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The Political Economy of the Apocalypse

James K. Galbraith
The University of Texas at Austin, Galbraith@mail.utexas.edu

The world faces – let us say – four great threats, and because nothing really changes, we know their names: Pestilence, War, Famine, and Death. With modest modernization these categories can serve to guide our minds on a tour of the economic policy choices of the near and distant future.

The First Horseman: Pestilence

Pestilence is the most immediate of the threats. As it unfolded over the course of 2020 and 2021, the Covid-19 pandemic raised, in sequence, two broad issues of political economy. The first of these separated the fragile from the robust, distinguishing those economies most prone to disruption from those best able to organize an effective response. This was, in the main though not exclusively, a West-East divide. That is, it distinguished the disorganized, polarized, chaotic and largely ineffective response to the pandemic in the United States, the United Kingdom, much of continental Europe, and in most of Latin America from the disciplined strategies of suppression carried out in Korea, Vietnam, Hong Kong, Taiwan, Singapore, and, on the grand scale, in the People's Republic of China – but also in Cuba, New Zealand and, for a time, in Slovakia.

The advanced Western economies were (and are) largely bifurcated, with a small apex of globally dominant financial institutions and technology firms, above a vast substratum of personal services provision, complemented by residential and commercial construction. These proved to be highly vulnerable to a public health emergency, as business investment and construction demand collapsed, while all but essential services were obliged to close. The effect was instant mass unemployment, and a collapse of world trade reverberating out across the entire world. At the same time, the pandemic disclosed the very large capacity of Western populations (especially in North America) to adapt to home confinement, the reserve capacity of on-line commerce, and the ability of direct cash payments to ward off social collapse, particularly as there was never an absolute shortage of essential foods.

Meanwhile in the East, in the socialist world and in several better-disciplined capitalist countries, economies centered on core manufacturing and practiced in epidemics took far more aggressive steps to confront the coronavirus head-on, using essentially conventional techniques of contagious disease control, namely immediate isolation of symptomatic cases supplemented by testing and quarantines, combined with lock-downs and universal compliance with mask mandates and other protective measures. In this way several of them largely or wholly suppressed the virus within a couple of months.

These economies proved well-adapted to the emergency. While the pandemic developed, they were able to adjust their productive systems so as to provide the necessary gear – personal protective equipment, ventilators, hospital beds and even whole hospitals. When the virus was effectively contained, they were able to resume normal activity, largely by the fall of 2020. For the price of social discipline and prior investment in public health infrastructure, geared to the threat of infectious diseases, these countries suffered small human casualties and only brief economic disruption.

The second issue of political economy emerged with the development of effective vaccines. This was a signal success of the scientifically-advanced economies – the US, UK, the European Union with special reference to Germany, and Russia. It reflects precisely the bifurcated structure of the most advanced economies – their scientific base and technological capacity being the strong element in their global economic role. Thus, it was that the most rapid progress toward an effective vaccine occurred in precisely those societies that were least able to suppress the pandemic with measures of popular mobilization and social control. The promise of a vaccine, to a degree, even served to mitigate the social stresses of the pandemic well before vaccines actually became available.

Vaccines break the chain of transmission. They protect individuals while at the same time – or once distribution is sufficiently wide-spread – putting the pandemic as a whole on the path to extinction.

The issues of political economy that vaccines pose are two-fold:

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preparedness and distribution. Building and maintaining the research and reserve production capacity to meet a potential pandemic is a costly proposition that may be (and was) considered unprofitable by private pharmaceutical firms. And when vaccines appear, there is the question of distribution across countries and customers. And in privatized medical systems there is the associated question of the profits of the pharmaceutical companies holding patents and trade secrets in vaccine production. The system thus sets up, by its nature, an opposition between interests – between private profit and public welfare in matters of life and death.

So a system of vaccine apartheid has emerged, with excess stocks accumulating in the hands of wealthy customers, such as the US and the EU, while at present writing Africa in particular has been able to vaccinate only about two percent of its population. The disparity is not only in human suffering and economic disruption, it is also in the potential effectiveness of pandemic suppression. As the virus spreads it mutates, variants emerge, and the possibility that one may prove resistant to the present vaccines remains open. Vaccine equity is thus a matter of global public safety, pitted against the corporate productive arrangements (in the US and UK cases) that produced the vaccines. And while the WTO has called for releasing vaccine patents, the EU is opposed, caught in the web of private interests that impeded vaccine development in the first place.

This second issue is a North-South question. It turns on the moral acceptability and the long-term public health consequences of the patent system and what are called TRIPS – trade-related intellectual property rights. The existence of a private, entrepreneurial system of pharmaceutical innovation and production presupposes a chase for innovation rents and therefore some legal protection thereof. While it is evident that such rights should not prevail over human rights and global public health when millions of lives are at stake, it is not so obvious where exactly the line should be drawn. Suspending patents and TRIPS is certainly the right thing to do in this case. It might be the right thing to do in all cases. But such an action presupposes moving to an entirely different

system – one that would treat global public health as a global public good, and mobilize the resources required as a matter of global public emergency.

