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**A. Tooze**, *Shutdown: How Covid Shook the World's Economy*, New York, Viking, 2021.

The Covid-19 pandemic is unquestionably a major turning point in world affairs. As observed by Scott Galloway, in the early days of March of 2020 we were living in the world “before;” by the end of the same month, we were living in the world “after”.<sup>1</sup> The chain of events set in motion during the spring of 2020 has had a major disruptive impact on the lives of virtually every human being on the planet. It is very difficult to exaggerate, moreover, the global geopolitical and economic impact of Covid-19. Along with climate change, emerging technologies and artificial intelligence, and the competition between the

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<sup>1</sup> S. Galloway, *Post Corona: From Crisis to Opportunity*, Penguin, London, 2020, p. xiv.

United States and China, Ian Bremmer suggests, pandemics stand out as one of the defining challenges of our era.<sup>2</sup>

Looking back at the events of 2020 can be an emotionally charged experience. Analyzing the key developments that marked that fateful year and condensing them into an overarching pattern is a very difficult and yet crucially important challenge for anyone interested in understanding today's world. This is the goal of *Shutdown: How Covid Shook the World's Economy*, Adam Tooze's latest book. Tooze is a professor of history at Columbia University, in New York. A very prolific writer, columnist, and blogger for influential news outlets such as *The Guardian* and *Foreign Policy*, Tooze is the author of a very wide range of critically acclaimed works including *The Wages of Destruction: The Making and Breaking of the Nazi Economy*, and *The Deluge: The Great War and the Remaking of Global Order*. In 2019, his book *Crashed: How a Decade of Financial Crisis Changed the World* – a study of the global ramifications of the 2008 financial crisis – won the Lionel Gelber Prize. As the author notes, *Shutdown* was in large part inspired by the fact that the events of 2020 appeared, from the economic point of view, as a “rerun of *Crashed*”, even though this chronicle of 2020 “is even more contemporary” than his analysis of the 2008 crisis.<sup>3</sup>

*Shutdown* is partly a chronological account of 2020 and partly an analysis of the key themes that characterized the Covid-19 crisis and the global response to the pandemic. The book's structure is similar to *Crashed*: four parts that examine the prelude of the Covid pandemic, the early response to the outbreak of the health emergency, the efforts to deal with the economic challenges created by the lockdowns and other social distancing measures, and the policies intended to bring the pandemic to an end. The economic outlook that defines *Shutdown* also substantially builds upon the analysis and findings of Tooze's previous book.

The global health emergency created by Covid-19 was, according to Tooze, the result of “organized irresponsibility” on the part of global ruling elites. The risks concerning the spread of a highly infectious airborne disease or a globalized Ebola-style emergency had been appraised and predicted by experts and political leaders alike. In this respect, it is interesting to note that even the *American National Security Strategy* published by the Trump administration in 2017 featured a section entitled “Combat Biothreats and Pandemics”.<sup>4</sup> As Tooze observes,

<sup>2</sup> I. Bremmer, *The Power of Crisis: How Three Threats – and Our Response – Will Change the World*, Simon and Schuster, New York, 2022.

<sup>3</sup> Tooze, *Shutdown*, p. 23.

<sup>4</sup> National Security Strategy of the United States of America (Washington DC:

however, governments around the world failed, or lacked the political will, to take the structural measures necessary to prepare an adequate response to those kinds of threats.

China was the epicenter of the Covid-19 outbreak. The Chinese government, however, also led the way in the search for an immediate response to the emergency. By early 2020, for both economic and political reasons, Tooze maintains, Chinese leaders could not afford to let the virus spread on a national level and potentially infect hundreds of millions of people. At the same time, leaders in Beijing were in a position to take coercive measures that would have been considered politically unfeasible by their Western counterparts. This combination of factors resulted in the first lockdown measures, implemented in Wuhan in late January 2020. In spite of the poor management of the early phases of the outbreak, the bold policies adopted in Beijing in January eventually contained the spread of the pandemic at the national level and restored China's global image. In 2020, Tooze points out, China was the only major economy with a positive GDP growth rate. Despite the signals coming from China, Tooze continues, in February governments around the world – particularly in Europe, the United States, and Latin America – failed to grasp the magnitude of the crisis and take swift and effective measures. This crucial month of inaction created the conditions for the global spread of the pandemic. From March onward, as Italy became the first Western country to implement a national lockdown and the extent of the health emergency became clear, the global response to the Covid-19 pandemic resulted in “the sharpest economic recession experienced since World War II”. According to Tooze, the crisis was unique not only quantitatively, but also in qualitative terms – it was a “shutdown”. In addition to the government-imposed lockdowns and social distancing measures, the response to the Covid emergency induced a collective decision to shut entire sectors of the global economy down.

Just like the Great Recession that followed the global financial crisis of 2008, the crisis of 2020 exposed the flaws inherent with the neoliberal doctrines that have dominated the economic consensus since the 1980s. As it was the case in 2008 – and perhaps in an even more evident way – the solution to the economic challenges created by the shutdown could not be found within the neoliberal paradigm. The dream of a complete insulation of the “free market” from political considerations was shattered by the quantitative and qualitative nature of the Covid-19 emergency. The prospect of letting market forces restore an equilibrium

