

Spring 2020 Newsletter

Welcome to the Spring 2020 Newsletter. I hope this finds you well in strange times. Thank you for comments on the Winter edition – suggestions for future issues welcome.
Catherine

Themes

Economics: ‘V’ or ‘U’ recovery? Lockdown restrictions will have a massive hit on the economy. As we begin to unlock thoughts naturally turn to what the recovery will look like – with possible scenarios often referenced by letters or shapes in the media:

- A ‘V’ shaped recovery implies a rapid fall in growth followed by an equally rapid rise – you get back to where you were quickly. This is roughly what the Bank of England said last week: a 14% fall in growth in 2020 followed by a 15% rise in 2021.
- A ‘U’ or ✓ (tick-shaped) recovery suggests a much longer, more drawn-out period of weak growth.

This is an important issue as it will make a big difference to living standards and the appropriate policies going forward. What letter would you pick?

Podcasts on the Coronavirus: I’ve made a series of short podcasts on the coronavirus for the Society of Professional Economists. The podcasts discuss how this crisis compares to other crises, the policy response, the recovery and what it might mean for inequality and globalisation. You can listen here <https://spe.org.uk/speakers/podcasts/>

Economics: Furlough To furlough sounds like a medieval farming technique but is actually - as we have all learnt now - a government grant to pay wages during the Corona crisis. The scheme is designed to prevent mass redundancies in response to the government-imposed lockdown. But it will also have distributional effects and we will need to pay for it (it supports consumption now in the absence of production). Which businesses will do relatively well, which not so well from the scheme? What will be the longer-term effects on the labour market and different workers? And how will we decide the best way to pay for it?

Economics: Thomas Cook, Flybe ... the entire aviation industry? In the autumn I discussed Thomas Cook; in the winter Flybe and now in spring the entire aviation industry is in trouble. What is the role of government? The question is really tricky now. The furlough scheme prevents immediate mass job losses. But the scheme also ‘freezes’ the sector at a certain point: both well and badly managed firms can keep running. Moreover, the industry may need to adjust to lower demand for air travel for some time to come. Looking forward, the role of government may well need to be more about supporting that adjustment than keeping the sector going as it is now.

Careers in a crisis: Some careers are made in a crisis. New Zealand's Health Director Ashley Bloomfield has been doing such a great job he is affectionately known as the 'hero of the quarantine' and has his own T-shirts.¹ If you are feeling this crisis has been more an IT moment than a career boost why not take a moment to reflect on your career highs and lows to date. Go back over your career and identify the times you were at your best and the times when you were not. Work out what characterised each time and look for patterns to help you with future decisions. Were your highs (or lows) when you were in the middle of a crisis, doing a certain type of work or in a particular institution?

Cost-benefit analysis: The Colourful Books: A new edition of the Magenta Book on evaluation has been published <https://www.gov.uk/government/publications/the-magenta-book>. The forthcoming review of the Green Book (discussed in the Winter Newsletter) got a mention in the 2020 Budget and the Chancellor's Budget speech. Though I am guessing Rishi's a little busy right now.

Upcoming events and courses

All economicsense courses are now being delivered online. The courses are interactive, fun and you can learn from the comfort and safety of your own home.

The coronavirus and the economy Tuesday June 2nd 10am A free online event open to all readers of the economicsense newsletter. In this bite-sized 30-minute session I will step through how the coronavirus is affecting the economy, explain frequently used terms used by economists and discuss what matters for policy makers – from distributional impacts to unwinding lockdown. Please email info@economicsense.co.uk to join.

Economics for non-economists 9.30am – 12pm on 24th, 25th and 26th June This course provides an accessible overview of economics. Topics will include market structure and competition, market failure and government failure. At the economy-wide level we will discuss growth, fiscal policy, monetary policy and regulatory policy. There will be a special section on trade particularly useful for anyone working on Brexit-related issues. The course is delivered fully online. To book see: [Economics for non-economists](#)

Strategic Career Development for Analysts: This course is designed to support strategic career development for experienced analysts - suitable for professional economists, statisticians, social researchers, scientists and operational researchers with around 10 years of experience. In 2020 I am running courses for both G6/E2 and G7/E level. Please email info@economicsense.co.uk to register your interest.

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¹ The 'curve crusher': [curve-crusher-ashley-bloomfield-merchandise](#)