

The Grumpy Economist

John Cochrane's blog

Wednesday, April 8, 2020

Still needed -- the back to work plan

I return today, in detail, to an old topic. In a month or so, cases in hospitals will have stabilized or tapered, and it will be time to begin reopening the economy. But most people will still not have been exposed, the virus will still be looking around ready to break out again. Technological saviors, in particular a vaccine or an effective treatment, will not have arrived.

It will be time to return to where we should have been in January. There are two parts to this. First, businesses and people need to adopt common-sense efforts to limit the spread of the virus. Second, we need an intense public health response: A regime of intensive watching, testing, tracing, isolating, locking down hotspots, and running businesses smartly.

Finally, I am seeing news all over that this thought is spreading. Today I do my bit to super-spread it. We need both, like yesterday.

This is not rocket science. But it does take a detailed, competent bureaucracy, following a well-thought out script. Both are in short supply these days. And, as we are discovering with masks, ventilators, unemployment insurance, and small business loans, you can't make them up and successfully implement them on the spot. Us economists have one big weak spot -- we dream up a program, like "let the small business administration lend them money," and assume it can happen tomorrow. It does not. (MR "regulatory state is failing.")

Even if we had perfect cheap tests that could test everybody every day, who is going to assemble the data on those tests, make sure the positives isolate? That in itself needs a large and well oiled bureaucracy. Which we do not have. Exhibit A:



People lined up for unemployment-benefits applications in Hialeah, Fla., on Tuesday.

PHOTO: CRISTOBAL HERRERA/SHUTTERSTOCK (WSJ)

Well, at least they're wearing masks.

Test and isolate is darn hard

I do not think Americans are at all realistic about just how intrusive the alternative to Great Depression lockdown is. *We face a hard choice, between economic calamity and a deeply offensive restriction on civil liberties.* (Temporary, one hopes.) I'm just as zealous a civil libertarian as I am a free marketer. But I'm an economist and you can't wish away a budget constraint. It also needs a well-oiled bureaucracy, lots of regulatory relief, and is primed for snafu and fubar.

"Test, trace, and isolate" [write V. V. Chari and Chris Phelan](#),

theirs [Korea, Taiwan] are aggressive but targeted quarantine policies. They quarantine people displaying symptoms, aggressively trace the people they have contacted, test their contacts, and then quarantine those who have the virus (and sometimes those who have just had contact with those who test positive), regardless of whether they are symptomatic or not.

About Me and This Blog



John H. Cochrane

This is a blog of news, views, and commentary, from a humorous free-market point of view. After one too many rants at the dinner table, my kids called me "the grumpy economist," and hence this blog and its title. In real life I'm a Senior Fellow of the [Hoover Institution](#) at Stanford. I was formerly a professor at the University of Chicago [Booth School of Business](#). I'm also an adjunct scholar of the [Cato Institute](#). I'm not really grumpy by the way! Any opinions I express are mine alone and do not represent the position of the Hoover Institution or Stanford University.

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Given the huge costs associated with non-targeted shutdowns, the needed testing and tracing infrastructure simply has to be priority one during the mass quarantine period. Put simply, a limited mass quarantine period makes sense only if we use the time it buys us to radically change the facts on the ground once this limited time is over

Yes, but somebody in the US needs to do all this. We don't need super duper tests -- a fever, a case history are enough. But tell us everyone you have contacted, haul them in for tests, forcefully quarantine people? In the US? Do we even have the state capacity, let alone the will to do this?

Travel restrictions are popping up. You're not allowed to travel to your vacation home. People are being turned away at state lines. Are we going to allow this?



Fear Lingers in Wuhan as China Eases Lockdown

Suspicion of uncounted cases fuels worries of second wave of virus as China reopens city

A vendor handed food to a customer over a barricade surrounding a residential compound in Wuhan, April 6. NOEL CELIS/AFP/GETTY IMAGES (WSJ)

This is Wuhan. Now. In the reopening. Barricades surrounding residential compounds. Are we going to do this in the US? Who decides? How long?

