

Chapter 84

Nation State and Fighting the COVID–19 Pandemic Shock Who is Responsible?

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ABSTRACT

Nation states have taken the brunt of the fight against the COVID-19 pandemic. The effectiveness of their actions was assessed by all the society in terms of growth rates of infected and deaths, of ability to quickly mobilize all medical services to work in extreme conditions, to increase the capacity of hospitals, of additional medical equipment, of laboratories' capacities and the availability of tests for COVID-19, not to mention the research the vaccine or effective means of treating the disease, etc. In addition, they introduced extreme regimes of lockdowns, having blocked the economy and social interconnections and given rise to an acute problem of the disadvantaged citizens' survival. The great question arose of who should have taken responsibility for missed opportunities. It is unreasonable to blame only the state because it has no alternative today. It is the weakest "link" in the structural "chain" of national societies, but by strengthening it, the entire chain becomes stronger to prevent future disasters.

INTRODUCTION

Increasing the effectiveness of the state remains the most burning issue for all countries in the world. All researchers of this problem are united in the opinion that the effective state formation is predetermined by the peculiarities of national economic systems and national communities (Pigou, 1924; Musgrave, 1959;

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Bator, 1960). However, the resolution of these particular problems must be preceded by an understanding of the fundamental problem related to the effective state functions and their positioning relative to the whole society preferences. The concept, proposed by authors, is based on the dialectical approach to the interpretation of the state as one of the components of its dialectical unity with society. In this interpretation, the state itself does not mean anything and is not able to create, provide or realize nothing. Being dialectically connected with society, the state assumes the existence of the latter and makes sense only if it exists. Such a dialectical unity can exist and develop only being dialectically contradictory, and all the contradictions should be resolved dialectically, i.e. subject to the coordination of the interests of both the society itself and the state. Otherwise, this dialectic unity simply ceases to exist, and as a result, the very foundations of the institutional structure of the modern national community are destroyed.

As a result the state denial of the public opinion and the state behavior as the main partner in the dialectical unity is the main delusion of policy makers which violates the dialectical status of the interconnection of the society and of the state. And this hinders the dialectical resolution of contradictions, taking into account the dialectical laws unity and struggle of opposites, of the transition of quantity to quality; of negation of negations. In modern conditions, an example of the non-dialectical behavior of the state in relation to society is the implementation of pension reform in a number of countries with an emphasis on the retirement age and budgetary arithmetic with state funds. However, these issues are consistent with society under the new social contract. And it is between the future and current retirees, on the one hand, and the state, on the other. Only a preliminary public approval of government steps in relation to its interests will ensure the effectiveness of the state in this area as well as the dialectical social unity with the state. However, the theoretical interpretation of the interaction of the state and society as a dialectical unity, as well as the reasons for the ineffectiveness of the state defined on this theoretical platform has not yet been presented.

The theoretical emphasis on the state's ability to compensate for the market's "failures" has showed that in their majority they focus on the state' function related to the adequate allocation (allocation) of resources. However, the history of national economies development shows that the modern state fulfills significantly more obligations to society. J.M. Keynes (1936) substantiated that the state should implement stabilization policy in the national economy, ensuring the equilibrium of savings and investments in order to safeguard "full employment" in the economic system. That approach served as a theoretical basis for substantiating the state importance growth without focusing on the effectiveness of its activities. This apparently explains the fact that for a long time none of the known economic theories has considered the role of the state in reducing income inequality, in poverty combating or in protecting citizens from economic and financial risks. Today, with the growth of the importance of inclusive development factors of national societies, the social aspects of state activity could serve as adequate parameters for assessing the effectiveness of the government in the context of dialectical unity with society. It is not by chance that a number of philosophers and economists have seen great importance in the state's activities aimed at allocating budget expenditures for the purpose of implementing equity in the society income distribution (Hochman, and Rogers, 1969; Rawls, 1971; Sen, 1979).

R. Musgrave (1959) assigned an important role to the "redistributive function" of the state. He was sure that the redistribution of national incomes, allocation of resources and stabilization of the economy exhaustively determined all the key functions of the state. The national society redistributes part of GDP to the budget, and the state, in turn, spends it to financing its own functions. At the same time, there is no evaluation of the effectiveness of public spending, at least in the parameters of macroeconomic dynamics. This can explain a number of phenomena that arise with the mediation of the state as in the

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