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In this Edition

**WEBINAR SERIES
CORONAVIRUS LISTENING
LATEST NEWS**

Newsletter #70

Economic Society of Australia,
New South Wales Branch,
June 2020
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Dear friend,

We hope you and your families and communities are continuing to staying safe and well.

Webinar Series

Upcoming Webinars

The next two events which may be of interest are:

Implications of COVID-19 - What about the Children?

Monday 15 June - 12.30 pm

Join our expert panel of economists from the public sector and academia as they discuss the evidence on the likely impact of COVID19 on children, their development and acquisition of human capital. What impacts are already visible and what policies will help mitigate the impacts.

Click [here](#) to register



The Economy and Monetary Policy - Guy Debelle, Deputy Governor of RBA

Tuesday 30 June - 12.30 pm

As part of its webinar series, the Economic Society of Australia invites you to an important address and Q&A with Guy Debelle, Deputy Governor of the Reserve Bank of Australia on the economy and monetary policy.

Click [here](#) to register



Please also keep an eye out for webinar events from other ESA Branches. The Central Council [Calendar](#) has all this information.

Save the Date

ESA NSW Branch Annual General Meeting
Wednesday 12 August - 6.30 pm

AGM 2020
Annual General Meeting

Coronavirus Listening

If you missed the earlier webinars, you can listen to them via the Central Council website - click [here](#) to download.

Latest News

National Economic Panel

There have been a few changes to the way we bring you our highly regarded and very popular National Economic Panel (NEP) polls.

The NEP commenced in 2015 in partnership with Monash University. That arrangement came to a natural conclusion during 2019 and since that time, Central Council has managed the process with the substantial help of founding curators Tom Chan and Buly Cardak.

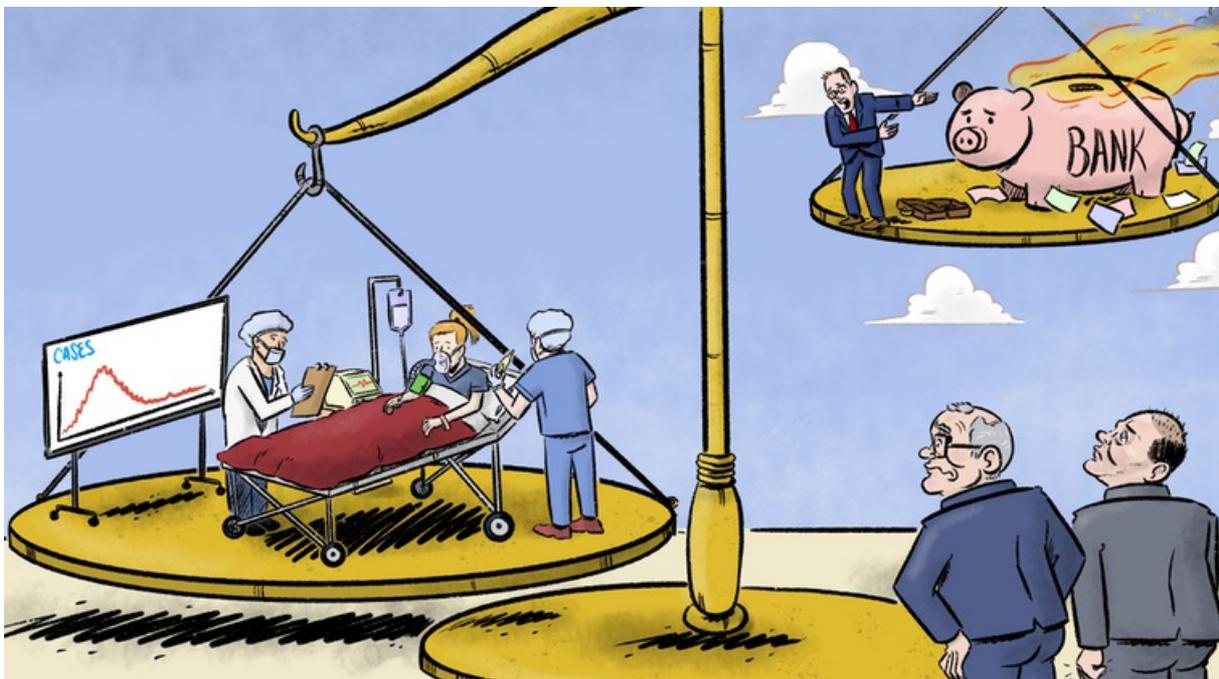
In recent months, we have been working behind the scenes to secure an agreement with The Conversation. Known for its academic rigour and journalistic flair, The Conversation is a terrific organisation for ESA to collaborate with. It will greatly increase our poll readership and further raise the profile of the Society and the economics profession.