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The White House, 2017), p. 9, <https://trumpwhitehouse.archives.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf>

was politically untenable and turned out to be practically unfeasible. The response to the crisis generated by the pandemic was eventually managed in a top-down and technocratic way. The “unorthodox” and government-led approach that characterized the response to the health emergency and the recovery strategy, however, vindicated the diagnosis and the policies long championed by progressive critics of neoliberalism. Covid pushed governments around the world to take a proactive economic role that had been unthinkable even in the aftermath of the 2008 crisis. In the United States, in March, the Congress – dominated by a Republican majority – passed the CARES Act, a massive economic stimulus bill that was smoothly signed by the Republican administration led by Donald Trump. The CARES Act, Tooze observes, was the product of short-term emergency improvisation and the economic impact of Covid-19; the shutdown tended to favor large corporations – particularly in the IT and pharmaceutical sectors – and to reinforce the income inequality that increasingly characterizes American society. On the other hand, Tooze points out, in many ways the CARES Act represented the first major American experiment with welfare since the 1960s. The response to the economic crisis created by the pandemic was dominated by government forces in the European Union as well. Overall, the European stimulus was significantly smaller than the American one. Politically, however, the recovery plan and “Next Generation EU” marked a major departure from the consensus that had dominated Brussels’s painful and disappointing response to the crisis of the euro area. In 2020, for the first time, the EU adopted an economic strategy based on collective financing and the issuing of EU debt. However modest, such an approach boosted the hopes to revive and deepen the process of European integration after the demoralizing response to the euro-crisis and the Brexit debacle. The economic importance of government was further acknowledged in relation to the key long-term element in the quest for a way out of the shutdown – the vaccine race. Both the rush to develop a vaccine and the effort to immunize entire nations renewed interest in a proactive government role and revived the appeal of “industrial policy” and “picking winners” – concepts that had been anathema for the American and European advocates of the market revolution.

The pandemic also had important political consequences. As already mentioned, Beijing’s successful turnaround in the management of the health emergency boosted China’s image. Many observers began to predict China’s overtake of the US economy sooner than expected. On the other hand, the crisis further exposed the deep divisions that run through the American polity. The tragic and dysfunctional management of the Covid emergency, Tooze argues, cost Donald Trump

the reluctant support he and his administration had enjoyed from the US business community, while the nomination of Joe Biden meant that American elites could look at the Democratic camp and find a reliable alternative. Biden's campaign incorporated many of the demands of the progressive camp, such as calls for a Green New Deal and a massive economic stimulus. His political history and his success against Bernie Sanders, however, made the Democrats appear as the "moderate" option for 2020. The disillusionment of US elites toward Trumpism was confirmed during the January 6, 2021 insurrection, when the mob that tried to seize Capitol Hill and prevent Congress from formalizing the results of the 2020 presidential election failed to generate any sympathy within America's institutions or the corporate world. Trump's political fate, Tooze speculates, would have been quite different had Bernie Sanders been the Democratic nominee or the president-elect. If journalism is "the first rough draft of history," a book like *Shutdown* can be considered as a "second draft." Inevitably, some passages of the book have not aged very well. The positive appraisal of China's management of the crisis, in particular, needs to be qualified. It seems that the very features that allowed China to contain the spread of the pandemic in 2020 – such as the authoritarian nature of the country's institutions and the capability to exercise a very tight control over the population – have become an obstacle for the efforts of the Beijing government to find a sustainable way out of the emergency. On the one hand, despite all the shortcomings that characterized the American management of the outbreak of the pandemic, the global vaccine race was won by the United States.<sup>5</sup> On the other hand, in spite of having domestically-produced vaccines, China turned out to be incapable of overcoming the shutdown, and continued to rely on an inflexible "zero-Covid" policy based on strict lockdowns until the end of 2022, with severe consequences for the Chinese economy. As the government in Beijing abruptly reversed policy and lifted the lockdowns, the country experienced a massive surge in Covid-19 cases.<sup>6</sup> As these lines are written, in early January 2023, China's economic overtake of the US appears much less likely than in 2020.<sup>7</sup> Overall, however, it seems fair to say that Tooze's analysis has stood

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<sup>5</sup> É. Fauquert, "'Under control': soft power et diplomatie sanitaires étatsuniens à l'épreuve du Covid-19", in *Hérodote*, No. 184/185, 2022, pp. 217-233.

<sup>6</sup> "China Covid: How is it tackling the latest surge in cases?", BBC News, January 5, 2023, <https://www.bbc.com/news/63798484>.

<sup>7</sup> R. Sharma, "China's economy will not overtake the US until 2060, if ever", in *Financial Times*, October 24, 2022, <https://www.ft.com/content/cff42bc4-f9e3-4f51-985a-86518934afbe>.

the test of time very well. *Shutdown* is a dense, engaging, and very informative account of the political and economic aspects of the Covid-19 pandemic. Tooze's book offers precious insights on the major shifts generated or accelerated by the pandemic, such as the differentiated and unequal global impact of the crisis, the evolution of central banking, the analogies and differences between the American and European responses, the peculiar strategies adopted by emerging markets, or the contrast between the precarious existence of ordinary people and small businesses and the surging corporate profits during the shutdown. The author's analysis of how the crisis further discredited market fundamentalism and favored the accidental resurgence of "Big Government" is compelling. Tooze's counterfactual concerning a hypothetical victory of Bernie Sanders in the race for the Democratic nomination is personal and somewhat debatable. With that exercise, however, the author of *Shutdown* manages to clarify an important aspect of the current debate on the risk of a "fascist" revival that is often dangerously overlooked – the crucial role that political, economic, and media elites play in determining the success or failure of right-wing, anti-democratic movements such as the one that culminated in the January 6 insurrection. In conclusion, *Shutdown* is a valuable analysis of the economic and geopolitical shifts that characterized 2020 and an essential reading for anyone interested in understanding how the Covid-19 pandemic has affected the evolution of the global economy.

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