

Worthy Reads for July 22, 2020

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<<https://github.com/braddelong/public-files/blob/master/%23worthy-reads-2020-07-22.pdf>>

Worthy Reads on Equitable Growth:

1. Continuing PUC is essential to moderating the severity of the coronavirus plague depression:

Equitable Growth: *Statement on Pandemic Unemployment Compensation* <<https://equitablegrowth.org/press/statement-on-pandemic-unemployment-compensation/>>: ‘Federal Pandemic Unemployment Compensation (PUC), which is giving tens of millions of unemployed workers a \$600 per week boost in unemployment income, has helped ease the pain of this crisis by providing much-needed income to families during an economic crisis and has boosted the economy overall. Every week for the last four months, more than twice as many workers have filed for unemployment insurance than during the worst week of the Great Recession. Meanwhile, cases of

COVID-19 are once again rising across the country, and we still lack unified national leadership to give direction and stability in these unprecedented times. Congress must extend enhanced unemployment benefits or risk economic calamity...

2. Big businesses can draw on deep capital markets to ride out the coronavirus plague shock. Small businesses cannot. This is a huge problem. Government could solve it. But do not count on the Senate Republican majority or on President Trump's under qualified staff to understand what needs to be done:

Heather Boushey: *Where's the Life Raft for America's Small Businesses?* <<https://medium.com/@heatherboushey/wheres-the-life-raft-for-america-s-small-businesses-9880bae5e017>>: 'Small businesses across the United States fight to survive the coronavirus recession, and all too many succumb.... Only 40 percent of small business owners expected to be open at the end of 2020 should the economic crisis last six months. Especially hard-hit are minority- and women-owned businesses. While the number of active business owners in the United States fell by 22 percent from February to April 2020 (the largest drop on record), Black-owned businesses experienced a 41-percent drop, Latinx business owners a 32-percent decline, and women-owned businesses a decrease of 25 percent. Likewise, the JPMorgan Chase Institute found that cash balances of Black-owned firms in March were down by 26 percent from the previous year and by 22 percent for Asian American-owned firms, compared to a 12-percent decrease across all firms. Revenues of Asian American-owned firms declined by more than 60 percent...

3. DO NOT THINK THAT THE CORONAVIRUS PLAGUE US ECONOMY IS HEALTHIER THAN IT IS:

Equitable Growth: *Unemployment Benefits* <<https://twitter.com/>

[equitablegrowth/status/1286278340605808640](#)>: ‘For the week ending July 18, 1.37 million workers filed for regular unemployment benefits. This is the 16th week in a row in which regular initial Unemployment Insurance claims stand above 1 million. States reported another 974,999 workers filed for initial PUA, the program that extended eligibility to some workers, such as caretakers, the self-employed, and those without enough earnings history, who are not eligible for regular jobless benefits. Regular continued claims, which represent the number of workers who are now insured, fell to 16.39 million the week of July 11. The share of the workforce that is receiving benefits decreased to 11.2 percent, a 5.4 percentage point drop from the week before. Unless Congress acts, the extra 600 dollars in UI will expire next week, cutting support that has helped millions of workers. Critics argue that the enhanced benefits discourage people from working, but there’s simply no evidence to support that...

4. I find myself returning to this piece from Equitable Growth Research Advisory Board member Lisa Cook. One would think—or, at least, I would have thought—that successful inventors who are going to patent would have been relatively invulnerable to Jim Crow, lynching, and so forth. It really looks like that might well not be true—that the violently-enforced rise in American segregation was absolutely devastating to African-American inventors and innovators:

Lisa Cook: *Violence & Economic Activity: Evidence from African American Patents, 1870–1940* <<https://www.semanticscholar.org/paper/Violence-and-economic-activity%3A-evidence-from-Cook/d5b2746a30d48100b4b808d76da962bdf672908d>>: ‘Violent acts account for more than 1100 missing patents compared to 726 actual patents among African American inventors over this period. Valuable patents decline in response to major riots and segregation laws. Absence of the rule of law covaries with declines in patent productivity for white and black inventors, but this decline is

significant only for African American inventors. Patenting responds positively to declines in violence. These findings imply that ethnic and political conflict may affect the level, direction, and quality of invention and economic growth over time...

