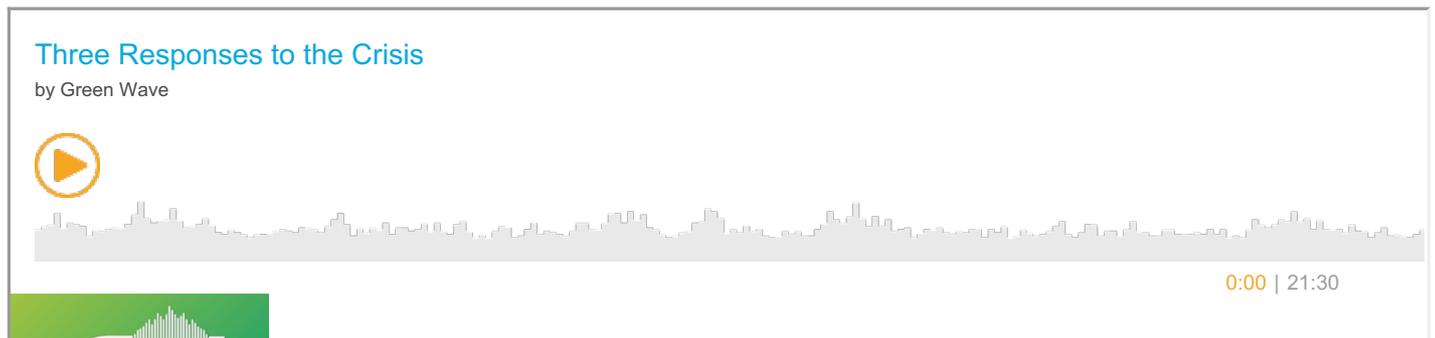


Three Responses to the Crisis

Article by Jean De Munck

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Different approaches to the pandemic are showing the strengths of different systems. In the United States, right-wing populists mixed wishful thinking about the virus's longevity with opportunistic moves to increase corporate power and paid the price at the ballot box. Elsewhere, authoritarian regimes have shown themselves capable of containing a virus, but at what cost to freedom? The European welfare state offers an alternative, providing protection while balancing the collective and the individual. Though severely tested by the current crisis and undermined by years of austerity, it remains the key institution for a fair, green future.



How can we manage the pandemic? What will happen in its wake? Some believe the coronavirus crisis will spontaneously lead to a greater awareness of the dead ends of anarchic globalisation. They dream that the end to the crisis will also be, in one fell swoop, the end of deregulated capitalism.

Such optimism is questionable. The end of capitalism is not on the horizon. Meanwhile, and unfortunately, authoritarian and populist political tendencies are immune to the coronavirus. There is no single automatic, rational political outcome inherent to this crisis. Democracies will be severely tested, not only by the health crisis but also the economic crisis to follow.

When it comes to crises, Europe has ample experience. After 1945, Europe responded with a model of practical synergy between the state and capitalism. The welfare state's architecture, boldly rebuilt, can inspire a unique response to the current crisis. The economist [Éloi Laurent](#) is right in asserting that, "the most useful lesson of the beginning of this crisis is also the most universal: the welfare state is the strategic institution for the 21st century" [For more from Éloi Laurent, see our [interview](#)]. But two dominant models are challenging the welfare state model today: the authoritarian state capitalist model and the right-wing populist model.

Authoritarian state capitalism

Authoritarian state capitalism combines an authoritarian, centralised mode of government with aggressive capitalism. China and Russia are the obvious examples.

In response to the crisis, these countries are tightening control over public space, silencing dissenting voices, and imposing authoritarian measures. The crisis has made it possible for them to expand and perfect extremely intrusive electronic surveillance systems, notably facial recognition. The state apparatus is centralised, bureaucratic, and supported by a loyal army. Against the coronavirus, these states, unlike democracies, do not have to improvise a “state of emergency” because that is how they rule all of the time. As demonstrated by the case of China, brutally managing the health crisis is particularly useful in generating regime propaganda.

