

## Transformation of State Function in The Post-Pandemic Period

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*In the history of mankind, one can count on one fingers the years with which mankind has associations with specific historical events: 1453 - the fall of Constantinople, 1492 - the discovery of America, 1789 - the beginning of the Great French Revolution. With high probability, 2020 will enter in the history of humanity as the year of the coronavirus pandemic, which has had an incredibly great impact on economic, on social and political processes almost all over the world, on interpersonal relations and on the psychological state and expectations of the latter. It should be said unambiguously that this epidemic can not be regarded as another force majeure. **The COVID-19 pandemic revealed, on the one hand, the entire absurdity of the libertarian view of the omnipotence of the market and, in contrast, emphasized the importance of the stabilizing and organizing function of the state.***

*It is Fact that humankind and its institutions and intellectual elite met with less readiness to the attack of Covid-19 and economic crises caused by it. This was especially clearly manifested in the medical field, where in the “brainstorming” regime it was necessary to simultaneously carry out treatment and care to prevent the spread of the virus, and the development of an appropriate therapeutic vaccine, and to minimize losses from a pandemic and to ensure social protection of the population. The situation was and remains so extraordinary to this day that figuratively speaking, **states, their medical (and not only) logistics had to learn walking skills during a forced run.***

*Coping with the pandemic and the economic crisis caused by it is possible only at the expense of the only institution that has the ability to accumulate and use purposefully all resources and determines the rules of citizens' behavior - the State.*

*What is currently taking place in defining the role and function of the state can be figuratively called as a reverse version of the “return of*

*the prodigal son” or “the insight of King Lear”, which gradually regains its immanent functions previously “voluntarily” transferred to the market.*

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## **State vs. Market**

The crisis caused by the coronavirus pandemic revealed the inefficiency of supply and demand in the hospital network of most countries, which turned out to be completely unprepared in the context of the pandemic. The pandemic posed a serious challenge to modern medicine, exposed its weaknesses, and ultimately led to the fact that healthcare, as a market product, practically failed. - Regardless of the level of economic development, regardless of the fact that developed countries allocated a significant part of their GDP to health care, humanity turned out to be practically unprepared for an adequate response: a) in the health sector; b) the need to provide assistance to those industries, segments of the economy that have experienced the most severe damage from the pandemic.

In view of the high rate of spread of COVID-19, the atypical impact on human health and the economy as a whole, at the first stage of the pandemic, the discrepancy between the severity of the problem, on the one hand, and the scale of its perception, awareness and response, on the other hand, was especially striking. At the first stage, almost all states ended up not in the role of **an attacker**, but in the role of a **catching-up** subject.

The fastest among the countries to respond to the pandemic was China, where entire cities and provinces with a multi-million population were isolated in a short time. Outside these zones, China has managed to reduce the number of infected by 96 percent.

**The crisis caused by the coronavirus significantly overestimated, in fact, buried the neoliberal view of the omnipotence of the market.** Moreover, some radical economists went even further and took the current processes as the beginning of the decline of the market economy.

Taking into account the scale of the crisis, losses, economic losses are quite impressive - on a global scale they amount to trillions of dollars. Corporations cannot cope with them, no matter how large they have assets. - This is within the power of only one institution that has the right and the ability to dispose of all resources to achieve a single goal and determine a single rule of citizens' behavior - the state.

During pandemic, there was practice of distributing the so-called “Helicopter money”, when, under lockdown conditions, governments handed out substantial sums of money to their citizens. For example, the Trump administration has channeled a significant portion of the \$ 2.3 trillion (11% of U.S. GDP) allocated to the fight against coronavirus to cash benefits for citizens of the country - \$ 1,200 for each household of one person with an annual income of no more than 75 thousand US dollars; and for each adult member of a household consisting of 2 or more members, with an income not exceeding 150 thousand US dollars. \$ 500 was allocated for each child in such households. Similar steps were taken by other countries, where the size of the corresponding subsidies was determined by the economic power and capabilities of the state.