The Second Horseman: War

The second horseman of the economic apocalypse is War – and not merely the all-encompassing threat of a nuclear ending for the human experiment. The present preoccupation with preparations for war, and especially with building technical and material means for waging it, absorb many of the most advanced technical and human resources of which a society is capable, along with the decision-making bandwidth of its leadership. This is an ongoing economic danger irrespective of whether war ensues or not.

The basic political economy of war is ages-old. Conquest brings territory, resources, populations to be controlled and assimilated or killed off, and chances for pillage, profit, power and prestige. These motivations held good up through the second World War, when the efforts of Germany, Japan and Italy to do what Britain, France, the US (and Germany, with less success) did routinely in the second half of the 19th century were rejected by what would become the United Nations. In the aftermath, the empires of the victors had to go, and it was the singular misfortune of the two remaining superpowers, the USSR and the USA, to inherit custodianship of a world where military advantage had passed, decisively and permanently, over to the defensive. Since that time, no neo-colonial or neo-imperial military venture has paid off in long-term political terms, and certainly not as an economic venture.

The reasons for this epochal change in the correlation of forces are no secret to professional military people. I had occasion to list them, by invitation of the commanding general, to a symposium of the command of the US Army V Corps near Stuttgart, Germany in early 2005 as the Iraqi venture was turning sour. The reception of colonels and generals present was, essentially, full agreement, combined with a kind of therapeutic pleasure at having obvious realities openly acknowledged.

First, urbanization. The open country is the domain of maneuvers and firepower. The city is a maze of constricted roadways, fronted by concrete and steel. It can be subdued, against determined resistance, only by total destruction, as at Grozny, Mosul and Raqqa.

Second, technology – and specifically explosives. An invading and occupying army needs vehicles, preferably armored. These are expensive. The shaped charges and improvised explosive devices that can destroy them are effective, easily concealed, and remarkably cheap.

Third, standards of conduct. Atrocities are inevitable in wartime. But the capacity to subjugate an occupied people by means of terror, torture and massacre has been greatly diminished in our time by the Geneva conventions, by Nuremberg, and by changing norms in the media and on the home front; in particular changing notions of racial superiority, hence of human rights and the value of human life. These constraints typically mean that atrocities are less systematic than they once were, and that whenever they occur, they tend to embolden rather than deter. Genocide was once routine, but no modern army would today contemplate mass depopulation as a strategy. Even population exchange, delicately called “ethnic cleansing” as in the Balkans in the 1990s – has largely gone out of style.

Fourth, rotation. In the days of serious empire, the officer of the occupying army – and usually the associated civil administrators as well – were posted for extremely long periods, often for entire careers, returning home to the London suburbs or to Normandy only on retirement. They were therefore quasi-permanent fixtures of the local landscape, and among the natives whole careers could be built, in reasonable security, in their service. Networks of trust and intelligence-sharing could develop and endure. The one-year tour of duty, made possible by jet transport, presents the local population with an ever-changing, interchangeable group of personnel, who can rarely develop the knowledge and connections required to rule, and whose ultimate career objectives will be met back home or on some other assignment. This effectively destroys that element of continuity and trust in the relationship between the occupier and the occupied,

making the infrastructure of conquest far more difficult – indeed practically impossible – to maintain.

Fifth, impermanence. Before 1941, a reasonable Vietnamese, Burmese, Algerian, Malay, Indian or Senegalese might have regarded the French or British presence as an indefinite if not actually permanent condition. After 1945, in all cases except possibly Algeria, the writing was on the wall. And today, when any country undertakes a military venture beyond its own frontiers, the universal expectation is that in due time the occupation will end. (Here, a possible exception is the West Bank.) Hence collaboration carries the inevitability of a reckoning at some point – and this is bad for imperial loyalties and morale, and therefore for effective colonial administration.

With minor variations, each of these themes played a role in the failures of US military engagement in Iraq and in Afghanistan – as they had done in less comprehensive form a generation previously in Vietnam. Their generality is now quasi-absolute, and they leave hanging a large question. If the most powerful long-range imperial force in the history of human combat could not prevail in those places, against some of the weakest military organizations of the modern world, then where – apart perhaps from Caribbean islets and the wastes of the Sahara – could it possibly prevail? And this raises the further question, which is whether any useful purpose – imperial or otherwise – is actually served by a globe-spanning network of military bases, and by the vast deployment of talent and treasure required to build and maintain an arsenal of essentially worthless machines.

