

Causes, Costs, and Consequences of Covid Mania in Australia

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The big questions of our time

- How has the greatest economic policy debacle in a generation come to pass in Australia?
- What will its economic and social implications look like?
- What trajectories are possible for Australia as it emerges from the darkest depths of Covid mania?
- What institutional, procedural, or other feasible changes may help Australia avoid a similar economic and social disaster when facing future threats?



The big picture

From March 2020, fear led to draconian policy settings around the world that have not made a proven impact on the trajectory of the covid-19 virus and have done huge damage.

We have witnessed a mass sacrificial event, on a global scale.

Australia the lucky country, yet again – in spite of ourselves.

Many parties today have incentives to keep the narrative going and to rationalise what has already happened.

The grim harvests of the world's **local** and **global** Covid policy responses

More than 100 million new unemployed people in the West.

Business bankruptcy.

A GDP loss of 20% in the West. **Sectoral collapse.**

A feared **famine and loss of inoculations** in poor countries, costing many millions of lives.

Civil wars brewing in Lebanon, India, and parts of Africa.

Mass loneliness in locked-down territories.

20,000 prevented IVF babies per month in the West. The same again elsewhere.

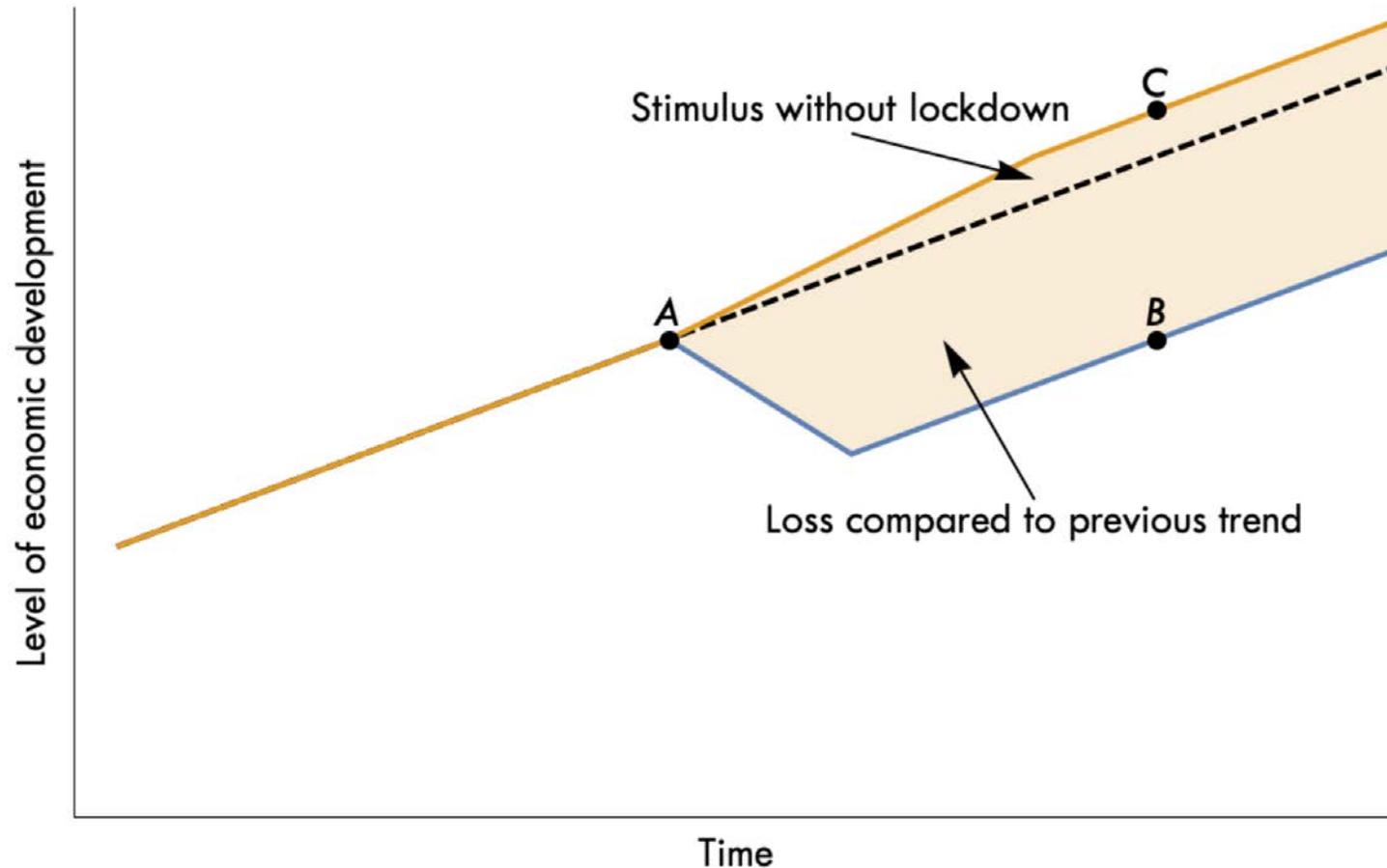
Reduced usage of health services in the West due to fear, causing present and future loss of life.