In addition, there have been a few changes to the NEP panellist line-up. We are delighted to welcome the following new participants and look forward to their contribution. Welcome to Robert Breunig, Craig Emerson, Ian Harper, John Hewson, Richard Holden, Emily Lancsar, Guay Lim and Stefanie Schurer.

Our huge thanks go Tom and Buly as well as panellists that have either stepped down or retired from the panel.

The latest poll is show below.
Social Distancing Measures, May 2020

Economists back social distancing 34-9 in new Economic Society-Conversation survey



Wes Mountain/The Conversation, [CC BY-ND](#)

Peter Martin, Crawford School of Public Policy, Australian National University

Australian economists overwhelmingly back social distancing measures that slow the spread of coronavirus over the alternative of easing restrictions and allowing the spread of the disease to pick up.

But a significant minority, 9 of the 47 leading economists polled in the first of a series of monthly surveys, say they

would support an easing of restrictions even if it did allow the spread to accelerate.

The [Economic Society of Australia-Conversation](#) monthly poll will build on national polls conducted by the Economic Society, initially in conjunction with Monash University, since [2015](#).

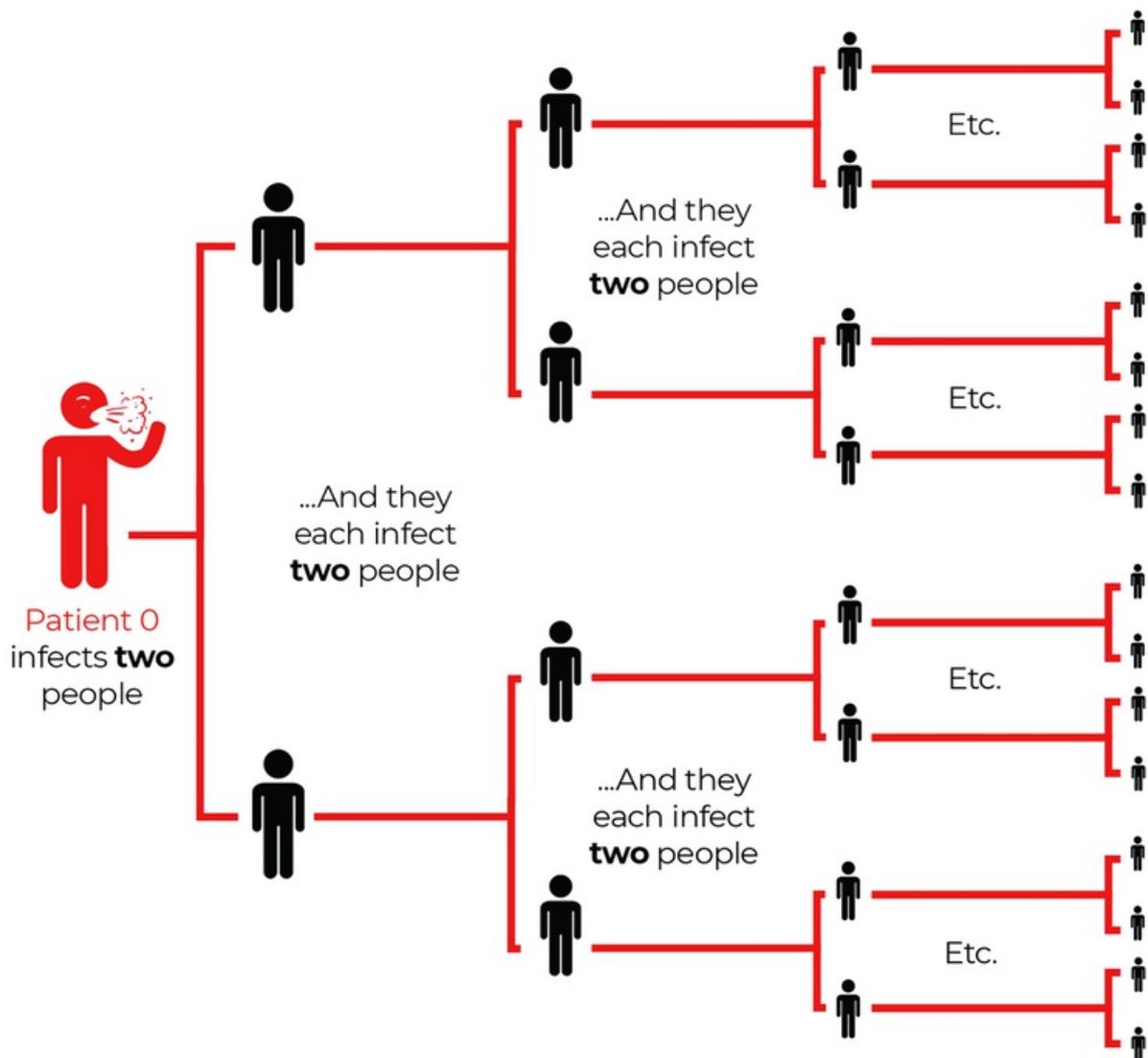
The economists chosen to take part are Australia's leaders in fields including microeconomics, macroeconomics, economic modelling and public policy. Among them are former and current government advisers and a former and current member of the Reserve Bank board.

