

“**Outside agitator**” **narratives are on the rise**, the nation’s liberal bourgeoisie lining up in lock-step with the **Trump administration’s narrative** in an effort to divide what is demonstrably a multiracial and working-class revolt that defies the decrepit political infrastructure of an empire that has proven irreformable. Racialization processes structure the extremes of this crisis and will aim to be reinforced, as the calls to return to civility increasingly aim to diffuse any militant actions acting in solidarity across racial coalitions. Suspicion abounds, paranoia is on the rise, but the danger is certainly real. The narrative of the pearl clutchers hinges very much on the tired exasperated trope of the disenfranchised that “destroy their own communities,” however, many of the uprisings at present are **targeted at the symbols of luxurious wealth of the urban core** and the police occupational outposts of their communities, a geographical contour that itself must be seen as a possibly conscious attack on the racialized displacements of gentrification that surge throughout the country following 2008. The new cycle of uprisings is clearly gaining ground, following lessons from the

past while quickly developing in the moment to respond to the objectively new territory that is being charted. Fire emerges as a common weapon, “broken windows” deliver on the nightmare urbanism promised by the architects of mass incarceration, and non-violence is quickly discarded in favor of fluid but combative tactics. This already makes it apparent that these intense conflicts will be a persistent trend, as continually escalating expressions of political force in the pandemic crisis, and indeed the only option in many instances still, as proletarians treated by capital as externalized costs seek leverage in a situation they never chose.

To the extent there is an explicit demand, it is for cities to defund their police departments, which is already being **conceded in Los Angeles**, though only with relatively slight cuts. In truth, these protests are composite formations, with multiple characters. Some very much treat the gatherings as liberal protests, with particular choreographies, symbolism and messaging, and goals which are campaigned for through soliciting allies in reformist politicians, reflecting the involvement of existing nonprofit and activist groupings. But, often at the same location and standing in some tension with the former, there exists a multiracial throng of highly agitated and mostly very young militants spilling throughout the cities. This gives fuel to those decrying the “**professional incendiarism**” of the white anarchist **outside agitators**, but any careful observer of the composition of these crowds can safely reject such framing in the majority of cases, as they are neither primarily white nor previously steeped in a political subculture in any obvious way. These “riotous elements” can be described in some instances as “circulation struggles” in which rioting is a means of “decommodifying” goods produced elsewhere to meet immediate needs. Looters might take such things as diapers or shoes. But much of the activity is not strictly goal-oriented, instead tending to look more like defiant jubilation when a risky move yields a trophy or intense and passionate street battles with a clear and dangerous enemy. The real content emerging from these struggles, as we see it, is in the fight for control over urban space, which becomes a motivation in itself. For black, indigenous, and other people of color, free movement

is constrained and confined by the racist police state which continually and ritually abjects them. The police rule the streets, an inverted expression of the growing surplus populations. As long as the formations remain agile, bold and willing to flood into the cracks in the armor, by continuing to overwhelm the police lines, they are practically demonstrating the limits of the state's ability to deploy concentrated force at will, in many cases rendering them impotent, establishing evidence on the ground of this impotence and rushing to fill the void with a new sense of collective power.

We cannot help but note, with no claims about simple causality, that these large-scale uprisings occurred the week when real unemployment **reached 23.9%**. Black workers are at **16.7% unemployment** as of April (most recent statistic), 2.5 % more than white workers. **Less than half of black adults** currently have a job. In the aforementioned St. Louis Fed study about household wealth, black households are **nearly twice as likely** as white ones to be unable to afford a \$400 emergency. All the same, black workers make up a disproportionate **17% of essential workers** (compared to 12% of total employees), particularly in jobs requiring close proximity like bus drivers or postal workers and jobs with particularly **high infection risk**. Black Americans are consistently **disproportionately likely to contract COVID-19** in many states, with predominantly black counties experiencing a death rate six times that of predominantly white counties. In New York City, **over half of people** who died of COVID-19 are black; in Chicago it is **70%**. This bleak portrait expresses the structure of racialized abjection in the US: black people are often the last hired and first fired in an already precarious labor force with the lowest median wages, having to accept the relief pittance the Federal government offers for the unemployed. At the same time, they make up many of the services, jobs with little sick pay that constitute the frontline of labor that the government has shown itself willing to sacrifice. It is no wonder then that the time came for further militant assertions that black lives matter.

