

SYSTEMS COMPETITION PUT TO THE TEST

In theoretical terms, many, though not all, were of one mind: whether and under which circumstances a regime proves itself is best shown by letting competition play out. Thus the mercantilist economic system, devised by clever Frenchmen, succumbed in the long run to the Anglo-Saxon idea of free trade revolutionised by David Ricardo. And so the Western social market economy prevailed over the Eastern communist system.

The main question is: who will manage to exit crisis mode quickly and relatively unscathed?

This in turn does not mean that obsolete system ideas completely disappear. On the contrary, mercantilism is currently celebrating a revival in dealings with China, an increasingly important trading partner, and is now even being treated as a specific function of the European Union, which otherwise likes to present itself as a champion of liberal markets. And in collective solutions, which tend not to stray far from the old communist paths, many, especially intellectuals, see the way out of all kinds of problems, from climate change to the ageing of society to the question of income distribution.

Indeed, friends of systems competition should be rejoicing at the moment: rarely has there been such a pronounced constellation of simultaneity to observe. Yes, we are talking about the coronavirus pandemic. The disease broke out in virtually all countries around the world with little staggering. Obviously, authorities in democratic states struggled to react quickly and clearly. Despite repeatedly rehearsed pandemic scenarios, the countless interfaces of an open society proved to be quite a hindrance to efficient crisis management. No Western-style government excelled. In many

cases, paralysis, chaos and overreaction prevailed. This is nothing to gloss over.

In contrast, China seemed to come out on top in dealing with the corona situation, as it did in many economic matters. The source of infection in Wuhan was quickly smothered, and economic performance picked up again after a month or two. However, this has come at a price: the country has been almost completely cut off from the outside world for almost two years. Those wishing to enter the country must accept a quarantine of three weeks and are literally treated like outcasts. With the Winter Olympics opening in China in a few weeks, the “laboratory arrangements” are definitely getting interesting. How will the Chinese state react to the inevitable infections of athletes, officials and visitors? Will its own population continue to be hermetically sealed off? Or will China, contrary to expectations and possibly very cleverly, allow the apparently less dangerous Omicron variant to spread in the country with the Games?

The counter-example to China was Sweden for some time, now it is Great Britain – another large-scale experimental arrangement. Sweden's corona policy has experienced considerable contrasts. In the UK, Boris Johnson initially took a particular type of skid control course, but now seems to be getting on track with high vaccination rates and a liberal contagion strategy. Meanwhile, the Dutch, Germans and Austrians are struggling with new restrictions on public and private life.

The main question is: who will manage to exit crisis mode quickly and relatively unscathed? There are systems and regimes whom the special situation suits quite well and for whom their own survival is more important than the welfare of the citizens. Thanks to the competition between systems, we will soon know more about this.

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