10 Ways Corporations Have Exploited Covid-19

By
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For many, 2020 has been a nightmare; for others, it's been a moneymaker. Big corporate interests have profited from the pandemic – and screwed the workers who kept society running.

A lot of the articles I've read this month have started with a sentence that goes something like this: *2020 has been a terrible year*.

But that's only true for some. The direst consequences of a global pandemic have not been experienced unanimously; as critics pointed out back in the spring, when celebrities were whining 'Imagine' at us from their mansions, we're not all in this together. That fact has only grown more salient as the year has worn on.

While key workers put their lives on the line to keep the country running, and mutual aid groups desperately tried to plug the holes created by decades of cuts to our social fabric, billionaires and big corporate interests have made a killing — and have used their political connections to get away with it.

Much of this took place under the radar, and with relatively little controversy. Here are ten of the ways in which it happened.

1. Profiteering

With the closure of high streets around the world, major online retailers have made huge sums of money. Some might argue that doing well out of a global disaster isn't exploitative—just 'lucky'—but what *is* exploitative is the working conditions in which the biggest of those companies allegedly keep their staff.

Even before the outbreak, Amazon's warehouses—where staff have to piss in bottles, and collapse in aisles from exhaustion—were notorious. In the spring, staff at warehouses in the US voiced concerns about Covid safety specifically, saying that they had never been given masks and were out of wipes and sanitiser, and by October, the BBC was reporting that nearly 20,000 of them had contracted the virus. ASOS is a similar story: in March, over 98% of 460 warehouse staff surveyed by GMB said they felt unsafe.

It's in those circumstances that Amazon's profits have doubled, and ASOS's quadrupled.

2. Firing, Rehiring, and Slashing Pay

If conditions weren't bad enough, some employers took Covid as an opportunity to make pay worse, too.

British Airways was the first major company to pioneer a 'fire and rehire' scheme, forcing 30,000 workers onto worse contracts under cover of the pandemic. This was despite its parent company IAG having total assets of £10.7 billion, BA's profits last year amounting to £2.6 billion, and its CEO pocketing £33 million between 2011 and 2019.

Eventually, pressure from Unite the union forced British Airways to reconsider. The same happened at Centrica, which threatened 20,000 workers in British Gas and PH Jones with 'fire and rehire' before proposed industrial action from GMB forced the company to suspend the plans. Both are expected to return to the proposals in 2021.

In October, MPs challenged Heathrow Airport bosses over the decision to make pay cuts—which were originally brought in as temporary measures in light of the loss of business caused by Covid—permanent. The cuts mean workers stand to lose around £8,000 per person per year, and failure to accept the terms could mean up to 1,200 job losses. Heathrow's profits grew by a quarter last year to £413 million *after* tax. EasyJet, meanwhile, paid out £171 million dividends to shareholders while asking workers to accept three months of unpaid leave.

After the longest wage stagnation since Victorian times, the Covid-19 period has seen a pay *decrease* – with

Britain's workers suffering the steepest drop in decades. Despite this, the vast majority of the UK's elite corporations have refused to cut CEO pay.

3. Laying Workers Off

Redundancies hit a record high in the year to September, with companies shedding workers in response to the pandemic and the government's failure to produce a competent jobs strategy. But many of those layoffs weren't necessary – and were pushed through by major corporations with significant resources and substantial executive pay.

In addition to its fire and rehire scheme, British Airways proposed permanent job losses for 12,000 workers. Billionaire Tory donor and tax exile Philip Green axed 13,500 jobs in Arcadia, and proposed paying the departing staff as little as 50% of their notice pay – despite the fact the company paid the Green family a dividend of £1.2 billion when it was riding high.

4. Union-Busting

The Heathrow staff affected by the pay cuts were at least able to organise to strike. Doing so has become more difficult for workers in the garment factories across Asia which have been subject to union-busting efforts: unionised staff in factories in Cambodia, Bangladesh, Myanmar, and India, which make clothes for big-name brands like Primark and H&M, have faced what they say are targeted dismissals. Lack of business was again given as the reason, but when union leaders are being jailed for criticising layoffs, it's clear Covid isn't the main concern.

5. Cashing in on Outsourcing

Government outsourcing has emerged as one of the lowest points of the UK's pandemic response.

Serco, the most name-dropped culprit, was paid £108 million by the Tories to operate its 'world-beating' contact-tracing system back in May, and another £410 million in August. That same month, it was reported that the system was failing to inform almost half of those who had come into contact with a positive case in the worst-hit areas, despite 80 percent being the level necessary to have a meaningful effect on infection rates. Twelve weeks later, the problem wasn't much improved – and it was further revealed that contact tracers had sometimes been working only one out of every 100 hours they were paid for.

