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# Disaster Capitalism in the Age of COVID-19

By Wanjala S. Nasong'o



The current COVID-19 pandemic, originating in Wuhan, China, is just one in a series of pandemics that have characterised the epidemiological history of humanity over the centuries. Among the most notable pandemics in the modern world are the HIV/AIDS pandemic that peaked between 2005 and 2012 period, and which is estimated to have killed 36 million people so far; the 1968 influenza pandemic that killed one million people; the Asian influenza of 1956-58 that killed two million; the cholera pandemic of 1910-11 that killed 800,000; and the 1918-20 influenza pandemic (also known as the Spanish flu) that affected more than one-third of the world and decimated an estimated 20–50 million people.

Perhaps the Bubonic plague, also known as Black Death, remains the most devastating pandemic recorded in world history. Originating in China, it is said to have struck in Europe in 1347 and, in four years, it killed 200 million people. It is the Bubonic plague that led to the coining of the word and practice of quarantine. With knowledge that the plague was contracted through proximity to carriers, authorities in Venice, Italy, began holding newly arrived sailors in isolation on their own ships until they could prove that they were not sick. Initially, they were held for 30 days - trentino in Venetian law - then, over time, this was increased to 40 days - quarantino - and thus quarantine was born.

Whereas the Bubonic plague was caused by a bacterium, *Yersinia pestis*, COVID-19 is caused by a virus, *coronavirus*. There, however, is a parallel in the manner in which the two pandemics spread.

The Bubonic plague was spread by maritime transport - by commercial ships sailing from one continental port to another. Similarly, coronavirus has apparently been spread across continents and countries by air travel. It is remarkable, for instance, that the most affected areas in the United States are big hubs of the international aviation industry. These include New York City, Seattle, Los Angeles, Detroit, Chicago, and Miami, among others.

Overall, the most devastating pandemics in human history have been the Bubonic plague, cholera, influenza, and smallpox. Smallpox was endemic to Europe, Asia, and Arabia for centuries and it killed one-third of those infected. It was spread to the Americas by European settlers and, without immunity to the new disease, the natives of these places were killed in the tens of millions.

Fortunately, smallpox was the first viral pandemic to be ended by a vaccine. The World Health Organization (WHO) declared in 1980 that smallpox had been eradicated from the face of the earth. The Ebola virus, which struck the three West African countries of Guinea, Liberia, and Sierra Leone in 2014, killed thousands. However, it was regionally confined mainly to the three West African countries and was thus considered an epidemic rather than a pandemic. By mid-April 2020, the coronavirus had killed more than 120,000 people, the majority of them in the Global North.

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One major impact of the COVID-19 pandemic is its demonstration of the extent to which the contemporary world has become interconnected. The idea that our world has become a global village is no longer hyperbole. Emanating from Wuhan, the sprawling capital city of Central China's Hubei Province, in November 2019, the coronavirus spread by air travel to all corners of the world within no time. It has affected both the lowly and the mighty, from the ordinary citizens of this world to the most powerful political actors, such as the British Prime Minister, Boris Johnson, Prince Charles, US Senator Randy Paul, Prince Albert II of Monaco, Australian Minister of Home Affairs, Peter Dutton, French Minister of Culture, Franck Riester, as well as Sophie Grégoire Trudeau, the wife of the Canadian Prime Minister Justin Trudeau. At the beginning of the second week of April 2020, the top ten most affected countries in terms of sheer numbers of the infected and deaths as a percentage of the infected are as listed in the Table below.

