The surprising outbreak of an anticipated virus has exposed that the profit-centered mode of production renders a dysfunctional society, with a high incidence of pandemic-prone diseases. Consequently, the global health crisis and subsequent economic collapse threatening the existence of billions reveal the ultimate market failure from both heterodox and radical theoretical viewpoints. The demise of markets and capitalist systems calls for a straightforward economic intervention and radical transformation of the way societal production is conceptualized. This paradigm shift must deprioritize economic growth driven by the omnipresent commodification of all social relations and must furnish a viable alternative provided by the political economy. The starting point for such fundamental change in the dominant discourse must be rooted in balancing between the needs and wants, and in creating an environment in which properly understood self-interest would bring about a sustainable and equitable increase in societal well-being.

**JEL CLASSIFICATION**

J01; H1; I14

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**1 | INTRODUCTION**

The 2019 coronavirus pandemic outbreak was the turning point that radically transformed social and economic lives across the globe. With detrimental presymptomatic interpersonal transmission, this novel and deadly virus has rapidly spread among the population and has postponed, until further notice, worldwide economic activity.
Due to the lack of effective antidotes, physical distancing becomes the last line of defense. This has effectively disabled the labor force from participation in the production process and, thus, has imposed economic lockdown of a hitherto unrecorded magnitude. Soon after its emergence, the adverse effects of viral biohazard have disclosed that the dynamics of epidemic models have an enormous potential to outgrow its biological foundations and infect the societal material reproduction. The latter has major bearing in a crisis prone (Marx, 1990), highly financialized environment that prioritizes debt-led growth which, through a spread induced by debt-deflation spiral (Fisher, 1933), may cause an epidemic of “economic diseases” and initiate financial crashes. Economic history has demonstrated that these “black swan events” are seldom. However, when they do occur, the compounded biological and economic effects are generating havoc with severe implications for societal reproduction. As such, these events are invariably the cause behind major economic disruptions that can overthrow the dominant mode of production. Hence, it comes as no surprise that these effects exacerbate the existing and self-evident malfunctions of the capitalist system and are likely to spark the sharpest recession since the great depression. Therefore, the current crisis with yet unknown, but undeniable long-lasting and devastating consequences, challenges the predominant set of economic beliefs and demands in-depth interdisciplinary scholarly attention.

The publication by Vidal (2020) points out, through a consensus among professionals, that the economic progress leading to the destruction of biodiversity, invasion of wildlife harbors, rapid urbanization, densely populated locales, and growing global interconnectedness, creates a favorable condition for the pathogen’s cross-species transition. In accordance to Jones, the released article concludes that the expansionary economic regime, through the disruption of the fragile balance between human and ecosystem health, generates “a hidden cost of human development.”

As a matter of course, where there exists a cost, there surfaces a need to approach the subject from the economic perspective. Therefore, a prime concern of the pragmatic economist should be placed on answering the following four questions: Where does the responsibility for this cost lie? What are the likely consequences of this cost going to be? Which authority can structure the response plan, repayment scheme, and who is to bear the expenses? What are the larger theoretical and practical implications resulting from this socio-economic turmoil?

To that end, through the use of a narrative method, this study aims to furnish content to the premise that from both the heterodox and radical economic viewpoints: (a) the coronavirus pandemic must be considered a market failure, (b) the ongoing pandemic has the potential to beget a three-layer economic crisis, starting at a point of production, (c) the solution for the existing state calls for sizable supranational and/or national economic interventionism, and (d) the pandemic necessitates a shift from the profit-centered neoliberal paradigm toward the society focused on efficient, sustainable, and equitable development.

The remainder of this exposition is structured as follows: the Section 2 positions the current health crisis within the well-defined economic analytical framework of market failure; the Section 3 explains the nature and the dynamics of the threefold economic crises, resulting from the expected spillover effects induced by the coronavirus; the Section 4 offers a number of remedies; the Section 5 endeavors to locate the sources for financing the expenses of an effective pandemic response plan; the Section 6 provides arguments in support of the claim that the current state of affairs necessitates a fundamental paradigm shift; the Section 7 concludes.
The proposition that naturally acquired herd immunity represents an antidote is an idea in the fashion of social Darwinism, and one that failed miserably in the midst of the ongoing pandemic of the coronavirus.

