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**Virus challenges**

At a dinner party in mid-February, an architect told me that he was having a problem finishing his building projects. It was the carpets.

It might seem ridiculous to expect that a pathogen, even one that spreads at the rate of a pandemic, could reverse an economic trajectory that's more than a century in the making. But the coronavirus outbreak coincides with attacks on economic globalization from many different quarters.

Most wall-to-wall carpeting for big construction projects in the United States, he explained, comes from China. The coronavirus outbreak in Wuhan – and the subsequent shutdown of many Chinese factories – was having a ripple effect across the global economy all the way down to the carpeting in US buildings.

The global spread of a new pathogen has exposed the fragility of modern life. As it moves around the world, the coronavirus has compromised the circulatory system of globalization, dramatically reducing the international flow of money, goods, and people. The disease has done so rather economically, by infecting fewer than 100,000 people so far. Extrapolation and fear have done most of the work for it.

In the world of things, the coronavirus has infected the global supply chains that connect manufacturers and consumers. Port traffic in Los Angeles, the largest US port, declined by 25 percent in February. Container traffic in general was down over 10 percent last month.

Manufacturers that depend on the sourcing of components in far-off countries had already been rethinking their participation in the global assembly line because of tariffs, the costs of transport, and increased automation. This "reshoring" will get a boost from the disruptions of the coronavirus.

People, too, are not moving around as much. Airline service in and out of emerging hot spots – South Korea, Italy – has been cancelled. Airline ticket sales last week were down 10 percent over the same period last year. The cruise industry, after outbreaks on a couple big ships, has taken a major hit.

After blithely ignoring the coronavirus outbreak in China for most of February, markets took a major dive in the final week of the month. The stock market lost $6 trillion in value last week, its worst showing since the financial crisis of a decade ago. This is testament to both the persistence of the disease and the incompetence of certain national leaders, notably Donald Trump. Despite the intervention of the Federal Reserve and other central banks, market volatility continues.

Environmentalists, for instance, have long been skeptical of unrestrained global economic growth. The threat of climate change has sharpened that critique and placed it squarely in the middle of mainstream debate.

Meanwhile, worsening economic inequality has called into question the capacity of economic globalization to lift all boats in a rising tide. Even the IMF has acknowledged the pernicious impact of this inequality (but without engaging in the necessary institutional overhaul to address the problem).

Finally, a slowing of global economic integration over the last decade suggests that the world may already have passed peak globalization.

On top of these systemic challenges, a rising political populism has targeted the global economic elite as the enemy of "the people." Donald Trump challenged this elite and their orthodoxy of free trade by imposing tariffs on allies and adversaries alike and by withdrawing US participation in big trade pacts, like the Trans Pacific Partnership.

The trade war he began with China has had perhaps the greatest impact. It has hit both economies hard, with job loss, higher bills for consumers, and lost markets for manufacturers and farmers. The recent agreement between Beijing and Washington notwithstanding, most of the tariffs remain in place.

Meanwhile, the UK finally pulled out of the European Union this year, which was a victory for economic nationalists. Populists elsewhere have railed against what Steve Bannon calls the "Davos class." Neoliberal orthodoxy has given way to pronouncements of America First, Brazil First, and the like.

Such a setback is not necessarily fatal. Globalization has been challenged before by financial crises, pandemics like the Hong Kong Flu, even the specter of Y2K.

This time around, however, the failure of the global community to establish new rules of the road for the economy, the environment, and healthcare is creating a perfect storm of international disfunction. If something with a relatively low mortality rate like the coronavirus – between one percent and four percent, compared to 50 percent for Ebola – can do such a number on the global economy, perhaps the patient was already suffering from some pretty dire underlying conditions.

When people travel, they bring all sorts of luggage, including pathogens.

Thus was the great era of exploration also the dismal era of genocide. Explorers to the New World brought a panoply of diseases like smallpox and measles that were new to the indigenous communities. The colonial invaders subjected the Americas to war and slavery. But it was those diseases that were largely responsible for a catastrophic reduction in populations up and down the Americas. As many as 56 million people, or 10 percent of the world population at the time, died by the beginning of the 1600s. The mortality rate for the indigenous communities was an astonishing 90 percent.

In exchange, the explorers returned to their native countries with syphilis, a horrible disease to be sure, but it didn’t radically depopulate Europe.

Pandemics are closely associated with the movement of traders and soldiers. Roman soldiers returning from Mesopotamia were responsible for the plague that ravaged the empire in the second century AD, one of several pandemics that helped end Rome's global dominance. The bubonic plague of the fourteenth century began in China and reached Europe via merchant ships carrying flea-infested rats. In the modern era, soldiers returning home from fighting in World War I spread the Spanish flu, killing up to 50 million people.

Excerpted from: 'Will the Coronavirus Kill Globalization?'.

Courtesy: Commondreams.org