Direct control over civil society is a legacy of 20th-century totalitarian regimes. The ideological state apparatus impels citizens to suffer their fate silently, and controls daily life according to the imperatives of order and productivity. State capitalism goes to great lengths to seize world market shares, especially in niches pried open by the health crisis (masks and drugs, for example). Such regimes intend to take advantage of the looming economic crisis as a means to extend their influence over global institutions, competing with Westerners at their own game: accumulating capital.

Right-wing populism

Right-wing populism emerged after 2008 and has become established since the electoral victories of Donald Trump in the United States in 2016 and Jair Bolsonaro in Brazil in 2018.

Under right-wing populism, the relationship between the state and capitalism is reconstructed around reaffirming the state’s role (which distinguishes this model from neoliberalism). The state remains formally democratic but assumes a fierce, authoritarian attitude. The ruling bloc aggressively takes over the public media space, in part by incessant scapegoating. It transforms elections into popular plebiscites for programmes centred on the defence of sovereignty against internal and external enemies.

However, unlike authoritarian state capitalism, this type of government does not seek to control civil society directly. It does not deploy an omniscient administration – on the contrary, it destroys the government’s public services expertise and capacity for action and instead seeks to allow companies to take full control of society. Thus, this autocratically inclined state supports, according to a seeming paradox, economic, health, educational, social, and environmental deregulation on a massive scale. It does not seek to control or replace private sector leaders but rather to promote them and allow them to operate freely throughout all levels of society.

Like authoritarian state capitalism, right-wing populism has also been able to flourish and expand during the coronavirus crisis. The state has gone all in on policies of tight borders and police management of public security. The crisis presented the perfect opportunity to re-advertise the “wall”, which supposedly stops migrants and the virus along with them. While systematically denigrating experts and intellectuals, the government saturates the media with chaotic, aggressive speeches. Meanwhile, the pandemic has provided the opportunity to eliminate regulations (employment, environmental, tax) supposedly unkind to business.

Thus, we are seeing the kind of policies observed after hurricanes Katrina (2005) and Harvey (2017) in the United States. Naomi Klein dubs this the “shock doctrine”: transforming disasters into opportunities to reinforce capitalism. For example, the “corona stimulus bill” passed in the US in March 2020 does not aim to launch a new nationally managed healthcare and prevention programme. It is devastating for American workers and (what remains of) social security while being extremely business-friendly. And in March 2020, the White House suspended all environmental regulations on its territory for an indefinite period. It took advantage of the crisis to impose pro-free market solutions that normal circumstances would not allow.

A Western European response: a mixed model?

Recep Tayyip Erdoğan's Turkey represents an interesting mix of authoritarian state capitalism and right-wing populism. The dictator inherited a totalitarian state apparatus which inclined him towards the former, but adopted a political style that clearly goes in the direction of the latter. In Europe, meanwhile, the second model is seducing the Polish, Hungarian, and English elites, as well as attracting extreme-right parties in the Belgian region of Flanders, France, and Italy.

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The current fortunes of both authoritarian state capitalism and right-wing populism testify to the fact that it is simply no longer possible to continue shrinking the state, as neoliberalism tried to do from 1990 to 2016. Both models reinvest the state's power, not to move beyond capitalism but to save it. This comes at the expense of fundamental freedoms, social justice, and public deliberation. A third model is available, however. The welfare state was born in Europe out of the great social crisis caused by industrialisation and was institutionalised after the disastrous Second World War. It tries to preserve the rational core of the irrational formulas outlined above. From the authoritarian state model, the welfare state borrows the idea that an effective response to dysfunction and crises requires the intervention of a strong (but legitimate) state with powers that penetrate civil society. It mitigates this by embracing the rule of law. An interventionist state is not necessarily anti-democratic; on the contrary, under certain conditions, it can be favourable to individual freedoms. At the same time, like right-wing populism, the welfare state holds that the market can be a form of effective coordination, but it rejects the idea of a generalised commodification of life, which leads to dictatorship by private companies and mass inequality. It also rejects the policies of scapegoating, exclusion, and incessantly manipulating public debate.