Departing from socioeconomic natural selection, combined with the logic of the “Laissez-faire,” building immunity through contracting disease coincides remarkably with the ideology underlying market fundamentalism. With respect to the survival of the fittest and the preservation of the unrestricted order of free-market relations, the outlined rationale can be linked to the neoclassical economic paradigm brought about by the marginalist revolution (e.g., Marshall, 1891; Walras, 1954). In sum, centered around the *Equi-marginal Principle* (see Varoufakis, 1998), the mainstream narrative seeks to reduce the complex social interaction to the optimization problem comprised of rational utility-maximizing agents and profit-maximizing firms. These are, restricted by budget constraints and scarcity of resources, in pursuit of their insatiable ends and unlimited growth. In such a theoretical framework, societal members are altering and adapting nature to fulfill their biological needs and derived wants via the production of use values. Given the existing circumstances, the consumption of the use values produced tends to maximize, to the greatest extent possible, human needs and wants. In other words, the satisfaction received from the consumption of use values is what constitutes the utility maximization. This is the cornerstone of the neoliberal model in which the success of societal production is measured via economic efficiency and against the Pareto (1894) optimality where, given the existing placement of resources, the advancement of any one individual can occur only at the expense of another.

However, given that private and social interests often do not coincide, it is not a correct deduction from the principle of the “Laissez-faire” that self-interest consistently operates in the public interest (Keynes, 2010). When the optimality conditions are not met, the allocation of resources suffers from Pareto inefficiency, suggesting that each rational individual acts in their self-interest and the entire group is worse off as a result. As put by Shiller (2000, p. 151), “Even completely rational people can participate in herd behavior when they take into account the judgments of others, and even if they know that everyone else is behaving in a herdlike manner. The behavior, although individually rational, produces group behavior that is, in a well-defined sense, irrational.” Provided that the cumulative efforts of selfish individuals do not transmute by interaction to the maximization of the social well-being, this is the equivalent of saying that there exists a market failure (Bator, 1958) and a need for allocative improvement.

The above-mentioned scheme is perfectly adept at explaining why the coronavirus has managed to reach a pandemic level with devastating consequences. In a broad sense, the outbreak of the global, viral infection discloses the ultimate market failure, becoming apparent as soon as it is recognized that the capitalist regime was systemically ill-prepared despite the fact that the risk of the pandemic-prone diseases was not merely hypothetical. The fact that the emergence of novel pathogens was not a matter of “if” but “when” is confirmed with striking precision within, among others, the Pentagon’s (2017) pandemic influenza and infectious disease response plan and Global Preparedness Monitoring Board’s (2019) annual report. However, regardless of the reported shortage of ventilators, beds, and personal protective equipment, the provision of the needed public goods could not be accommodated under the market-led environment. The fundamental cause behind this underperformance lies in the basic feature of the capitalist system, which is confined to the instantaneous profit-seeking, and the role of government effectively downsized to the preservation of a level playing field. On these grounds,
constantly threatened by competition, profit-motivated individuals could not risk betting on the “black swan event,” corporations could not justify such an investment to their shareholders, and the government could not interfere because it would distort the supposed allocative superiority of the market mechanism.

Simultaneously, in a narrow sense, the nature of the coronavirus disease reveals a number of other failures. Most obvious is the fact that only a fraction of the population has reaped the benefits of the economic development that has created conditions for disease transmission from animals to humans, thus generating a considerable cost not only to themselves but also to the billions of third parties. The second failure is the pandemic, having a disproportionately harmful impact on the elderly, relative to the total population. By acting in their self-interest, this suggests that the young people would jeopardize senior citizens and act against the group’s broader interest. The third failure results from the information imperfections leading to over-consumption and irrational consumer choices. The particularly apparent case is hoarding personal protective equipment that gives rise to the shortage within medical facilities, where they are needed the most. The fourth example is the leaders in the position of power who can, as a reflection of self-interest or ignorance, impose nation-wide rules of conduct that may put entire populations in danger, for instance, through the herd immunity strategy and postponing the enforcement of state-wide lockdowns. The final case stems from the excessive price gouging and pandemic profiteering, the most apparent being the soaring of the prices of vital commodities, illicit trade, and the underground economy.

These events are an unambiguous demonstration of malfunctioning markets, and the textbook representatives of the problems arising from public goods, negative externalities, information asymmetries, principal–agent relations, and noncompetitive markets. Moreover, they are confirmation that, from the viewpoint of the capitalist mode of production, the pandemic generates unique type of market imperfection, which encompasses all of the aforementioned failures. Even more crucial is that the pandemic reveals a nature-driven, fundamental phenomena which hierarchically underlies those failures, stemming purely from market relations. In effect, the coronavirus pandemic exposes duality between the free-market individualism and the collectivism of mankind. This opposition is founded on the claim that market relations are biased against social activities in favor of individual activities (Hahnel, 2014). In contrast, the emergence of the pandemic disease makes the success of individuals and the possibility for an effective response thoroughly dependent upon the actions of all other societal members.

