PRAXEOLOGY OF ANTI-CRISIS STRATEGY: A COMPARATIVE ANALYSIS WITH CHINA'S 2008 STIMULUS AND COVID-19 RESPONSES

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Introduction. Crisis situations inevitably force societies to choose between competing values: speed versus deliberation, immediate stability versus long-term adaptation, and unified authority versus dispersed accountability. Every institutional system approaches these trade-offs differently, yet the logical structure of purposeful action — means selected to attain chosen ends, with predictable consequences and unavoidable costs — remains universal. This paper applies praxeology, the logical science of human action developed by Ludwig von Mises, to examine the consistency, incentives, and systemic effects of anti-crisis decision-making. It does not take sides between competing political systems; rather, it identifies what each institutional approach necessarily implies, what costs are inevitably accepted, and what long-term consequences logically follow.

The primary purpose of this abstract is to apply praxeological reasoning to comparative crisis governance, demonstrating that the universal logic of human action applies equally to all institutional systems, regardless of their ideological or cultural foundations.

Research results and discussion. The analysis yields four core findings, each consistent with praxeological theory:

First, speed and adaptability are mutually exclusive in the short run. China's centralized model delivered exceptionally rapid action in both crises — GDP rebounded within months of the 2008 stimulus, and the first wave of COVID-19 was suppressed quickly in early 2020. However, the same centralization degraded feedback and error correction. Bad news was suppressed; dissenting views were excluded; and policies persisted long after their costs exceeded their benefits. In both cases, the strategy that delivered rapid initial success generated escalating costs that could not be corrected incrementally.

Second, intervention creates its own demand — the "interventionist spiral" operates as predicted. The 2008 stimulus generated a debt explosion: local government liabilities rose enormously. Investment surged to nearly half the economy, deepening structural imbalances that the government itself sought to correct. Similarly, Zero-COVID measures introduced in early 2020 were extended repeatedly, expanding lockdowns, surveillance, and economic disruption even as the virus became less lethal and the health rationale diminished. Each intervention created new distortions that required further intervention — exactly the pattern Mises described.

Third, information quality declines systematically under centralization. Hierarchical decision-making filters information upward to preserve authority, not necessarily to improve decisions. In both cases, top decision-makers lacked accurate, timely data — on credit allocation risks in 2009, and on changing epidemiological parameters in 2021–2022. This is not a failure of competence; it is a structural consequence: when dissent is suppressed, bad news cannot flow freely to decision-makers. Policy becomes less rational over time, not because decision-makers become less capable, but because the information they receive becomes progressively less reliable.

Fourth, short-term success often contains long-term costs. Both policies achieved their immediate operational goals — GDP growth and epidemic suppression — but undermined their own stated long-term goals: sustainable development, improved living standards, and social stability. The stimulus produced a decade of decelerating productivity and debt distress; Zero-COVID ended in chaotic reversal, economic contraction, and widespread public frustration. Success in the short run was purchased at the price of resilience in the long run.

Praxeology, as formulated by Ludwig von Mises (1949), proceeds from the axiom that human beings act purposefully to achieve chosen ends under conditions of scarcity and uncertainty. It does not prescribe goals; rather, it deduces the logical implications of selecting specific means to attain specific ends, including inevitable trade-offs and unintended consequences. As Mises wrote: "Praxeology is not concerned with the changing content of action, but with its pure form and its categorial structure" [1, p. 47].

For anti-crisis strategy, praxeology asks three core questions:

1. What ultimate ends are being pursued? (Stated vs. revealed in action).

2. Are the chosen means logically suited to attain those ends? (Means–end consistency).

3. What systemic side-effects and future constraints must follow from this mode of action? (Indirect and long-run consequences).

From a Chinese institutional and policy perspective, the formal logic of praxeology — that action involves purpose, choice, scarcity, and trade-offs — is largely accepted as a practical matter of governance; however, China's policy framework operates from a different set of foundational premises about which ends ought to be prioritized and

which institutional arrangements best serve collective action. Chinese official and scholarly discourse rarely adopts the Misesian axiom of individual purpose as the starting point; instead, it typically begins from collective and systemic ends: national stability, sustained development, public welfare, and regime security — conceived as unified goals to which individual and group interests are subordinated [2, p. 5; 3, p. 5]. Consequently, means are evaluated primarily by their effectiveness in attaining these collective ends, rather than by their conformity to procedural rules or individual rights.