Wuhan is our future -- the health emergency is over for now, but intrusive public health remains in place, a long with a lot of justified fear. The chance of a second wave remains strong. From [WSJ](#)

In the past few days, however, it has tightened restrictions on some housing complexes, and said others will remain in place, after confirming dozens of new asymptomatic cases. An official newspaper said Monday there could be 10,000 to 20,000 such cases in Wuhan.

Opening up will not be easy.

(Well, Wuhan is different in many ways -- particularly the transparency and honesty of public officials, and deeply dishonest data throughout the system, which will make it a lot harder for them to get people to believe it's safe!

The report was swiftly deleted online.

Epidemiologists, U.S. intelligence sources and Wuhan residents suspect that Chinese authorities substantially undercounted infections and deaths over the past several months, especially in Wuhan, in part to boost President Xi Jinping's image.

Say what you will about our officials, nobody is lying about anything.)

Dan Grover on [How Chinese Apps handled Covid-19](#) is instructive. (HT Marginal Revolution as usual). Dan's tone is sort of gee whiz tech wonder, the same tone that pervades American's wait for a vaccine or instant cheap tests. But read between the lines.

China's apps played a pivotal role in supporting some of the most effective tactics the country used in fighting Covid-19, including the use of fever clinics and *the strict quarantining of individuals based on their risk level*.

I'm going to put verbs with subjects back in many quotes today. The local government decides you or your apartment is "high risk" and literally there is security outside blocking entry and exit.

Check Your Exposure: Multiple tools let people check whether other passengers of specific planes and trains they'd been on had been diagnosed (this information aggregated by the State Council). Independently-developed let people even check individual apartment blocks.

This would be very useful, and very effective. And very very illegal in the US, the land of HIPAA privacy protections. Nobody but nobody can find out if you've tested positive. The wife of a colleague works in a testing lab. They're all still driving to work and sitting three feet from each other because databanks are secure enough to make sure nobody's test results leak. So, are we going to build a whole security and information infrastructure by which names and addresses of positive tests are released to just the right public officials who take just the right steps to enforce isolation? In three weeks flat? Whether private or public, testing and isolating is really intrusive on civil liberties.

Security guards at companies and apartment complexes came up with their own schemes to compel sick people to quarantine. This involved doing temperature checks and asking people about their health and travel history before being allowed into offices, stores, and public transit. To help with this, the phone companies provided a service to offer proof of travel history based on location data, in case it was called into question during the grilling.

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Security guards at apartment complexes? Phone companies keeping track of your location and sharing it with public health authorities? Yes, that's what it takes.

if you thought you had coronavirus?

You would be sent to a fever clinic. They would take your temperature, your symptoms, medical history, ask where you'd traveled, your contact with anyone infected. They'd whip you through a CT scan ...

The point of these "fever clinics" as distinguished from ordinary hospitals, was to give anyone who thought they might be even a little sick a way to get tested and, more importantly, control the spread by isolating even asymptomatic carriers away from their family and co-workers and give them a place to wait it out.

A reminder, we don't need recombinant DNA. Symptoms, fever, and "whip you through a CT scan" -- a hilarious idea applied to US medicine -- gives a darn good idea who has it. But "isolating even asymptomatic carriers away from their family and co-workers and give them a place to wait it out." Who does this "isolating" away from "family and co-workers"? That would be the Chinese State. Is the US ready for the idea that the minute you test positive you're whisked away to a hotel, a security guard in front, the fact of your test splashed all over an app for your neighbors to see?

(Incidentally, this whole post is worth reading for a view into the much more innovative app culture that seems to be China right now. For one example,

Maps directing people to the nearest fever clinics and ICUs. ... tools let users check the quality of a mask given its serial number, view the quantities of masks at stores near them,...

Where is Silicon Valley on any of this stuff? If China is heading to "technological dominance," as my fellow good fellows seem to fear, it isn't state run companies investing in AI and quantum computing that will do it -- it's good old American-style private sector innovation, ingenuity and cutthroat competition that they seem to be beating us at.)

Commonsense at work is harder than you think.

Alex Tabarrok in MR, [Safety protocols for getting back to work](#), notes several businesses redesigned shifts, to minimize contacts between people in different shifts. The FAA did this, keeping groups of controllers together. Airlines are keeping pilot-copilot teams together.

