



UNIVERSITY OF ICELAND

# Politics in the Time of a Pandemic

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Hayek's Birthday Today

# Hayek's Significance Today

- Hayek's riddle: How can we explain the enormous achievements of Western civilisation despite individual ignorance?
- His solution: We utilise knowledge that we do not possess, both skills (knowledge how) and information (knowledge that)
- In a free society, coordination without commands is possible: Division of knowledge
- This applies to economists and epidemiologists alike: epidemiologists know little about the economy; and economists know little about epidemics
- Epidemiologists cannot take over; nor can engineers, climatologists or other specialists: their narrow knowledge has to be widened out



Also Peace in Europe Day Today

# The Nightwatchman State: Prevent Injustice

- Protect us against forces of the dark: Intruders and Invaders
- Police, Military Forces, Justice System
- Any further duties? Possibly, as a matter of expediency, not justice, for example education and poverty relief
- Otherwise, peace and property might be endangered
- Preventive measures



# State: March of Devil, not God, in History

- Hegel wrong, State not march of God in History
- Aggression, theft, cruelty, misdeeds, callousness
- Nietzsche: State is a cold monster
- Public choice, on a lower note: State not likely to produce intended results
- Lack of information
- Lack of incentives
- Therefore: Mistrust of State



# Injustice and Misfortune

- State should prevent injustice, protect us against intruders and invaders
- But it cannot prevent individual misfortune: some are born less healthy or less intelligent than others; some receive care and encouragement and others not; some are lucky and others not
- Of course, then some are lazy, negligent, profligate, promiscuous, etc. They should bear the costs of their vices and mistakes themselves, not others
- Those more lucky cannot be expected to bear the costs of other people's misfortune; it is not their fault; it is nobody's fault

# Collective misfortune

- Despite all its faults, the State is an expression of collective solidarity and the guardian of shared identity
- Collective misfortunes such as earthquakes, volcanic eruptions, avalanches of mud or snow, tsunamis, and epidemics are (usually) nobody's fault
- They potentially hit all; they are like an invasion
- Suddenly we are as if in a city under siege; or in a lifeboat
- Therefore the State should try to minimise and mitigate their impact
- Fortunately, easier with epidemics than natural disasters
- Justifiable to limit the freedom of people to infect others

# Tax Collection for Rescue Justified

- Aquinas and Hume both firm proponents of private property rights
- Aquinas: In city under siege justifiable to seize property of others to save the city and its inhabitants (Summa, Bk. II, Pt. II, Qu. 66, §7)
- Hume concurred (Enquiry, Sect. III, Pt. I)
- My interpretation: Justifiable to use taxpayers' money, if collective disaster, natural or social



# Our Selective Mind

- Attention on the extraordinary: If dog bites man not newsworthy; if man bites dog newsworthy
- 6 May 2020: 3.6 million infected from Covid-19, 248,000 deaths
- Tuberculosis: 1.5 million dead per year, 10 million infected annually
- HIV/Aids: 770,000 dead per year, 1.7 million infected annually
- Malaria: 405,000 dead per year, 228 million cases
- Hepatitis C: 399,000 dead per year, 71 million cases
- Black Death in 1347–51 killed half the world's population
- Spanish Flu in 1981–19 killed around 50 million

# The Politicisation of Malaria

- Malaria caused by mosquitos
- DDT an efficient and cheap insecticide
- Was probably over-used in agriculture, but harmless for humans
- Banned under influence of Rachel Carson's Silent Spring (1962)
- Malaria had almost disappeared as a result of DDT; it reappeared
- Has cost millions of lives, not least African children



# Is the Covid-19 Nobody's Fault?

- If China had immediately reacted and closed her borders, there would have been no pandemic
- Chinese communist leaders have not answered pertinent questions:
  1. Why did they ignore persistent warnings against bat-borne infections?
  2. What was going on in Wuhan leading to the epidemic?
  3. Why did they try to suppress all information about the epidemic? Where are critics who have disappeared?
  4. Why is the guy spreading false allegations still public spokesman?
  5. Why are the statistics from China obviously wrong?

# Government Failure

- Behaviour of Chinese communists illustrates case against State: suppression of danger signals, slow reaction
- Reaction in West also illustrates case against State: regulatory agencies delay tests of drugs
- It is private enterprise that is producing test equipment, ventilators, etc.
- However, during a siege there is always a strengthening of collective solidarity and a temporary sympathy for the state
- The 'moral equivalent of war'
- But what is appropriate in a lifeboat is not appropriate on a ship sailing freely in the seven seas