Disrupted education of over a billion children, causing present and future damage.

Overall: Catastrophic and highly regressive effects.



Falling behind implies a long tail of woe (visualisation courtesy of Cameron Murray)



Beyond GDP: The horrific costs our panic has imposed on the developing world (courtesy Ari Joffe)

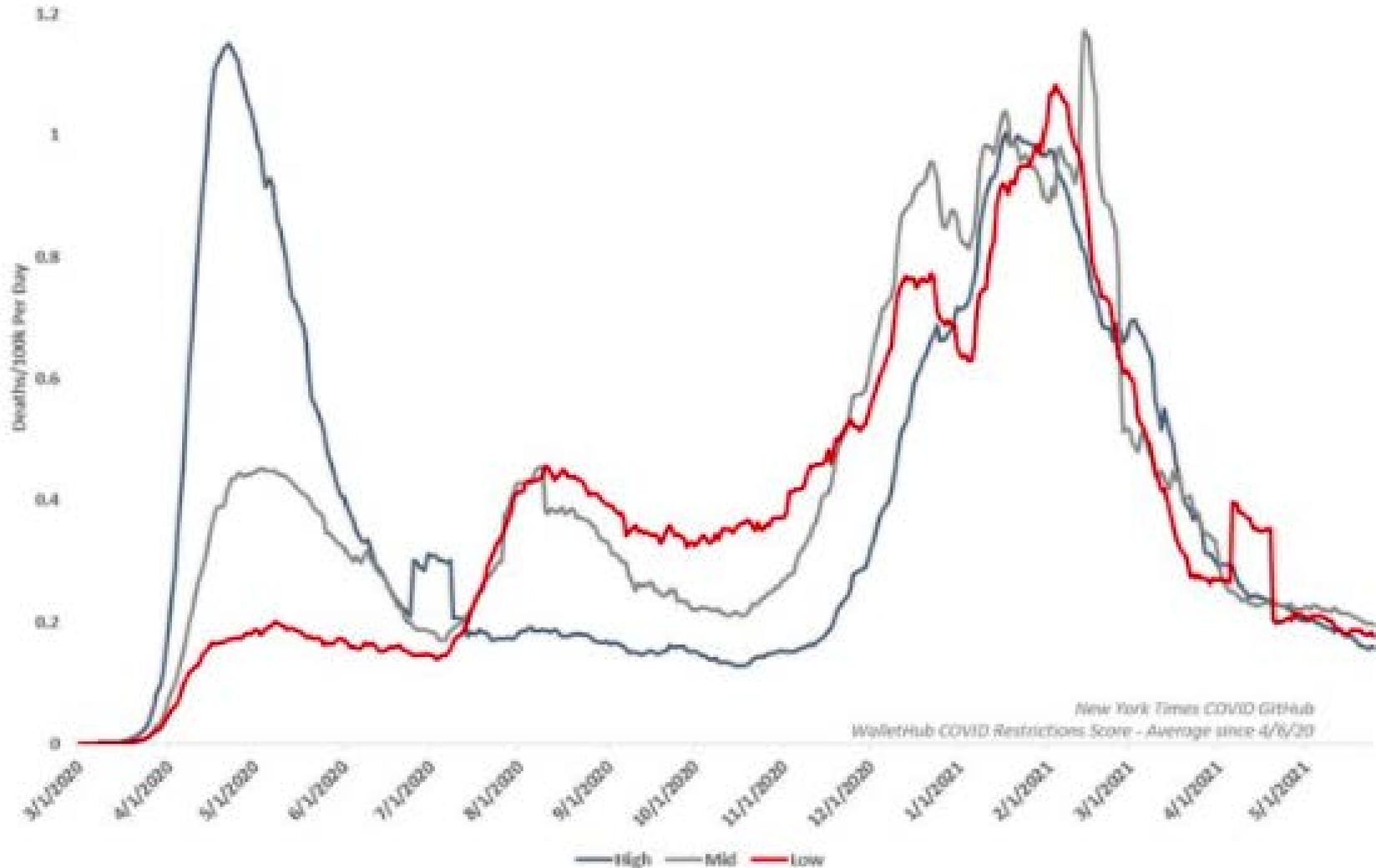
Table 2: Effects of the COVID 19 response that put Sustainable Development Goals out of reach

