




Weekly Briefing

Czech Republic social briefing:
An Alternative Discourse upon the Crisis: Warning against the
Suspension of the Social Life
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An Alternative Discourse upon the Crisis: Warning against the Suspension of the Social Life

In the course of March, a gradual turn towards discussions about the future consequences of the radical restrictions introduced by the Czech Government and alternative ways of coping with the coronavirus epidemic could be observed. An increasing number of experts and public figures, including the ex-President Václav Klaus, a former Governor of the central bank, immunologists or the incumbent rector of the major university in the country, started to call into question the efficiency of the actual suspension of both the economic and social processes. In the following analysis, I will therefore inquire into this way of thinking which was dissent at first, however, being strengthening step by step.

At the beginning, the political and public discourse was characterised by a strong emphasis on the epidemiologic dimension of the crisis, focusing on restrictive measures with the aim of control, containment and gradual elimination of the disease. However, it became clear soon that radical restrictions adopted by the Czech Government, including the state of emergency, a nationwide quarantine, a closure of an overwhelming majority of institutions and companies, a closure of the state frontiers and a ban on the free movement of persons, would bring about an unprecedented suspension of the national economy and a freezing of the life of the whole society. A dilemma emerged: What is more important – to save a maximum number of people's lives at the cost of the devastation of the economy or to maintain the economy working at the cost of a higher number of victims? The answer is not simple, moreover, such a formulation can appear to be too simplified and misleading.

Saving life or economy?

Some politicians, public figures and commentators have praised the restrictions as a triumph of humaneness and morality, a victory of genuine human values over a narrow, materialist economism, as a prove of the ability to overcome egoistic particularism to the benefit of the public, common goods and solidarity. Albeit being partially plausible, this way of reasoning disregards one point which is, nevertheless, of the utmost relevance: The interruption of economic activities can lead to grave losses, to an excessive indebtedness of the State, to

bankruptcies of a wide array of companies, to a substantial rise in unemployment and a shortage of financial means. As a consequence, the State may not have enough money to finance the health care system, and the economic fall together with the social isolation and the impossibility of keeping “a normal way of life” can cause social deprivation and produce a higher number of victims than in case of adoption of a more „liberal“, benevolent attitude. In addition, an excessive repression and focus on the coronavirus contribute to an atmosphere of fear, danger, even paranoia, making a search for a more balanced, rational, emotion-free policy impossible. But in fact, a balanced position, combining a partial and focused restriction with maintenance of usual, standard social and economic processes is needed in order to avoid extremes and detrimental radicalism.

The importance of these processes is stressed by the former President of the Czech Republic Václav Klaus. He is convinced that the economic collapse of many enterprises and industries may be harmful to the people’s health to the same degree as the disease itself. The major risk is seen in a long-term, protracted decline of the economy. The situation is complicated by the fact that the current decline is characterised by a sharp decrease in both the supply and demand. Václav Klaus does not deny the principle of the state support arguing, however, that it should be as simple and administrative-friendly as possible. The Government should not have pretensions to cover all losses of all economic subjects but let the unviable part of the economy crash. At the same time, the political leadership is to be prepared to carry out structural reforms, not endeavouring to restore the *status quo ante*. It is not surprising if the former President opines that the state support provided in response to the crisis should not be excessively massive, comprehensive and redistributive in order not to suppress people’s economic initiative and motivation. In conformity with his conservative, right-wing outlooks, he believes that the free, open market is the appropriate answer to the current economic downturn.

Agreeing with this conclusion or not, some points are worth considering thoroughly. First of all, the appeal to the deliberate, non-maximalist state support and economic stimulation measures together with the need for fiscal discipline and budget cuts in order to prevent a collapse of public and state finances and extreme indebtedness. According to the ex-President, constantly rising state expenditures, leading to an increasing level of deficit and state debt, are not any solution. He warns against the Keynesian way of thinking and “redistributive obsession”, calling upon the political elites to revise the existing expenditures as well as budget priorities. Under the complex current circumstances, the attention should be thus paid not only to new expenses but also to cuts and saving. Such an argumentation is justified without any

doubts. The crisis caused by the spreading of the novel coronavirus is a right moment for rethinking, reassessment and practical revision of the state expenditures and support. It is a right moment for calling a halt to generous financing of a wide array of projects and activities carried out by some organisations, institutions and groups which misuse the state budget as a resource of their own profit. In the midst of the crisis, the Government has a unique opportunity to cut off these financial flows, thus saving the money of all citizens. Such an action is referred to by Václav Klaus as well. He suggests reduction of support designated for environmentalist initiatives, political NGOs, purchases of military facilities, expanding state administration and its agenda, the Czech Republic's development cooperation programmes or – last but not least – revision of our position within the European Union. The former President considers the ongoing rising tendency in the state expenditures to be a way towards an introduction of a strong, expansive and self-reproducing state. The current crisis should be therefore used for reversing of this trend, not for reinforcing it.

The radical restrictive policy has also been challenged by a former Governor of the Czech National Bank Zdeněk Tůma (2000–2010) and a former vice-Governor Mojmír Hampl (2008–2018) who in March published an article in which they labelled the paralysation of economies in consequence of political decisions “an economic harakiri”. Focusing on the epidemiologic and health aspects, the governments have underestimated prospective socio-economic implications of restrictions. The aim is not to be a total elimination of the disease but achievement of a higher quality of life in the future. Both economists point to the fact that the treatment should not be worse than the disease itself. And so far it seems it will be. If the crisis brings about a decrease of 5 per cent in the GDP (the real impact being likely to be graver) it will equal to a yearly budget of the whole Czech health care system. It would mean that the Government would spend the yearly health care budget, covering the treatment of all illnesses, to fight one disease. Tůma and Hampl therefore observe that the expenses on saving everybody's life suffered from the coronavirus are too high within the whole social context. In order to save all lives, the economy will be sacrificed. Consequently, lives of all will be seriously damaged and the total number of victims will be even higher. One do not need to accept such interference, nevertheless, both the political and public discourse should include these points, weighing them seriously.

A problem of the debates in the Czech Republic is an absence of a clear awareness of goals of the restrictive policies. It becomes increasingly obvious that a total elimination of the virus is a chimera. Taking this finding into account, goals are to be defined as precisely as

possible. There is a growing number of epidemiologists, doctors, experts from different fields and public figures who have warned against the excessive emphasis on restrictions and the fight with the coronavirus to the detriment of all other aspects of the social life. Physiotherapist Pavel Kolář and immunologist Jaroslav Svoboda published a comprehensive analysis of the current knowledge of the disease, connected risks and impacts. They draw a conclusion that the political leadership should distinguish two different groups of people in terms of the coronavirus – the high-risk and the others. According to their opinion, the tough restrictions, quarantine and isolation should be applied to the first group, whereas the rest of the society should work normally. At the same time, this majority of the population would gain active immunity gradually, undergoing the illness. The solution is seen as plausible given the fact there will probably be no vaccine in the near future. A long-term restrictive regime would lead to a social paralysis, serious economic as well as psycho-social consequences, possibility of a return of a new wave of the epidemic not being excluded. In that case, the aftermath would be devastating.