



How COVID-19 Reveals the Paradoxes of Neoliberal Logic

By Kiasha Naidoo



In the wake of COVID-19, a reading of current political discourse and events shows that global neoliberal capitalism is premised on a paradoxical logic. This realisation goes hand-in-hand with the high degree of responsibility placed on the state to take decisions in collective solidarity.

COVID-19, [classified as a pandemic](#), has created a moment aptly [described by William Shoki](#) as one that “demands decisive state action”. Not only are states expected to act, but they are also called upon to act comprehensively, bearing responsibility as primary global actors. This runs against the grain of the current politico-economic system properly characterised as capitalist and neoliberal. Neoliberal ideology promotes individualism and includes the belief that unregulated free markets yield efficiency and prosperity. In line with this, the state is expected to act minimally—focused on securing the conditions necessary for the market to operate.

In understanding that a neoliberal logic advocates for the free market because of its (alleged) corrective capacities, the current need for decisive state action brings to light a difficulty for proponents of neoliberalism. Despite the popularity of neoliberal tenets, consistent neoliberal actions are criticised. [Donald Trump’s appeal to businesses](#) to resume activities sooner rather than later, as well as [his call for automobile manufacturers to produce ventilators](#), for example, must be read as consistently neoliberal decisions. Here, Trump is making an attempt to force the market

function. This is done under the assumption that the market can deal with the crisis at hand. He has also come under criticism for these and other decisions, being accused of [failing to act](#). Trump's approach should not be read as inaction, but rather as consistently neoliberal *action*—choosing not to do anything is a choice. The critique of this choice indicates that few want to watch the free market (alone) try to deal with the crisis that is COVID-19. The public health risks are simply too high. Here we see a turn towards a desire for strong state intervention.

What then is the role of private capital during this time? Discourse shows that private capital is seen as a [victim of the pandemic](#)—as subject to its detrimental effects and not responsible for corrective action. Furthermore, help from the private sector is seen as a charitable act worthy of applause. [Apple's donation of US\\$15 million](#) announced under the heading, "Giving Back" is one such example, as well as [Johann Rupert and Nicky Oppenheimer's R2 billion \(roughly US\\$ 125 million\) donation](#) to the South African Solidarity Fund. Even if we choose to see these donations as a way in which the market proactively deals with a crisis, it seems apparent that private capital (acting in a "free" market) lacks the capacity to use this money to mitigate disaster and enact emergency measures, such as travel bans and lockdowns. If COVID-19 is left to the private sector to correct, we will bear witness to higher infection and death rates than if left in the hands of a government acting in collective solidarity. Collective solidarity is [described by Slavoj Zizek](#) as a virtue that, in the context of the COVID-19 pandemic, implies that individuals ought to practice social distancing and self-isolation. When this concept is ratcheted up to the level of the state, it implies that states ought to enforce such strategies to limit local transmission.

In the absence of strong state action—that is, if left to the market mechanism alone—we allow for a significant thinning of the population. This outcome is difficult to defend from a moral standpoint (although some may try). Rather, we are compelled to favour a moral view that values human life and seeks to protect it—a value entailed by collective solidarity. For acting on this principle, we leave the management of pandemics such as COVID-19 to the state.

The view that the state ought to act seems to have general consensus, which is shown by the absence of questions like "should the state intervene in the wake of COVID-19?", the question being rather, "how should the state intervene?" The silence of the former speaks volumes about the limits of neoliberalism in its capacity to promote well-being—a shortcoming that even neoliberals seem to accept.

The predicament of state action during this time arises from the principles of a neoliberal global system which, in its staunch individualism, is at odds with collective solidarity. That is, an economic system premised on individualism must, during times of crisis, sacrifice its own logic in order to protect its future beyond crisis—presenting us with a paradoxical situation.

It would be amiss to read the situation at hand as asking to choose between neoliberalism now and later or just strong state now, neoliberalism later. They are both worse! [says Zizek](#), arguing that some choices function to "obfuscate a true choice". [As discussed by Alex Broadbent and Benjamin Smart](#), many African states face the tough decision of acting strongly to prevent the spread of COVID-19 while acknowledging that "we are putting in place malnutrition and starvation for millions of people, and for these horrors, children and especially infants are the most at risk. And very many of those infants are born, and will die, in Africa". This trade-off is an indication that the current neoliberal system is incapable of providing capacity for a meaningful act of collective solidarity, a situation in which secured nutrition and public health are seen as two dimensions of well-being. Instead, these African states regard these, as choices that have to be made, thereby clearly not presented with valuable options. That developing nations must choose between taking serious measures to prevent the spread of a virus and protecting the economic well-being of their citizens presents a problematic situation of non-choice. Yet they must act. Shoki suggests that the real

choice here is between “socialism or barbarism.” Furthermore, this choice cannot be seen as one that applies to the current situation and will disappear later; it must be asked of a neoliberal logic beyond the conditions of crisis.

This raises the question: can a neoliberal logic ever be consistently defended if, during trying times, it must be and is readily abandoned? A state that functions with a meaningful form of collective solidarity in the context of a global pandemic must do away with a staunch commitment to individualism and the free market if it is to optimise both individual and collective well-being. Moreover, it must resist falling back into the arms of such commitments once the crisis is over, because it will only face the same reality when the next crisis rolls around.

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