The police seem shaken and understand the conflict in much the same terms: as a contest for space, the conquest of terrain. There is a lot of video evidence

on the internet right now of extreme brutality, as well as police explicitly planning to take exceptional action to avenge the affront to their authority. Having lost some ground as these formations successfully routed their efforts at containment, many departments have had to fall back, turning to other agencies and jurisdictions. National Guard deployments are on the rise in urban areas, mutual aid agreements between nearby departments, county sheriffs and state police are in effect to help close ranks in metro centers, the FBI has been spotted wearing fatigues and sporting assault rifles, and **prison riot suppression “specialists”** from the Federal Bureau of Prisons have appeared in a number of places. There is even speculation of the use of private military contractors. The Border Patrol has been **deployed** to Washington DC, which lies within its expansive **100 mile border zone** jurisdiction, a worrying development as the CBP retains the right to **warrantless searches and seizures** in violation of the 4th Amendment. Many talk of rumored future military deployments if this all reaches a zenith, debating back and forth about its legality under the Posse Comitatus Act, with the “liberal” New York Times publishing an op-ed by Sen. Tom Cotton calling for “restoring national order” by **sending in the military**. Numerous fascistic vigilantes have come out attempting to harm protestors, mostly getting repelled by selfless and decisive takedowns. Nonetheless, courageous protestors are refusing to give in. The policing apparatus remains overwhelmed and unable to quell the energy, as of writing. The riots are sure to continue to be a presence as the crisis deepens. An empire in decline will see such fracturing bursts of violence and carnage, the social body ripping itself apart as crisis exacerbates the already growing tendency of capital to find means of functioning despite its **failing reproduction**. An asymmetrical war of maneuver is fully in motion. The police must be treated as occupiers and engaged as such. We are in for a long and hot summer, and a year that still has yet to fully unfold.

The war we face ahead will be one unlike those experienced by movements that came before and sought to transform society, to revolutionize the social relations upon which reproduction is founded. We may still sing the songs

and wave the flags of dead generations, but their ability to communicate to us beyond the grave is limited, and these transmissions may only serve us in the practice of engaging the class struggle as we now experience it, as it is already emerging in advance of and from this crisis. The current struggles themselves might not yet have cohered into specific, focused forms, but the mistake must not be made to merely transpose revolutions of the past onto the struggles of the present. To prefigure fixed forms of appearance of these social relations risks giving into a mere critique of the mode of distribution that perpetuates the antagonism of these social relations, themselves constituted by an alienation specific to the organization of production and exploitation in society, one that exists for its own sake and always aims to expand beyond its own limits according to the dictums of valorization. The arrival upon these barriers grinds the engine to a halt while the gas is still floored, so to speak. From this stasis, the quasi-independent existences of these social relations are then thrust into motion, encountering each other in this environment of alienation, our social constitution encountering us in the determinate conditions that created this form of alienated socialization, appearing as an objective constraint. This encounter of a developing subjectivity as a political agent within the objectivity of its situation becomes a decisive factor in such moments when continuity is called into question. We must reject the reified social roles that are congealing into universal death-masks.



The consciousness won in struggle, however, must be such that the causal relation of determined circumstance is revealed as the continual incorporation of the preceding phases of practice in struggle. The exercise of practice in this struggle produces the experience by which successive grounds can be gained as struggle advances. Experience will neither appear to us readymade, nor be gained all at once, but instead by degrees, as we engage in perpetual conflict with the unexpected. War is the haven of uncertainty, and it is these very moments of crisis where the contingencies exposed by the failures to guarantee reproduction clear space for a political contestation of classes and a potential shift in the balance of forces moving forward. It is the waste and refuse of capital today, an accumulated surplus of dead labor that can now only be set in motion into a speculated upon future in increasingly fictitious forms, constantly subject to violent disruptions, where these proprietary claims on value evaporate as illusions of a material reproduction are further shattered. The material production of value feeding these great chains of money-capital and proprietary capitalists always must remain just enough to grease the gears, though it becomes increasingly improbable, subject to fits and starts, devolving into a massive crumbling as soon as this shutdown initiated an

impediment to this motion. We should not overestimate the termination of capitalism just yet, but there is a necessity to be able to demonstrate how the perpetuation of “extra-economic” coercion on the part of the bourgeoisie will have to be amplified, and how best to strategically respond. Hence the surge in insurrectionary uprisings against police, the rapid enhancement of their force in retaliation, the rise of a proto-fascist movement, the surveillance of striking workers; in short, the escalation of the smoldering class war.