

Medium

Covid-19: Let's Never Again Take Our Consumption Freedoms For Granted

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A short evening walk is the only antidote many of us will have today against cabin fever. This statement is no begging bowl for pity. An ability to work from home in this febrile pandemic-riven economic environment is, of course, a blessing, not a curse. My privilege is checked. Workers and entrepreneurs in industries where demand and supply is cratering — especially restaurants, travel, hospitality, and more — are those who deserve our sympathy and support right now, particularly as unemployment spikes and businesses fail. There are worse fates than being confined to a sofa.

But city dwellers expecting an evening stroll to provide solace from confinement should be warned: you might find it fails to bring much light relief. For it's only when ambling the semi-deserted streets that you observe all those restaurants, bars, coffee shops, and other entertainment venues that you frequent, sat there, empty, their financial futures bleak as individual distancing and government decrees eliminate their custom. It's seeing them — the shuttered windows and darkened interiors — that reminds us of the mutually beneficial nature of market exchange. And as economists have long realized, our aversion to losses means we feel the hurt of the elimination of our consumer freedoms very hard when they are suspended.

My walk on Tuesday first took me through DC's Chinatown, with about 1/30th of its usual crowds milling its streets. I passed Wok and Roll, a Chinese restaurant with karaoke — a pastime that 15 million Americans were estimated to undertake at least monthly in 2011. Then onto a locked-down Regal Gallery Place cinema, an industry Americans spent \$11.35 billion on last year, averaging around 4 visits per individual annually. That's adjoined to a locked-down Capital One Arena, of course, the home of the Washington Wizards NBA side, the NHL's Washington Capitals and regular concerts. The Wizards and Capitals alone had combined revenues of \$450 million in 2018/19, but now find their seasons suspended.

Much of DC, especially in this area and on 14th street, where my walk ended, is filled with salad bars, takeaway joints, full-service restaurants, coffee shops and bars. From CAVA to Chopt, Fado's Irish Bar to Hando Medo, La Colombe to Jeni's Splendid Ice Creams, Shake Shack to Le Diplomate, Ted's Bulletin to Lupo Verde, Compass Rose to Barcelona, Chicken and Whiskey to

West Wing café, Ghibellina to The Gibson. All were pale shadows of their usual activity. At best filled with one takeout customer, most were running skeleton operations without any visible patrons, or found themselves closed entirely.

A few times I temporarily forgot about the damned virus. “Perhaps I’ll pop in for a beer at Church Key to cure this thirst,” my brain mused. Then I remembered. And it’s that feeling that reminds one sharply of the benefits of mutually beneficial exchange in a market economy. The company and its workers need our patronage to survive, but we highly value their services too, hence why we are usually willing to pay much more than it would cost to cook, drink, or entertain ourselves at home to be their customer.

Through daily votes with our wallets, we as consumers show how much we value these food, drink, ice cream, and coffee joints — the chefs, the products, the service and the atmosphere they provide. The losses to us of these places closing or being inaccessible is not primarily financial. We don’t feel the sort of pressure on our incomes being borne by the workers and business owners. But the losses are no less real. Though we moan that we “spend too much eating/going out,” we are losing the consumer surplus of these supposed luxuries — the difference between the price we’d be willing to pay and the price we’d usually pay to enjoy them. We are losing this because of the virus and the containment policies coming in reaction to it.

Those consumer surplus losses, shown through our “revealed preferences” — what we usually choose to spend our money on — add up dramatically across the economy. Fifty-six percent of Americans say they dine out, get takeaway or have a meal delivered 2 to 3 times per week. The US coffee shop industry includes more than 35,500 stores with combined annual sales of about \$45 billion, according to research in 2018. It’s difficult to get exact numbers, but there are also estimated to be nearly 70,000 bars, nearly 6,000 cinemas, 661,000 restaurants, and 5,000 bowling alleys too — many of which find themselves shutdown or limited to providing carry-out services today.

Politicians nationwide are currently dubbing these industries “non-essential.” But even beyond the workforces whose labors are cruelly devalued with this label, they bring the memories and experiences that make life worth living. I doubt very many people will consider them “non-essential” in the 11th week of being stuck at home. They are also networked into the rich tapestry of a modern economy, serving as the fuel or light relief for workers in other “essential sectors,” or providing the end point of a supply-chain of activity that provides livelihoods for many other workers too (as beautifully told in I, Pencil).

It’s only when our freedoms to operate or consume in such businesses are constrained, even in the midst of a public health crisis, that we realize just how valuable such freedoms are. Hundreds of millions of people around the world, and multiples of that number through history, have been denied basic economic rights, not just in these industries of socializing or travel, but many other day-to-day sectors too. Those constrained rights include the ability to set up a business or ply a trade freely, even when customers are there and willing to pay for your service. But it also

includes the freedom to choose what and where to eat, drink, watch, or play, at your own convenience. In countries such as the modern U.S., we take those freedoms for granted. But we shouldn't. They are a remarkable inheritance that we should cherish.

The author Clarissa Wild once said, "People say you don't know what you've got until it's gone. Truth is, you knew what you had, you just never thought you'd lose it." At the moment, we presume we are losing our economic freedoms as part of a temporary shared sacrifice, to ensure we avoid the catastrophic worst-case destruction of a pandemic. There's good reason to believe this is true. This is a global crisis, necessitating not just a governmental, but a societal response. All hands to the pump.

Yet when things normalize, and covid-19 hopefully passes, we must ensure that these losses of freedoms do turn out to be temporary. And if one silver lining comes from this whole sad episode, it should be that, when it comes to thinking about day-to-day government policy, or choosing our political leaders, we never again take our economic freedoms for granted.

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