



Equitable Growth: Worthy Reads for 2020-04-17

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I. Worthy Reads from Equitable Growth and Friends

Other countries have plans. We do not have a plan. The costs of the 2016 election are turning out to be very high indeed:

Heather Boushey: *We Can't Reopen the Economy without a Plan* <[https://slate.com/transcripts/](https://slate.com/transcripts/V1J2d3JzY2pEdkoyd3Yyd1lsYUIDUWFHbVNaVUFESEFIeWMvVGNFZzhKdz0=)

[V1J2d3JzY2pEdkoyd3Yyd1lsYUIDUWFHbVNaVUFESEFIeWMvVGNFZzhKdz0=](https://slate.com/transcripts/V1J2d3JzY2pEdkoyd3Yyd1lsYUIDUWFHbVNaVUFESEFIeWMvVGNFZzhKdz0=)>: 'This is first and foremost a health crisis. [It] has now become an economic crisis because we have not taken the steps...to contain the virus... to make sure that testing is... available... to make sure that places of business are no... where this virus is transmitted.... 5 million more peopl... have applied for unemployment benefits.... That we have these benefits is... one of the most important things we could be doing to keep the economy out of a full throttled depression.... If we can get the

health crisis under control, there is still a chance that we can pull the economy back.... With each day that probability fades.... We are probably looking at a deep and protracted recession, if not something greater. But all of this is within our capacity to take action. This isn't just happening to us.... We have agency here—or policymakers do...

This seems to me to be 100% completely right:

Jason Furman: *Dealing with the U.S. Economic & Public Health Effects of the Coronavirus Recession Compassionately & with an Eye on a Strong Recovery* <<https://equitablegrowth.org/dealing-with-the-u-s-economic-and-public-health-effects-of-the-coronavirus-recession-compassionately-and-with-an-eye-on-a-strong-recovery/>>: 'In an economy where consumer spending accounts for 70 percent of GDP, steeply declining aggregate demand is a disaster in the making. The best way to support consumer spending is for the government simply to write checks to individuals. The question for policymakers is not whether, but when and how much.... We [must] not allow administrative constraints to slow or prevent the distribution of money at a time when speed is of the essence. Many federal and state agencies suffer with antiquated information technology and are not well-suited to making significant changes to programs at a rapid pace. There are very good ideas, for example, for precisely targeting increased Unemployment Insurance benefits based on income and other factors. But for now, I think Congress took the right approach of simply adding \$600 to every weekly benefit check for up to four months. Unemployment benefits will need to be extended, and the next legislation can be refined to include greater complexity in how we provide aid.... Far and away the most important economic issue at this moment has been whether to expand and extend the shutdowns across the country due to grave public health concerns.... The right question to ask is whether, by taking costly measures now—in particular, preserving social distancing by extending

the shutdown to every state—and for longer periods of time, we can avert far more costly measures down the road...

I approve 100% of this as well:

Economists' Statement: *A Sustained Public Health Response to the Coronavirus Crisis* <<https://equitablegrowth.org/wp-content/uploads/2020/04/Economist-sign-on-statement-to-support-a-thorough-public-health-response-to-the-Coronavirus-crisis-4-15.pdf>>: 'There are economic costs associated with some of the measures that are required to combat the COVID-19 epidemic—costs that increase the longer it takes to address the spread of a disease with no cure. Encouraging those workers in non-essential jobs to stay home and stay away from others necessarily disrupts the flow of commerce, resulting in reduced consumer demand and leading to job losses, as is evident across the country right now.

While these disruptions are significant, allowing the novel coronavirus to spread unimpeded would lead to more serious, widespread, and longer-term economic consequences. If tens or hundreds of millions of people get sick, if hundreds of thousands or even millions of people die, if our nation's public health system becomes overwhelmed and breaks down for everyone in need of care, then the U.S. economy as a whole will break down as well. Our economy will not function normally in the midst of a rapidly spreading, dangerous pandemic. A thorough public health response, including social distancing and widespread testing, is both the most effective and the fastest way to minimize economic damage and get people back to their daily lives. While the short-term costs are unavoidable, these measures are the first step in any plan to put the U.S. economy on a strong footing going forward. Policymakers who are interested in healing our economy cannot take shortcuts to get there. Failing to contain the spread of COVID-19 is far costlier than doing what is required to stop it...

