

POLS/ECON 409 · *The pandemic: immediate effects*

1. Why does Tooze refer to the response to Covid as a “shutdown” rather than a “lockdown”? If the virus caused a dramatic decline in personal mobility and economic activity, what was the role of the state in mandating social distancing and limits on non-essential in-person economic activity? Should these policies be judged solely in terms of reducing deaths and infections or did they serve other important roles?
2. What were the immediate economic and financial effects of the pandemic in March 2020? How did the Fed respond? How did Congress? The EU and ECB? How did these responses learn from and/or differ from 2008? Why wasn't there a repeat of the 2008 financial crisis or the Great Recession? What happened to the austerity debate? Would the economic management of the pandemic have been different without the experience and lessons of the financial crisis?
3. One challenge faced by policy makers who prevent or mitigate crises is that many voters may be unaware of just how much harm was avoided, and instead fixate on the costs of mitigation policy itself. Discuss the validity and implications of this contention with reference to the economic policies of the Great Recession, and the public health and economic policies of the pandemic.
4. Was inflation an inevitable consequence of managing the pandemic well? What is driving inflation now, and when will it abate? What political consequences has inflation had?
5. What are the lasting effects of the economic policies, and economic policy lessons, of the pandemic? On inequality? On the role of governments in managing crises? On how people understand economic policy, austerity, and other ideas covered in the course?
6. How has pre-existing inequality mediated the effects of the pandemic, in terms of both health outcomes and economic consequences for individuals? How does the pandemic shock compare to the shocks of the early twentieth century in terms of effects on wealth concentration (think of Piketty)?

7. Suppose a new pandemic emerged that was similar to COVID-19. Drawing on the lessons of recent years, how would you advise policy makers to respond? What would you do differently or similarly from the last time? What would you expect to happen (or, put another way, what will be needed for success if the crisis recurs)? Now suppose the next pandemic involves a virus with a different transmission rate, means of transmission, lethality rate, incubation period, or degree of asymptomatic spread. What would (or should) happen?
8. Many people intuitively expect a tradeoff between disease prevention and economic activity in the mandatory public adoption of non-pharmaceutical interventions (NPIs) like social distancing, business closures, and stay-at-home orders. Does such a tradeoff necessarily exist: could NPIs benefit both health and the economy? How easy or hard is it to figure out what effect NPIs had on the economy? On personal behavior? Through which mechanisms, beyond simply forbidding certain activity, might NPIs work? Are there additional factors that might affect whether NPIs harm or help the economy?
9. The partisan pattern of policy response in the US in March 2020 surprised many people. Should we have been surprised? Why were governors' decisions so partisan? Was another path possible? Comparison with other countries may be helpful. What role did populism play? What about federalism? (Thinking about other cases – such as Brazil – may help.)
10. How important is coordinated regional and global response to a crisis like the COVID-19 pandemic? What would have been the economic and epidemiological consequences of greater cooperation in Western democracies?
11. How is the pandemic similar or different from climate change. What does our experience with the pandemic suggest about the future political and economic ramifications of climate, and the best ways to address the climate emergency?

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