

“We should approach this transition as an opportunity”: An interview with Adam Tooze

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The pandemic has rocked the world like no other event in living memory. It has claimed 5.5 million lives and continues to rage globally. With some European countries lifting restrictions, many now wish to put Covid-19 in the rear-view mirror. Adam Tooze's *Shutdown: How Covid Shook the World's Economy* does the opposite, setting out to uncover what happened and how, and analysing the outbreak of the pandemic in 2020 as an epidemiological, socio-economic, and geopolitical event. Senna Maatoug, an MP for GroenLinks in the Netherlands, sat down with the economic historian to discuss his book and how politics in the 21st century can respond to pandemics and the climate crisis.

Senna Maatoug: The outbreak of the pandemic took the world by surprise in early 2020 despite the warnings of experts, near misses in the past such as SARS, and the recurrence of the pandemic trope in Hollywood films. You use Ulrich Beck's term “organised irresponsibility” to characterise this failure to see it coming. Why was the threat so overlooked?

Adam Tooze: Our collective capacity to diagnose problems and predict crises vastly exceeds our capacity to adequately prepare for them. It is not about complete denial. As with climate change, absolute “denialists” make life easy for us, because we can simply shrug at their irrationality or cynicism. The far more pervasive problem is when we know that a problem is a real issue, but persistently act like it is not when it comes down to allocating resources, changing behaviour, and making significant investments. This is the phenomenon that Beck diagnoses as “collective and organised irresponsibility”.

The Omicron variant demonstrates that we are still living with this problem. For the past year, the world has had vaccines that would substantially reduce the risks of the pandemic, yet we are still not engaged in a serious collective effort to minimise those risks. It is an incredibly pervasive and deep-seated characteristic of our societies. And I don't think that this global failure on vaccines can all be put down to the interests of self-serving pharmaceutical companies who won't share their intellectual property, as some of my muck-raking friends would insist. It is a different domain of collective failure, a failure of political imagination.

The fact that Hollywood had made films about pandemics explains part of it. Pandemics had entered the “house of horror” corner rather than the serious conversation about climate change and political economy that serious people were having in January 2020. There was something wrong with how we understood the risks we faced. Even as the news was breaking, everyone was still talking about climate and ignoring the immediate danger.

We cling to the problems which we think we understand. The climate problem is perhaps easier to wrap our heads around because, like capitalism's other problems, its logic is that of traditional political economy. We might not be able to fix it but at least we can grind away. Whereas the pandemic has this weird temporality, where you literally don't know whether or not you should go to a party this week.

It's not by accident that Beck started diagnosing this kind of risk in the 1980s. Are we closer to understanding it? I'm not sure to be honest, but we have to recognise it.

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Reading your book in the middle of the Omicron wave made me reflect on how little we have moved forward in understanding pandemic risk.

I finished writing the book in February or March 2021. When the book came out in September, I wrote an [angry opinion piece](#) in the *New York Times* about the collective failure to grasp and manage an interconnected world. It seemed to me that there was a first burst of excitement about vaccines in spring 2021, and then the world sort of just stopped. Living in New York with a susceptibility, I was one of the first 50 million people vaccinated worldwide last year. It was a weird feeling of being one of the first 50 million out of 7.8 billion. But by September, half of the planet was still nowhere near safety. I mean, how much time should we give ourselves?

I understand that the new Biden administration started with an America in crisis and wanted to deal with that first, I get it. But then nothing happens over the summer either, and we're still not in a better position in many ways. Progress on global vaccination should be a daily indicator to measure the performance of G20 Heads of Government. It would not be an act of altruism, it really is just about stabilising our lives.

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The opening chapters of *Shutdown* (Viking, 2021) relive the first months of the pandemic. In terms of a peacetime intervention in the economy as well as restrictions on daily lives, it is worth underlining just how dramatic it was. Our sense of what was conceivable shifted - how did this happen so quickly?

It wasn't entirely without resistance. The Dutch government was one of the last in Europe to give up the mantra that we should continue business as usual and think that it was still appropriate to lecture Portugal, Spain, and Italy on balanced budgets. But, in the end, what overwhelmed that conservatism and that old moral hazard logic was the sheer pace of the event.

The truly fundamental point is that, adding to the sense of organised irresponsibility, there also seems to be an organised sense of responsibility for the fact that no one in rich countries should die of infectious diseases. Whether it's objectively true or not, that the epidemiological transition has happened in our heads is quite a fundamental fact about the world. Practically every state on Earth recognised that something had to be done in March 2020. You also have to recognise that, when financial markets just stop working, as they did for a short period, you just have to intervene, and intervene on a massive scale.