### Top Ten Coronavirus Infected Countries as of April 9, 2020

Sheer Numbers of Infections				Deaths from Infection		
	Country	Total Infections	% of Total Global Infections	Country	Total Deaths	% of Total Country Infections
1	USA	422,800	24.81%	UK	7,907	13.02%
2	Spain	146,690	10.81%	Italy	17,669	12.69%
3	Italy	139,422	11.01%	Netherlands	2,248	10.93%
4	Germany	111,779	8.37%	Spain	14, 673	10.00%
5	China	81,802	7.50%	France	10,869	9.62%
6	France	112,950	5.91%	Belgium	2,240	9.57%
7	Iran	64,586	4.88%	Iran	3,993	6.18%
8	UK	60,733	3.50%	China	3,333	4.07%
9	Turkey	38,226	1.92%	USA	14,473	3.42%
10	Belgium	23,403	1.80%	Germany	2,196	1.96%
	<b>World Total</b>	<b>1,501,094</b>	<b>--</b>	<b>World Total</b>	<b>87,830</b>	<b>--</b>

Source: Compiled from [Worldometers, 2020](#)

Second, the COVID-19 pandemic has laid bare the level of preparedness of governments around the world to deal with such a pandemic. Among the top ten listed countries in the Table above, it is evident that Germany has done very well in managing the pandemic. Ranking 4<sup>th</sup> in terms of number infected, it drops to 10<sup>th</sup> in terms of number of deaths as a proportion of the infected, at under 2%. The UK appears to be doing the worst, ranking 8<sup>th</sup> in terms of number of infected, but first in terms of deaths as a percentage of the infected, at 13%. The Netherlands has also done poorly, ranking 12<sup>th</sup> (not among the top ten) in number of infected persons; it ranks third in terms of percentage of deaths, at 11%. In terms of sheer numbers, Italy has the highest number of COVID-19 deaths, at 17,907, constituting 12.69% of the country's infected population, ranking second to the UK. Arguably, there are great lessons to be learnt from how Germany and South Korea have handled the COVID-19 pandemic. South Korea, one of the first countries to be hit hard by the pandemic, quickly flattened the infection and death curves and is no longer among the top most affected countries globally.

Third, the COVID-19 pandemic demonstrated the tragi-comedy of the American presidency under Donald Trump. When the media started reporting on the emerging pandemic, Trump, as self-absorbed as ever, never took it seriously. Instead, with the help of his favorite conservative media house, Fox News, he dismissed talk of a coronavirus pandemic as "a hoax", as another attempt by the Democrats to "impeach" him. At one moment the president remarked that the virus would simply disappear one day! He was more concerned with the impact of the coronavirus on his chances for re-election and thus sought to wish it away. Asked by journalist Yamiche Alcindor why the US's testing for the coronavirus was far behind other countries in per capita terms, Trump's response demonstrated that he does not even understand what "per capita" means! The initial response of the Trump administration was thus one of mismanagement, scapegoating, and missed opportunities. No wonder the country swiftly shot to the top of the infection table within no time. Unfortunately, this approach was replicated in Kenya where the government continued to allow flights to land in the country, including one carrying 236 passengers from China, the origin of the coronavirus, with a simple advice to arriving passengers to "self-quarantine"

Fourth, the COVID-19 pandemic has facilitated Cuba to stage a kind of diplomatic coup against the US. Cuba has one of the highest numbers of medical professionals in the world: 90,000 in a country of 11 million. Of these, 37,000 are deployed in countries around the world, some on medical aid missions, but most on official contracts with recipient countries paying Cuba directly. It is estimated that Cuba makes \$6 billion annually from the export of medical and other public services. Whereas Cuba and the US reached some rapprochement during the Obama administration, with the two cooperating to help fight the Ebola epidemic in 2014, the Trump administration has, for two years, focused on obliterating Cuba's deployment of medical personnel abroad, a great source of soft power for Cuba. Arguing that the medical professionals are exploited workers and agents of Communist indoctrination, the Trump administration scored victories when Bolivia, Brazil, and Ecuador cancelled contracts of thousands of Cuban medical professionals following the electoral defeat in the three countries of leftist governments allied with Havana by rightist ones closely allied with Washington.