We are entitled to expect European governments to immediately revive this third model. Unfortunately, they are not demonstrating such lucidity. They remain intellectually bound to neoliberal ideology. In recent years, they have imposed ever more drastic cuts in what they have learned to call "social costs" (instead of "investments" in education or health). They have practised a budgetary austerity blind to the genuine social needs of people, deliberately reduced the state's tax base, and, to top it all off, voted enthusiastically for international agreements (such as the Comprehensive Economic and Trade Agreement, CETA, with Canada) which limit their own investment and regulatory capacities.

The principles of the welfare state

The coronavirus crisis will be politically useful if it takes us back to the foundations of this alternative model of managing capitalism.

The welfare state is not a liberal state with a small dose of generosity. Liberalism sees in society only a set of individuals whose relations are governed by contracts. Such a vision had an undeniably liberating power in the holistic, hierarchical realm of the *Ancien Régime*, which assigned to every individual a place and a status. But it is an insufficient vision for guiding and governing industrial societies. It can, however, be rectified by what the social sciences revealed during the 19th and 20th centuries. This can be summed up in a fairly simple idea: interdependencies bind individuals together. Organised into systems, these interdependencies constitute an autonomous level of reality, which cannot be regulated by our individual wills, nor even by contracts between individuals.

If there is one area in which the importance of this systemic approach to the social is borne out, it is public health.

A pandemic like the one we are experiencing shows that health cannot be fully privatised. Health does, of course, have an individual aspect which is unique to each person: one person's risks differ from another's. But it also has a social aspect, whether local or broad-based: my personal health depends on the hygiene of those around me. It depends on every other person with whom I happen, to be in physical contact, even sporadically. Since a virus can circulate via and thrive on surfaces, our health also depends on the physical infrastructure that connects us, and the quality of the water, air, and food that flows between us. Hence the reality of interdependencies which eludes the simple aggregate of individual behaviours. This is what sociologists call the "system", whose structures and functions cannot be reduced to individual behaviour (although that does not mean the latter is insignificant).

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The interdependencies of which the coronavirus reminds us also apply, *mutatis mutandis*, to work accidents, unemployment risks, financial systems, global migration, and climate change. This dimension of social reality was not readily apparent to political philosophy. It only became salient with industrialisation, which continually generates new interconnected, material, and social systems. These systems emerge or decline, change or evolve, and are unpredictable. They can be identified and understood only by the natural and social sciences – not by political philosophy, whose reasoning is based only on normative concepts, themselves essential but insufficient for managing a society.

Since the Enlightenment, modern democracies have been guided by building a rational, or at the very least reasonable, society that expands individual freedom and social equality. The new systemic social theory does not break with this, but it does give an essential role to the state. As the expression and instrument of the collective will, the state is a system that has the responsibility to regulate other systems as much as possible. To do so effectively, the state must have three characteristics: it must be sovereign, democratic, and interventionist.

Health sovereignty

First, the current pandemic shows the crucial importance of "spatial" control over human interactions, which is essential to stopping the pandemic and distributing aid. The modern state is a systemic protection device for a given territory. This sovereignty is never fully acquired, but it is an ideal regulator, which is repeatedly challenged by previously unnoticed interdependencies.

The current crisis demands a new concept: health sovereignty. In the health field, it would be the direct counterpart of the "food sovereignty" demanded by farmer global justice movements. Indeed, it is absurd for Europeans to import protective masks from China or rely heavily on drugs produced in the US. The state must strive to localise the production of basic public health equipment. The deregulated world market disseminates production capacities according to the law of specialisation, which is bound by comparative advantage. This is why no community can rely on free trade to survive.

Health sovereignty presupposes the state's inclusion in a transnational framework that can produce and distribute worldwide equipment paramount to the health of all.

However, it is also clear that new interdependencies in terms of sickness and health are emerging. They result from the circulation of goods, people, and equipment. These systems know no borders. The causes of medical problems lie both outside and within countries. New drugs are invented all over the world; products must be exchanged. We must not misconstrue health sovereignty as health self-sufficiency. Health sovereignty presupposes the state's inclusion in a transnational framework that can produce and distribute worldwide equipment paramount to the health of all. Hence it has nothing to do with narrow-minded nationalism or dogmatic protectionism. Cooperation in transnational institutions is as essential as local basic infrastructure.

Democracy: a condition for efficiency

The restoration of a “Leviathan state” would destroy freedom to guarantee security. The second condition for an effective welfare state is therefore an open, attentive, and deliberative public space.

