

Economists warn of 'widespread costs' from lockdown

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Blanket restrictions on economic activity should be lifted and replaced with measures targeted specifically at groups most at risk, say economists.

This was the conclusion made in a paper published today in the National

Institute Economic Review, authored by David Miles, Professor of Financial Economics at Imperial College Business School. The paper suggests that the losses from continuing severe restrictions in the UK are large relative to the likely gains.

The paper highlights the question of the difficult trade-offs involved in picking the stringency and duration of any [lockdown](#) between concerns on the nation's [health](#) and the consequences for the economy, which also indirectly affect health outcomes.

Professor Miles, together with Mike Stedman of the RES Consortium and Adrian Heald at the University of Manchester's School of Medicine, examines the [costs](#) and benefits of lockdown policies in the face of COVID-19.

They argue that while the extent to which the lockdown contributed to a subsequent slowing in the rate of new infections and deaths is not easy to estimate precisely, it seems clear that it did contribute to these public health objectives.

However, they say it is "very far from clear" whether keeping such tight restrictions in place for three months until the end of June when they began to be lifted was warranted, given the large costs. They say that the costs of carrying on with such a lockdown are likely to have become significantly greater than its benefits.

The authors urge policymakers to "normalise" how they view COVID-19 because its costs and risks are comparable to other [health problems](#), such as cancer, [heart problems](#), and diabetes where governments have made resource decisions for decades.

Commenting on the findings, Professor Miles said: "Weighing up costs and benefits of maintaining general and severe restrictions is necessary.

That is how decisions over a wide range of public policy issues are made. Movement away from blanket restrictions that bring large, lasting and widespread costs, and towards measures targeted specifically at groups most at risk is now prudent."

The new economic paper by David Miles et al, "Living with COVID-19: Balancing costs against benefits in the face of the virus," is published in the National Institute Economic Review.

More information: Living with Covid-19: balancing costs against benefits in the face of the virus. www.niesr.ac.uk/publications/living-with-covid-19-balancing-costs-against-benefits-face-virus

Provided by Imperial College London

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