

Zia Haq, Associate Editor, picks his favourite read of 2021

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As people across the globe hunkered down because of SARS-CoV-2 and businesses were forced shut, the pandemic had “differential impacts” on the economic fortunes of millions.

The pandemic has offered unparalleled insights into economic thinking and reasoning. There’s a wide array of international best sellers on Covid-19’s costs, but economist Ryan A Bourne has come out with a sharply-written book, *Economics in One Virus; An Introduction to Economic Reasoning through COVID-19* that explains simple economic concepts through the US government’s response to the pandemic, whose lessons are consequential for all.

Why were N-95 masks and hand sanitizers in short supply as Covid-19 ripped across the globe? How did lockdowns impact the demand and supply of goods? Why did wages in certain jobs go up while many lost their livelihoods? Why were some employees lucky to work from home and the only difference to them was “less eating out and travel and more sourdough baking and Zoom happy hours”? Why did CEO salaries quadruple even as heartrending stories of small businesses folding up became ubiquitous?

Bourne is a Daily Telegraph columnist and the R Evan Scharf Chair for the Public Understanding of Economics at the Cato Institute. He’s a libertarian and champions right-leaning free-market economics. But even for someone like me who believes the State has a legitimate role in managing economies, this book has served well to lay bare important economic lessons gleaned from the pandemic.

The book dazzles in its insights drawn from the newest data. Here’s an example. As economic indicators turned negative for millions, a lucky few were better off due to the pandemic because they could work from home, got a ‘hazard pay’ allowance and saw their discretionary spendings go down by over 70%.

At the macro level, the book helps explain everything from why nations were underprepared for the pandemic to the trade-offs government economists faced, most notably between saving lives and livelihoods. In short, a fascinating read for anyone interested in economics.