

It Pays to Be Green?

Environmental, social, and governance (ESG) metrics have become increasingly important as institutional investors seek to engage in socially responsible investing. Is this creating a premium for assets that score better on ESG? That’s the question examined by David F. Larcker and Edward Watts in “Where’s the Greenium?” (Research Briefs in Economic Policy no. 221). Larcker and Watts find the evidence lacking that green-friendly assets are better investments.

BOOM AND BUST

The Community Reinvestment Act was a well-intentioned law aimed at increasing home ownership, particularly after aggressive enforcement began in the 1990s. In “Role of the Community Reinvestment Act in Mortgage Supply and the U.S. Housing Boom” (Research Briefs in Economic Policy no. 222), Vahid Saadi reviews the evidence that this policy helped fuel the housing boom that then catastrophically collapsed.

CHINA SYNDROME

It has become fashionable for politicians to point to the normalization of trading relations with China and China’s entry into the World Trade Organization in 2000–2001 as having produced a “China Shock” that cost Americans millions of jobs. In “Testing the ‘China Shock’: Was Normalizing Trade with China a Mistake?” (Policy Analysis no. 895), Scott Lincicome finds that this narrative does not stand up to close scrutiny.

LOVE WINS

Marital surplus is defined as the excess value produced, such as extra income or efficiencies, compared with what both partners could have expected from stay-

ing single. In “Same Sex Couples and the Marital Surplus: The Importance of the Legal Environment” (Research Briefs in Economic Policy no. 223), Daniel S. Hamermesh and Scott Delhomme find that, comparing two otherwise identical same-sex couples, the one that has spent the longer period of time under legalized same-sex marriage will have a higher family income and greater likelihood of owning a home.

HUMAN RIGHTS AND POPULATION CONTROL

In the 20th century, neo-Malthusian ideas about overpopulation led to severe human rights abuses in China and India. That history is explored by



FOLLETT

Chelsea Follett in “Neo-Malthusianism and Coercive Population Control in China and India: Overpopulation Concerns

Often Result in Coercion” (Policy Analysis no. 897).

TARIFF DIKTATS

Congress should defend both the rule of law and good trade policy by placing new limits on Section 232 of the Trade Expansion Act of 1962, in light of abuses seen as frivolous and insincere under the Trump administration. That’s the case made by Daniel J. Ikenson in “Tariffs by Fiat: The Widening Chasm between U.S. Antidumping Policy and the Rule of Law” (Policy Analysis no. 896).

PASS-ALONG TAX

To what degree do corporate taxes fall on consumer prices, as opposed to workers or capital? This tax incidence is a key question for policymakers. In “Corporate Tax-

es and Retail Prices” (Research Briefs in Economic Policy no. 224), Scott R. Baker, Stephen Teng Sun, and Constantine Yannelis estimate that 31 percent of corporate taxes fall on consumers in the form of price increases.

ROBOTS AND JOBS

Automation has the potential to be highly disruptive, but what are the actual effects? Philippe Aghion, Céline Antonin, Simon Bunel, and Xavier Jaravel leverage new micro data on the population of firms and plants in the French manufacturing sector to provide an analysis of the effect of automation on employment, wages, prices, and profits between 1994 and 2015, in “What Are the Labor and Product Market Effects of Automation?”

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New Evidence from France” (Research Briefs in Economic Policy no. 225).

MODERNIZATION IN INDIA

India has several highly isolated forest tribes, which some have claimed are harmed by modernization. But Swaminathan S. Anklesaria Aiyar and Neeraj Kaushal find the opposite through studying the example of tribes displaced by the Sardar Sarovar Dam in the 1980s and 1990s, in **“How Property and Civil Rights Help Forest Tribes Modernize and Prosper: Lessons from India”** (Policy Analysis no. 898).

MORE MEDICS NOW

The COVID-19 pandemic has made it clear that many government licensing requirements are barriers to needed care, particularly in emergencies. In **“Health Care Workforce Reform: COVID-19 Spotlights Need for Changes to Clinician Licensing”** (Policy Analysis no. 899), Shirley Svorny and Michael F. Cannon review some of the lessons learned and outline possible reforms such as more flexible licensing and third-party certification.

WAR AND DISCRIMINATION

The effects of discrimination have been difficult to measure. But the example of Germans in the United States during World War I provides something of a natural experiment, given the sudden and sharp increase in discrimination. Andreas Ferrara and Price V. Fishback create a novel measure of anti-German sentiment and show significant positive correlation between war casualties and ensuing discrimination in **“Discrimination, Migration, and Economic Outcomes: Evidence from World War I”** (Research Briefs in Economic Policy no. 226).

DO INCENTIVES MATTER?

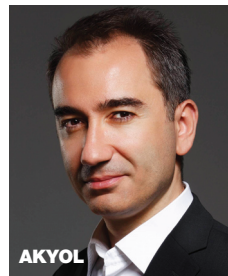
Since the global financial crisis of 2007–2008, many governments have tried to

adopt new incentives for entrepreneurial activity, largely by providing financing. In **“Government Incentives for Entrepreneurship”** (Research Briefs in Economic Policy no. 227), Josh Lerner finds that despite good intentions, most of those policies have not produced the intended results.

REGULATORY COSTS

It has been difficult for researchers to quantify regulatory costs as the flow of government decrees either increases or decreases. Charles W. Calomiris, Harry Mamaysky, and Ruoke Yang try a new approach based on natural language processing to analyze the transcripts of earnings calls for publicly traded corporations. In **“Measuring the Cost of Regulation: A Text Based Approach”** (Research Briefs in Economic Policy no. 228), the results indicate that firms more concerned with regulation suffer slower growth and lower future stock prices.

ISLAMIC FREEDOM



in the Muslim World” (Economic Development Bulletin no. 33), Mustafa Akyol uses data from the Human Freedom Index to analyze the state of freedom in 40 Muslim-majority countries and examines why some nations, such as Bosnia and Herzegovina, score better.

IMMIGRATION BENEFITS

Immigration has many economic benefits. One of the unexpected benefits was an increase in workplace safety for native-born Americans. In **“The Role of Mexican Immigration to the United States in**

Improved Workplace Safety for Natives” (Research Briefs in Economic Policy no. 229), Marcus Dillender and Melissa McInerney find a significant correlation between Mexican immigration and declining rates of workplace injuries.

VOTE!

The COVID-19 pandemic has presented new and difficult challenges for election administrators, as many states move to expand voting by mail and decide how to safely run polling places in light of a highly contagious disease. In **“Election Regulation during the COVID-19 Pandemic”** (Legal Policy Bulletin no. 5), Ilya Shapiro and James Knight review the legal and constitutional options and make recommendations for possible state policy changes, including ways to minimize the risk of voter fraud.

UNINTENDED CONSEQUENCE

One of the most serious labor law violations is wage theft, but the causes are complex and often driven at least partly by government policy. In **“Understanding ‘Wage Theft’: Evasion and Avoidance Responses to Minimum Wage Increases”** (Research Briefs in Economic Policy no. 230), Jeffrey Clemens and Michael R. Strain examine the correlation between below-minimum wage payments and increases in both the minimum wage itself and state enforcement efforts.

DON'T GET STOCK TIPS FROM CONGRESS

In recent years, the STOCK Act has sought to cut down on insider trading by members of Congress. In **“Relief Rally: Senators as Feckless as the Rest of Us at Stock Picking”** (Research Briefs in Economic Policy no. 231), William Belmont, Bruce Sacerdote, and Ian Van Hoek find that the STOCK Act did in fact reduce the degree by which congressional investment portfolios overperform the market. ■