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With the COVID-19 pandemic hitting hard, however, the fortunes of Cuba's medical diplomacy have received a shot in the arm. In the midst of the crisis, Cuba deployed 593 doctors to 14 countries including Andorra, Belize, Dominica, Italy, Jamaica, and Nicaragua. In hard hit Crema City in the

northern Lombardy region of Italy, 52 Cuban doctors and nurses set up a field hospital with 32 beds equipped with oxygen and 3 ICU beds to help manage the pandemic in one of the most overwhelmed areas of the country. In response to continued US discouragement of countries from contracting Cuban medical workers even amid the current pandemic, Andorran Foreign Minister, María Ubach is [quoted](#) as saying, “I am aware of the position of the United States, but we are a sovereign country and we can choose the partners with which we are going to have cooperation,” a profound testimony to the changing fortunes of Cuban medical diplomacy. Indeed, Cuban state officials have been proudly posting videos of Cuban doctors receiving standing ovations as they arrive abroad to begin work, and have been blasting the Trump administration for its criticisms. Josefina Vidal, Cuba’s ambassador to Canada, tweeted: “Shame on you. Instead of attacking Cuba and its committed doctors, you should be caring about the thousands of sick Americans who are suffering due to the scandalous neglect of your government and the inability of your failed health system to care for them.”

Fifth, and perhaps most poignantly, the COVID-19 pandemic has created lucrative opportunities for what celebrated Canadian author, Naomi Klein, calls “disaster capitalism”. This is an extreme form of capitalism created in the immediate aftermath of a disaster, whether a natural one like an earthquake, volcanic eruption, or hurricane, or a man-made one like a war, a financial crisis, or a terrorist attack. Klein notes, in her seminal book, [Shock Doctrine: The Rise of Disaster Capitalism](#), that many governments employ the brutal tactic of using the public’s disorientation during a collective shock from disaster to enact radical pro-corporate measures that would otherwise be impossible to pass through. These include: (1) privatisation of public property; (2) arbitrary elimination of laws, clinically dubbed “deregulation”; and (3) slashing democratically chosen programmes that help ordinary citizens, euphemistically called “austerity measures”.

This strategy, according to Klein, has been a silent partner to the imposition of neoliberalism for more than 40 years. Its application follows a clear pattern: wait for a crisis, or help foment one through identity conflicts and coup-making; declare a moment of what is sometimes called “extraordinary politics”; suspend some or all democratic norms; and then ram the corporate wish-list through as quickly as possible. Any tumultuous situation, Klein avers, if framed with sufficient hysteria by political leaders, could serve this softening-up function. It could be an event as radical as a military coup, but the economic shock of a market or budget crisis would also do the trick. Political and economic elites are acutely aware that moments of crisis constitute their best opportunity to push through their wish-list of unpopular policies that further polarise wealth by making the wealthy wealthier and the poor poorer.

For instance, the 2007-2008 financial crisis facilitated the US political and economic elite to sell a panicked population on the necessity for attacks on social protections and for an enormous bailout to prop up the financial private sector. Cheques worth billions of public dollars were made out to private financial institutions with arguments that failure to do so would lead to an economic apocalypse! No one was interested in questioning the role of the very institutions in causing the economic crisis through their greed and predatory lending, nor in questioning where the billions they made in annual profits were.

Similarly, one major response to the impact of the COVID-19 pandemic in the US has been the passing of a two-trillion-dollar stimulus package. The planned parceling out of this stimulus package is testimony to how corporations always benefit from such crises. Of the two trillion dollars, ordinary Americans, hundreds of millions of them, are set to receive a slice of only 30%; public services will receive 9%; state and local governments 17%; so-called small businesses will receive 19% while the few big corporations are set to get 25% of the pie - a whopping half a trillion dollars! In other words, 46% of the \$2 trillion will go to private capitalist interests. Indeed, as [The Wall Street Journal](#) reports, the coronavirus stimulus package has fueled a boom for lobbyists as companies jostle to

secure the biggest possible slice of the \$2 trillion package for themselves.