Other safety protocols include:

- Shift work for white collar workers as well as for blue collar workers.
- Senior shopping hours.
- Temperature checks, perhaps via passive fever cameras at work and public transport.
- Mandatory masks for public transportation.
- Masks for workers.
- Sanitation breaks for mandatory hand washing.
- Quarantining at work for essential workers, as the MLB is thinking of doing despite not being essential.
- Reducing touch surfaces (even with simple things like propping up bathroom doors) and copper tape for hi-touch surfaces that cannot be eliminated.

...I believe that applying these protocols will allow many of us to work safely. We aren't ready yet but now is the time to plan for our return.

It seems so obvious. But, grocery store workers are still not wearing masks. The temperature check idea has been around forever, and implemented widely in asian countries. Nobody is doing it in the US. Amazon workers are striking from lack of these basics. See above for unemployment offices.

Alex is a bit guilty of passive voice vagueness here. Notice the absence of a subject anywhere here. Actually notice the absence of verbs at all. Who is going to do all this? Governments are imposing lockdowns, governments need to have assurance some level of this is happening before reducing lockdowns, and they haven't even written the guidance sheet and started applying it to "essential" business.

[Europe also wants to reopen](#), but I don't see any specific test trace and isolate protocols worked out either. There is a general idea of common sense

Salini Impregilo, one of the companies building a new metro line in Milan, on Wednesday said it had restarted work on the project. New measures include body temperature checks at the start of the workday and at lunchtime, the use of face masks, frequent cleaning and disinfection of the work site and common areas, and guaranteeing a one-meter (3.3 feet) distance between people at all times.

but that's not a test trace isolate regime, and it's a company, not a government.

[Eric Budish has it right](#): the goal of policy has to be to get $R < 1$ at minimum economic cost. Not at any economic cost -- we can't go on at \$1 trillion per month forever. Cost efficiency means a scalpel, not a sledgehammer. It means lots and lots of little details, not one big plan. And since the government is closing us down, it is the government that needs to master this detail.

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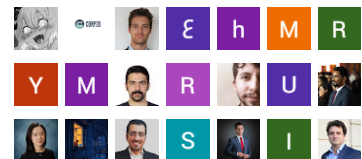
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Waking up

On the good news front, "[Government and Businesses Turn Attention to Eventual Reopening of \\$22 Trillion U.S. Economy](#)" write Stephanie Armour and Jon Hilsenrath. Well, good news that people are starting to ask the question, not for reports of much progress on answers

a host of questions arise: Under what conditions should people be allowed back to work and stay-at-home orders be lifted? How will people at work be monitored for reinfection or antibodies to prevent a resurgence of the deadly virus? Does it all happen at once or is it staggered? Who is in charge of the effort?

...I'm worried we don't have the systems in place to carefully reopen the economy," Dr. Gottlieb said in an interview. "You need to be able to identify people who are sick and have the tools to enforce their isolation and [tracing of people they contact]. You have to have it at a scale we've never done before. We need leadership."

Well, they are starting to begin to think about it:

The federal government has yet to put in place the kind of nationwide testing, tracing and surveillance system that public health experts say is needed to prevent another surge in coronavirus cases when social distancing eases.

Mr. Trump said Saturday that he is considering a second coronavirus task force focused on reopening the country. The administration's current social distancing guidelines run through April.

GOP Texas Lieut. Gov. Dan Patrick announced Tuesday he is forming a task force on how to reopen the economy, and GOP Maryland Gov. Larry Hogan has created a response team to discuss measures that must be in place for opening the state back up.

That's good news. *You've got three weeks to get this up and running on the ground!*

The [Scott Gottlieb et. al. AEI report](#) is one of the most authoritative and detailed "plans" to date. But overall, it shows really just how far we have to go. Reopening the economy is Phase II.

Individual states can move to Phase II when they are able to safely diagnose, treat, and isolate COVID-19 cases and their contacts.

Stop and ponder a minute just how far away we are from that. Diagnose. Still no tests, especially for asymptomatic people, still no protocols, not even a Chinese app that evaluates symptoms, temperature and a quick CAT scan. Isolate? *And their contacts?*

... some physical distancing measures and limitations on gatherings will still need to be in place to prevent transmission from accelerating again. For older adults (those over age 60), those with underlying health conditions, and other populations at heightened risk from COVID-19, continuing to limit time in the community will be important.