Sustainable Development goals	Effect of COVID 19 response: some details
Childhood vaccination Education	<p>Programs stalled in 70 countries [Measles, Diphtheria, Cholera, Polio]</p> <p>-School Closures: 90% of students {1.57 Billion} kept out of school</p> <p>-Early primary grades are most vulnerable, with effects into adulthood: effects on outcomes of intelligence, teen pregnancy, illicit drug use, graduation rates, employment rates and earnings, arrest rates, hypertension, diabetes mellites, depression</p> <p>-Not just education affected: school closures have effects on food insecurity, loss of a place of safety, less physical activity, lost social interaction, lost support services for developmental difficulties, economic effects on families</p>
Sexual and reproductive health services	<p>Lack of access: estimated ~2.7million extra unsafe abortions.</p> <p>For every 3 months of lockdown, estimated 2 million more lack access to contraception, and over 6 months, 7 million more additional unintended pregnancies</p>
Food Security	<p>-Hunger Pandemic: undernourished estimated to increase 83 to 132 million (>225,000/day) from disrupted food chain supplies [labour mobility, food transport, planting seasons] and access to food [from job losses and incomes, price increases]</p>
End Poverty	<p>Extreme Poverty (Living on <\$1.90 per day): Estimated to increase >70 million</p> <p>"Lost ladders of opportunity" and social determinants of health</p>
Reduce Maternal and USM	<p>-Estimated increase of 1.16 million children (USM) and 56,700 maternal deaths, of essential RMNCH services are disrupted (coverage reduction 39-52%)for 6 months in 118 LMIC</p> <p>-Mostly (~ 60%) due to affected childhood interventions [wasting, antibiotics, ORS for diarrhea]; and childhood interventions [uterotonics, antibiotics, anticonvulsants, clean birth]</p>
Infectious Disease Mortality	<p>Tuberculosis: in moderate and severe scenario, projected excess deaths (mostly from delayed net campaigns and treatment) 342,000-1.36 million over 5 years (an increase of 4-16%)</p> <p>Malaria: In moderate to severe scenario, projected excess deaths (mostly from delayed net campaigns and treatment) 203,000 to 415,000 over 1 year (an increase of 52-107%, with most deaths in children 5yo)</p> <p>HIV: IN moderate projected excess deaths (mostly due to access to antiretrovirals) 296,000(range 229,000-420,000) in Sub-Saharan Africa over 1 year (an increase of 63%).</p> <p>Also would increase mother to child transmission by 1.6 times</p>

LMIC: Low and middle countries; ORS: oral re-hydration solution; RMNCH: Reproductive Maternal Newborn and Child Health; USM: Under 5 mortality.