Another aspect of the response to the COVID-19 pandemic has been closure of schools and recourse to online and remote teaching and learning. Clearly, therefore, the crisis wrought by the pandemic is turning out to be a boon for the providers of the internet tools needed for cyber-education, all of which are poised to make unprecedented profits. These include providers of “free” education apps, like Google, who end up reaping massive harvests of data that are critical to their advertising and marketing strategies. As Kline opines, this doesn’t mean that some of their solutions aren’t good; it means that they have to be watched carefully, and school authorities should be asking questions bearing in mind that they are not talking to philanthropists who just want to help out, but companies that are responding to a chance to profit from disaster. Indeed, it would not be surprising, she observes, if some virtual schooling businesses don’t see pandemic-related school closings as a chance to take over portions of the education sector permanently, whether they can actually provide quality education or not.

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The idea of disaster capitalism has become the modus operandi of capitalism in our contemporary world. All manner of crises, both natural and man-made, are turned into lucrative money-making opportunities for corporate interests and an opportunity for political elites to implement otherwise unpopular policies that serve the special interests of capital. A number of other cases, including the September 2001 terrorist attacks and Hurricane Katrina in the US, the 2010 earthquake in Haiti, and the perpetual crisis of civil war in the Congo suffice to illustrate this.

### **9/11, Katrina, and disaster capitalism**

Steve Fraser [writes](#) that the reconstruction programmes that followed the 9/11 terrorist attacks and Hurricane Katrina were skewed heavily in favour of the business community and the rich. In both New York and New Orleans, sites of the man-made and natural disasters, respectively, big business controlled the redevelopment process, and ipso facto, where the money landed and where it didn’t. Tax breaks and private sector subsidies became channels for federal aid. “Public benefit” standards, which once accompanied federal grants and tax exemptions to ensure that projects served some public purpose, especially to “benefit persons of low and moderate income”, were eliminated, leaving poorer people out in the cold, while exacerbating existing inequalities. Both federal, state, and city governments scurried around to invent ways to auction off reconstruction projects to private interests by issuing tax exempt “Private Activity Bonds”. These were soon gloriously renamed “Liberty Bonds”, though, as Fraser notes, the unasked question was: Whose liberty?

The lion’s share of government grants and exemptions went to the biggest corporations. In New York, more than 40% of all bonds amounting to \$2.4 billion, went to a single developer, Larry Silverstein. Second to Silverstein was Goldman Sachs. Yet these institutions and their inhabitants represented at best a mere 15% of those affected, most of whom were low-wage workers who, in some cases, ended up getting evicted from their homes, thanks to those business-oriented tax breaks. “Federal aid, hypothetically tied to building affordable housing and the creation of living-wage jobs ended up as just that: hypothetical,” Fraser writes.

When Hurricane Katrina hit America’s Gulf Coast in 2005, it wrought major devastation in terms of human and property loss as well as economic cost. To the surprise of many around the world,

Katrina also laid bare America's shocking poverty. Most people in Mississippi and New Orleans who stayed put in the wake of the hurricane did so not out of choice but because they were too poor to leave. According to figures from the 2000 US census, close to 40% of the New Orleans population lived in poverty, with 27% having no access to a vehicle. Yet in the aftermath of the hurricane, disaster capitalists were the chief beneficiaries of the reconstruction efforts, not the poor victims of the horrific disaster.