More of those verbs with ill defined subjects. Just who is going to do this limiting time?

Public hygiene will be sharply improved, and deep cleanings on shared spaces should become more routine. Shared surfaces will be more frequently sanitized, among other measures. In addition to case-based interventions that more actively identify and isolate people with the disease and their contacts, the public will initially be asked to limit gatherings, and people will initially be asked to wear fabric nonmedical face masks while in the community to reduce their risk of asymptomatic spread.

For want of 5 cent paper products... Really, an advanced industrial nation, 3 months into a crisis is home-sewing face masks?

Those who are sick will be asked to stay home and seek testing for COVID-19. Testing should become more widespread and routine as point-of-care diagnostics are fully deployed in doctors' offices.

This is all pretty dreamy, and far short of the detailed, intrusive, full of bureaucratic snafu effort that diagnose, trace, isolate implies.

The bungled recovery

Meanwhile, our government is applying 2008 policies to the 2020 invention like a two year old with a hammer.

Incentives matter. I opined last week that replacement rates past 100% would tempt employers. On cue in today's WSJ

Executive Chairman Harvey Spevak had a surprising message to stakeholders. "We believe most will be better off receiving government assistance during our closure," ...

Equinox joins a number of companies, including Macy's ... and Steelcase ...that are citing the federal government's beefed-up unemployment benefits as they furlough or lay off staff amid the coronavirus pandemic. The stimulus package is changing the calculus for some employers, which can now cut payroll costs without feeling they are abandoning their employees.

Caesy Mulligan and Brian Blase have a [good WSJ oped on this](#)

the legislative remedies Congress recently passed will make the recovery slower once it's safe to return to work.

But never before in American history could a majority of the workforce get a raise merely by receiving a pink slip.

When it's safe for businesses like restaurants and hotels to reopen, employers will be competing with the government for a potential employee's time. Because many unemployed workers will earn more from remaining idle, they won't rush to come back. This will make it difficult for many businesses, particularly smaller ones, to produce at the pre-virus level of output.

The legislation also seems to subsidize layoffs by big companies.

In another provision Washington assumes responsibility for the unemployment-insurance contributions made by government and nonprofit employers through 2020—eliminating what is in effect a tax on layoffs. That will mean more payroll slashing by local governments and nonprofits.

I hope as we get to Phase II we can all start thinking about huge macro policies. I will

Humor

The [Santa Clara County list of "essential" businesses](#) makes interesting reading.

Construction, but only of the types listed in this subparagraph below:...

Affordable housing that is or will be income-restricted, including multi-unit or mixed-use developments containing at least 10% income-restricted units;

From an email correspondent, maybe DIY PPE isn't such a good idea





UPDATE: Since what I am calling for likely will not happen, I can't find a better forecast than [Tyler Cowen's](#), which I repeat in its entirety:

I don't view "optimal length of shutdown" arguments compelling, rather it is about how much pain the political process can stand. I expect partial reopenings by mid-May, sometimes driven by governors in the healthier states, even if that is sub-optimal for the nation as a whole. Besides you can't have all the banks insolvent because of missed mortgage payments. But R_0 won't stay below 1 for long, even if it gets there at all. We will then have to shut down again within two months, but will then reopen again a bit after that. At each step along the way, we will self-deceive rather than confront the level of pain involved with our choices. We may lose a coherent national policy on the shutdown issue altogether, not that we have one now. The pandemic yo-yo will hold. At some point antivirals or antibodies will kick in (read Scott Gottlieb), or here: "There are perhaps 4-6 drugs that could be available by Fall and have robust enough treatment effect to impact risk of another epidemic or large outbreaks after current wave passes. We should be placing policy bets on these likeliest opportunities." We will then continue the rinse and repeat of the yo-yo, but with the new drugs and treatments on-line with a death rate at maybe half current levels and typical hospital stays at three days rather than ten. It will seem more manageable, but how eager will consumers be to resume their old habits? Eventually a vaccine will be found, but getting it to everyone will be slower than expected. The lingering uncertainty and "value of waiting," due to the risk of second and third waves, will badly damage economies along the way.