This generosity of states explains a noticeable decline in the economy. According to IMF forecasts, the leading countries of the world will not be able to reach the level of 2019 even by 2021<sup>1</sup>.

At the initial stage of the pandemic, many economic experts assumed a realistic scenario of a **V**-shaped crisis, when the economic recovery begins quickly, and the crisis itself lasts no more than 1-2 quarters. Today, in the context of almost the second wave of the coronavirus pandemic, the **W**-form of the crisis is taking shape, when the economy, after a rapid and visible recovery, plunges into recession again.

It can already be considered confirmed that in any scenario of the development of the world economy, countries will emerge from the crisis individually, and in time the exit itself will be asymmetric. A striking example of this is China, to whose economy the term **“fell - squeezed out!”** Can be applied. - After a decline in the first quarter of 2020 by 6.8%, China showed an increase of 3.2% in the second quarter, and by 4.9% in the third quarter, which creates a good basis for significant growth in general for 2020 (at least 2.0%). This is in an environment where the EU-27 countries, the UK and the US are likely to end 2020 with negative growth.

The coronavirus pandemic and the processes associated with it in the field of medicine, economics, logistics, and in general in the field of management, clearly indicated that:

First, state institutions must be strong, capable, adequate and effective in their actions; they should have prepared plans for the development of processes with different scenarios and the ability to respond to them as quickly as possible. Successfully coping with the crisis definitely can only those states that have strong and organizationally well-established state institutions.

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1 The total GDP of the developed countries of the world in 2021 will amount to 98.1 percent of the level of 2019. [1]. It turns out that two years will “drop out” from the history of economic development.

Secondly, the state must have a sufficient amount of reserves (medicines, basic necessities, food, etc.), moreover, both for an emergency and for a normal situation, for which it is necessary to improve monitoring of the formation and use of these resources.

And thirdly, the responsibility of the state during a crisis should also take into account the presence of an institutional and organizational structure with high legitimacy, which will not only carry out the above-mentioned monitoring, develop a specific protocol for the redistribution of resources, but in force majeure conditions itself will become their governing body.

In the context of the existential challenge from the coronavirus, the role and significance of the state will significantly increase and its “renaissance” is practically taking place. In the conditions of this crisis, the state becomes the “lender of last resort”, since only it is able to withstand the crisis with all (-medical, economic, social and political) aspects, prevent the uncontrolled and large-scale collapse of the economy, the escalation of the recession into depression. It was during the period of the fight against COVID-19 that states without any ceremony took the leading functions of managing the globalization processes from the transnational corporations, which they had monopolized over the past decade.

The state in the shortest possible time regained the role of the “first violin” by the fact that it did not hesitate to restrict the freedom of doing business, movement of goods and people. It went, in contrast to its behavior during previous crises, and completely ignored the principles of the free market; it did not stop before the “reincarnation” of planning elements and the almost unprecedented until recently “suspended”, uncertain state of economic activity - with an unclear definition of the time and forms of returning to normal life and business activity, linking the process of economic recovery with overcoming the epidemic peak or “ plateau “coronavirus pandemic.

Moreover, business has received an ambiguous notification that the possibility and prospects of its sustainable development will largely be predetermined by the extent to which the forms and types of its activities will correspond to the state’s strategic interests. - We are not talking about general, total paternalism on the part of the state (which would practically mean the victory of state capitalism), but about the skillful conducting of market players. Consequently, an increasing role should (will) be assigned to indicative planning, and in countries still using it, the renaissance of such planning. It is more likely that the new paradigm of relations with society, proposed by the state in an emergency, will continue after the complete victory over COVID-19.

At the same time, given the fact that in conditions of a significant reduction in the demand for labor, the demand for social protection will noticeably

increase. States will have to spend more and more funds on maintaining the **internal stabilizers** of the state - on medicine, health care and social protection, which public relations will make more humane, social, and from a class point of view, less and less capitalist and, accordingly, more socialist (at least - more socialist-tinged).