Following Katrina, real estate mogul [Joseph Canizaro](#) said, in classic disaster capitalist attitude, that the clearing out caused by Katrina represented some "very big opportunities". A Republican representative from Baton Rouge said, "We finally cleaned up public housing in New Orleans. We couldn't do it, but God did." In this event, as [Rachel Riederer](#) writes, "cronies of the Bush administration profited from post-Katrina reconstruction," with Halliburton subsidiary KBR paying out tens of millions of dollars for no-bid contracts. Public schools and public housing were swept away in the redevelopment. Now, more than one third of tenants in New Orleans pay more than half of their monthly income in rent and the city now has more than 100,000 fewer African American residents whose annual incomes are 54% lower than those of their Caucasian counterparts. The largely privatised school system has achieved many of its test-score gains, leading to former Education Secretary Arne Duncan to famously quip that Hurricane Katrina was the "best thing" to happen to education in New Orleans. Notably this turned out to mean that the disaster swept aside the public school system and opened up opportunities for private operators to move in. These have achieved test-scores by excluding the city's most disadvantaged students. It is on account of this that John Mutter notes that Katrina put the disaster in disaster capitalism.

### **The earthquake in Haiti**

In his aptly titled book, [Disaster Profiteers: How Natural Disasters Make the Rich Richer and the Poor even Poorer](#), John Mutter points out that, though we think of earthquakes, cyclones, floods and the like as "natural" disasters, the pattern and level of destruction they inflict are socially determined. Existing inequalities of housing, of land quality, or information asymmetry, are only part of the story. Natural disasters, Mutter shows, often make inequality worse, but that process is no accident of nature. In the 2010 earthquake in Haiti, Mutter observes, "destruction was indiscriminate; the homes of the rich and the homes of the poor were all targets." But the homes of the poor were poorly constructed and much more vulnerable. Though the quake itself—what Mutter calls "the natural part of the disaster"—affected rich and poor alike, the relief process was not so even-handed. In a society already starkly divided by class, the elites were able to pay for private medical and rebuilding services, while the poor were relegated to crowded, dangerous tent cities.

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Within the context of the shock and crisis following the earthquake, the Haitian government was compelled to enact a legislation in April 2010 that created the Interim Haiti Reconstruction Commission (IHRC) to oversee post-earthquake reconstruction. The IHRC was empowered to do whatever it wanted, including approving policies, projects, and budgeting. The IHRC's 26 board members were elected by no one and were accountable to no one. Half of them were foreign, including representatives of other governments, multilateral financial institutions, and non-governmental organisations. An international development consultant contracted by the IHRC, speaking with the Haiti Support Group's Deepa Panchang and Beverly Bell, noted; "Look, you have

to realize the IHRC was not intended to work as a structure or entity for Haiti or Haitians. It was simply designed as a vehicle for donors to funnel multinationals' and NGOs' project contracts."

What followed the flood of donations that poured into Haiti following the earthquake was a classic case of disaster capitalism. John Mutter writes that the donations were "viewed as manna from heaven by the unscrupulous, a chance for new profit". Citing a report from the Center for Economic Policy and Research, Mutter shows that of the nearly 1,500 contracts awarded as part of the Haitian relief project, only 23 went to Haitian companies, constituting a paltry 2.5% of the \$195 million. Much of the rest went to US contractors based in and around Washington DC, often through no-bid contracts. In other words, to these US companies, the natural disaster in Haiti was simply an opportunity to make a killing.

### **Disaster capitalism and instability in the DRC**

In Africa, nothing illustrates the case of disaster capitalism than the perpetual crisis of conflict in the Democratic Republic of Congo (DRC). The DRC is endowed with a rich and diverse natural resource base that is of vital significance to the global technological and electronic industry. Among these are gold, wolframite, coltan (columbite tantalite), and cassiterite, all of whose uses in the electronic and technological products make them precious and much sought-after commodities. Gold is highly conductive and resistant to corrosion and is thus used to make connectors, soldered joints, and connection wires, in addition to jewelry. Wolframite is the source of tungsten, an element that is used in applications like turning tools and milling, electronic devices including the vibration function in cellphones, cemented carbides, electrical, heating, and welding applications. Coltan is a metal ore from which the element tantalum is extracted and used to make high quality capacitors for applications requiring high performance, compact format, and high reliability. These include hearing aids, pacemakers, airbags, GPS systems, laptops, cellphones, videogame consoles, as well as video and digital cameras. Cassiterite is a metal ore from which tin is made and is used for producing cans, solder for electronic circuit boards, and plumbing.

