

Economists are united in support of the coronavirus lockdown

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A man passes by the grocery store La Maison Collignon in Montmartre, Paris, last month. The shooting of a film set in the 1940s in the Montmartre district was interrupted and its sets left in place as the lockdown in France began © Christophe Petit Tesson/EPA/Shutterstock

Harry Truman, US president from 1945-53, reputedly yearned for a “one-armed economist” who would give unambiguous advice rather than the “on the one hand, on the other” kind. In the coronavirus crisis, his wish may have come true. Academic economists on both sides of the Atlantic are virtually unanimous in their support of lockdown measures taken by governments to stop the virus from spreading, despite the huge economic costs of doing so.

Over the last week, the scale of those costs has become apparent. In many countries jobs are being lost at a pace not seen since the 1930s. Ten million Americans have applied for unemployment insurance and 1m Britons have registered for universal credit in the last two weeks.

Purchasing managers’ indices in big European economies have recorded their steepest declines on record. Most analysts now expect a bigger and faster contraction in output across the global economy than during the global financial crisis.

Some ask whether the cure might be worse than the disease. But the reply from economists is a resounding “no”.

“In times of great uncertainty, most economists think the government should intervene,” said Rachel Griffith, president of the UK’s Royal Economic Society and professor of economics at the University of Manchester.

Surveys show a striking degree of consensus among top economists in favour of the lockdowns.



A view of a canal in Venice on Monday © Andrew Medichini/AP

The IGM Economic Experts Panel’s latest survey of top US macroeconomists asked for their view of the statement “Abandoning severe lockdowns at a time when the likelihood of a resurgence in infections remains high will lead to greater total economic damage than sustaining the lockdowns to eliminate the resurgence risk”. Eighty per cent of the panel agreed, the rest were uncertain or did not respond. Not a single expert disagreed.

In Europe, 65 per cent of respondents agreed that “severe lockdowns — including closing non-essential businesses and strict limitations on people’s movement — are likely to be better for the economy in the medium term than less aggressive measures”. Only 4 per cent disagreed.

“Clearly there is a cost” to the lockdowns, said Ms Griffith, “but what is the counterfactual? The cost of not containing the virus would be greater — even economically.” Not only was saving lives inherently valuable, but fear of contagion would cause economic disruption even in the absence of government action, she explained.

While there was “exponential infection growth . . . I am not surprised that there is a consensus on the need for lockdown”, said Beatrice Weder di Mauro, president of the Centre for Economic Policy Research. “The disagreements will be on how long and how to get out of it.”



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For the moment, economists are deferring to medical and epidemiological experts on when the contagion could be said to be under control. “We should lift the restrictions the minute we can,” said Ms Griffith, “once we have testing and measures for containing the virus . . . for now it is a medical not an economic issue.”

In the meantime, many governments are asking economists to keep a close eye on the costs of the lockdown and how best to mitigate them without interfering with the desired epidemiological effects. “There are lots of micro issues” on which economists can help, said Ms Griffith, “but broadly the government should do what it is doing.”

A more significant role for economists, she suggested, lay in thinking about what to do in the longer term. “The biggest questions are intergenerational issues” such as “what will happen to those who receive less schooling” as a result of the lockdowns. There was already a “torrent of research” taking place, she said.

“How do we rebuild the economy and who do we focus on?” These, Ms Griffith said, were the sort of questions economists would be exploring — “starting in six months and going on for the next 20 years”.