As is the case with all market failures, the latter implies that the individual arrangements (based on freedom and private property) cannot effectively solve the production conundrum resulting from the pandemic crisis. Consequently, as indicated by The General Theory of Second Best (Lipsey & Lancaster, 1956), to curtail deficiencies of the market individualism in a theoretically coherent manner, overcoming the pandemic-led market inefficiencies undisputedly require resorting to collective action via straightforward and sizable government intervention.

3 | THE PANDEMIC AND ECONOMIC LOCKDOWN CRISIS AND GLOBAL DEADLOCK

The current state of emergency is intimately connected to the failure generated by capitalism’s preexisting condition and exacerbated by the present health crisis. In this regard, deliberate attention must be paid to appropriately differentiate between symptoms and disease. This fundamental misunderstanding of the crisis constitutes the shortcoming of advocates who claim
that the ongoing crisis is Keynesian in roots. However, although their concerns may be partly correct in observation, as will be shown, they are undeniably false in the foundation.

The key to understanding this premise is recognizing that a pandemic and wartime cannot be compared for the simple reason that, in the former case, no economic activity can be carried out due to the interpersonal disease transmission caused by an exogenous health shock. In light of this, economists are faced with the radical reduction in production induced by the world-wide inability to employ the labor force in the production process. The absence of the productive factor and the consequential underproduction crisis, characteristic of the pre-capitalist societies, dictates the rebirth of the Classical political economy. Further support of such a claim is grounded in the fact that Keynes’ seminal model (Keynes, 2018) rejects the classical labor market theory and considers that the insufficient level of effective demand, and not the aggregate demand–supply interaction, determines the unemployment level (Sheehan, 2009). Therefore, the real source of concern is not primarily demand-side in nature. The real concern is related to avoiding, by all means necessary, the Malthus’ (1798) disastrous scenario of overpopulation from underproduction. At this point, the relevance of Malthus’ stance on the relationship between nature and mankind becomes essential. In his famous exposition, Malthus shows that mankind is, only to a certain degree, master over nature. Hence, when the existing circumstances disable the production of a desirable quantity of use values, the system is likely to reveal a specific type of the Malthusian catastrophe. To paraphrase Malthus (1798, p. 44): should the vices of mankind fail in (among other) the war of epidemics the population will be leveled with the food of the world. Thus, Malthus explicitly recognizes that the pandemics limits the possibility of societal reproduction to the disposable means of subsistence. For this reason, the basic societal attitudes toward nature as the provider of subsistence for mankind must adapt to this situation by restricting market antisocial bias (vices), which is self-destructive when confronted with the pandemic. Thereupon, it becomes self-evident that the adequate response to the pandemic crises commands the government intervention, which must be directed toward the protection of the population’s health, the circular flow of capital, and the economic productive capacities. Simultaneous implementation of these tasks is pivotal because producing subsistence commodities is a basis, not only for their immediate consumption but for the process of societal reproduction (Marx, 1990). This is to suggest that both the physical and the material well-being are mutually indispensable constituent elements of the existence of mankind.

Only in the aftermath of the direct coronavirus threat or, in the worst-case scenario, concurrently with it, the crisis is expected to disclose its following layer. This layer will be related to the deadlock caused by the cost-minimizing, mass unemployment on the one hand (U.S. Department of Labor, 2020), and unparalleled accumulation of wealth on the other (Oxfram, 2020). Therefore, the secondary concern will be the economic (rather than pandemic) lockdown, which will be brought about by the danger of deflation caused by the macroeconomic demand insufficiency. Given that the markets can only provide the commodities for which there exists an effective demand, the drop in aggregate demand begets a sudden tendency of the marginal efficiency of capital to decline. This, in turn, eliminates the capitalist incentive to invest, halts the production, and triggers the crisis. Thus, resulting in Keynes’ (2018) abundance (oversupply) of capital or Marx’s (1990) overproduction of means of production employed in the self-expansion of value, originating from the contradiction between production and realization of the surplus value. Where, both Keynes and Marx analyze a capitalist system in which labor is employed with the sole purpose to produce profits, that is, to increase marginal efficiency of capital, or to support the process of capital valorization, respectively. Accordingly, a
drop in the capitals’ marginal efficiency lowers the capitalist propensity to consume (expand productive capacities) and the volume of investments, thus spiraling to further reductions in employment and effective demand. It must be emphasized that the pandemic did not hit a prosperous economy and has occurred at the time when the majority of global economic activity was slowing down (Saad-Filho, 2020). Adding to the problem are the long trend of declining wages, lagging behind the rise in productivity, and low or even negative interest rates falling below the Keynes’ level of the marginal efficiency of capital or Marx’s entrepreneur’s share of profit. Moreover, induced by the recent fiscal austerity tenet, the impoverished state capacities have generated a present-day erosion of the public sector’s (most notably medical) institutions and labor power crucial to overcome the coronavirus crises. Hence the Keynes’ (2018, p. 285) prolific conclusion “...that the duty of ordering the current volume of investment cannot safely be left in private hands.” Given that markets are not functioning properly, in both Keynes’ liberal and Marx’ radical schemes, addressing the pandemic and economic lockdowns entails that the government must place restrictions on the free-market individualism. Consequently, the government must redress the unemployment, deflation, and lacking investments, stemming from the declining wages, insufficient aggregate demand and consequential decrease in the capital’s marginal efficiency.