The democracy-centred framework advances a specific institutional thesis: sustainable crisis resilience requires democratic legitimacy, rule of law, accountability, and multilateral cooperation — not only as normative values, but as functional mechanisms that improve information quality, enable peaceful error correction, and limit abuse of authority. In this view, dispersed decision-making, transparency, and institutional checks are treated as functional requirements for long-term rationality — because they reduce the likelihood of catastrophic error and enable continuous adaptation.

China's official and academic framework advances a different set of praxeological priorities, which may be summarized as follows:

- Ultimate ends: Societal stability, continuous economic growth, enhanced national capacity, and improved living standards — understood as interdependent and mutually reinforcing goals, with stability as the precondition for all others [4; 2].

- Role of the state: The state — and specifically the party-state — is viewed as the central rational actor and coordinator, capable of seeing beyond short-term, dispersed interests and pursuing consistent, long-range development strategies that fragmented or divided polities cannot execute.

• Efficiency defined differently: Execution speed, unified implementation, and resource mobilization scale are treated as primary measures of policy rationality — especially in crisis, where delay, disagreement, and negotiation are themselves seen as costly or dangerous.

• Information and decision-making: Centralized decision-making is defended on grounds of strategic coherence and unified action; potential weaknesses in feedback and error correction are acknowledged in theory but treated as manageable through internal oversight, adjustment mechanisms, and periodic policy review from above [5, p. 35; 6, p. 133].

Chinese policy discourse implicitly acknowledges praxeological trade-offs but assigns them different weights:

• Speed vs. deliberation: In crisis, speed is prioritized over deliberation — disagreement is viewed as delaying effective action, so unified authority is considered rational. Praxeology confirms this choice accelerates deployment; it also confirms that error detection becomes slower — a trade-off China's framework accepts.

• Short-term stability vs. long-term adaptation: Immediate stabilization is treated as the higher priority; structural adjustments are deferred until stability is secured. Praxeology shows this can work — but also shows that deferred reforms accumulate into larger distortions over time.

• State capacity vs. societal autonomy: Authority is concentrated to ensure capacity; independent oversight and public contestation are limited to preserve coherence. Praxeology demonstrates that this improves mobilization power but degrades information quality and feedback — a consequence China's framework has recognized in repeated calls for improved internal monitoring and data accuracy.

In short: China's approach is not "non-praxeological" — it applies the same logic of choice, means, ends, and trade-offs, but from a different ranking of values and a different assessment of institutional capacities and risks. The praxeological method does not refute China's priorities; it reveals the necessary costs and consequences that come with them, which China's own policy discourse increasingly acknowledges as practical challenges.

The democracy-centred framework — which holds that democracy, rule of law, and a reformed international order are necessary conditions for durable resilience — advances a substantive empirical claim, not a praxeological axiom. China's strategy proceeds from different substantive premises: that centralized authority enables latecomer development; that stability and material progress are the primary bases of legitimacy; that multipolar coexistence without imposition of domestic norms preserves sovereignty.

These are competing empirical hypotheses, not logical deductions from the axiom of action alone. Praxeology does not declare one set superior; it clarifies what costs and trade-offs each strategy necessarily accepts.

Conclusions. These findings suggest a conclusion that transcends ideological debate: no institutional system avoids trade-offs — each system chooses which trade-offs to accept.

Democratic governance accepts slower decision-making, deliberation, and occasional disagreement in exchange for better feedback, continuous adaptation, and a reduced risk of catastrophic, late correction. China's system accepts information limitations, rigidity, and higher long-term costs in exchange for unified authority, rapid mobilization, and immediate stabilization. Neither model is universally "better"; each prioritizes different values and accepts different risks.

Praxeology demonstrates that no anti-crisis strategy avoids trade-offs — it chooses which trade-offs to accept. The democracy-centred framework accepts slower decision-making in exchange for better error correction; China's approach accepts greater long-term distortion in exchange for immediate mobilization capacity. History will judge which institutional configuration better sustains prosperity, security, and human flourishing over the long run. Praxeology does not settle the debate — but it provides the analytical grammar with which the debate must be conducted.

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