Posted by [John H. Cochrane](#) at [2:18 PM](#)

Labels: [Commentary](#), [pandemic](#)

24 comments:



Steve April 8, 2020 at 2:49 PM

"The temperature check idea has been around forever, and implemented widely in asian countries. Nobody is doing it in the US."

I wouldn't say nobody. I had to visit a customer last week for a critical issue (they are a manufacturer) and upon entry my temperature was checked, I got a surgical mask, and was tagged with a wristband to vet my

"non-fever" status.

As a second thought...

What is the R0 for asymptomatic hosts? Is that something we can even know? If it is <1 , then I think checking for fever or other symptoms and rigorous enforcement of quarantine could do the trick. In the US we'll probably need some new norms around being visibly sick in public and rely heavily on shaming to get people to do the right thing, since as you mentioned, we won't have guards posted up at every apartment building.

[Reply](#)

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David Rowell April 9, 2020 at 12:49 PM

New studies are suggesting that the disease is most transferable by asymptomatic hosts. It is the first 3-4 days after infection that the viral load is highest when breathing out, or coughing/sneezing.

Temperature tests don't detect this. Neither do interview screening questions.

So the R0 for asymptomatic hosts is probably way over 1.0. Checking for fever is too late.

[Reply](#)



James Carlyle April 8, 2020 at 4:37 PM

Maybe if covid 19 had a mortality rate equivalent to Ebola, rapid suspension of all civil liberties would be justified. Maybe that's the inevitable result given the next pandemic might just call for such measures.

The China didn't start these policies at the onset of the virus. They were policy tools at their disposal for years given the repressive regime they run.

Maybe I'm being naive but for the US to be able to impose China style security measures, they need to be having free access to all of our data at anytime like China does now. And I just feel that's the sort of thing that invites abuse.

[Reply](#)



Michael Gorback April 8, 2020 at 5:00 PM

So far I agree with Drs Gottlieb and Fauci. Dr. Gottlieb has laid out the economic recovery difficulties we face and Dr. Fauci has taken a firm stand that neither Sermo opinion polls nor anecdotal evidence and/or small uncontrolled studies mean anything.

I don't think there's a graceful way out. At some point people will have to cease social distancing and be exposed to asymptomatic carriers. Wuhan is running the experiment for us as we speak, although I wish the data were not coming from a country that knows its GDP numbers a year in advance and where "inconvenient" people like Dr Ai Fen tend to disappear.

The breaking point on quarantine will probably come when we have some good old Rothschild-style blood in the streets.

Note that food supply disruptions are already happening, eg Tyson Foods, National Beef Packing, and JBS USA. Right now these are minor disruptions but I see no reason for these to be isolated cases. Even without shortages, we are seeing looting by desperate people who don't have money for food.

But WTF are the idiots in Maryland doing banning the sale of seeds? Heaven forfend we grow our own food. If I thought I could sneak it past the HOA I'd get some rabbits or set up a catfish pond.

I really think this is a situation that God (or Darwin) is going to sort out.

PS Those have to be Walmart photos, especially the last one.

[Reply](#)



Frank April 8, 2020 at 6:04 PM

Great post as ever!

But we are constrained to do "commonsense" things w/o tests and w/o masks. I can buy Cheerios, but not a test or a mask.

Even to me, Cheerios are not a substitute for a mask.

[Reply](#)

[Replies](#)



on_my_way April 11, 2020 at 6:22 AM

You can make your own mask, quick & easy:
<https://youtu.be/tPx1yqvJg4>

[Reply](#)

**Frank** April 8, 2020 at 6:08 PM

Santa Clara County:

Most important question, unanswered, are liquor stores open? :-)

[Reply](#)[Replies](#)**Joe Cobb** April 9, 2020 at 11:06 AM

I think booze and wine are sold in grocery stores and most corner markets in California, a less puritanical view toward self-selection toward morbidity. I noticed the reference by another comment to "God or Darwin" and since we are looking at social behavior, Herbert Spencer had some evolutionary selection idea about cultures and choosing to abandon behaviors that lead to worse outcomes.