Their responses are given weight by statements explaining their views published in full on The Conversation website and by a requirement that they rank the confidence they have in their responses on a scale of 1 to 10.

What matters is R

R, which is also referred to as **R₀**, **R_I**, and **R_t** is the reproduction number of the virus. It is a measure of the average number of other people that any person with it will directly infect.

How a virus with a reproduction number (R₀) of 2 spreads in a non-immune population



The Conversation, [CC BY-ND](#)

An R of 2 means that on average each person with the virus will directly infect two other people in a process that will escalate increasingly quickly until after four sets of contacts 16 people have it, and after 20 sets of contacts more than one million people have it.

This snowballing effect is a property of any R above 1.

At an R below 1 the spread decelerates until very few people have it.

In the early days of the outbreaks, Australia's value of R was [well above 1](#).

The lockdowns and other restrictions have helped push it down [to about 1](#).

The 47 leading Australian economists selected by the Economic Society of Australia were asked whether they agreed, disagreed, or strongly agreed or strongly disagreed with this proposition:

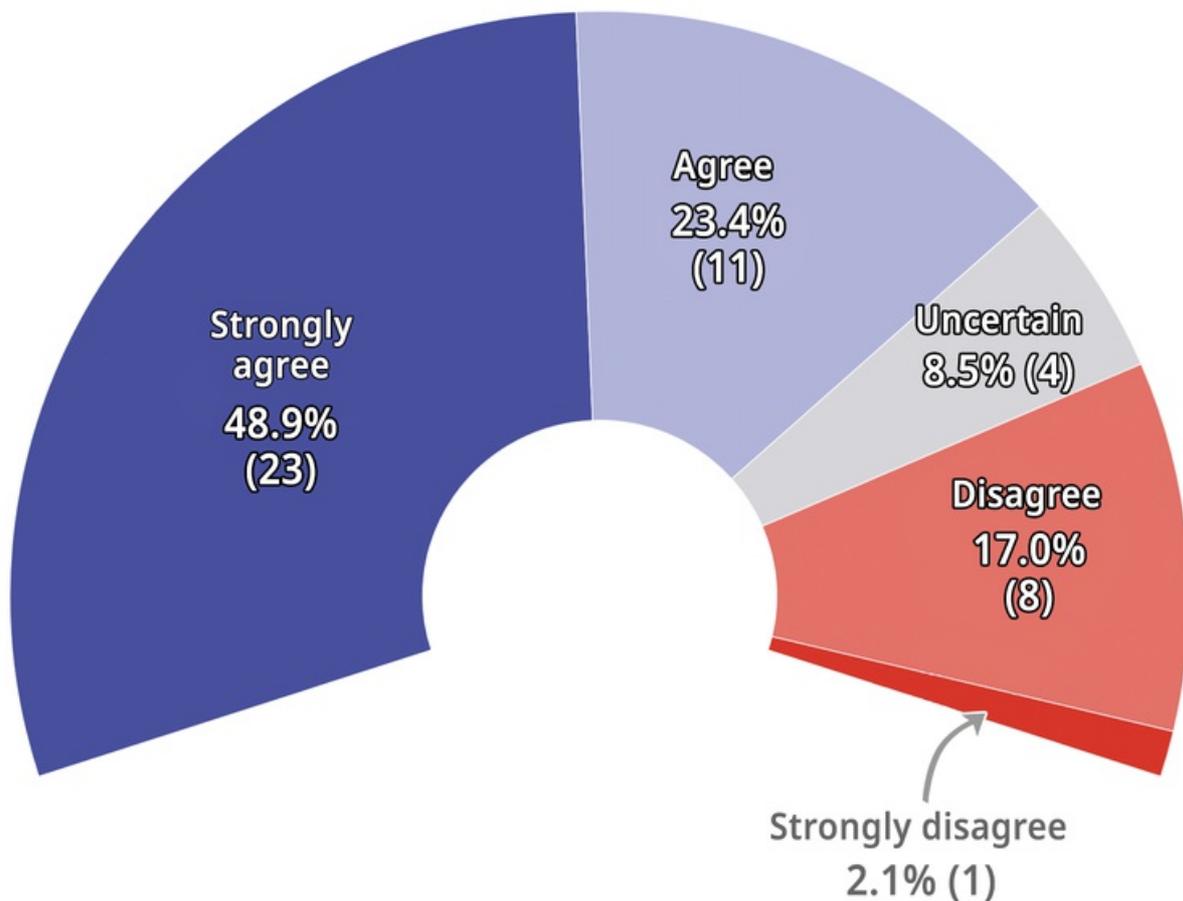