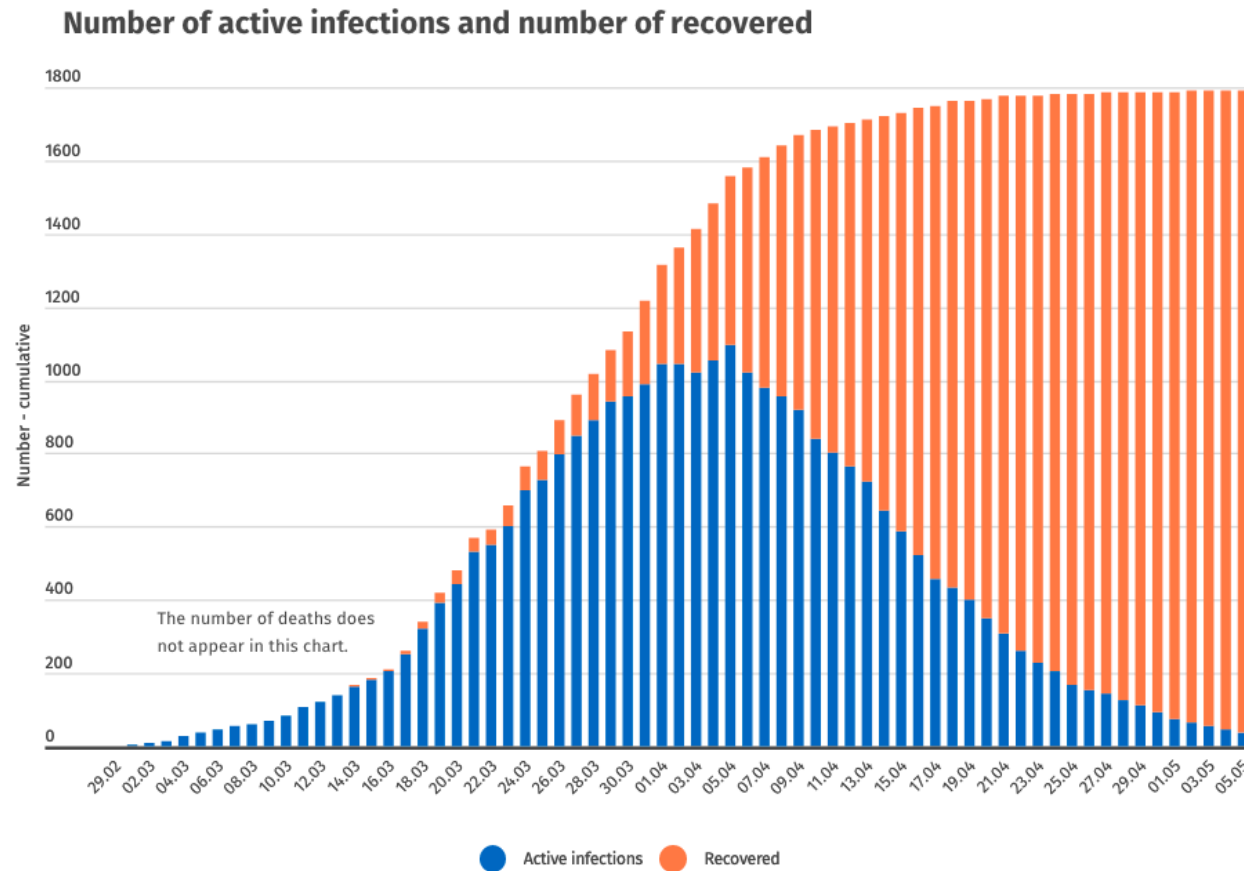
# Socialism has been tried ...

- ... and found wanting, in the last two months
- What we have experienced in the West is life like it was under socialism, a society of empty streets
- Everybody stayed at home
- There were no restaurants open
- Shops only with bare necessities
- Dictatorship, not of the proletariat, but of (well-meaning) epidemiologists

# The Icelandic Model

- Probably an over-reaction around the world
- Economic growth is the most effective doctor of mankind
- More lives possibly lost as a result of a sharp global recession than because of the pandemic, especially in Less Developed Countries, cf. the figures on Malaria, Tuberculosis and hepatitis C
- Icelandic reaction sensible and moderate: Close universities, restaurants, cancel mass meetings, concerts, ban meetings of more than 20, but keep shops, most schools, factories and businesses open
- Test as many as possible and provide enough ventilators and masks
- Isolate the problem instead of imposing it on everyone

# Successful (too successful?) Campaign



# Challenges

- Government blunders turned a Chinese epidemic into a global pandemic
- We cannot be dependent on China for medicine and equipment
- Government over-regulation has delayed responses to the pandemic
- While government outlays to minimise and mitigate the disaster are justified, they have to be focused and reasonable
- Economic growth, tax cuts and deregulation, is the only way out of the Depression
- You don't solve problems by throwing money at them
- Two months of socialism teaches us a lesson: Let us enjoy life! Breathe freely! Let us get out of the lifeboat; let us lift the siege
- A country should not be a fortress or a prison; it should be a home

