



**Miracle workers**  
Healthcare professionals have come into sharp focus for their selflessness during the Covid-19 pandemic KR DEEPAK

**STATES OF MATTER**

# Identity, interest and Covid-19

As the social fabric frays in a global pandemic, theories of the virtuously selfish individual come in for re-examination



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As a lethal pandemic sweeps the globe, healthcare workers as a professional group come under sharp public focus. With all their accumulated knowledge and resources, they have struggled against the sheer magnitude of the threat, but never fallen short in courage and commitment.

What is it that drives this professional group to a task that has taken a toll yet to be fully reckoned? Modern societies function on a division of labour, and “identity” is often defined by one’s position in this distribution of tasks. Indeed, “identity” could be viewed as the totality of reasons a person has to do something, some in full awareness, some from unreflective instinct.

It is difficult distinguishing one from the other, especially against a background of immense crisis. Going back to classical political economy, Adam Smith, in his quest for understanding the conditions for economic progress, saw self-interest as the motive. Thus, we have that famous aphorism, counted among his most enduring legacies to economics: “It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest”.

Is the commitment and dedication shown by the medical community today all about ensuring that their food on the morrow would be available? Perhaps, though Smith the moral philosopher saw things differently. The essential point was stated right in the opening sentence of *The Theory of Moral Sentiments*, which predates his economics by two decades: “How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of

others, and render their happiness necessary to him, though he derives nothing from it, except the pleasure of seeing it.”

Like many among his successors, Smith was a first-rate intelligence, by the familiar criterion of being able to hold two opposing ideas in his mind, while theorising with authority. From about the late 19th century, both economics and moral philosophy wandered into a cul-de-sac of pseudo-scientific certainty, losing their grasp over complexity.

Late in the 19th century, French economist Leon Walras chided Smith for taking economics into alien realms of ethics. As a pure science, economics had no function other than describing reality. The certainty that the market would arrive at just the right prices that the laws of nature determined was one such scientific truth.

Vilfredo Pareto, the Italian engineer-turned-political dabbler, took this perspective to a new extreme. The work of the liberals who followed Smith, he warned ominously, had “paved the way for the demagogic oppression” dawning in the early 20th century. Pareto was convinced that “equality” as an objective was “so absurd that it (did) not even merit being re-futed”.

Income distribution and the price system were placed in this manner on the pedestal of absolute truth. In later years, when Cambridge economist AC Pigou pointed out that the price system could engender severe dysfunctions, the matter was banished into the ranks of “externalities”: Unintended consequences of an individual’s actions that could impose costs, and, in some instances,

benefits, upon society.

From libertarian vantage points, an extreme and selective interpretation of Smith’s doctrine of self-interest followed, in an attack on the concepts of social costs and externalities. James Buchanan, who saw taxation and every form of regulation as a mortal threat to freedom, held that there is no “*prima facie* case for interventions in all cases where an externality is observed to exist”. The “internal benefits from carrying out the activity, net of costs, may be greater than the external damage that is imposed on other parties”.

Ronald Coase, who was also — like Buchanan — rewarded with the Nobel Prize, came to similar conclusions about how externalities could be offset by direct negotiations between the parties, without a regulatory agency as a third element.

Curiously, the navel-gazing individual looking out for his self-interest was invested in this perception with a magical level of foresight in every possible eventuality: Pandemic, environmental disaster or climate adversity. In this morally desiccated universe of economics, the value of medical care arose from its character as a service rendered in self-interest, with the

potential to generate the “positive externality” of a healthy public. Likewise, the negative externality of unhygienic wet markets that periodically send forth lethal viruses to kill and cripple is by definition “external” to every economic agent’s intent.

Where then does society come in, and the individual in his larger milieu? Perhaps Margaret

Thatcher, patron saint of neoliberalism, had the answer to that: “There is no such thing as ‘society’. There are individual men and women and there are families”. To be fair, she did add that people should care for themselves and also their neighbours.

Yet, as the shrivelled welfare state today flounders, medical professionals risk their lives without essential protective gear and the social fabric frays under the threat of mass unemployment, Thatcher’s dire vision from years back has acquired the quality of self-fulfilling prophecy.

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