The growth of the State's authority was not limited to the growth of domestic functions - it also achieved significant preferences in the field of international relations. - Long before the pandemic, there was a noticeable increase in protectionism, the application of sanctions to "inconvenient" and unfriendly states, restrictions on immigration, and support for national producers, who, in the context of the pandemic, received even more impetus and found "a new start".

A strong state is really necessary in order to prevent political chaos not only domestically, but also internationally, which was pointed out by the patriarch of diplomacy, the "old mujahiddin" of world politics, Henry Kissinger, in an interview with The Wall Street Journal. [2].

### **What are the potential dangers inherent in the strengthening of the role of the state?**

Along with the positive tendencies, attention should be paid to the dangers that are fraught with the strengthening of the role, status and function of the state.

The coronavirus pandemic put society before a choice: on one side of the scale were the rights of citizens and the freedom of members of society, on the second - unauthorized intrusion into privacy, tracking, total control of families and individual citizens by the state and its structures, which gives it (the state) ample opportunity to manipulate people's moods and behavior.

Let's face it: the state, even before the pandemic, was caught in an effort to collect as much information as possible about its citizens. With the naked eye, it was noticeable that the private space was gradually narrowing like shagreen skin: countries seemed to compete in the development of different forms of tracking, the growth of the number of observation cameras per capita. Nevertheless, it was the coronavirus pandemic that completely untied the hands of the authorities and gave rise to a deep invasion and monitoring of the private life of citizens under the guise of "caring for the health of its citizens." This situation allows governments in "combat conditions" to test the effectiveness of different technologies for tracking citizens.

The above problem does not have a hypothetical context - in particular, the mechanisms by which it is possible to prevent the danger of increasing citizens' control over the fight against new forms of the epidemic when using the latest advances in technology are not yet known. Digitized passes, a temporary

restriction of the right to be removed from their own home no more than a few hundred meters - one can even call a mild, domestic form of “imprisonment”. Social distancing, which is seen as a temporary measure during a pandemic, contains the danger of atomizing society, increasing inequality, leaving people in a shell of their problems, and in constant monitoring of health, temperature, blood pressure, movement and safety of specific individuals, one can also notice the danger of total surveillance for citizens in order to obtain information about their moods and political sympathies. Ultimately, this is filled in with the danger of being used not only to determine the capabilities of the individual, but also for psychological pressure and blackmail. **Therefore, the question sounds absolutely non-territorial: will the Big Government, if we use Orwell’s terminology, be transformed into “Big Brother”?! And not pave the road to promote the role of the state and the corresponding government spending “one fine day” into the reincarnation and legitimization of “Big Brother” ?!**

Therefore, it cannot be ruled out that in the not so distant future, it is likely there will be a rule introduced, according to which, in parallel with the air transportation of passengers, the implementation of the so-called **express tests** will be necessary when obtaining visas and / or directly at the airports, before departure (despite the fact that thermoscreening has already become a routine procedure when crossing the threshold of an enclosed space from the side of an open space, street). Along with (and partly, due to part of the occupied) commercial area “Duty Free”, may have laboratories and their clones may appear near visa centers, train stations and hotels, as well as specialized LLCs that will ensure quick removal from these places (deportation) persons with detected symptoms of COVID-19. The EU countries have already reached an agreement on the introduction of a single safety certificate - the so-called **COVID passports**, which will be a condition for obtaining permission to move freely from one country to another. Such a passport (or its modification) can become not only a prerequisite for crossing state borders, but also for obtaining a prestigious job, obtaining certain services and pass, for visiting fitness clubs and swimming pools. In addition, the World Tourism Organization is preparing a special protocol, which will take into account the standardized norms and rules of tourists in the “from home to home” mode (when moving, traveling, in hotels, museums, parks, places of mass gathering, compliance with the rules of personal and social hygiene etc.). [3].

One way or another, the modern “digitized” civilization and “electronic states” are faced with the need to develop a new paradigm of legal norms and laws, the urgency of which has sharply increased with the onset of the coronavirus pandemic.