There is some possibility that the generally stubborn and dim-witted US political establishment may be grasping this point. The exit from Afghanistan is nearly completed; that from Iraq, and likely therefore Syria, seems to be under discussion. According to General Mark Milley, Chairman of the Joint Chiefs of Staff, even President Trump's bellicose inner circle realized in late 2020 that any window for an effective attack on Iran had closed. It does not appear that the US is about to confront Russia over Crimea or the Donbass. And as for China – the very thought of a war with the world's largest army on Chinese home territory is

beyond absurd. At this juncture, the legitimate and feasible functions of the US military appear to be reduced to the following items: a) anti-piracy patrols; b) humanitarian relief; and c) the Coast Guard. For other countries, the military arts are basically vestigial at this point.

Peace, in the large sense, at global scale, is therefore entirely possible. Or it would be, except for the flow of military contracts and the political consensus that keeps that flow going, irrespective of use or usefulness. But this too is a problem of political economy, and so a worthy challenge for political economists of the generation to come.

The Third Horseman: Climate Change

Famine, these days, wears the costume of Climate Change, or to put it less obliquely, of irreversible runaway global warming, a phenomenon known to science and governments for at least sixty years but withheld, more or less, from the general public until the 1990s – far too late even then to prevent the catastrophes of wildfires, flooding and sea level rise now underway.

Climate change is a comprehensive global threat, but it will likely take its ultimate toll, on most of humanity, in the concrete forms of drought, desertification, salinity, soil depletion, disruption of trade and production, loss of water tables – and an eventual shortage of food. People after all must generally eat every day.

Actual famines will begin in countries with limited agriculture and over-reliance on food imports. For the wealthy countries, awash in subsidized grains, it is a ways off. For the wealthy, its distant harbinger is food price inflation, particularly in the early stages for luxury meats, such as range-fed beef – high quality protein raised on semi-arid and otherwise marginal land. As this process unfolds and extends to the long-distance transport of semi-tropical fruits and vegetables and other drought-sensitive comestibles, the principal impact in wealthy households will be psychological – a sense of loss, embedded in a retreat from a higher standard of living – combined with the vague discomfort

associated with knowledge that all over the world, in less-favored countries, people are hungry and, eventually, starving.

In the poorer countries, food shortages, inflation and eventual famine will foster political upheaval, the collapse of public health, warfare and genocide: all four Horsemen, wrapped into one.

The Fourth Horseman

This brings us to the fourth horseman, Death himself, who comes for us all in due course, and who will, to an accelerated degree as time passes, deploy the vectors of pestilence, war and famine. But there is another vector, death itself, inflicted on friends, family, lovers and one's own person – the routine litany of gunshots, alcohol and, especially, drug overdoses and mental-health disorders that accelerate as decline deepens and hope fades. Thus, in a nutshell, the Apocalypse.

Forestalling the Apocalypse

It is characteristic of approaching apocalyptic moments that they are prophesied more than the prophesies are believed. And even when the prophesies are accepted, the normal human reaction is lethargic rather than vigorous counter-action. Nevertheless, rarely has the world seen such a dramatic contrast between the consequences of action and inaction as in the years of the coronavirus, and perhaps never in human history has an impending global catastrophe been so reliably foreseen as with climate change. So in the spirit of William of Orange – it is not necessary to hope in order to persevere – the political economist may nevertheless set forth a program of action.

War is the feeblest of the four horsemen in present world conditions. It should be the easiest to dismount. Absent significant territorial disputes or major questions about the integrity of frontiers, and given the shift in the balance of forces over to the defense alongside the rise, in Russia and China, of two

historically defense-oriented great powers, it follows that the military incubus on the world economy can, for the most part, in principle, be gotten rid of. This is true in particular of the nuclear forces, which can be cut back if not to zero then to the smallest number required for deterrence – a few dozen, say, in safe storage. Likewise surface ships, jet fighters, long-range bombers, foreign bases – if they disappeared the world would not be less secure. And then the talent, material resources and organizational abilities currently absorbed by the military could be redeployed on other problems.

Pestilence, too – we have learned – is manageable. We have seen what is possible in recent months. Basic shoe-leather epidemiology works – social distancing, quarantines, isolation of the sick – if mobilized early and applied consistently with full resources and the cooperation of the people. The task here is the construction and reconstruction of societies capable of fast, effective action, equipped with productive resources and reserve capacity adequate to emergencies on the scale we have just seen. Vaccines – we have seen – are feasible and they work. The task is to develop productive processes that can generate as well as distribute widely and quickly, irrespective of the ability to pay. The wealthy countries have solved the technical problem; the rest is political economy, though it is far from easy and may indeed prove less tractable than the science itself.

Famine, which is to say global warming, is a far more dangerous problem, though the worst remains some decades off. It is dangerous in part precisely because action is needed now, with effort and sacrifices required, to avert horrors that will befall the next two generations and beyond. Three broad strategies are called for: decarbonization, mitigation and adaptation.