Let us take a step back and remember just how large a “lost generation” was generated by the failure to prioritize employment recovery after 2009:

Jesse Rothstein: *Great Recession's 'Lost Generation' Shows Importance of Policies to Ease Next Downturn* <<https://equitablegrowth.org/great-recessions-lost-generation-shows-importance-of-policies-to-ease-next-downturn/>>: ‘The damage suffered by young workers in recessions lasts throughout their careers. Those who enter the labor market during recessions have permanently lower employment and earnings, even after the economy has recovered. This long-term scarring argues not only for quicker and stronger action to counter recessions when they occur but also for putting in place policies that can be automatically triggered at the first signs of a recession to limit its depth and duration. The Great Recession was the worst downturn since the Great Depression.... Unemployment rose by 6.5 percentage points and took nearly 10 years to get back to its prerecession level. Job losses amounted to 8.7 million. Perhaps more importantly, the prime-age employment rate, which measures the percentage of people aged 25–54 who are employed, fell by more than 5 percentage points to its lowest level in 25 years and, despite continuing tightening in the labor market, has not quite fully recovered after 10 years. And yet, the long-term damage, while less visible, will cause more financial and career losses to cohorts of workers who entered the labor market during this period...

II. Worthy Reads from Elsewhere

This is the start of what looks to be a very useful ongoing series. I am going to keep track of this as I try to grasp what is going on:

Michael Ettlinger & Jordan Hensley: *COVID-19 Economic Impact By State* <https://carsey.unh.edu/COVID-19-Economic-Impact-By-State>: 'Even before governments had required widespread business closings, by mid-March almost every state showed at least small job losses. The data on the labor market impact of COVID-19 has been trickling in. Unemployment insurance (UI) claims have been reported on a weekly basis—with over 18 million in the three weeks through April 11. On April 3 we saw the Bureau of Labor Statistics (BLS) national report showing 701,000 jobs lost as of the survey taken the week ending March 14. Individual states have been releasing their state reports, but today marks the first release by BLS for all states. Below are a set of interactive charts and maps that allow for the selection of and comparisons between states using the BLS and latest UI claims data. It is important to note that as of the week for which the BLS data apply no state had implemented full stay-at-home orders and widespread business restrictions had yet to take hold. Yet, the impact of COVID-19 was already apparent. Map 1 compares states in the percent change in the number of jobs by state between the February and March surveys...

This is the best single page to look at as far as understanding what coronavirus is doing worldwide:

FT Visual & Data Journalism Team: *Coronavirus Tracked: The Latest Figures as the Pandemic Spreads* <<https://www.ft.com/coronavirus-latest>>: 'The human cost of the coronavirus outbreak has continued to mount, with more than 2.17m cases confirmed globally and more than 134,600 people known to have died from the disease.... This page

provides an up-to-date visual narrative of the spread of Covid-19 so please check back regularly because we will be refreshing it with new graphics and features as the story evolves.... As Covid-19 spread beyond China, governments responded by implementing containment measures with varying degrees of restriction. Researchers at the University of Oxford's Blavatnik School of Government have compiled data on a range of government response measures, such as school and workplace closures and restrictions on travel and gatherings, to create a stringency index...

An absence of tests, a failure to use our testing resources in a statistically appropriate way, and large differences across states in testing protocols and procedures leave us in the U.S. with little idea of what the virus is doing to us. Figure that death statistics are most reliable. But recorded deaths are probably only half of true deaths: hence my guess is that as of Fri Apr 17 75,000 Americans have died from COVID-19. With a 2% death rate on average, that would mean that 3,750,000 Americans had caught or were catching the disease three weeks ago. Many more have caught the disease since. But we have found only 700,000 of them. Here, for what it is worth, are the reported statistics. They are worth little:

Worldometers: *_Coronavirus: United States* <<https://www.worldometers.info/coronavirus/country/us/>>...

We all know that this is true. But it is still very depressing. One of the two senators from Hawaii:

Brian Schatz: *'Pandemic response has to be coordinated* <<https://twitter.com/brianschatz/withreplies>> and paid for at the federal level. States don't have the labs, the control over the supply chain for testing and

other equipment, the scientific and health research agencies, or the money to handle this without strong federal leadership.... [The administration is] just working towards trying to survive the news cycle, not figuring out what the country needs and working towards that. And it's crystal clear that they are giving up and saying "we've failed here, so governors, you figure it out."... [Their] new plan sounds like the old plan, which is to declare victory and engage in magical thinking to try to survive another 24-hour news cycle. But they have not actually assessed how many tests they need every day...

Please take a moment out of your day to remind yourself o how NOT NORMAL this is:

Eric Boehlert: *Memo to Media: We Still Don't Know Why Trump Is Doing This* <<https://pressrun.media/p/we-still-dont-know-why-trump-is-doing>>: 'Why? One month into our mounting crisis and we still don't know why Trump won't help key states secure desperately needed medical equipment to deal with the growing coronavirus pandemic. Or why Trump is touting a dubious miracle cure, fills marathon pandemic briefings with ceaseless contradictions and lies, and has silenced scientists. Why he purposefully ignored detailed intelligence warnings about Covid-19, placed his unqualified son-in-law in charge of a national emergency, and refused to invoke the Defense Production Act to compel private companies to manufacture needed medical supplies. Or why the government airlifted 18 tons of donated respirator masks, surgical masks, gowns and other medical supplies to China in February. If Trump had done just one of these things, it would've been considered shortsighted and represented a shocking lack of leadership. Trump's done them all. Yet that still doesn't prompt most journalists to address the bigger picture and ask disturbing questions about a president who seems to be okay with watching America crumble and decay, in very real ways, on his watch...

