

## Review Essay

Shutdown: How Covid Shook the World's Economy. *By Adam Tooze*. New York: Viking, 2021. xix + 368 pp. Hardcover, \$28.00. ISBN: 978-0-5932-9755-1.

Reviewed by Robert Fredona

“At the expense of anything?” rejoined Lady Carbury with energy.  
“One cannot measure such men by the ordinary rule.”  
—Anthony Trollope, *The Way We Live Now* (1875)

Facile criticisms of Adam Tooze's new book, *Shutdown: How Covid Shook the World's Economy*, present themselves at once. It suffers by comparison to Tooze's masterpiece, *The Wages of Destruction* (2006)—easily one of the best historical works of the last two decades, a huge and original take on the economy of Nazi Germany, its geopolitics and political economy alike forged in reaction to the example of Fordist America, its war aims destined to fail because of an increasing deficit in the “balance of resources” vis-à-vis the Allies.

It suffers even by comparison to Tooze's *Crashed* (2018), to which *Shutdown* seems a sequel or, perhaps, a younger and scrappier brother. *Crashed*, which masterfully laid bare the systemic fragility in the day-to-day funding of global banks, is at once richer in conception, wider in scope, longer in development and more mature, and also seemingly closer to the nerve center of elite decision making—a place of money and power where temperament and personality seem to trump all but the deepest strata of ideology—than is *Shutdown*.

The new book's apparatus (fewer than forty pages of microscopically printed notes), overwhelmingly made up of born-online news stories and opinion pieces from 2020, suggests the work of a financial journalist—albeit an especially sophisticated one with voracious reading habits—more than of an economic historian. Tooze did his earliest historical research in the archives of the recently deceased German Democratic Republic, he tells us in the book's provocative coda, and did the present research on his laptop under lockdown in Manhattan. Some of *Shutdown*, like chapter 2 (titled “Wuhan, Not Chernobyl”), even seems

*Business History Review* 96 (Summer 2022): 433–439. doi:10.1017/S0007680522000289  
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framed against (and thus around) what have come to be called “hot takes,” provocative yet hastily formed opinions of the sort that make their way like a virus around Twitter and global editorial pages.

Instead of beginning *in medias res*, *Shutdown* ends *in medias res*—necessarily so, or, as Tooze writes, “like it or not” (p. 304); the manuscript was submitted in the midst of an evolving crisis, as he readily admits and even embraces, with the ramifications of the choices that lay at its heart and of the possible kickback (by this point in the saga that started in 2008, austerity had barely appeared) against those choices still unclear. With COVID-19 the Hegelian owl of Minerva still seems far from taking flight. But beyond the facile criticisms lie a whole series of questions—sometimes unsettling questions—about writing history amid crisis.

Just as Europe’s wealthy merchants once wished to become noblemen, it seems today’s historians—indeed, some of our finest historians—are increasingly drawn to journalism, or “real-time” history, or history “as it happens.” It is easy to understand why. Impulses and incentives to relevance—and I don’t mean the crass metrics of “impact”—haunt (or inspire) the historical profession writ large, and the road to “public intellectual” status for historians has always been via more or less explicit engagement with the present. The same is true of the road to “insider” status, and the insider is far cooler even than the public intellectual. It is said that Tooze’s work—to the good, surely—is read by and influences policymakers and financiers. But more than that, we seem to be living in particularly “interesting times,” ones in which even long-standing world views must be readily revised, and it must as a result be exhilarating for the historian of the present to write the first drafts of today’s protean history in the face of the furious onslaught of tomorrow’s revisions, an act of daring funambulism not unlike the high-wire financial moves made by Tooze’s protagonists.

Today’s blog post may well be tomorrow’s archival discovery, but there are important questions to ask: Can we separate history’s form (its critical methods) from its matter (the past)? Does the historical perspective require distance, temporal *and* metaphorical? Isn’t distance, in some deep way, what historical perspective actually means? Tooze knows very well what is at stake. “This book,” he writes, “stays, as far as possible, in the moment itself,” a strategy that “[made] tractable the tension between past and present that defines what it means to write history” and allowed Tooze to cope personally with an “overwhelming” moment, but employing this strategy came at the cost of a more profound historical vision that he can only hint at—one in which 2020 might be contextualized within half a century or more of continuities and that might represent “a comprehensive crisis of neoliberalism” or “the first

comprehensive crisis of the age of the Anthropocene to come” (p. 22). There has never been and will never be a “definitive” history of anything, but Tooze’s descriptors of what he’s up to—“provisional, heuristic, experimental” (p. 304)—each also have a legitimately negative valence, suggesting the undercontextualized, the underthought, and the incomplete.

*Crashed* reads at times like a paean to the heroic trio Bernanke, Paulson, and Geithner: not only *willing* to do “whatever it takes” to avert unthinkable disaster but also *able* to do “what it took” with improvised, last-minute, pragmatic, makeshift fixes. “Whatever it takes” could be the motto of a technocratic pragmatist (the expression, which runs through *Shutdown* like a red thread, is Mario Draghi’s, about saving the euro), but isn’t it also the language of the “ticking time bomb scenario” theorist of torture, of the Flight 93 election, of the Schmittian emergency? What does it mean to write history amid personal panic? Did it draw Tooze ever closer to the central banker-protagonists and their fixes, robbing him of distance? Can Tooze possibly treat a Jay Powell with the same historical perspective as a Hjalmar Schacht, another of the fast-on-his-feet, “whatever it takes,” creative bankers that people Tooze’s books?