Lastly, in reference to the work by Aliber and Kindleberger (2005), it is imperative to stress that this crisis, promptly named The Great Lockdown, represents the first truly global economic contraction with yet unknown consequences in the modern history of manias, panics, and crashes. Fueled through the unparalleled globalization, the shift from global overconsumption to global underconsumption, at a time of record-high commodification of societal interactions (Milanović, 2019) and the ever-growing consumerism, will initiate the economic downturn of tectonic proportions. Amplified by the excessive global inequality (Stilwell, 2019), distorted by the global core-periphery structural dependence (Rubinić, Ponikvar, & Tajnikar, 2020), and challenged by the climate crisis (Mazzucato, 2020), the perplexity of the forthcoming slump exhibits a common problem which requires collective action. Therefore, addressing the issue of economic life returning to normal implies that “business as usual” will be achievable only when the global value chains and production networks will be restored. This will be possible only when all countries will be safe to trade with, that is when they will no longer be in a health crisis. Hence, it is not only desirable but also compulsory that the path toward a sustainable social order must be conceived on the administering of effective solutions across the globe, which represents a historically unprecedented challenge to mankind.

4 | THE THREE-DIMENSIONAL REMEDIES

There exists little doubt as to whether the exponential coronavirus infection impedes the supposedly indefinite economic growth as a neoliberal hallmark and necessitates putting at the forefront the government multidimensional intervention of proportional response. Accordingly, combating the coronavirus pandemic brings government intervention into the sphere of preserving production and maintaining employment. Conversely, if the intervention is directed against insufficient demand, even if induced by the pandemic crisis, the government is effectively coping with the conventional shortcoming of the malfunctioning free-market. In both cases, if the government wants to protect and improve collective well-being, it must do so first by setting its target goals, and second by choosing between various functions of social welfare, as these define the form of the government’s collective action.
Once determined that the current state is a broad outcome of the misallocation of resources relative to the competitive ideal, the attention is shifted to the provision of counterforces. Heavily influenced by Mazzucato (2020) and Tajnikar (2020), the subsequent recommendations ought not to be considered as finite solutions but rather as building blocks for effective crisis management.

In the first stage, the immediate response should be directed toward saving lives and preventing further spread of the coronavirus as a prerequisite for the preservation of the public interest in the long run. The continuation of production must be prioritized in all essential activities as well as in the activities where the health of the workers can be adequately protected. In this respect, in agreement with health professionals and union leaders, the government must ensure proper health standards and provide necessary personal protective equipment. The production of such equipment must be given priority over other activities. If necessary, the government should command or even temporarily nationalize private entities for this purpose. The government must ensure sufficient reserves of essential commodities, mobilize all available (public and private) health capacities to fight against the virus, and protect strategically important activities, such as food provisioning, police, firefighters, military, IT, transport, energy, and delivery. Amid the pandemic, health care must be readily available to all, free of charge. Prices of basic commodities and services must be maintained to their precrisis levels. The government must ensure that all eligible activities switch to the on-line operational system to minimize interpersonal contact. The overall policies must be centered around the preservation of the employed workforce through temporarily banning layoffs. Nonetheless, the distressed companies should receive a government guarantee and direct financial assistance with regard to the wages of the employed workforce unable to work due to the health crisis. Moratoriums on evictions, bankruptcies, and debt repayments must be passed until the business, as usual, is restored. Moreover, a flexible restructuring of the existing debt must be enforced with a reasonable grace period during which all late fees and interest charges do not apply. Unemployed, precariously self-employed, economically dependent, and at-risk populations must receive a minimum basic income to overcome the period of mandatory physical distancing. Additional assistance must be provided to the homeless. Stock exchange transactions should be temporarily halted, practices such as short selling and stock buybacks, as well as activities leading to bank runs and panics, must be prevented. Any kind of pandemic profiteering must be disabled, in addition to all individually profitable but socially counterproductive activities. Dividends, bonuses, compensation packages, and similar payoffs should be severely limited. There cannot be legal entities who benefit from the pandemics, and those who find themselves in a favorable position must exhibit financial solidarity toward those affected most. Alternatively, such fortunate entities should be subjected to excess profits taxation, generating the government’s emergency revenues in times of crisis. Even more so, those legal entities and workers who will be unaffected or mildly affected by the health crisis should continue to cover their responsibilities toward the government regularly. Conversely, legal entities that had to close temporarily should be freed from any financial responsibilities toward the government (e.g., taxes and concessions). All planned public projects must be halted (unless they are of strategic importance), and available budgetary expenses must be utilized against coronavirus, toward the preservation of production. The lacking resources must be secured through government channels, making it easier for households to retain their incomes and for businesses to resume production once the health lockdown ends.