The benefits to Australian society of maintaining social distancing measures sufficient to keep R less than 1 for COVID-19 are likely to exceed the costs.

The proposition suggests that in the present context it is likely to be worthwhile to continue to maintain the restrictions that are needed to push R below 1 and keep it there.

Almost three quarters of the economists surveyed – 34 out of 47 – backed the proposition, 23 of them “strongly”.

Only nine disagreed, and only one strongly.

Responses from 47 economists to the proposition: The benefits to Australian society of maintaining social distancing measures sufficient to keep $R < 1$ for COVID-19 are likely to exceed the costs.



Source: The Economic Society of Australia

The Conversation, [CC BY-ND](#)

The arguments put for the worth of maintaining social distancing measures sufficient to keep R below 1 include avoiding “tens or hundreds of thousands of avoidable deaths” (John Quiggin) and allowing the economy to return to normal sooner than otherwise by escaping the need for “repeated lockdowns” that might be needed if the disease got out of control again (Ian Harper).

Chris Edmond uses the analogy of the [Phillips Curve](#) that is meant to show the tradeoff between levels of inflation and unemployment.

Although it shows a tradeoff in the short term (more inflation results in lower unemployment) in the longer term it finds no such tradeoff. More inflation simply leads to higher prices with unemployment being no lower.