The perpetual crisis of instability in the DRC is thus a kind of organised chaos that serves the vested interests of many actors at the local, national, regional, and international levels. Eastern Congo's mines are controlled by militias and rebel groups that use profits from these minerals to perpetuate the DRC conflict. The conflict is estimated to have claimed more than 5 million lives since 1998, while trade in the minerals has continued apace with regular flights in and out of North Kivu's Walikale in the conflict zone. Whereas miners make between one and five dollars a day working for either an armed group or someone who pays an armed group, the militias rake in millions of dollars. It is estimated that in 2009, militias made USD180 million while final dealers at the end of the chain made up to 50 times this amount.

According to British-based Global Witness's 2009 report, the national Congolese army (FARDC) and rebel groups (especially FDLR - Democratic Forces for the Liberation of Rwanda), regularly cooperate with each other in Eastern DRC, carve up territory between themselves, and systematically use forced labour and violent extortion in mining areas. The conflict minerals then go through various middlemen from DRC through Burundi and Rwanda to East Asia where they are processed into valuable metals needed for electronic and other industrial products by companies such as Thailand Smelting and Refining Corporation (THAISARCO), the world's fifth largest tin producing company. Incidentally, THAISARCO is owned by the British giant, Amalgamated Metal Corporation.

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Global Witness, an international NGO that campaigns to break the chain-link between natural resources and armed conflict, established in 2008 that the British-based Afrimex company was dealing in conflict minerals from the DRC. In its own investigation, the British government [verified](#) this finding that Afrimex was buying minerals from suppliers who made payments to rebel groups, a practice that was in breach of OECD international guidelines. Despite this finding, however, no concrete measures were taken by the government against Afrimex, not even a slap on the wrist. Other companies mentioned by Global Witness as partakers of trade in conflict minerals include Trademet and Traxys, both from Belgium, American electronic tech companies Dell, Hewlett-Packard, and Motorola, as well as Finnish telecom, infotech and electronics company Nokia. In their 2009 report, Global Witness concluded that the failure of governments to hold companies accountable, the failure of Rwanda and Burundi to restrict trade across their borders, and the failure of donors and diplomats to explicitly address the conflict minerals trade, have all contributed to the continuation of the endless DRC conflict.

Indeed, an effort to legislatively rein in the activities of American companies that profit from conflict minerals in 2009 came a cropper. In April 2009, Republican Senator Sam Brownback of Kansas introduced the [Congo Conflict Minerals Act](#) to require electronics companies to verify and disclose their sources of cassiterite, wolframite, and tantalum. The proposed legislation died in committee stage, perhaps a testimony to the lobbying power of the targeted companies that profit from the crisis of instability in the DRC.

## **Conclusion**

Overall, the United States has perfected the practice of creating crises ostensibly to serve the interests of its capitalist class. These include waging unnecessary wars, engineering coups and regime change, and fomenting intra-state conflicts. The main beneficiaries of such adventures include military defence contractors, private security contractors, and energy and natural resource companies - a phenomenon that has come to be referred to as the military industrial complex. No wonder American elections are an exorbitantly expensive affair in which special interests finance politicians' campaigns and, once in office, the politicians execute legislative agendas in the service of the said special interests. It is on account of this that investigative journalist Greg Palast describes the American system as [the best democracy money can buy](#) in a book of the same title and subtitled *A Tale of Billionaires and Bandit Ballots*.

At the end of the day, in the event of a disaster, whether natural or man-made, pandemic or war, hurricane or earthquake, flooding or volcanic eruption, whereas there are many that get killed, there are always a few that make a killing. This is the essence of disaster capitalism.

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