Deep roots of the extraordinary administration that still appears to have the support of at least a third of the country—and of well more than half of our plutocrats and their paid and unpaid henchmen:

Josh Ganz: *The Year the Clock Broke* <<https://thebaffler.com/salvos/the-year-the-clock-broke-ganz>>: ‘In the 1980s, the conservative movement split into two warring factions—neoconservatives and paleo conservatives.... The neoconservatives... largely still upheld America as land of Lincoln and F.D.R. As the self-conscious sons and grandsons of immigrants, they pledged their allegiance to the America of Ellis Island and the Statue of Liberty. They viewed the civil rights movement as a point of American national pride, even if they materially worked against its gains.... To the paleos, the neos were still just so many liberals—or worse.... If the neocons held up mid-century New York as the height of U.S. civilization, the paleos wanted to go much further back, preferably to the nineteenth century. The paleo aesthetic was... small towns; stern, industrious folk; farmers, homesteaders, and frontiersman. Added to this was the myth of the gallant South and the Lost Cause.... Buchanan: “If communism was the god that failed the Lost Generation, democracy, as ideal form of government, panacea for mankind’s ills, hope of the world, may prove the Golden Calf of this generation.” Sobran: “Now that democracy has overthrown communism, we can turn to the problem of how to overthrow democracy.” Francis: “Serious conservatives ought to ponder whether the failure of the Reagan experiment means that conventional conservative policies can be implemented in a mass democracy”.... Francis called for Middle Americans to ally with a populist, “Caesarist” presidency to accomplish their revolution, just as the French bourgeoisie aligned themselves with Napoleon to cement their power. He didn’t know it yet, but his Bonaparte was right there the whole time. On November, 9, 1992, the week after election day, New York

magazine put Donald Trump on the cover in a fighter's stance—Fighting Back: Trump Scrambles off the Canvas. The recession was lifting; Trump was finding new creditors. Here was the future leader of Francis's authentic nationalism, which he hoped would outshine all past self-conceptions of the American republic...

This is truly the strangest, strangest thing I have seen this month. Stranger even than Richard Epstein. It is rare to see numbers quoted that are so wrong: Republican former Secretary of Education Bill Bennett:

Bill Bennett: *Fox News Contributor Likens Covid-19 to the Flu: "This Was Not, & Is Not a Pandemic"* <<https://www.mediamatters.org/coronavirus-covid-19/fox-news-contributor-likens-covid-19-flu-was-not-and-not-pandemic>>: 'Less than two-tenths of 1%—if you're an average American, two-tenths of 1% chance that you're going to get it, and if you get it you have a 98% chance of recovery. These things are very rarely heard out there.... We have scared the heck out of everybody. And you know, psychologically as a people—remember 9/11? We talked about, "Let's roll." In this one, there's been too much, "Let's roll up in a ball, let's hide under the bed." This is not the way America works. Let's get back to work. And by the way, on this back-to-work thing, there's this metaphor that seems to be governing the conversation, this "flip on the light switch." You don't flip on the light switch. Get a three-way bulb. You know, you don't have to go all the way to 100, go to 70—50, 70 and then 85. But you know, the country has suffered enormously. To say nothing of what has occurred as a result of the shutdown in terms of fatalities—300% increase in the suicide hotline, big increase in opioid epidemic. How much domestic violence? Child protective services can't get to people's houses. There are real costs to panic and pandemonium...

I take that back: this is now the strangest thing that I have seen this month —reports coming out of the Stanford Hoover Institution that the virus was on the loose and known to be on the loose five months ago. There are lots of viruses. But this one’s genes tell us it was not on the loose last November:

Josh Marshall: *More on that Alleged Intel Report, and When Did COVID-19 Really Begin?* <<https://talkingpointsmemo.com/edblogger/more-on-that-alleged-intel-report-and-when-did-covid-19-really-begin>>: ‘On Friday I noted news reports that claimed US military intelligence was warning as far back as late November of a possible new virus in China with a possible global impact. The problem is that these US intelligence reports... [is] in the COVID-19 genome itself.... Researchers have now mapped the genomes of numerous COVID-19 genetic lineages from across the world.... As the NextStrain project puts it here, “The common ancestor of circulating viruses appears to have emerged in Wuhan, China, in late Nov or early Dec 2019”... having analyzed over 2,000 from around the world this seems quite unlikely.... There might be some minor chronological wobbliness bound into statistical analyses of the frequency of mutations. But... the science... compelling... preclude[s] anything happening in November 2019 that US military intelligence could possibly pick up...

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