Yeah, but shelter-in-place orders save lives, right? Right??

COVID Attributed Deaths/100k Population - High, Intermediate and Low Stringency States



What we have actually lost to covid – contra initial estimates

- Estimated UK fatality estimates for covid were scaled down dramatically by Imperial College London within two weeks, from [510,000](#) to [20,000](#). Current is **128,000** or **0.2%**. Australian pop-adjusted equivalent would be **48,000**.
- On average, each person dying with covid probably has about **3-5 more happy years left**.
- The WHO in **February** put out “case based fatality estimates” of **3-5%**. Its own estimates of global infections now imply a [best guess](#) of the infection fatality rate (IFR) more like **0.2%**. The “delta variant” may be even less lethal.
- At present, the total recorded world death-with-covid toll stands at around 4 million, or **0.05%** of the world. That is normal world **births in ten days**.



Covid deaths by age in the US

Provisional COVID-19 Deaths by Sex and Age

Deaths involving coronavirus disease 2019 (COVID-19), pneumonia, and influenza ▶








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Data As Of	Start Date	End Date	Group	Year	Month	State	Sex	Age Group	COVID-19...	Total Dea...
06/30/2021	01/01/2020	06/26/2021	By Total			United States	All Sexes	All Ages	595,086	4,906,609
06/30/2021	01/01/2020	06/26/2021	By Total			United States	All Sexes	Under 1 year	81	27,650
06/30/2021	01/01/2020	06/26/2021	By Total			United States	All Sexes	0-17 years	326	48,513
06/30/2021	01/01/2020	06/26/2021	By Total			United States	All Sexes	1-4 years	38	5,022
06/30/2021	01/01/2020	06/26/2021	By Total			United States	All Sexes	5-14 years	114	8,062
06/30/2021	01/01/2020	06/26/2021	By Total			United States	All Sexes	15-24 years	981	51,936
06/30/2021	01/01/2020	06/26/2021	By Total			United States	All Sexes	18-29 years	2,408	91,534
06/30/2021	01/01/2020	06/26/2021	By Total			United States	All Sexes	25-34 years	4,286	107,212
06/30/2021	01/01/2020	06/26/2021	By Total			United States	All Sexes	30-39 years	6,913	130,608
06/30/2021	01/01/2020	06/26/2021	By Total			United States	All Sexes	35-44 years	10,926	154,227
06/30/2021	01/01/2020	06/26/2021	By Total			United States	All Sexes	40-49 years	18,435	195,004
06/30/2021	01/01/2020	06/26/2021	By Total			United States	All Sexes	45-54 years	30,256	279,965
06/30/2021	01/01/2020	06/26/2021	By Total			United States	All Sexes	50-64 years	94,211	813,115
06/30/2021	01/01/2020	06/26/2021	By Total			United States	All Sexes	55-64 years	75,611	644,700
06/30/2021	01/01/2020	06/26/2021	By Total			United States	All Sexes	65-74 years	132,611	991,043
06/30/2021	01/01/2020	06/26/2021	By Total			United States	All Sexes	75-84 years	163,161	1,193,317
06/30/2021	01/01/2020	06/26/2021	By Total			United States	All Sexes	85 years and ...	177,021	1,443,475

These are not fringe views

- <https://gbdeclaration.org/>
- <https://thepriceofpanic.com/>
- <https://www.pandata.org/>
- <https://www.wsj.com/articles/an-american-epidemic-of-covid-mania-11618871457>
- <https://www.aier.org/article/the-lockdown-paradigm-is-collapsing/>
- <https://lockdownsceptics.org/>
- <https://covid19criticalcare.com/>
- <https://worldfreedomalliance.org/>
- <https://www.rollingstone.com/music/music-news/eric-clapton-van-morrison-anti-lockdown-song-stand-and-deliver-1106174/>
- <https://www.covidchartsquiz.com/>
- <https://ourworldindata.org/covid-deaths>

The rain dance we chose to do here in Australia

The case of the missing CBA

Costs in brief

GDP loss **so far**: easily \$60 billion. Then there's the debt.
Reduced well-being due to loneliness, social isolation, etc.,
and crowded-out healthcare: QALYs and QALYs worth of
costs, over years to come

Disrupted children's education: \$50-100 million in lost wages,
just to start with, over a generation

Crowding out of small businesses, and massive hits to
particular industries in which we have natural comparative
advantages.