Worthy Reads Elsewhere:

5. Ken White calls this “the problem of the preferred first speaker”. Whose is the speech that needs to be responded to with norms of respect, deference, and civility? Whose is the speech that should be cut short when it tries to exceed its time, and hooted out to make space for somebody who would otherwise not have their voice heard? How does one move from the fringe to the center of the public sphere and of public reason? Those who cloak themselves in “civility” and “free speech” these days seem in many cases to be bad or thoughtless actors: people who want to hold on to places of centrality, power, and wealth of which they may well not be worthy. But anyone who says that these issues are not hard ones is grifting you:

Zack Beauchamp: *Free Speech Has Not Been “Canceled”* <<https://www.vox.com/policy-and-politics/2020/7/22/21325942/free-speech-harpers-letter-bari-weiss-andrew-sullivan>>: ‘The debate over “cancel culture” is about something real. But it’s not about free speech.... Abstract appeals to “free speech” and “liberal values” obscure the fact that what’s being debated is not anyone’s right to speech, but rather their right to air that speech in specific platforms... without fear of social backlash. Yet virtually everyone agrees that certain speakers—neo-Nazis, for example—do not deserve a column in the paper of record. The real debate here is not about the principle of free speech, but the much grayer question of how we draw its boundaries.... Canada criminalizes hate speech, Germany bans Holocaust denial, and

the United States permits both—yet no one seriously believes that America is a free society while the other two have somehow collapsed into illiberalism.... What’s happening now seems novel because we are currently seeing a wave of social justice activism that seeks to redefine how we understand appropriate debate over these topics, sometimes even pushing to consign to the margins views that may have seemed tolerable in the past. These advocates can and have overreached, and should be criticized when they do. But on the whole, their work is aimed not at restricting freedom but at expanding it—making historically marginalized voices feel comfortable enough in the public square to be their authentic selves.... This is not a debate over the value of liberalism.... Out-and-out racists like Richard Spencer weren’t asked to be signatories on the Harper’s letter...

6. George Orwell was very insightful. He focused on the fact that at the core of fascism, in both its right wing and its left-wing versions and in whatever future versions may emerge, is the ability to tell public lies with impunity—and for supporters to then glory in the facts of the leaders were clever enough to tell them:

Hannah Arendt: *The Origins of Totalitarianism* <<https://twitter.com/WindsorMann/status/1265793327884046336>>: ‘Instead of deserting the leaders who had lied to them, they would protest that they had known all along that the statement was a lie and would admire the leaders for their superior tactical cleverness...’ Media Matters: : ‘Rush Limbaugh praises the president for being "clever" in sharing conspiracy theories: “Trump is just throwing gasoline on a fire here, and he’s having fun watching the flames”’ <<https://t.co/XVioVNeZuD> <https://t.co/IOdr4uiuhm>> <<https://twitter.com/mmfa/status/1265736243276656640>>...

7. It looks like New York has and can control the virus, and will be able to reopen economically soon—unless spread from other states proves

unhandleable:

Andy Slavitt: *Lessons From New York* <<https://coronavirus.medium.com/lessons-from-new-york-83cab6c54c1>>:

‘The state has crushed the curve.... New York did not get off to a good start. In fact, it was the example of what not to do.... The mayor clearly didn’t take it seriously, and Gov. Andrew Cuomo was slower to act.... [But] Cuomo... talked to people... doing what Angela Merkel, Jacinda Ardern, Katrin Jakobsdottir, and others around the world were doing and sharing: This situation is going to be difficult. I know it will be hard for you. Here’s what we need to do and why. We will pull through this. There’s something else. He didn’t lie. He didn’t sell. He didn’t pat himself on the back or avoid responsibility. We had that already. He told the hard truths. He showed data. He asked for help. He demonstrated some empathy and some effort. And the country needed that. I have had my issues with Cuomo and don’t like the way he runs New York’s Medicaid program. But I respected what he was doing.... New York became the world’s epicenter of Covid-19 for reasons we are still understanding: a new strain, dense conditions, late reaction, nursing home controls. But what happened next was remarkable. The only thing as steep as New York’s rising curve was New York’s falling curve.... New Yorkers showed us this is possible. We can do this.... I have talked to governors and mayors across the country. Follow Abbott. Don’t learn the lesson a third time. We can do it. “Yes we can,” someone I know said...

8. When unemployment is high—as it is now—government purchases directed to sectors in which excess productive capacity can be mobilized or quickly created is very powerful indeed. This is the gold standard for papers on the multiplier. An “open economy relative multiplier” of 1.5 in the U.S. is a closed-economy monetary-forbearance multiplier of 4 or so:

Emi Nakamura & Jón Steinsson: *Fiscal Stimulus in a Monetary Union: Evidence from US Regions* <<https://pubs.aeaweb.org/doi/pdfplus/10.1257/aer.104.3.753>>: ‘We exploit regional variation in military buildups to estimate an “open economy relative multiplier” of approximately 1.5. We develop a framework for interpreting this estimate and relating it to estimates of the standard closed economy aggregate multiplier. The latter is highly sensitive to how strongly aggregate monetary and tax policy “leans against the wind.” Our open economy relative multiplier “differences out” these effects because monetary and tax policies are uniform across the nation. Our evidence indicates that demand shocks can have large effects on output...