[Reply](#)**Benjamin Cole** April 8, 2020 at 8:00 PM

I understand all the talk about R (infection growth rates), but it seems to me we are barking up the wrong tree, since we have a naive population and a novel cold virus.

R may go up or down, but when the lockdowns end it will have to go up until some large portion of the public is infected, the experts seem to say 50% to 70%. Why are we hiding from this truth? Well, because it is an ugly truth.

I still think a do-nothing policy would have been best, perhaps with voluntary sequestering of the elderly and throw lots of money at hospitals. If the government is to do anything, then Robin Hanson's ideas about deliberately infecting a large portion of the population, perhaps in exchange for a payment, is a good idea.

For reasons that befuddle me, in general libertarians did not call for large-scale tax holidays and listening to scientists who say (sotto voce) the only way to get over this is herd immunity.

The lockdown policies are an obvious economic catastrophe, and no one knows how we will work our way out of the damage that has been done, particularly given the political apparatus we have in hand.

[Reply](#)[Reply](#)[Replies](#)**Coker** April 8, 2020 at 11:01 PM

I agree. A totalitarian response won't fix a tanked economy. Out of "A regime of intensive watching, testing, tracing, isolating, locking down hotspots, and running businesses smartly", the only one that seems right is the last.

Anonymous April 8, 2020 at 11:09 PM

Recent research shows that approximately one third of people who recover do not have immunity because their antibody count is too low to confer one. Herd immunity may be farther than we think.

**Philo** April 9, 2020 at 10:37 AM

An important aspect of Hanson's program is that a large portion of the population would be infected with "a relatively low dose" of the virus--safer than being infected with a larger dose, which might come from contact with another person who was already infected. I think Hanson's program is unpopular (1) because it seems defeatist, as if we were surrendering to the virus, and (2) because it would involve "causing (a certain--relatively small--number of) deaths"; we seem less reluctant to "allow" harms to occur than we are to "cause" harms, even if the latter option would yield a (much) smaller total amount of harm.

**Joe Cobb** April 9, 2020 at 11:15 AM

It is the "political apparatus we have in hand" that is "our" problem: the State view is that voluntary choice by the members of a population is not permitted whenever the opinion leaders frighten the politicians who face a near election ("Do Something" - regardless of side effects). Libertarian voices are not heard and dismissed as "not thinking of society." The libertarian offer from the beginning was to Warn, to Educate, and Supply the market with masks and antiviral research-programs; above all, Voluntary compliance and encouraged social shaming by "woke" former-authoritarians.

[Reply](#)

**bpk** April 9, 2020 at 12:28 AM

The crux of the problem in the U.S. (I am American, but have been living in Asia 20 years now) is that we really don't like discrimination. I agree with most of what Dr. Chochrane said, but I think the main constraint is attitudinal, not bureaucratic. The current response, a lockdown that I totally support, is an emergency sledgehammer. It is much like the TSA after 9/11. The problem with the TSA is that it refuses to discriminate by trying to spot terrorists in a politically incorrect way, so instead it annoys everybody, but it is tolerable because most of us don't fly that much.

Everything Dr. Chochrane has posted seems reasonable and wise to me, but it requires the ability to discriminate, legally and judgmentally. I don't see America as being there yet. Police let house parties in NJ off with a warning, and arrest a Dad in a California park throwing a softball to his Daughter. Umm no. When Dr. Chochrane talks about a nimble bureaucracy, he talking about one that can distinguish between the important and the unimportant. But that involves the discretion to discriminate...

Anyway, my 2 cents from an Asian country that has handled it o.k.

[Reply](#)

**newt0311** April 9, 2020 at 8:18 AM

Re. temperature checks: I work for a large fairly well known hedge fund in NYC. They instituted temperature checks back in early March. So it isn't nobody.

[Reply](#)

**Bob Hertz** April 9, 2020 at 9:06 AM

People who have no jobs and no health insurance will have, shall we say, a rather hard time paying for periodic diagnostic tests.

If we want and need better public health, we need to ramp up public funding for treatments. Expanding Medicaid would make sense, except that 14 red states are dead set against it.

The out of pocket model of high-deductible health insurance will have to be abandoned to some extent.

