**Do states lack resources?**

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journalist.It is claimed that states and governments lack funding and they should not run businesses. Their sole job is to facilitate market forces that can take care of any issues arising from economic complications. It is the invisible hand of the market that can demonstrate miracles. From the time of Adam Smith, economic pundits have been repeating this mantra, following it as a sacred principle.

There have been deviations from this whenever the capitalist economy was hit by a crisis. For instance when the Western economies were devastated by the Great Depression, John Maynard Keynes suddenly discovered that the state had a role in stabilizing the economy. Keynes asserted that in times of crises the state should stimulate the economy by carrying out different projects, providing people with liquidity, and creating demands for the market. Even if the state has to do useless and worthless things, it should not be reluctant in squandering public money. He seems to be suggesting that the government, in times of crises, should be generous – not in extending help and succour to the people but in rescuing a system that is riddled with chaotic crises. Keynes advised states to pay people for even digging a patch of land and filling it and digging it again. However, the ardent supporter of modern capitalism does not talk about abolishing a system that prefers profit over human welfare.

Even die-hard advocates of the market oriented system, like the Chicago School which seeks to banish governments from the domain of business, exhort rulers to save the system from a total collapse in times of crises. They want capitalists to make tons of money during the boom but they argue that when such money-makers are in trouble then governments should come up with public funds to rescue the market which abhors the very existence of government.

Under this anti-people logic, profits are individualized and losses are socialized. Following these principles of capitalist policies, the labour government in the UK that gave up the ideology of nationalization a long time ago took control of several private banks and entities after 2008. No storm was created by those who firmly believe in non-intervention of the state in matters of the economy. No hue and cry was raised by those who assert that running business is the domain of private companies and individuals. No doomsday scenario was delineated by those who consider state intervention in the world of business a sacred breach of laissez faire.

The reason is simple: they hate public money when it is invested in cheap housing for common people, in building hospitals where the poor can be treated free of cost or in state run industries where tens of thousands could be provided sources of livelihood. For them, such investment is a waste of public money but when the same money is used to bail out banks, rescue corporations and save private capital then it is good and positive or a source of blessing that must shower favours on the system that protects the rich and harms the poor.

The question is: if you oppose the intervention of the state in economic affairs, then why should the state bail out these fraudulent banks? Why should governments all over the world rescue corporations that make tons of money, pollute the environment, flout social responsibility principles and monopolize prices? Why should these private entities not be left at the mercy of market forces? Why should they not just perish in the process? One argument in the favour of this process offers the logic of job losses. But did the process of privatization not render millions of workers unemployed across the world? Did this market-oriented economy not snatch the livelihood of people by following the principle of hire and fire? Did the contract system not create a spectre of possible job losses for workers?

This argument is offered to gain public sympathy for bailout packages. Such an assertion is made to extract favour from the state in the name of people's livelihood but this system in reality does not want to care about things like livelihoods or loss of jobs. For them the loss of capital reigns supreme. For them every tactic is justified to save private wealth. Some of these super rich have no qualms in extracting public money for their private space trips, and seek government subsidies unabashedly for this purpose.

Now let us turn to another argument: that states lack funding and resources. If that is historically true then one needs to answer whose money was used in the UK to compensate slave owners who brutally suppressed Africans bringing them in European and North American slave markets and selling them like chattel. Was it public money or generous donations from their fellow slave owners? The bitter truth is: it was the funds of the people that were spent on this.

In the US, it was the state that created the civilian infrastructure and pumped billions of dollars into developing various businesses – only to be handed them over to private capitalists who reaped huge profits. It was the public sector that invented the GPS system, super computer, smartphone and at least seven other top devices of the modern times with public money. It is also public money that is utilized to fund research both at private and public universities. Had there not been public funding for the Covid vaccines, private companies would not have been able to come up with it.

States all over the world are carrying out some of the most expensive projects in the world of business and investment. For instance, most of the space expeditions and research are largely funded by public money. Similarly, the American state pumps more than $4 trillion into the health budget every year, besides allocating close to a trillion dollars for defence and other purposes. The American government has spent more than $24 trillion on military expeditions, defence expenditures and nuclear weapons since 1940. European countries have also pumped trillions of dollars into defence expenditures and civilian infrastructure projects. Much of this money came from the pockets of ordinary citizens.

In our own country, more than $12 billion is spent on the non-productive sector every year – and it all comes from public money. An over $17 billion dollar subsidy is given to the elite of this poor country; this is also siphoned off from the exchequer. The state might say that it doesn't have enough funds to improve state run hospitals and dispensaries but then suddenly it agrees to spend a whopping Rs460 billion on the Sehat Card to benefit primarily the private medical establishment. It claims to have no money to run state-owned industries but opens the doors of national exchequer for corrupt feudals and tax-evading capitalists, doling out loans on concession which in many cases were bever repaid.

The government may complain about having less funds for public schools but it is amenable to the idea of letting private individuals adopt schools. It might say it is unable to run Wapda but is ready to dole out billions of dollars to private power producers. It may not like to set up new campuses of universities but is eager to pay expensive private universities to teach students from marginalized sections of society. We obviously do not suffer from lack of funding or resources but of honesty and sincerity.