Analogously, once these measures create a backbone for systemic stabilization, the second stage should focus on facilitating recovery as a response to the economic lockdown following
the health crisis. In relation to this, society must determine public investments in vaccine development, as a priority. Emphasis must be placed on reinstating all idle capacities, constituting a macroeconomic textbook example of reigniting the economic engine. This normalization must be conceived upon simultaneously achieving the aggregate goals against unemployment, deflationary tendencies, insufficient demand, and lacking investments. However, it bears mentioning that this fight must be initiated at the point of production, since the circular flow of capital, as a principal vehicle for a robust recovery, starts by employing the workforce in the labor markets. This is the reason why it is crucial to ensure the adequate protection of the workforce in the first stage, so that in the second stage the government can incentivize the employment and initiate the production process. This is to say that solving the crisis of classical economy is a precondition for proceeding with the heterodox or radical solutions related to the second stage.

The government handouts and bailouts must be directed toward entities focused on value creation (instead of value extraction), where the previous 2008 practice of socializing losses while privatizing gains can no longer be tolerated. Relatedly, deliberate attention must be placed on correcting the misalignment between private incentives and social returns. Society must restore the balance between private rewards and social contributions so that, to the highest possible extent, the social contribution of each worker mirrors their private compensation (Stiglitz, 2012) or that their reimbursement mirrors the value created (Rubinić & Tajnikar, 2019). The urgency of ameliorating this market failure is highlighted in the present crisis in which poorly equipped and overworked medical staff is often struggling financially while the majority of the “leisure-adverse” employers are seeking refuge in the safe zones. Accordingly, at a great personal cost to themselves, the medical staff (as a representative of a much larger disadvantageous group of workers) obviously does not enjoy the fruits of their marginal productivity. Inasmuch, the government’s direct liquidity injections, where necessary, must be provided conditionally upon retaining an employed workforce and achieving sustainable and inclusive economic revival. These subsidies should be realized without intermediaries, in order to prevent the financial institutions from dampening the recovery, similar to that occurring after the Great Recession. If this alone will not suffice, in addition to the development of the above-mentioned safety net system, the government must take on the role of the employer of last resort. It should seek to employ jobseekers directly and incentivize, both through higher returns and through inflation, the employment of unused capital in production processes that ultimately serve to promote broader societal goals. Preferably, the latter should be achieved through public–private partnerships and socially useful infrastructural investments.

In connection to this, it is important to notice that direct employment by the government should be a priority over the unemployment compensation. This is simply because the latter, as opposed to the former, generate expenditure without the production of value and the contribution to social wealth (Wolff, 2020). In specific circumstances, both private and corporate debt relief and collectivization should be considered. If implemented successfully, the government intervention would ensure high aggregate capacity utilization, raising both incomes and profits. Concurrently, these measures would encourage consumer spending, prevent accumulation of unsellable inventories, increase the propensity to invest, and place the economy back on the path to recovery.

Last but not least, two crucial points bear mentioning. The government’s actions must be transparently and thoroughly contemplated. The first wave of pandemic lockdown will increase government debt used to finance, among others, protective and health expenses, final consumption, and (un)employment benefits concurrently with a substantial decrease in budget revenues. Therefore, when the second wave of economic lockdown takes place, the
government’s ability to finance crisis management will be extremely limited. For this purpose, governments should look for sources to finance expenses whenever possible, by lending capital within national financial markets. This would help in balancing out domestic savings and investments without causing disbalances of trade. Otherwise, in the absence of adequate supranational payment arrangements, the disbalances of trade would be imminent if the government would borrow internationally. Even though the overwhelming evidence shows that the increased government borrowing can confront insufficient demand, expansionary spending is severely limited in the fight against the pandemic production lockdown. This is because the health risk impediments to production, simultaneously targeting producers and consumers alike, must be primarily addressed through strict physical coordination before any monetary response can suffice.