In any case, the growth of the role of the state acquires an irreversible process, which ultimately will begin to manifest itself in an increase in the redistributed share of GDP through the state budget, the growth of the public sector of the economy, in greater cooperation and coordination of the state and business, an increase in the degree of economic self-sufficiency and the return “voluntarily” functions transferred to international organizations and institutions, in strengthening the formal and real sovereignty of national states.

## Conclusion

Despite the fact that under any development scenario, economic recovery in the post-pandemic period, both by country and by type of activity, will become asymmetric. The share of the state in the national economy will noticeably increase, the issues of employment, the minimum guaranteed, basic income, the formation of a single Internet technological infrastructure will come to the fore, and in the place of growth / contraction of the economy - the stability of meeting the basic needs of the population.

Governments will have to test different models of more advanced (but not sophisticated) forms of progressive taxation and introduce a guaranteed, vital basic income as a universal, exclusively state social insurance. Such basic income can become a lifeline that will help states to overcome a severe economic crisis, solve several problems: providing assistance to citizens regardless of income, social and material status, reducing social inequality and tension associated with job cuts and rising unemployment due to robotization. They will, accordingly, ensure the growth of aggregate demand (and, accordingly, the entire economy).

In general, the need for a strong state, both economically and functionally, is determined by the dialectic of life: the economic crisis caused by the coronavirus pandemic, the massive impoverishment of the population without the synchronization of adequate and effective anti-crisis measures, the creation of “airbags” will surely cause social protest, turbulent processes in society. On the other hand, only a strong state can cope with such problems (both by economic and administrative methods).

But will the majority of citizens accept a clear attack on a significant part of their freedoms within the framework of the “struggle for human life and security” format, to use the terminology of the five-time Oscar-winning film “Silence of the Lambs”?<sup>1</sup> – It is obvious, that humanity is being pushed towards “zugzwang”: they will accept the limited basic rights of movement, collection, entrepreneurial activity, or “voluntary” refusal with the anonymity of its own personal data.

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1 Feature movie (The Silence of the Lambs, 1991) with Anthony Hopkins and Jodie Foster.

The criterion for the value of human security is the possibility of a normal free life. Security should be considered solely as a means of ensuring the greatest possible freedom for everyone. If we paraphrase the phrase “a terrible end is better than endless fear”, we can conclude that a **free perception of fear is preferable, rather than freedom bound by security**. The growth of the role, function and importance of the state should not go beyond ensuring the safety of people, protecting property and the fundamental humanitarian rights of members of society.

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## სახელმწიფოს ფუნქციის ტრანსფორმაცია პოსტპანდემიურ პერიოდში

### იოსებ არჩვაძე

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კოორნავირუსით შექმნილმა კრიზისმა გამოიწვია ბაზისის ყოველშემდგომობის მითის გადაფასება. კრიზისის მასშტაბის გათვალისწინებით, ზახადი, ეკონომიკური დანაკარგები საკმაოდ შთამბეჭდავია - გლობალური მასშტაბით ის მთავარ ტენდენციად აღიქმება. ამგვარი კრიზისის დაძლევა კოორნაციათა ეკონომიკური პოტენციალს აღემატება. ამის შესაძლებლობა გააჩნია



მხორღე იმ ინსტიტუციას, რომელსაც სამართლებრივად და ორგანიზაციულად შესწევს უნაჩი განკაჩგოს საზოგადოებრივი ხელუხსები უთიანი მიზნის მისაღწევად, ანუ – სახედმწიფოს.

მსოფლიო ეკონომიკის ნებისმიერი სტენაჩით განვითაჩების შემთხვევაში, კიზინიღან ქვეყნები გამოსვლას მოახეხებენ ინდივიდუადუაღ, ღიონს მიხედვით კი ამ გამოსვლას ექნება ასიმეტრიული ხასიათი.