Once the pandemic was collectively declared a “mega emergency” however, the logic of the response was radically conservative. The US was the leader by a disproportionate margin. Its vast spending was triggered by a sense of acute national crisis. Because, when the chips are down, it turns out that America needs to string its welfare state together on the fly, and that's what they did. It helped that Donald Trump was in the White House so the Republicans were not in the business of blocking everything. If the pandemic had happened with Biden in the White House, we would have seen massive resistance, which underlines that it was a deeply conservative response.

It's very tempting, especially from a progressive standpoint, to celebrate it as an incredible display of sovereignty and the remarkable potency of the public sector, but it wasn't a choice; there was no option. All we wanted to do was to hold everything in place so that we could return to the normality of New Year 2020. The claim that we should all return to where we were before is undeniably legitimate. However, it has also been contested and needs to be contested further as we go forward and think about structural change.

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The Netherlands is an industrial and commercial hub, home to Europe's largest port, Rotterdam, and one of the continent's most densely populated regions. How can the Netherlands begin to reckon with vulnerability, to pandemics as well as climate change, that is built into the very success and prosperity of our society?

If you think about its history of land reclamation, the Netherlands is one gigantic experiment in what's called “second nature”. Human-produced natural environments are the Netherlands' entire game. The culmination of that history and your position at the Rhine estuary means that the Netherlands is one gigantic anthropogenic experiment.

The problem now is that you have very little agency – the Netherlands is a tiny economy relative to the scale of global activity – so you need to adopt a dual strategy of leveraging influence while adapting to climate change. Historically, the Dutch have been absolute masters at using their leverage within the EU. Look at Frans Timmermans as the figurehead of the Green Deal.

The other role for the Netherlands is adaptation. Even greater investments preparing for sea level rises are essential considering your level of exposure. The Netherlands, just like New York where I am, is built where the money was and always is: in the estuaries of big rivers and at the edges of oceans and seas. It leaves you very vulnerable.

The Netherlands can also make itself into a laboratory for solutions for other societies. It can use the affluence and sophistication of its political system and society as a basis to experiment. Find solutions for other places in much less easy circumstances. Absorb the costs of pioneering technology to force everyone down the cost curves. Germany and China are already leading the way here, but even relatively small players like the Netherlands or New York can do so too.

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How would you go about convincing people that the Netherlands should take on such a pioneering role on climate action? Would you go back to the risks that we discussed earlier?

Although the global vaccination campaign makes one pessimistic about the force of economic logic, I still think that we are exaggerating the painful trade-off for rich societies. We should approach this transition as an opportunity rather than a set of difficult choices that we should only embark on because we recognise the true risks. The future of energy and urban systems is low carbon and, hell, we should get a head start. Why are we even still talking in terms of collective action problems and hard trade-offs?

We have rapidly moved to the point where the fundamentalist climate argument is behind the curve. The semi-positive takeaway from COP26 is that the conversation has moved past the climate justice debate (which rich countries were never going to engage in anyway) to focus on decarbonisation as a business proposition. We should try to drive that in the best possible direction we can. That is where players like the Netherlands can have a significant role. The court judgement on Shell in the Netherlands earlier this year is a very significant landmark. Of course, Shell didn't like it and have moved elsewhere, but that kind of jurisprudential intervention, with NGOs and experts working with lawyers to define and enforce the remit of corporate responsibility, is path-breaking.

What do you do when you meet someone that still doesn't get the need to act?

I think you just have to repeat the mantra. You have to be as reasonable and convincing as you possibly can. I identify as a liberal or a left-liberal of sorts. This position is based on a sort of "possibilism", the belief that not all trade-offs are dark, tragic, and terrible - although some no doubt are - as well as the belief that some combination of good faith, discourse, and debate can move us towards more collectively rational solutions.

As far as rich countries are concerned, the transition is ultimately a political problem not a

matter of resource constraints. It's the biggest political problem that we have collectively faced. The social question posed similar problems and you can hardly say we solved that. The partial solution we did find was growth, which won't work in this case.

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The European Union is an institution dedicated to collective action. The EU's fiscal and monetary policies broke with the previous orthodoxy to face the pandemic, notably with the recovery fund and lifting EU spending rules. Are you worried about a return to hawkish austerity policies?

The NextGenEU programme is the big institutional and political innovation but it wasn't the decisive policy response to the crisis. While it did change the moods in the markets towards Europe, it was small, late, and they're only just beginning to speed up the disbursement of funds. The main driver was the fiscal response at the national level and that was enabled by lifting the Stability and Growth Pact. In its own innovative and low-key way, the European Central Bank's willingness just to buy everyone's bonds was also crucial. Those three responses made for Europe's success, and all three are up for negotiation in 2022.

The hard bargaining is going to be about the Stability and Growth Pact and the role of the European Central Bank. Joe Stiglitz and I were very vocal about this question in the course of the German coalition negotiations. It is very delicate. It depends on key ministers in key governments, and it's all to be played for.