In reference to the global downturn, the third and most demanding group of remedies is dealing with the fact that ongoing crises must be addressed on a global scale. This is essential because the coronavirus pandemic deconstructs the globalization, meaning that focusing on the national solutions will not deliver a sustainable outcome (Žižek, 2020). Similar to the described inner-country scenario, it is important to recognize that the necessity of the collective response is not conditioned by virtue of cross-country solidarity. Precisely the opposite, a global plan is paramount given that preserving the globalization is in the genuine interest of the capitalist market economy. Even more so, since it is the irreversible outcome of the development of the productive forces, the globalization process must be protected at all costs. In relation to the latter, the rationale behind the dynamics of the inner-country solution must be modified to tackle global challenges ahead. Generally speaking, combined with the globalization and rising inequalities, the coronavirus pandemic raises the need to address the problem through some form of a supranational authority. Hence, it is self-evident that the nature of the threat requires a certain degree of a global healthcare network (Smith, 2020), universal health care, and a potent transnational system of detection and restriction of the spread of the pandemic-prone diseases. Thereafter, it must be recognized that the contemporary mode of production originates from the economy of scale and the growth-led model, dependent upon international trade and globalized supply chains. From this, it follows that the nation-state remedies will fail to restore global value chains and production networks, without which there is no going back to pre-pandemic “normal”. Lastly, the lessons drawn from past global crises have shown that they tend to generate a dichotomy between an effective international lender of last resort and large-scale military conflicts (Aliber & Kindleberger, 2005). This is ever more relevant within today’s globalized world in which economic specialization has fueled country-wide production of exchange values rather than use values. Resultantly, if there is no international trade, there is no realization of commodities. Consequently, given that the prevailing comparative specialization has created countries with disproportional economic structures, the vast majority of them are dependent and cannot reproduce independently. The final result is a state in which certain countries, due to the insufficient demand, will have to cover the expenses of food destruction while those predominantly relying on the tertiary sector will struggle to make ends meet. Apart from this, corresponding detrimental dynamics will take place within countries, between the wealthy and the impoverished. Regardless of the fact that finding a cross-country compromise poses a difficult task, there exists no viable alternative to avoiding global standstill, given the lack of global cross-country cooperation. In other words, the unified supranational response through the effective international lender of last resort must absorb asymmetrical shocks and exhibit cross-country symbiotic solidarity when and where it is needed the most.
5 | FINANCING THE PANDEMIC RECOVERY

Coping with the catastrophic aftereffects of the Great Lockdown, which is likely to become the worst contraction in modern history, undeniably comes at great expense. The trillions that will be spent on violating conventional market rules are the finest indicator of the need for critically transcending the dominant discourse and unwavering beliefs in market efficiency.

Related to the Sections 2 and 3, both Keynes and Marx see the solution to this crisis in the process of capital depreciation, producing a capital shortage and creating a basic condition for an increase in its marginal efficiency (Stojanov, 2007). An additional advantage of such a scenario is that it incentivizes investment spending and consumption of means of production as a safeguard from the capital’s otherwise inevitable loss of value. Consequently, the increase in marginal efficiency creates a foundation for recovery and the restoration of societal production. On these grounds, two things are certain. First is that the entire society must participate in covering the costs by respecting principles of vertical equity, horizontal equity, and ability-to-pay. Second is that the fiscal policy is the most obvious instrument available. This entails that the costs must be disproportionally displaced toward those members of the society who can afford to pay them.

This is where the present-day excessive inequality must be turned into a societal advantage through the deliberate use of the government’s expansionary fiscal policy directed toward reinstating idle productive capacities. Effectively, the costs related to the preservation of sufficient demand, pre-crisis level of employment, and continuous reproduction, to be financed via unbalanced government budget or direct injection of money, must be covered through the progressive taxation of income and wealth, or through the direct redistribution inflicted by the philanthropic altruism.

Coordinated by the progressive government, the needed policy toolkit should support socially useful public investment financed through solidarity among people. This means that structuring effective response arrangements requires transcending the mainstream view on solidarity as “interpersonal externality.” If it is to beget success, by disproportionally affecting the wealthy and by restricting market-led individualism, the pandemic response plan will undeniably have to take the role of the great leveler. The key to a favorable outcome is the acknowledgment by both the power holders with vested interests and the rest of the society, that the pandemic as an external existential threat demands to replace the competitive market setting with synergic cooperation. Accordingly, given the circumstances, the triumph should be built upon the economics of equitable cooperation, which has the capacity to generate a positive-sum and sustainable results.

In this sense, it can be inferred that society needs to utilize solutions comparable to the time of the “great compression,” during which progressive taxation and direct, large-scale government employment programs were used to develop modern welfare states after the Second World War. In this context, it is imperative not to overlook that this theoretical proposition does not imply that the affluent members should contribute more merely out of solidarity. Among others, their disproportional participation is crucial because they have asymmetrically benefited from the development leading to the pandemic, they have reaped disproportional benefits arising from publicly financed projects, and because they consume much more protection of their private property from the government than the rest of society.