პანდემიის პირობებში ადამიანთა ჯანმითელობასა და უსაფხთხოებაზე პასუხისმგებლობა, ნაცვლად ადინდელი „ტიუმვიჩაგისა“ (სახედმწიფო, საზოგადოება, პიროვნება), თითქმის მთლიანად თავის თავზე აიღო სახედმწიფომ. ამიგომ ქვეყნებს მოუწევთ სუდ უფხო მეტი სახსრების გამოყოფა მათი შიდა სტაბილიზაციოების - მედიცინის, ჯანმითელობისა და სოციალური დაცვის უზუნველსყოფად, ხაც საზოგადოებრივ უთიუთობებს უფხო ჰუმანუაღ, სოციალუაღ და გაჩკვეული ნიშნით, უფხო სოციალისტუაღ შეფეხიღაღაც კი აქცევს.

ხა პოტენციური საფხთხეებს შეიცავს სახედმწიფოს ხორის გადღიეება?

კორონავირუსის პანდემიამ საზოგადოება დააყენა აჩრვანის წინაშე: სასწოხის უთ მხაეღს აჩის საზოგადოების წეუთა უფდებები და თავისუფდება, მეოჩე მხაეღს კი მათ პიხად ცხოვრებაში სახედმწიფოსა და მისი სტიუქტუების მხიღან ახასანქციონიეებუღი შეჭხის, ოჯახების გოგადუჩი კონტიორის საფხთხე, ხაც ქმნის ადამიანთა განწყობებისა და ქცევის მანიპულაციის ფაქთო შესადღებლობას.

სოციალური დისტანციეება, რომელიც განიხიღება ხოგოჩე დიობითი ღონისძიება პანდემიის პეიოღში, შეიცავს საზოგადოების აგომიზაციის, უთანასწორობის, ადამიანების საკუთაჩი პიობღემების ნაჭუჭში დაჩრენის საფხთხეს, ხორღ ჯანდაცვის, გემპეჩაგუჩის, გადაადგიღების და უსაფხთხოების მუღმივი მონიგოჩინგი შეიცავს მოქაღაქეებზე გოგადუჩი თვადთვადის, თვით მათი პორღიკუჩი სიმპათიების და განწყობიღების თაობაზე ინფორმაციის მიღების საფხთხეს.

სახედმწიფოს ხორის ზიღას აქვს შეუქცევაღი ხასიათი, ხასაც, საბოლოო ანგაჩიშით, მიყყავაჩთ მშპ-ის სუდ უფხო დიღი წიღის გადანაწიღებისაკენ სახედმწიფო ბიუჯეტის მეშეობით, სახედმწიფოსა და ბიზნესის უფხო მეტი კოოპეჩაციისა და კოოჩინაციისაკენ, თვითუზუნველყოფის ღონის ამღღებისაკენ და საეჩთაშოხისო ინსტიტუტებისადმი „ნებაყოფლობით“ გადაცემული ფუქქციების უკან დაბიუნებისაკენ, უოვრული სახედმწიფოების ფოჩმადუჩი და ეუადუჩი სუვეეინიგეტის განმტკიცებისაკენ.

ადამიანის უსაფხთხოების ფასეულობის კიტიეიუმი აჩის ნოჩმადუჩი თავისუფადი ცხოვრების შესადღებლობა. უსაფხთხოება განიღღდ უნდა იქნეს ხოგოჩე ადამიანთა მქსინადუჩი თავისუფდების უზუნველყოფის საშუადე-

ბა. სახელმწიფოს ხოღის, ფუნქციისა და მნიშვნეღობის ზხდა ახ უნდა გასცდეს ადამიანთა უსაფხთხოების, საკუთხების უფღების დაცვისა და საზოგადოების წევხთა ჰუმანიტაიური უფღებების უზხუნვედყოფის საზღვხებს.

**საკვანძო სიცივებო:** გღობადიზაცია, კოხონავიხუსის პანდემია, სახელმწიფოს ფუნქციებო, სოციადუი დაცვა, სახელმწიფოს შიდა სგაბიღიზაგოიებო.

**JEL Codes:** F02, H55, H75