Read more:

[Eradicating the COVID-19 coronavirus is also the best economic strategy](#)

"In a similar way, there is no long-run trade off between public health and the health of the economy in responding to the COVID-19 crisis," he says.

Lifting restrictions "risks the worst of all worlds, compromising our public health goals and at the same time not getting a proper economic recovery".

Stefanie Schurer quotes a German proverb: [better a painful ending than an endless pain](#).

Lifting restrictions "worst of all worlds"

She says a short and medium term failure to eliminate, or at least slow down, the spread of COVID-19 would entail significant longer-run political, economic and social costs.

Renee Fry-McKibbin points out that that even if the deaths from reopening economic activity turn out not to be high, we have no idea yet of the long term health consequences of exposing more people to COVID-19.

"Will people suffer from respiratory issues going forward requiring ongoing medical attention?" she asks. "We have incomplete information on the actual costs and benefits."

Saul Eslake, who can see the worth of continued restrictions that keep R below 1, cautions that the longer they remain in place, the more the case for reopening will grow.

Yet the costs of restrictions are growing

Craig Emerson says keeping R below 1 should be merely a "guiding principle" rather than a binding constraint.

"The longer the restrictions are in place, the greater will be the likelihood of links being broken - leading to severe economic hardship, business failures, mortgage defaults, domestic violence, mental health problems, suicide and long-term unemployment, particularly for the young," he says.

Gigi Foster says, in retrospect, the best thing for Australia to have done would have been to have never had an enforced lockdown, but to have encouraged people to continue to behave as normally as possible while taking precautions, as in Sweden, allowing young and healthy people to acquire immunity in order to protect more vulnerable people, in this and in future waves of the virus.

She suspects the costs of continued restrictions that keep R below 1 outweigh the benefits, including benefits measured in [quality-adjusted life years](#) saved.

Read more:

[COVID lockdowns have human costs as well as benefits. It's time to consider both](#)

Hugh Sibley says that by making progress towards eliminating the virus we have eliminated the option of acquiring the mass immunity that would make it easier to live with it.

"We have, in effect, dug ourselves into a hole," he says. "And we are now congratulating ourselves how deep that hole is. Too few people are asking how we get out."

