

Coronavirus and the Nefarious Effects of Neoliberal Capitalism

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ARTICLE INFO

Received: 📅 July 01, 2020

Published: 📅 July 14, 2020

ABSTRACT

Citation: Hernán Fair. Coronavirus and the Nefarious Effects of Neoliberal Capitalism. Biomed J Sci & Tech Res 28(5)-2020. BJSTR. MS.ID.004716.

Opinion

We are currently witnessing a global pandemic, caused by a virus that originated in a Chinese city and then spread throughout the planet, wreaking havoc of enormous magnitude and intensity. The global catastrophe generated by the new Coronavirus or COVID-19 allows us to clearly observe the dire effects of neoliberal ideology. For decades, the broadcasters and spokesmen of neoliberal capitalism stigmatized the Social Welfare State and the public sector as guilty of all the ills of society, while exalting the alleged benefits of the free market and the supposed intrinsic superiority of private initiative. The viral expansion of neoliberal ideas in the public sphere insisted over and over that the state was essentially corrupt and inefficient, that public spending caused fiscal deficits and inflation, and that state planning created bureaucratic obstacles, interfered with individual liberties, and threatened against legal certainty. The solution, for neoliberalism, was to reduce the regulatory functions of the State, abandon distributive and universalist policies, reduce public and social spending and let the efficiency of the business world and the competition of the private sector take care of self-regulation and correctly manage the public. In this way, the free market would be able to properly allocate resources, promote economic growth and, by spontaneous derivation, achieve a future of social welfare for all.

The individualistic, economic and utilitarian ideology of neoliberalism tried to make us believe that the only valid rationality was the instrumental rationality of homo oeconomicus, that private egoism was the best way to achieve public virtues, that collective solidarity was anti-natural, that social justice was a chimera and

that the world was reduced to a set of isolated individuals in permanent competition with each other. Within the framework of this hegemonic operation, the broadcasters and spokesmen of neoliberal capitalism justified the application of economic policies of State Reform, through the privatization and commodification of public and common goods, the opening and deregulation of trade and finance, the “flexibilization” of the labor market, the fiscal adjustment (“austerity”) of public spending on health, education, infrastructure and social security, and even (in peripheral countries) also on science and technology.

In the last decades, the application at the state level of neoliberal public policies generated a huge increase in the concentration of income and the centralization of Capital in a few hands, the destruction of a large part of industrial SMEs and national production linked to the internal market. In addition, the precariousness of work, poverty and unemployment increased exponentially, prompting the rupture of the bonds of social solidarity between the workers, the destruction of the environment and the degradation of biodiversity. The world coronavirus catastrophe shows, once again, the ethical-political limits of the neoliberal accumulation model and its perverse logic of unlimited maximization of private profit. At the same time, it again brings to the fore the centrality of the State and its public policies in defense of public health, innovative scientific-technological development, care for the environment and protection of the basic social rights of citizens.

In contrast to what neoliberal capitalism proclaims, Public Health cannot be understood as a private business based on

economic profitability, but rather constitutes a political obligation of the State to guarantee an essential public service and a basic and inalienable social and human right. This implies that the State cannot in any way delegate said central function in the market and its narrow economical logic of maximizing private profits. It also implies that wages cannot be understood as a “cost” that must be reduced. On the contrary, the State must guarantee to all the workers of the Public Health salaries commensurate with the importance of their work and their responsibility in social and human development. The pandemic also shows us that Science and Technology are not a superfluous expense. On the contrary, the sustained investment of the State in Science and Technology constitutes a basic pillar to promote productive development and social inclusion. Finally, the humanitarian tragedy alerts us to the State’s obligation to implement regulatory public market policies to care for the environment and preserve biodiversity. In Argentina, following the experiences of the Menemism and the Alliance, the government of Cambiemos (2015-2019) was in charge of spreading in the public sphere the neoliberal logic of selfish individualism, savage competition and whoever saves himself, seasoned with a account of meritocracy and entrepreneurship. At the same time, it did not hesitate to apply public policies of a neoliberal nature, aimed at reducing essential functions and eroding the technical capacities of the State. On the one hand, Cambiemos decided to turn the Ministry of Health and the Ministry of Science and Technology into Secretariats, lowering their rank and degrading these vital areas.

On the other hand, the ruling alliance decided to apply a policy of strong downward adjustment in public and social investment in health, science and technology, which de-defined these areas, under-executed scientific projects, cut wages of the workers / It is and reduced technical and professional staff of excellence.

Lean Underfunding and Adjustment Measures

Wages of the public workers of the Malbrán Institute, CONICET and INTA - while the Macri government promoted the financial timba with high interest rates and borrowed heavily from creditors to support capital flight from concentrated groups of the economy - they reveal the perversity of neoliberal ideology. The increase in the levels of poverty, marginality, job insecurity and unemployment inherited from the Cambiemos government, show its dire social consequences. Macrism, in addition, accentuated from the Kirchner stage an extractivist model focused on agribusiness and mega-mining at scale, which generated disastrous effects on afforestation and care for the environment, biodiversity and human health. Let us hope that the tragic humanitarian crisis allows opinion leaders and the general public to reflect in depth on the dire effects of neoliberal ideology. The current world catastrophe must contribute to revaluing the fundamental importance of collective solidarity against selfish individualism; and the unrestricted defense of public and common goods and basic social services, against the mercantile logic of unlimited maximization of private profit, naturalized by neoliberalism.

We also hope that it helps to become aware of the indispensable importance of betting on sustained public and social investment in Health, Science and Technology to promote productive innovation and economic and social development. In this framework, we hope that the catastrophe manages to generate a collective consensus on the crucial role of the Social State and its non-delegable political obligation to actively regulate the market, promote the development of the national scientific-technological system, safeguard public health and care for the environment, protect work and guarantee decent living conditions for the effective fulfillment of the basic social and human rights of its inhabitants.

ISSN: 2574-1241

DOI: 10.26717/BJSTR.2020.28.004716

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