9. The importance of civil rights, the rising significance of class, the productivity slowdown that started in the 1970s, the reaction of local governance to the crime wave that began in the 1960s and to the Great Migration—all of these play a powerful role in the setbacks that Black workers in America have experienced since the end of the 1960s. This is the best thing I have heard on these topics:

Soumaya Keynes & Chad P. Bown: *Trade Talks: Opportunities & Setbacks for Black Workers in the 20th Century* <<https://www.tradetalkspodcast.com/podcast/134-opportunities-and-setbacks-for-black-workers-in-the-20th-century>>/: ‘Economic gains for America’s Black workers stalled in the 1970s. Why things had improved during the Great Migration, why that stopped, and what international trade had to do with it. Ellora Derenoncourt (UC Berkeley), Mary Kate Batistich (Notre Dame) and Timothy Bond (Purdue University) join to explain...

10. Right-wing think-tanks are always on the edge of having their plutocratic funders and their complaisant hand-picked executives decide to burn the institution’s reputation for short-term advantage. Sol Stern claims this has happened at the Manhattan Institute:

Sol Stern: *Think Tank in the Tank* <<https://democracyjournal.org/arguments/think-tank-in-the-tank/>>: ‘I detected no evidence of Singer’s support for “intellectual diversity” at City Journal. Instead I saw an “activist” donor who intervened in the editorial decisions of the magazine and often got his way on issues important to him, including gun rights, tax cuts, and fealty to the President of the United States.... Paul Singer announced that Reihan Salam... would be the [Manhattan] Institute’s next president.... Salam’s statement that he actually valued “clashing opinions”.... During Salam’s first year, I didn’t notice much change. Then came the COVID-19 pandemic.... City Journal’s coverage of the health crisis was massive.... In the entire collection, there was hardly a mention of President Trump’s role.... The special issue carried the title “World War Virus” on the cover and was blurbled by Manhattan Institute’s publicity department as “of historical importance.” If this was history it was Orwellian history, as if a group of editors and writers had produced an account of America without assessing the role of the nation’s commander-in-chief at the height of World War II.... President Trump decided to ignore the virus entirely. In the first week of June, City Journal shifted its coverage away from the pandemic toward the outbreak of urban unrest.... The magazine covered every aspect of this second American crisis, but once again never mentioned the President’s response.... Yet in the midst of these ongoing crises, contributing editor Judy Miller opined in City Journal on the dangers of “woke” culture and self-censorship.... My former City Journal colleagues... bound [themselves] by a code of silence on an American President’s out-of-control behavior... an act of intellectual betrayal that further damaged the cause of principled conservatism—or whatever’s left of it...

11. We at Equitable Growth warned, along with many others, that the 2017 tax cut was very badly designed from the standpoint of boosting investment, and would do nothing to accelerate economic growth.

Information keeps coming in proving that, unfortunately, we were right then:

Filippo Occhino: *The Effect of the 2017 Tax Reform on Investment* <<https://www.clevelandfed.org/en/newsroom-and-events/publications/economic-commentary/2020-economic-commentaries/ec-202017-effect-of-the-2017-tax-reform-on-investment.aspx>>: ‘The 2017 tax reform affected investment through many channels. I use a macroeconomic model to estimate the overall effect. That estimate suggests that, because the different provisions worked in different directions, the initial impact of the tax reform on investment was small. The same model predicts that the tax reform will hold investment down in the medium term...

12. Johns Hopkins moral philosophy professor does not understand those Americans who call themselves “classical liberals”. Classical liberal freedoms are, in order: freedom of conscience, freedom of thought, freedom of speech, freedom to associate, freedom to move in public, freedom to produce, freedom to transact—and then we get into T.H. Marshall’s other dimensions of freedom. Thus classical liberals should be among the wokest of the woke in America these days. But they are not:

Hilzoy: ‘*I fail to see how ANY standard liberal* <<https://twitter.com/hilzoy/status/1280354319594897410>>, concerned with everyone's ability to enjoy freedom, could fail to think that the situation of African-Americans and other minorities just now is a FIVE ALARM FIRE. Some of OUR FELLOW CITIZENS cannot go for a jog, or get some Skittles, or walk in their neighborhood, let alone run from the police (legal last time I checked), without running a real risk of being KILLED by agents of their—and our—government. Some of OUR FELLOW CITIZENS have to instruct their children on how to act in the presence of the police, because if they don't do it right, they could

DIE. Some of OUR FELLOW CITIZENS have to avoid places where other people will decide they "don't belong" because again, they might end up being killed by people who are supposed to protect and serve them. Liberalism is about being able to live life as a free human being—to explore, run risks, and generally work out the kind of life you want to live for yourself, insofar as your doing so is consistent with granting others the same liberties. Obviously, you don't have any liberty if you're dead. But even if you don't end up as the next in the horrible depressing series of hashtags, imagine the constraints you'd have to observe if you were forever at risk of being killed.... Which is all to say: I find the idea that liberalism is in tension with something called "identity politics" completely baffling. It is PRECISELY my liberalism that drives my identity politics, if that's what someone wants to call it...