My strong preference would be to postpone any serious discussions about the EU's fiscal framework. In 2022, there will be a coalition of people that think that they need to create rules once more but there is no way that Europe is going find agreement about structures and rules. Trying to do so would quite likely trigger some crisis or renewed panic about Italian debt that no one wants to deal with. Sometimes, you need people to take an issue and just dissolve it, turn it into nothing at all. It's something that I appreciate about Olaf Scholz. He's a man who knows how to bury an issue.

Punting an issue that should be a non-issue into the deep grass is exactly how a sophisticated polity should behave. Greek or Italian finances aren't the climate and they certainly aren't the pandemic. If they are our problem in 2060, then things have gone really well.

A new Dutch government was sworn in last December, led by Mark Rutte once again. What's your 30-second Eurozone advice for them?

Gracefully accept deferral and compromise. We know you don't like it, everyone knows you don't like it, but think about the macroeconomics and politics of the Eurozone and what kind of EU you want. Then think about how precariously balanced Italian politics is right now. Don't go, "I'm a national politician, all I do is represent the interests of Dutch voters."

The Dutch are easily capable of seeing the bigger picture. Ask them to be grown up and to face globalisation, and face the implications of actually being in the Eurozone, as people who care about the future of the Netherlands and its freedom of action. Because it's only through pooling resources that you gain agency, and that comes at the price of compromise.

Many elections since the pandemic have been won by centrist safe pairs of hands: Joe Biden, Olaf Scholz, Mark Rutte. Meanwhile, much of the Left is weak and much of the Right has radicalised around vaccines and lockdowns. Where do you see pandemic politics headed?

Speaking from an American point of view, the political situation is extraordinarily precarious right now. We're not talking about civil war, but we are talking about a retreat to a non-majoritarian type of democracy. A retreat to a 1950s' situation with a new Jim Crow and a de facto southern block with a political lineage that can be traced directly back to the civil war is distinctly imaginable.

A common political effect of the pandemic has been that the Right has self-marginalised. But how that is incorporated into party politics depends on national constitutions. Italy is the most extraordinary risk. The Fratelli d'Italia and the Lega are polling in the mid-40s between them. The Fratelli are people with a heritage; they don't mince their words. In Germany, the Alternative für Deutschland (AfD) is digging in as the party of disgruntled voters in the east, but they are no longer the vivid threat that we imagined them to be. In Germany as in America, the course of events depends on where the centre-right moves.

The general takeaway is precarity. A couple of 10,000 votes in the suburbs of Atlanta, Georgia will determine whether or not America has a climate policy. Any talk about being in an age of technocratic government where things run on rails is silly; our world is one of haphazard, vastly unstable shifting coalitions.

The biggest player in the global system - the US - is one of, if not the most, precarious. It's difficult to take in but the US command chain for the nuclear deterrent sort of broke down in January 2021. It didn't fully break down, but senior American soldiers were sufficiently concerned that they contacted their Chinese counterparts to let them know that, if they were going to launch a strike, they would let them know ahead of time. It was a real "stop the clocks" moment. And yet we carry on pretending that everything is ok and that America is back.

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depends on where the centre-right moves.*

In the Netherlands, attention has returned to our national problems. There is a lack of curiosity and perhaps just a wish to move on from 2020 and Covid-19. In writing this book, as well as the countless articles and podcast episodes you produce, you have been engaging in a running reflection on the pandemic. You've consciously avoided glossing over or seeking distraction from what is happening. What have you learnt?

I don't want to be presumptuous or lecture, but I do think that the struggle we all face in overcoming organised irresponsibility is staying focused on problems. We face such a vast range of challenges and such complexity. Take Afghanistan, if we believe the experts, over 10 million people may starve this winter. In August and September 2021, everyone was focused on Afghanistan, but now we have moved on.

My admiration is for people who can combine endurance and, to use a good German phrase, *sitzfleisch* – enough upholstering in your rear end – to keep their attention on these problems. I've become more and more occupied by this notion of *in media res* – staying in the moment. Of course, we can't escape how our outlook is always perspectival, but we also need to be able to just be present, actually look around, and see what's there.



Adam Tooze is a British historian, Professor at Columbia University and Director of the European Institute. After graduating with a B.A. degree in economics from King's College, Cambridge in 1989, Tooze studied in Berlin before moving to the London School of Economics for a doctorate in economic history. He is best known for his economic studies of Europe in the 20th century. He widened his scope to study the financial crash of 2008 and its consequences with *Crashed: How a Decade of Financial Crises Changed the World*. Tooze's recently published *Shutdown: How Covid Shook the World's Economy* which is his fourth book.



Senna Maatoug is a Dutch civil servant and politician, who has been a member of the House of Representatives since the 2021 general election. Before becoming a member of parliament, Maatoug worked at the Social and Economic Council, at the Ministry of Social Affairs and Employment, and as an economist at the Ministry of Finance. She also taught economics at Leiden University. She is a member of the green political party GroenLinks.

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