Decarbonization is an engineering challenge – that of building and maintaining an energy system far less reliant on fossil fuels. For the electric grid, this means scaling up renewables – solar and wind – and developing safer and more sustainable nuclear power. From a resource-management perspective, this means diverting fossil fuels from inessential uses in the medium terms toward the construction and reconstruction project. The most obvious of the

inessential consumers is the military. But the world has learned that it can make do with far less air travel, less daily commuting, and fewer high-rise office buildings. The information-carrying capacity of fiber-optics is vast and the economies of work-from-home are substantial. Still, as a matter of resource physics the transition out of fossil fuels will require more to be used in the short run to build systems so that less will be needed later on.

Beyond the engineering challenge is an economic problem: as renewable supplies increase, prices fall and the economics of the transition become difficult for private, profit-making enterprises. This is not a new problem; it exists for municipal waterworks and, apart from monopoly pricing power, for entities like Facebook, Google or Amazon, as well as for newspapers and other information media in the electronic age. The remedy is socialization – not merely of the costs but also of the benefits. What is necessary but cannot be done for profit by the private sector should be taken up by the public and not-for-profit spheres. The unification of the electric grid into one planned entity, duly investing in generation, storage, distribution and duly allocating the final product. Here the same issues of fair allocation arise as for vaccines, public health clinics and other matters of basic necessity. Again, this is a problem for the political economists of this generation and the next.

Mitigation and adaptation are closely related, long-term challenges. They include protecting what can be protected from sea level rise, and relocating what cannot be protected, this time in towns and cities of human scale, minimal energy waste and constructed to accommodate, so far as possible, the climate of the centuries ahead. Obviously, this too means dipping once again into the fossil fuel reserve – concrete and steel require and emit carbon. There is no magical exit from a calamity that humanity has been preparing for itself over three hundred years.

With the long-term project in view, how best to organize social relations so as to achieve it? Here the pandemic teaches that in wealthy societies the expedient of writing checks – to taxpayers, to the unemployed, to companies – works wonderfully well in warding off disaster in the short run. These are

conventionally termed “stimulus payments” but the phrase is a misnomer; in the real world they serve first to maintain previously essential living standards – food, fuel, rent – and second as a boost to savings, hence as a form of insurance against the economic hazards still ahead.

For most adults of working age, money alone is not a satisfactory permanent solution. Human beings need something to do. A leisure class has existed since the dawn of agriculture and the appearance of the appropriable surplus, but the social consequences of the existence of this class – predatory, parasitical, competitive, self-absorbed – is at best a mixed blessing. As technology reduces the demand for office workers and retail clerks, a decent pension is a reasonable offset for those who have already put in their time and reached a certain age. It is not a good solution for the young and restless.

What then is the way forward? There is plenty to do. There are people to do it. The task is to bring them together, under good leadership and effective organization. The pandemic has also proved that there is no financial constraint *per se* – money is merely a claim, which can be created and allocted at will by a sovereign government. The resulting claims show up as household saving, which can be drawn down over time and future production to deliver the goods (and services) at (reasonably) stable prices, supply conditions permitting. By the same token – so to speak – there is no economic reason why a job cannot be guaranteed, for everyone who wants one, at a decent but not extravagant real wage.[1] Doing so has the added virtue of setting pay and labor standards that private employers must meet, or lose their workers. It is true that some employers rely on having a strong upper hand over their workers, but it is entirely possible to grow and condition a new breed who will adapt. The mid-twentieth century saw precisely this development, and for the most part got along quite well with it.

With a job guarantee, a decent pension system, public health care, and stable housing, the advanced societies can forestall the challenge of precarity[2] and give their populations reason to show solidarity in the forthcoming collective effort toward ultimate survival. This is a precondition, surely, for the mobilization

and sustained effort – combined with a certain degree of dislocation and material sacrifice, at best – that the circumstances are going to require.

Still, once War has been dismounted and Pestilence bridled, the physical and human resources no longer consumed by War, along with the social purpose learned by bringing Pestilence to heel, can be deployed against the prospect of Famine, with a better chance of success than would otherwise be the case. In this way Famine can perhaps be deferred and limited, if not tamed and altogether prevented. This is not a matter for false hopes, for delusions. It is not a matter to be left to markets, taxes, or permits. It is a matter for resolve, planning, organization, democratic mobilization, solidarity and common purpose. And these, perhaps, are the best tools against that fourth horseman, whose other name is Despair.

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James K. Galbraith holds the Lloyd M. Bentsen jr. Chair in Government-Business Relations at The LBJ School of Public Affairs, The University of Texas at Austin, and is a Trustee of Economists for Peace and Security (www.epsusa.org).