The more contemplative Tooze of *Shutdown*, taking to heart the Delphic imperative, openly admits his “complicit[y] with its subject matter—the efforts of elites around the world to master the crisis” and his reliance on “technical expertise generated from within the apparatus of power and money” (p. 303). As admirable as this is, aren’t these just the dutiful pieties of the Foucauldian power-knowledge equation? Is there a historian alive who does not, in one way or another, rely on expertise and on sources generated from within the money-power nexus?

More meaningfully, Tooze now wants to radically deflate the actions of those who saved the global economy. It was “a scrambling effort to preserve a dangerous status quo,” and on the monetary if not the fiscal side, it was accomplished by merely “waving a digital wand” (pp. 294, 293). But it’s still the magic trick that keeps Tooze’s rapt attention, and the reader’s. Tooze ends *Shutdown* by throwing a bucket of ice water on the optimisms of those on the left who glimpsed exhilarating possibility (a “new social contract,” actually dealing with climate change) in the massive, debt-be-damned government interventions of 2020. The response was, for Tooze, a conservative, even Bismarckian, reaction—Bismarck as read by Kissinger, the “White revolutionary,” complete with shades of *gattopardismo*. “Se vogliamo che tutto rimanga com’è, bisogna che tutto cambi,” says the prince’s nephew, in Lampedusa’s novel, as the Bourbon order in Sicily and its privileges are dissolving.

For Tooze, recovery meant doing a “system restore,” like in the Windows operating system, back to a previous state before the

shutdown, all of its inequalities and indifference fully intact. That poverty actually decreased, as in the United States and Brazil, was an unintended consequence. Yet, even in *Shutdown*, Tooze remains fascinated with the improvisations of the powerful and his conscious commitments (to liberal democracy, to Keynesianism, to doing “critical” history) are always crashing into his enthusiasm for what Trollope’s Lady Carbury calls “beneficent audacity.” Like necessity, this kind of audacity can become a universal solvent, breaking down the old ideas and the ordinary rules. Tooze sometimes endorses the Bismarckian logic himself: “Being willing to sacrifice normality,” he writes of the Chinese lockdown, beyond anything now politically possible in the West, “was actually the best way to preserve normality.” Outside China, such a “profoundly counterintuitive leap was not easy to make” (p. 78).

Tooze suggests that contemporary globalization has produced a world of “centrifugal multipolarity,” with various regional powers emerging and fading, straining each against the center, sometimes cooperating, sometimes in conflict, but the deep logics of his text are starkly bipolar (p. 294). On the one side is a crumbling and incoherent America, its “unipolar moment” in the past with little to show for it, the magic of its civic liturgy wearing out, its new president “elderly” and timid and its past president Donald Trump, a society reaping the bitter harvest of decades of neoliberalism, with a politics burdened by an eighteenth-century constitution and a Republican Party working for decades against constructing an advanced state (and now threatening a right nationalist takeover), a population riven by inequalities, with a fragile welfare system worn down by a continuing war on public institutions, a country incapable of addressing the long-term challenges of the future and even those of the present, requiring heroic “ad hocery” to stave off collapse twice in less than a decade and a half, but nonetheless a country still unable to abandon its “solipsistic preoccupation with its national narrative” (pp. 295, 288, 302, 305).

In one of many devastating passages Tooze writes, “A society with a patchy and minimalist system of unemployment insurance, in which millions live paycheck to paycheck, in which tens of millions of children rely on schools for food, cannot easily shut down” (p. 136). America’s outsized response to COVID was determined not by outsized creativity but by its outsized structural failures.

On the other side is China, governed by “a ruthlessly effective regime,” the world’s primary growth engine with growth “of an order of magnitude never seen before,” “the greatest social experiment of all time” demanding revision of social scientific theories by its very existence, its intellectuals (and this is apparently a positive) “loyal to their party’s political project,” a country “pivotal to the new technologies of

the green energy transition,” its “rapid restoration of control” amid global chaos providing it with “an easy propaganda win,” its response to COVID “an exercise in decisive leadership that put the people first in terms of both public health and the economy,” a response successful enough to refute the views of a grumbling internal critic (one already anyway under house arrest) to a crisis that President Xi himself (in a January 2019 speech) anticipated and understood better than all the Western theorists (pp. 6, 51, 63, 198, 295, 297–98, 305).

Getting into the brains of “Western analysts,” Tooze at one point poses their question: Was “Chinese leadership . . . trapped in a nationalist propaganda narrative of its own making?” (p. 297). The harshest critique of China in *Shutdown* is spoken by Trump attorney general Bob Barr, who called it “the world’s most powerful violator of human rights,” amid a mostly troglodytic litany of Trumpisms (p. 219). Is it tententious to ask if the Chinese nationalist narrative is increasingly also being made and supported by journalists and historians in the West? Or if one danger of writing history in the presentist key, from one’s laptop, about authoritarian regimes is precisely not waiting for the archives to open and the veil to fall?

