

Economic Cataclysm: Politicians Have Destroyed Markets and Ignored Human Rights with Alarming Enthusiasm

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An economic cataclysm has been unleashed upon the world by Western politicians and bureaucrats. Unbelievably, economic activity in the West has slowed to a creep, as entire populations have been confined to their homes for weeks, if not months. As a result, millions have had their lives turned upside down. Most entrepreneurs and self-employed persons have had their livelihoods jeopardized.

The [EU economy may shrink by 5 percent](#) according to the European Central Bank (ECB), and [similar figures](#) have been forecast for the US. The economic devastation wrecked upon Western economies by governments will have consequences for many years to come. It will inevitably lower European and US citizens' quality of life for a long time, impacting their health as well.

It is important to understand that this disaster is not the result of the coronavirus pandemic, which is a public health problem, but of overzealous government officials reacting to the pandemic. A [growing number of researchers and health professionals are suggesting](#) that the total number of cases is far higher than previously thought, which means that COVID-19 is [far less deadly than the media and government advisors insist](#). These revised death rates put COVID-19 fatalities in many places at a rate similar to that of the flu, which kills [hundreds of thousands](#) of people every single year globally, without provoking any notably large political reaction.

This raises a question: Why the enormous and extreme reactions to the virus from Western politicians, bringing the entire economy to its knees and severely curtailing the fundamental individual freedoms of millions of citizens? Of course, there is the usual incompetence and herd behavior in the political leadership of many countries to be reckoned with. But other reasons exist for this disastrous and irresponsible behavior. Here are some.

First, politicians have generally little understanding of how markets work. Steeped in administrative and policy thinking, most politicians have never worked in the private sector or studied market economics. They neither understand nor appreciate the complexity of markets which make our high standard of living possible. This complexity includes an unfathomable number of daily exchanges, myriad commercial relations, and never-ending adaptation to surrounding conditions. The logic of politics, however, dictates that politicians cannot be seen as "doing nothing," so they seek always intervention in markets. This is not new; it has always been a typical trait of politicians and bureaucrats. The political reactions to the coronavirus pandemic have just dramatically confirmed this truth yet again.

Secondly, politicians naturally make political calculations. Having reelection constantly in mind, they do not want to be held responsible for anything that goes wrong. In a crisis, they always prefer to act than not to act—all else being equal, to show that they tried something. At least then—in their minds—they cannot be accused of idleness, negligence, shortsightedness, or callousness. However deleterious their actions, politicians generally are not held accountable and can present themselves as heroically standing firm in [dangerous times](#), acting forcefully and with determination. President Roosevelt's [harmful economic policies](#) during the Great Depression and World War II are an example of this.

Thirdly, politicians sometimes rely too much on scientists, who generally have no training in social matters at all. Even more so than politicians, scientists often have great difficulty in grasping the concept of the spontaneous order of the market, not surprising given that they are followers of the rigorous scientific process. Albert Einstein's frankly embarrassing [economic proposals](#) are a famous example. Whereas the politician is at least fully aware of the subtle gray shades in policymaking and the fine balancing act of satisfying various stakeholders, the scientist generally means well but sees the world in black and white.

Thus, if a scientist is asked how to stop the spread of a pandemic, he or she would probably answer that the best and most efficient way is to order the strict confinement of the entire population to their homes for weeks. This is what France's influential ["Conseil Scientifique" has recommended](#), and it may well be true from a purely scientific point of view (although that is [open to debate](#) now). The problem arises when politicians enthusiastically follow such opinions without considering them in the light of their political and economic consequences. The first two reasons mentioned above may explain why politicians tend to place excessive trust in scientists: politicians are not familiar enough with market economics to fully grasp the consequences of acting on purely scientific advice, and it may be in their interest to act on such advice, since to do *something*—anything—is key.

A fourth reason why politicians have acted so recklessly to counter the spread of COVID-19 is certainly the political pressure that they are under. In times of (perceived) crisis, they are looked up to for guidance, if not for orders to follow, by an unwitting and politically uneducated electorate. But the pressure comes not only from the people, which perhaps is normal in a democracy, but also from foreign politicians. No leader wants to be outdone by his foreign colleagues and be left with the weakest plan to address the crisis. In this case, the [UK's](#) Boris Johnson reversed his policies, and [Sweden's](#) Stefan Löfven has been slowly bowing to precisely this external pressure to act.

But the strongest pressure on governments probably comes from the media, in particular in the current times of pervasive internet and social media. Politicians are now constantly scrutinized and held responsible in a way that just a generation ago they were not. Further, mass media is prone to dramatize and exaggerate events, as this makes for better ratings, but also because journalists are not virologists. Mainstream media often tends to misinterpret and simplify the facts, inadvertently or not. An example of this is the mortality rate of COVID-19, which is constantly [reported to be much higher than it is](#), because only declared cases are used (case fatality rate ([CFR](#))). More generally, the prevailing attitude from the media is that everything must be done to save a small minority of the entire population today, even if that comes at the price of future economic pain for tens of millions of people. This is the classic socialist and interventionist dilemma: Where does it stop? In a world of scarce resources, how much taxpayer money should the state spend to save one life?

Finally, it is necessary to entertain a darker and more cynical explanation for the political reaction to the pandemic: power in a time of crisis. The state [never misses a chance to increase its power](#). Crises are considered [great political opportunities](#), and have thus been used countless times in history by rulers. This was the case during and after [World War I](#) and [World War II](#), as well as after 9/11, with the [passage in Congress of the PATRIOT Act](#) (Providing Appropriate Tools to Restrict, Intercept and Obstruct Terrorism Act). But this is also true of smaller crises, such as the [current panic](#). The economic stimulus packages that are now being proposed will again benefit corporatist bankers, as happened during the financial crisis. This is why the big banks have been the first to call for and cheer more “economic stimulus.” They stand to immediately benefit from such “government aid.”

That most Western governments have now decided to emulate the Chinese dictatorship in imposing a severe lockdown of society should be a wake-up call for those innocent souls who still think, even after the show trial of Julian Assange, that the West still protects individual freedom. A dangerous and frightening political evolution is on the way in an already fragile political and economic system. The political consequences of the generalized confinement of millions of people in Europe will be of long-lasting consequence to the balance of power between state and society. Though the Western “liberal democratic” order was never really one except in name, it is clear that a decisive step has now been taken away from it.

This politically triggered economic crisis could then also lead, hopefully, to a clearer understanding among the population that constitutional changes are due in many countries, in order to limit the powers of executive branches everywhere. Let us hope that this will be the lesson learned by the millions confined to their homes by the arbitrary will of the state.

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