The current pandemic provides striking proof: the greatest threats to collective effectiveness are the concealment of information (China finds itself among a number of countries suspected of hiding morbidity figures in the early days of the pandemic) and lack of debate. Amartya Sen demonstrated this in [the case of famine](#). The state must ensure that information flows completely and freely to allow continuous policy deliberation. Only through open debate can uncertainty and complexity be tackled. Muzzling certain members of society limits the public space as well as the choices required to address the magnitude and multidimensionality of health problems. At the same time, open discussion is essential if citizens are expected to apply binding government measures. Citizens deprived of the opportunity to discuss the purpose of such measures react with suspicion and freeriding. Thus, the measures fail and the state, thanks to its baffling high-handedness, loses legitimacy.

Moderate socialism

Building democracy is not just about building a free public sphere. It is also about levelling the playing field. Without adequate infrastructure, the “right to life” and the “right to health” are empty words. The market can partially supply infrastructure, but unfortunately, only at the expense of equality and with adverse effects. Indeed, we know how free-market healthcare can become “iatrogenic”, harming rather than healing, as the philosopher Ivan Illich pointed out.^[1] We know the terrible inequalities that come with it. Hence the state, assigned a dual mission of healthcare production and distribution, must introduce corrective measures. On the supply side, the state must guide the economy to produce healthcare goods and services, and, on the demand side, make them universally accessible in accordance with principles of justice.

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Unlike hyperliberal countries, the welfare state offers permanent tax-funded public health infrastructure. In addition, various social insurance and regulatory control schemes provide for affordable care, moderately priced drugs, and public hospitals. Today, the importance of these schemes is tragically proven. Tackling health inequality is a measure of a healthcare system's legitimacy, and even of its effectiveness: sizeable inequalities between individuals and groups increase the risks to both the healthcare and political systems.

The collectivist structure of some public healthcare systems does not completely exclude the market mechanism from the healthcare sector. The market has certain advantages: it promotes innovation and productivity while also making it possible to combat rent-seeking. Hence a state-market institutional mix must be established, as was the case in all Western European countries after 1945. Certainly, the recipe for this institutional compromise must be constantly transformed and adjusted to the economy's new constraints. But a balance between collective and private ownership of the means of production is essential. As elsewhere, a certain dose of socialism is recommended when it comes to health.

Revive the welfare state

Sovereign, democratic, interventionist, and redistributive: only the successor to the 20th-century welfare state can ensure the democratic resilience of our societies in the 21st century. After two decades of criticism and attack, many voices are giving it new life in the midst of the coronavirus crisis.

Nothing is simple, however. Today's welfare state is in mortal danger, undermined by four structural challenges. The first is financial: debt and austerity have left it on life support. Its tax base has to be entirely redefined (for example, via a Tobin tax on financial transactions, a digital tax, or a wealth tax). Second, the relationship between the welfare state and economic growth must be rethought. Growth is not an end in itself, but a means. If our societies' resilience (ecological, financial, health, social) is everyone's goal, then growth must touch certain sectors and not others. In any case, the umbilical cord between the welfare state and productivism deserves to be cut. Third, the welfare state's integration into transnational channels would allow it to confront long-term interdependencies, which extend (well) beyond its territory. Finally, the welfare state must reduce its bureaucracy. Hierarchical, standardised, and purely managerial relationships undermine its legitimacy in the eyes of the public it claims to serve.

'[...] the welfare state is the strategic institution for the 21st century.'

The coronavirus crisis is reminding us of the urgency of meeting these challenges. It is forcing Europe to revive the welfare state. Without new consensus in its favour, crises will deepen, and upheavals will become increasingly violent. If that happens, then in Europe too, the way will be clear for the two state models already ravaging the planet.

This article was first published in French in [Etopia](#).

Footnotes

[1] Ivan Illich (1981). *Némésis médicale*. Paris: Seuil. "Iatrogenesis" refers to the adverse effects of the over-medicalisation of life in industrial societies. In its pursuit of eradicating death, pain, and sickness, modern medicine turns people into consumers or objects, destroying their capacity for health.



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