There actually is no trade-off. State lockdowns and mandated
“covid safe” restrictions only create harm.

We could have done so much better.



While all this was starting to happen, early in 2020...where were the Australian economists?

Clues that our policies were not “following science”

Rabid attempts to “cancel” or discredit alternative viewpoints, highly emotive reactions, defamation, intimidation, silencing, bullying....

Complete ignorance of hard data on the part of people whose job it would normally be to know it

Abandonment of tried-and-tested approaches to solving problems and determining the right course of action

A shifting of the burden of proof

Logical paths forward

- Protect the vulnerable: learn from Sweden, Florida, Denmark, and simple observation.
 - Establish protocols for staff rostering, hygiene, architecture/housing targeted for group homes
 - Investigate the many potential preventative and curative treatments for covid, even if they do not make big pharma (and its friends in government) big bucks
 - Sponsor work-from-home and e-connection mechanisms for those self-nominated at high risk
- Encourage healthy young people to get back to school, work, and parties. “Cases” in them are a good thing.



Welfare-promoting economic policy directions for governments: The big picture

- Change the message to something like, “We’ve got covid’s number. Here’s our toolbox. Everyone, come back to life.”
- Offer vaccines to all aged 65+ or immunocompromised who want them. Broaden the toolbox to include prevention and treatment.
- Open borders (without compulsory or population-rate-threshold vaccination). Encourage reuptake of CBDs.
- Encourage renewed activity of trade networks.
- Provide certainty, while projecting calmness and confidence.



Welfare-promoting economic policy directions for local governments: Specific suggestions

- Focus on “covid safe” protocols for aged care homes and other places of vulnerability. Elsewhere, limit enforcement as much as possible. Distract local officers to other priorities.
- Invest in social infrastructure, such as:
 - child care
 - support/escape for abused women and children
 - tutoring programs staffed by teens who may have lost their part-time jobs
 - healthy, community-connected aged care
 - community-building generally. Local markets, festivals, concerts, whatever brings people together.



Some longer-term suggestions for institutional changes

- More voices in the halls of power. “Radical diversity.”
- Rotating expert advisors with as little skin in the game as possible. (We now know who is willing to speak truth to power, and who is not.)
- Changes to the institutions of science. Establish rewards for the development of totally independent lines of thought.

What is more likely to happen

- No admission that we royally bungled our Covid response. Too much at stake for too many powerful people, and for those who passively went along with – or were active apologists for – the powerful at Australia's time of greatest need.
- A painfully slow reopening, tied to population vaccination rates, with individual freedoms also tied to vaccination status (at least until this is legally challenged)
- Australia to fall behind the rest of the world, to lose much of its appeal to international students, and to become more parochial
- A long tail of Covid madness (e.g., mask-wearing, hygiene theatre) with true believers still carping on in five years' time
- Rifts in professions, communities, and families that will take years to heal. A grand reckoning is unlikely, but would be healthy.
- (possibly) a rise in nationalistic sentiment that turns anti-social



Reclaiming the narrative and preventing such a tragedy from recurring

For economists who want to be useful: Debunk, redefine, and reaffirm, on sensible terms. Provide present perspective, and recall historical precedent.

For governments who want to avoid betraying their populations: Control the fear; provide perspective. In a crisis moment, communication is stronger than truth in terms of saving lives.

More explanations and suggestions in my forthcoming book with Paul Frijters and Michael Baker, *The Great Covid Panic*.

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