Regardless of if the above stated refers to a national level or presently infeasible supranational level, from this assertion, it naturally follows that the pandemic paradigm shift is necessary if society is to make progress.
The diagnosed pandemic predicament requires a radical overhaul of the presently inefficient patterns of production, distribution, exchange, and consumption. This is because confining to the narrow concept of Pareto optimality proved unsustainable over the long run if production takes place for profit alone (Stojanov, 2007). Given that the Pareto principle does not permit comparing interpersonal utilities, it is hardly surprising that it is unable to deal with the coronavirus pandemic. Hence, the Pareto criterion must be rejected as the measure of economic efficiency (see Hahnel, 2014, p. 38). This is why the government must define an appropriate welfare function and impute value judgments, implement an innovative policy toolkit, and set up a new efficiency criterion to be used as the benchmark for the assessment of the success of societal achievements henceforth.

Therein lies the complex reality of the postpandemic restart which brings into question the basic postulates of economic science. Thus, it becomes necessary to develop a theoretically coherent reform of economics by abandoning, or severely restricting, the prevailing market mantra which holds individual's profit motive to be the primary driver of societal production. Toward that end, Keynes and Marx offer valuable insight into how this novel paradigm should be conceptualized.

The mainstream paradigm has departed from Robbins’ (1984) standard definition of economics as a cornerstone of a neoliberal optimization problem, studying human behavior as the relationship between ends and scarce means with alternative uses. Having this in mind, the orthodox approach seeks to achieve economic efficiency weighted against Pareto criterion, where ends are considered insatiable wants in relation to the purportedly limitless (in growth) human desire for consumption.

This mainstream framework, in which the consumer is undeniably crowding out the citizen, is widely and rightfully refuted by nonorthodox economists. In this regard, Keynes’ (2010) constructive criticism places the focus on the hierarchy of wants, differentiating between absolute and relative class. Building on the Keynes’ rationale, Skidelsky (2019) argues that human behavior is bounded by absolute (biological) needs and relative (social) wants. Hence, needs are limited by nature, with the lower bound being bare subsistence. Contrarily, wants are made limitless by society, given that they are considered aspirational pathways to satisfy and maintain the insatiable desire for the individual’s superiority relative to other members of society.

On the other hand, Marx’s (1990) critique is derived from the fact that the principle of scarcity pays no attention to distributional implications innate to the capitalist mode of production. Therefore, it is no wonder that the commodity production of profit-bearing exchange values is placed ahead of the production of use values intended to satisfy human needs. Even though the theory suggests that the use values are the source of the exchange values, the usefulness of the latter is derived not from the commodity’s immediate consumption but from their ability to bring profits once they are realized in the marketplace. Given the massive distributional inequalities, this is the alternative of saying that the focus is cast on satisfying unlimited wants of those who can afford them instead of fulfilling even the most basic needs of others. This final result explicitly opposes Marx’s needs-centered distributional system apparent within a well-known aphorism “From each according to his ability, to each according to his needs!” (Marx, 2018, p. 10).

Since this framework advocates that the resources are scarce relative to wants and not needs, in both cases, the starting point toward building a better society is not rooted in the problem of scarcity, but in that of distribution. Likewise, the problem must not be conceived upon fulling our insatiable wants but should be primarily focused on satisfying the basic needs. This erroneous discrepancy between abundance and scarcity, as well as between wants and needs, is
created by society and therefore is to be restricted by society (Skidelsky, 2019). More generally, it is not a result of self-interest or greed as “permanent” features of human nature but is an inherent reflection of characteristic behavior that emerges from living under capitalist society (see. Fine & Saad-Filho, 2016), which subordinates the human needs of many to the profit motives of few.

What governs the societal relationships is thus not a natural inequality but a historically specific social one in which relationships are not organized between equals. Even more than that, it is governed by the dynamics in which socioeconomic interaction between people appears as the interaction between commodities. Given that it is derived, established, or at least authorized by the consent of men, this is what Rousseau (1984) considers a detrimental, institutionalized inequality constituting the core of the pluralist critique of capitalism.

In line with all above mentioned, the conclusion drawn is that the Great Lockdown mandates a paradigm shift. The new economic paradigm must account for the consistent academic underpinnings provided by the heterodox and radical schools of economic thoughts, which furnish a powerful theoretical groundwork in favor of correcting the misalignment between needs and wants. As understood by Rousseau (1984), this notoriously difficult task is to be accomplished through the formation of a novel, tacit social contract bringing benefits to all parties involved and bringing about more equitable, sustainable, and symbiotic mode of societal production.

