



This Year Wasn't as Bad as 2020, But We Deserve Better

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The year 2021 was supposed to be better than 2020, which wasn't asking much. After all, 2020 opened with a pandemic and closed with the introduction of vaccines for COVID-19. That should have bookended a challenging, but brief, blip in our existence. By some measures, 2021 met that low bar with every American who wants it having a choice of three flavors of viral protection and the widespread street violence of the previous year subsiding to a merely alarming roar. But the pandemic accelerated troubling developments while reversing good ones. It handed extraordinary power to officials who seem unwilling to surrender what they've gained.

"In 2021, the average incomes of people in the bottom 40 percent of the global income distribution are 6.7 percent lower than pre-pandemic projections, while those of people in the top 40 percent are down 2.8 percent," the World Bank noted in October. After decades of declining poverty around the world, "three to four years of progress toward ending extreme poverty are estimated to have been lost."

That's a brutal setback for the human race after years of unprecedented growth in wealth and health, deviating from thousands of years of starvation and misery.

"What, then, caused this Great Enrichment?" asked economic historian Deirdre McCloskey in 2016. "In a word, it was liberalism, in the free-market European sense. Give masses of ordinary people equality before the law and equality of social dignity, and leave them alone, and it turns out that they become extraordinarily creative and energetic."

Creative and energetic we were until a tiny virus spurred people into avoiding the dealings with others that are required by the manufacturing, trade, and social interactions that led people out of misery. More importantly, the virus empowered officials to shut businesses, close markets, muzzle critics, and confine people to their homes. Abiding by the advice to "never let a crisis go to waste," governments missed no opportunity to extend their control.

"As recorded in the Democracy Index in recent years, democracy has not been in robust health for some time," *The Economist's Democracy Index 2020* reported early in 2021. "The 2020 result represents a significant deterioration and came about largely—but not solely—because of

government-imposed restrictions on individual freedoms and civil liberties that occurred across the globe in response to the coronavirus pandemic."

Governments cracked down not just on public gatherings, but also on dissenters from official policy. "The withdrawal of civil liberties, attacks on freedom of expression and the failures of democratic accountability that occurred as a result of the pandemic are grave matters," the *Democracy Index* authors added. Officials showed little eagerness to surrender their new powers.

"The world is becoming more authoritarian as non-democratic regimes become even more brazen in their repression and many democratic governments suffer from backsliding by adopting their tactics of restricting free speech and weakening the rule of law, exacerbated by what threatens to become a 'new normal' of Covid-19 restrictions," Sweden's International Institute for Democracy and Electoral Assistance (IDEA) warned in an end-of-year report.

As emphasized by IDEA and the *Democracy Index*, pandemic opportunism accelerated a preexisting trend away from liberty. At the end of 2019, before COVID-19, "fully 83 percent of the global population lives in jurisdictions that have seen a fall in human freedom since 2008" according to the *Human Freedom Index*, compiled by the Cato Institute and Canada's Fraser Institute.

That government officials can't begin to justify their embrace of authoritarianism is obvious from the bump in world poverty. It's also seen in lingering pandemic measures despite the wide availability of vaccines and the evolution of COVID-19 into a new, apparently unavoidable, and seemingly milder variant. New York City is requiring vaccination or else; Washington, D.C. again mandates masks (and soon vaccines) for public life; and the governments of countries including Austria, Germany, and France battle their own people in the streets as they toughen public health rules.

Sky-high government spending also remained a feature of life in 2021. Justified at first as a means of offsetting the economic disruptions of lockdown measures, creating money out of thin air to satisfy politicians' fever dreams evolved, like a certain virus, into a continuing ailment. In return for this flood of new dollars we've gained the highest inflation in 40 years as money loses its value.

"Widespread inflation always comes from people wanting to buy more of everything than the economy can supply," economist John Cochrane of Stanford's Hoover Institution and the Cato Institute commented in November. "Where did all that demand come from? In its response to the pandemic, the U.S. government created about 2.5 trillion new dollars, and sent checks to people and businesses. It borrowed another \$2.5 trillion, and sent more checks to people and businesses. Relative to a \$22 trillion economy, and \$17 trillion of existing (2020) federal debt, that's a lot of money."

Where that loss in buying power might take us is seen in the cautionary example of Turkey, where the eroding lira has people exchanging their money as quickly as possible for foreign currency, gold, crypto, and anything else that might retain value. The alternative is

impoverishment, of which the world has already seen too much during the pandemic and the measures governments justify in its name.

Economic chaos is also disruptive, and disruption is something we can do without a year after social stresses and simmering resentment over police abuses fueled widespread rioting. It's also an unwelcome addition to a country troubled by authoritarian major political parties which reject the idea that their access to government office and their ability to torment people they dislike should be limited.

"The United States is pretty close to being at high risk of civil war," warns Professor Barbara Walter of the University of California at San Diego, who applied CIA techniques for assessing the health of countries around the world to her own nation.

That poverty, chaos, and authoritarianism don't have to be our lot is clear from the recent past. As McCloskey pointed out in 2016, "By 2010, the average daily income in a wide range of countries, including Japan, the United States, Botswana and Brazil, had soared 1,000 to 3,000 percent over the levels of 1800" because of free markets and individual liberty. We *were* on a path to freedom and prosperity, to which we could now return.

The COVID-19 pandemic interrupted life, but it also handed an excuse to those inclined to control others to double-down on doing their worst. Ultimately, 2021 sucked less than 2020, but it still sucked in many ways, and it sucked for avoidable reasons. Those mistakes can be reversed and avoided in the future so that the years to come are better than the one we just went through.