Deaths continue to climb as Serco tucks away a tidy annual profit of £165 million – and it's far from the only beneficiary.

6. Accessing Data

It's not just cash that the government's been handing over. This month, *OpenDemocracy* reported that US tech firm Palantir, which has previously come under fire for its development of racist policing software in the US, has been awarded a £23 million government contract which extends its access to the NHS Covid-19 'datastore' for a minimum of two more years. Palantir wasn't the only firm invited to help deliver the emergency resource: according to *Digital Health News*, Google, Amazon, and Microsoft all hold similar—albeit more temporary—contracts.

A privacy notice states that Palantir will only have access to anonymised data, but anti-surveillance and human rights organisations, including Amnesty International, have raised concerns about the implications of corporate involvement. The contract itself has been published, too, but several passages are redacted, including in sections entitled 'Liability' and 'Capabilities'.

7. Advertising

At the opposite end of the shady spectrum are the companies using the pandemic to make themselves as recognisable as possible. In September, research by the NCD Alliance and SPECTRUM found that junk food, tobacco, alcohol, gambling, and fossil fuel companies have all been using messaging related to the pandemic to sell their products and launder their reputations. Some appropriated the efforts of key workers by undertaking cynical philanthropic exercises; others framed increased consumption during lockdown as patriotic duty, or positioned themselves as arbiters of health.

8. Stock Trading

As companies' successes fluctuate, so do those of their shareholders – sometimes to their convenience. On 11 November, just as Pfizer announced that their vaccine was effective and made the share price soar, CEO Albert Bourla sold $5.6 million worth of stocks in the firm.

According to NPR, the trade was made under 10b5-1 plans, which formalise sales months in advance and thereby protect executives in the US from allegations of insider trading. Bourla's plan was submitted all the way back on 19 August – the day before he published a press release stating that the vaccine was 'on track to seek regulatory review' by October.

Similar stock sales were undertaken by executives at Moderna ahead of announcements about their vaccine, too: CEO Stéphane Bancel is reported to have made around $40 million. There's no formal evidence to prove that any of these movements were illegal, but the timings continue to raise legal and political eyebrows.

9. Screwing the Global South

In recent weeks, major pharmaceutical companies who developed Covid-19 vaccines have wielded their influence at the World Trade Organisation (WTO) to block a proposal by South Africa and India to allow companies in those countries develop their own vaccines.

The consequences of actions like this—intended to protect the profits of Big Pharma—are likely to be dire, with Oxfam estimating that 9 in 10 people living in the world's poorest countries will miss out on a Covid-19 vaccine in 2021. In fact, one document authored by World Health Organisation affiliate Gavi—an alliance of governments, drug companies, charities and international organisations that arranges global vaccination campaigns—estimated that billions might not be vaccinated by 2024.

10. Damaging the Planet

A series of corporate land grabs have pushed ahead while national lockdowns made them impossible to oppose. The World Rainforest Movement has collected some examples, including the destruction of forests belonging to Indigenous Cambodian communities by Vietnamese rubber corporation Hoang Anh Gia Lai, the forcible removal of a group of Ugandan smallholder farmers by representatives of multinationals, backed by police, and the relocation of an entire Guinean village to an unfinished resettlement site without adequate sanitation or shelter by a pair of mining companies – in collaboration with the World Bank.

On the legislative level, despite initial optimism that lockdown could speed up the shift away from fossil fuels, the lobbying powers of oil and gas companies have ensured the opposite. Research by Fossil Free Politics found top-level EU officials logged 25 meetings with fossil fuel lobby groups between 23 March and 25 May—three per week—as the industry pushed environmental deregulation as an economic recovery quick-fix.

A November study by the International Institute for Sustainable Development, the Overseas Development Institute, and Oil Change International found that the small progress towards ending government fossil fuel subsidies worldwide had been 'thrown into reverse' by the pandemic: while UK support for the fossil fuel industry decreased by 21% in the last three years, it's set to increase for 2020-21, including a contribution of £994 million to a gas pipeline project in Mozambique. As the government struggles to recover from one crisis, the research noted, it's ushering in a second.

Taken together, these events paint an even bleaker picture of the last ten months than what's been obvious on the surface.

While 2020 might have been the shittiest twelve months of your life—while you struggled on less than minimum wage, or lost your job, or faced eviction, or battled mental ill-health, or mourned your parents, or queued for the foodbank, or feared for your life—a select few were popping open bottles of Bollinger paid for in that misery.

Angry yet? You should be.

About the Author

Francesca Newton is online editor at *Tribune*.