However, appealing and relevant this fundamental economic reform is, until the labor becomes “...not only means of life but life’s prime want” (Marx, 2018, p. 10), instead of reinventing the economic science, society must urgently reinforce the existing mode of production. Here again, the coronavirus pandemics calls for a restriction of the market individualism, calls for economics of equitable cooperation, and calls for the appropriation of the self-interest properly understood (de Tocqueville, 2010). Fortunately, the material conditions necessary to tackle these challenging socioeconomic realities already exist and should be, without delay, employed in two interchangeable and mutually reinforcing ways. The society should seek to maximize its needs by tying them to the interests of the owners of the private property. In this scenario, faced by the exogenous threat, the capitalists must recognize that maximizing societal basic needs instead of its wants, through the large-scale provision of the use values, is in their own self-interest as much as it is advancing the collective well-being. Second, as stated previously, the remaining societal needs should be accommodated via the government’s collective leadership, which restricts the private self-interest and fulfills the societal needs through a non-profit, solidary economic environment.

The bottom line is that the natural calamities overpower the economic pursuit of insatiable wants and confine the performance of the profit-motive primarily to the needs-based principle. Therefore, the coronavirus pandemic sets the narrow limit for socially constructive, world-wide disaster management whose implementation becomes a matter of progressive practical politics and complementary technical economics. Alternatively, uncompromised persistence on the claim that individual and societal interests are somehow mutually exclusive will generate a dis-service to both.

7 | CONCLUSIONS

Irrespective of the Great Lockdown’s still nascent stage of crisis development, under any circumstances and regardless of what the preliminary outcomes may entail, several unequivocal
and incontestable facts must be considered. First, the coronavirus is here to stay, it is likely going to mutate, and there is no ultimate safeguard against the recurrence of the multiple pandemic waves. Second, the only possible trajectory that would position the world back toward a precrisis operating mode is the development of an effective and widely accessible vaccination, which may take years. Third, given the current patterns of economic development, with adverse ecological impacts, the cross-species transition of yet unknown deadly pathogen cannot be excluded in the foreseeable future. Fourth, the existing economic system is faced with its first truly global slump, threatening the existence of billions and severely hampering worldwide societal reproduction.

Given that the emergence of the coronavirus and the poorly managed supranational emergency state of preparedness are the straightforward results of market failure, it would be logically inconsistent to infer that the market’s self-correcting mechanism can adequately respond to the mutually reinforcing crises of health, economic, and global lockdown. With that in mind, unrestricted by the ideologically downsized role of the government, the prevailing market paradigm, driven by the disconnect between securing the public health and the instantaneous profitability, has exposed a systemic incapacity to fulfill even the most basic societal needs.

The consequential demise of the “efficient” free-market capitalist system brings back to the surface the paramount, collective struggle against the approaching socioeconomic havoc, based on the compelling case provided by the heterodox and radical schools of economic thought. The latter urgently requires the return of strong economic interventionism, which must (a) ensure sufficient funding for the vaccine invention and production of the supportive protective and medical equipment, (b) prevent the irreparable loss of social wealth and ensure the continuation of social production, as the precondition for social reproduction, (c) ensure that the pandemic response plan will beget global solutions, without which there cannot be sustainable recovery.

The interconnected policy recommendations put forth by this study constitute absolute necessities whose costly implementation can be realized solely through the synchronized working of national and supranational authorities. While the supranational organizational scheme remains completely unclear, what is certain is that the massive financial burden of the Great Lockdown will have to be channeled toward those members of society who can afford to pay for them. Hence, the conclusion that the excessive prepanademic economic inequality is both the cause behind and the cure for the current state of affairs, whereas the pandemic itself should become the new great equalizer. This inevitably results in the pandemic paradigm shift, conceptualized through the departure from the narrowly defined self-interest maximization toward a society which will put humans back into the economic equation and acknowledge that it is only by maximizing our collective interests that the society can find a way out of the crisis. This imminent change will profoundly affect the basic features of society, in which all segments of the preexisting socioeconomic arrangements must focus on putting the basic needs of the many ahead of the insatiable wants of a few.

This restriction of free-market individualism for the purpose of preserving collective well-being is an appropriate course of action which must be taken into account as a platform for addressing all existential threats to society, inclusive of ecological and environmental crises. From this perspective, the Great Lockdown simultaneously poses an opportunity, as well as a challenge to mankind, who cannot allow itself the luxury of letting another serious crisis go to waste. Ultimately, whether the crisis will beget a progressive change toward equitable and solidary collective or a turn towards destructive national movements, remains to be seen. However, until resolved, the clash between the coronavirus and humanity effectively disables what
was, up until now, considered economically rational decision-making and what will largely determine the overall success of the fight between viral and economic reproduction. Ironically, the success of the technologically advanced society and masters of artificial intelligence will be measured against one of the simplest life forms in existence. Accordingly, the evolution of economic rationality rendering homo economicus with a properly understood notion of self-interest, is a fair price to be paid to secure life in a civilized society.

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