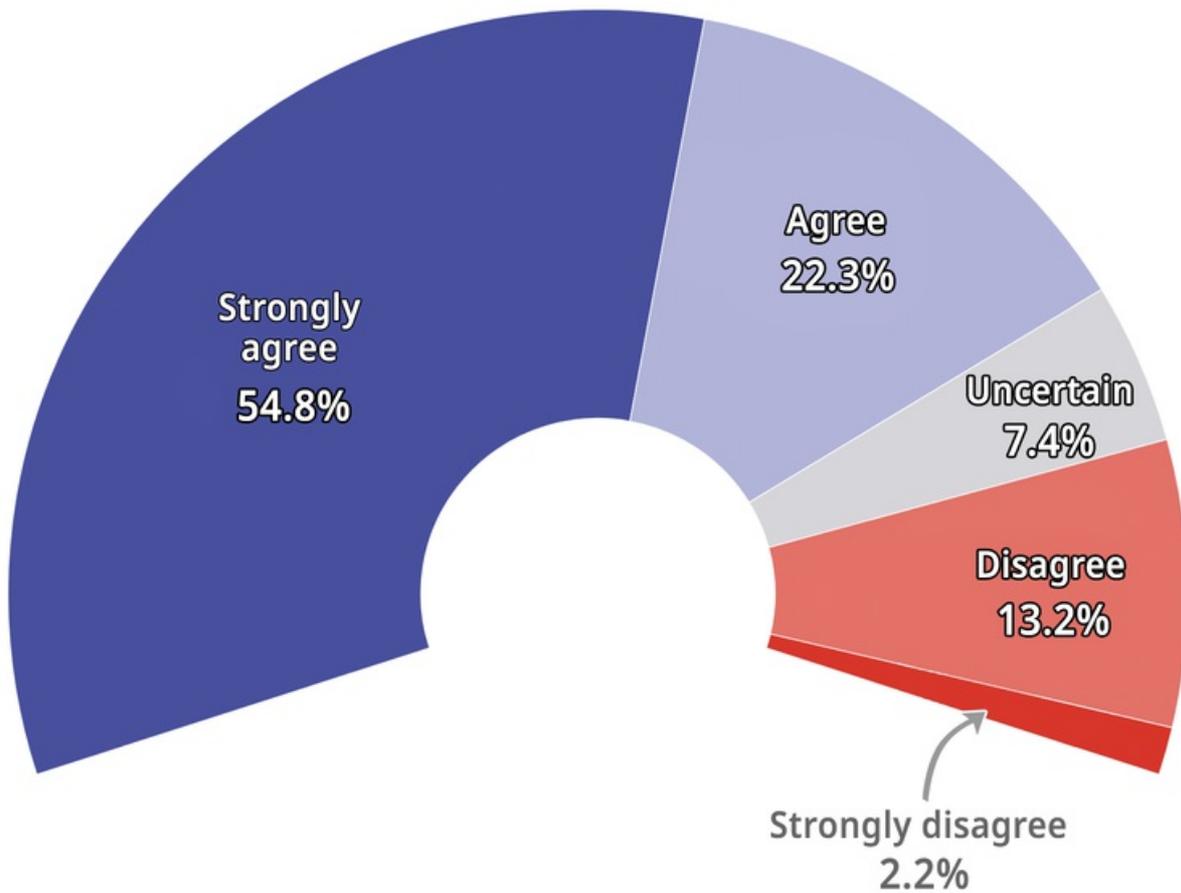
Supporters more certain than opponents

When responses to the survey are weighted by the confidence respondents have in them, opposition to restrictions weakens.

Unweighted for confidence, 19% of respondents oppose the proposition that restrictions that keep R below 1 are likely to be value for money.

Weighted for (lack of) confidence, opposition falls to 15.4%.

Responses **weighted** by confidence



Source: The Economic Society of Australia

The Conversation, [CC BY-ND](#)

Unweighted for confidence, 72.3% support the proposition that restrictions that keep R below 1 are likely to be value for money.

Weighted for confidence, that support grows to 77.1%

The proportion strongly agreeing with the proposition grows from 48.9% to 54.8%

Put another way, when weighted for confidence, a clear majority of the economists surveyed strongly support the proposition that the benefits to society from maintaining social distancing measures sufficient to keep R less than 1 are likely to exceed the costs.

Individual responses

Peter Martin, Visiting Fellow, *Crawford School of Public Policy, Australian National University*

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Call for abstracts on COVID-19 related health economics research

The International Health Economics Association (iHEA) is responsible for organizing two sessions at the annual American Economics Association/ASSA conference. We are focusing the sessions for the January 2021 (3-5 January) conference on health economics research on COVID-19. We received a few abstracts related to this area in the general call for abstracts that iHEA issues in collaboration with ASHEcon and HERO, but insufficient for two sessions.

If you are undertaking COVID-19 related research, or know of colleagues undertaking such research, where this research will have a full draft paper ready by early December, we would welcome abstracts for consideration for these sessions. As the iHEA sessions try to take an international perspective, we are particularly interested in research that includes more than one country and non-USA research (as most of the other associations organizing sessions focus exclusively on the US, we try to provide the rest of the world with an opportunity to participate in this prestigious event). AEA/ASSA have not yet made a decision on whether the conference will take place onsite, online or both, but we strongly suspect that there will be a virtual component (i.e. we are not expecting that all presenters will be required to be physically present in Chicago next January).

How to Submit

Abstracts for the AEA/ASSA conference should be about 200 words in length and should include the full names and institutional affiliation of all authors, as well as an email address for the presenting author.

Please send any abstracts to diane.mcintyre@healtheconomics.org by **8 June 2020**. If anyone would like to volunteer to be a discussant of one of the papers included in the session, please also send an [email](#) indicating this.

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