[Reply](#)

**DWAnderson** April 9, 2020 at 10:45 AM

I agree with almost all of this. I would add that we should consider the alternative of quickly scaling back government imposed restrictions to something like Sweden (e.g. no gatherings of more than 50 people). This eliminates many superspreader events while leaving other approaches to prevention to individuals and the private sector. At this point everyone has seen how bad things can be and has an incentive to act accordingly. This is the only place that innovation and experimentation can occur (whatever their virtues, governments are terrible at these). If governments attempt to impose detailed new restrictions (even if somewhat less restrictive) they will rob us of all the information to be gained by such private sector innovation. There is no perfection here and no escape from significant death and economic loss, but you can still improve welfare by letting people make their own choices and letting innovative approaches to distancing/safety be tried, succeed and be copied.

[Reply](#)

**Igor B** April 9, 2020 at 11:02 AM

The back to work plan is sure needed. More testing for virus sure needs to be created. Hopefully, the employment insurance can work create money for people. They really would need relief.

As I would imagine, people will start saving more at this time, than they normally would save. They would not by any very non-essential items like expensive furniture, expensive art, music items, etc.

Thanks for interesting readings. It's too bad this virus can be passed by people with no symptoms. I hope a vaccine is created as soon as possible.

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[Reply](#)

**Unknown** April 9, 2020 at 2:45 PM

Yeah trying to work right now is a mess. Our manufacturing plant in Illinois has been running as nearly all manufacturing can be considered essential in state. No incentives for sick people to stay home though. You can't get reimbursed while we are open nor tested to prove if you have it or not. We've sent multiple people home with obvious symptoms. One got sick enough to be admitted to a hospital and was able to get tested and confirmed with Covid 19. Then came the mad scramble of fighting with HR over state or federal guidelines of who was in "close contact". There we did offer paid leave so we lost a shift of people with minimal contact with the employee.

[Reply](#)

**Doggie** April 9, 2020 at 3:24 PM

Until we test about 300 million Americans, no one knows the true extent of the "exposure" and the carriers. It not killing average healthy people under the age of 65 ... the ones who should be going to school and to

work now. Ask the elderly and the high risk to self-quarantine, to take responsibility for their own immune system health and their own contact with the general population. BTW - that includes ME at age 65 taking immunosuppressants for my transplanted kidney. Impoverished people cannot get proper nutrition, vitamins, medical care as needed, good exercise, fresh air and sunshine and quality recreation to fight anything including COVID19. This continued GULAG fear mongering mentality will lead to more death and suffering than the damn virus, and soon!!!! Mark my words.

[Reply](#)

AW April 9, 2020 at 11:22 PM

Testing is all you need, as Romer has said. Tracing is a distraction.

[Reply](#)



Jacopo April 10, 2020 at 7:52 AM

About the metro construction in Milan: actually, most of the precautionary measures are required by the government. The firm took some extra steps, under pressure from the unions and the Milan mayor (the unions didn't want to reopen at all, and the mayor proposed a compromise). So the situation is not so grim. Governments are able to take some decisions, and other actors can also step in and do something. In particular, I think unions with strong negotiating power and reasonable leaders could make a difference (of course, unions with unreasonable leaders could be a disaster).

On a more general topic, all western countries have now too many cases to do test and trace. Part of the goal of the lockdown is to go back to a number where this is possible.

[Reply](#)



on_my_way April 12, 2020 at 7:20 AM

John, & all who want numerical data, here is a good link:
<https://8000hours.org/articles/covid-19-what-should-you-do/>

It includes a link to the steps Taiwan & South Korea (the 2 most successful nations) took to keep covid19 controlled, very on-topic to John Cochrane's back-to-work thoughts:
https://docs.google.com/document/d/170GC5FUnSglEZpiQvoG_HtZbxa1k6g_3o-BtEuT62ZA/edit#

[Reply](#)



Unknown April 12, 2020 at 10:15 PM

Per the thrust of your remarks, I agree that the US will not be able to achieve $R_0 < 1$ without shelter in place. And a yo-yo shelter in place is almost as bad as a continuous shelter in place. The pandemic will only end for the US when we achieve herd immunity or have a vaccine. As such, why not consider a risk-based exposure plan? That is, aim for herd immunity with minimal casualties.

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