Tooze concludes by telling his readers that the Chinese are writing their own version of history and that, “whether we like it or not, we are all enrolled” in it (p. 305). In this light, 2020 seems less like a crisis and more like an epistemic pivot around Chinese global supremacy. China *ducit volentem, trahit nolentem*. For Tooze, China is now the most beneficently audacious player on the world stage. That China could announce, at the time of the one-hundredth anniversary of the Chinese Communist Party, not long after its big COVID win, the end of “regional and absolute poverty” in the country might prove beneficence enough to justify any audacity.

The watchword of 2020 was “unprecedented,” even though precedents abound, as Tooze shows, from the “Spanish flu” of 1918 to models of World War II war finance to the ascendance of postwar Keynesianism to, most importantly, the response to the crash of 2008. The mortality of COVID was not (or as yet has not been) unprecedented. The best excess death calculations—under 20 million by the end of 2021—and COVID’s lethality rate put it firmly in the mid-tier as pandemics go. The “whatever it takes” pragmatism, and even much of the toolkit used by the pragmatists (rate cuts, swap lines, quantitative easing, etc.), was a continuation of 2008. What is unprecedented for Tooze, though, is the scale and scope of the response: “emergency action of a most radical kind,” and of a radically conservative kind (p. 130).

Following the insights of Daniela Gabor and others, Tooze suggests that there is also something new if not unprecedented, “a synthesis for

the twenty-first century,” in the mix of monetary and fiscal policy brought to bear in response to COVID in the aftermath of extended periods of first fiscal and then monetary dominance, a shambling monster of a policy regime “somewhere on the spectrum between Frankenstein and Jekyll and Hyde” (pp. 132, 150).

The watchword in *Shutdown*, however, is “unthinkable.” To read chapters 6 and 7, on America’s immediate monetary and fiscal response, is to be buffeted by once unimaginable statistics, one after another. The global “dash for cash” of March 2020 and the collapse in the price of shares and bonds at the same time imperiled the whole global economy. . . *again* (p. 116). The outlines of a self-consuming ouroboros of panic selling were emerging. Or was it instead Jörmungandr about to release his tail? The “market for safe Treasury assets . . . is the most important market of all” (p. 293). “‘Too big to fail’ has become a total systemic imperative” (p. 294). What would a world without U.S. treasuries as a safe asset look like? “It ought to have been unthinkable,” Tooze writes, “to even ask that question” (p. 119). Would a longer historical frame have made it more thinkable?

Looking out from the inside of 2020, unthinkable questions abound, lurking just beyond every horizon. What if the next “technoscientific fix” doesn’t work (p. 292)? What if the “competent, high-functioning” Fed functioned like the rest of the American government, or fell victim to the same forces (p. 121)? What if the last functioning “domain of modern government,” the central bank, loses its political legitimacy and its (mostly undemocratic) sovereignty (pp. 292–93)? If global capitalism cannot function without a “lender of last resort” to backstop the public and private credit and debt markets, for how long can it actually continue? Are safe U.S. bonds really the only thing between us and the abyss?

Little now needs to be said in praise of Tooze’s mastery of the macro-financial “grand narrative”; there is simply no historian alive better at doing what he is doing. He is the Virgil to our collective Dante, guiding us through the inferno of the hellishly complex and unthinkable. Tooze is also our premier historian of crisis. In Greek medicine, *krisis* was the “decision point” or turning point, when it became clear whether a patient would recover from an acute condition or not. “America’s central bankers were walking a tightrope,” Tooze writes with characteristic flair at one moment in *Shutdown*, “and as it turned out, this tightrope had no end” (p. 291). What if our crisis, rather than being a “decision point,” also has no end?

Medical analogies suggest themselves when talking about 2008 and 2020. Like an uninsured American who cannot afford treatment for her chronic illness and thus relies on the emergency room when things

become unbearable, the West (and especially the United States), with no political will to address its structural failings, finds itself periodically in the hands of the ER doctors (i.e., the central bankers) and left with the staggering bill. Will the bill ever come due? Is there, as Tooze speculates, “no fundamental macroeconomic limit” to government debt (p. 294)? Is the economically possible just, as Tooze argues, the politically possible in disguise? Does this make real, structural change more or less likely? Will the supposed end of economic theory one day be mocked like the “end of history”? Or have we reached the singularity beyond which old ways of thinking about economics no longer make any sense?

In Beijing Tooze’s new book has likely been met with knowing approval. But elsewhere the proper response to reading *Shutdown* should be deep worry, worry down to one’s bones. For good or for bad, it is a book for our times. But *caveat lector*: “emergency” and “necessity” cast long, dark shadows. These are more dangerous words than “crisis.” What cannot be thought and done, by ordinarily reasonable people, once the “supreme emergency” à la Walzer has been invoked? What ends are so important, so beneficial, that “whatever it takes” can be allowed to become not a slogan for improvisational, technocratic “ad hockery” but a civilization, moral, and historical imperative?

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