

Libertarians in a Pandemic

When COVID-19 first began to ravage the world, many observers predicted that limited-government principles of libertarians were unsuited to the problem. In “**Government in a Pandemic**” (Policy Analysis no. 902), Thomas A. Firey documents the many ways in which limited government and free market principles were in fact crucial to pandemic response, and shows that interventions beyond those limits have yielded poor results.

REGULATORY CHAOS

The Trump administration has often created significant new administrative programs on the fly, with dubiously stretched statutory authorities and minimal public input. In “**Trump’s Ad Hoc Administrative State**” (Legal Policy Bulletin no. 6), William Yeatman examines the costs of this process for four of those programs involving almost \$40 billion in benefits and more than \$400 billion in tariffs, announced with only summary notice in the *Federal Register*.

LET THEM WORK

Many European countries have accepted a recent inflow of refugees but imposed strict limits on seeking employment. In “**Lift the Ban? Initial Employment Restrictions and Refugee Labor Market Outcomes**” (Research Briefs in Economic Policy no. 241), Francesco Fasani, Tommaso Frattini, and Luigi Minale find that these policies have substantial, long-term negative impacts on refugees in the labor market, which also contributes to concerns about economic and social assimilation.

OUTSOURCING IMMIGRATION

The Trump administration has imposed drastic changes and significantly restricted

the issuance of H-1B visas, used to match skilled immigrants with willing employers in the United States. In “**How Do Restrictions on High Skilled Immigration**



GLENNON

Affect Offshoring: Evidence from the H-1B Program” (Research Briefs in Economic Policy no. 233), Britta Glennon marshals evidence that by

making it more difficult to bring foreign workers here, these changes have increased the offshoring of jobs to overseas firms.

RIPPLING CONSEQUENCES

The COVID-19 pandemic and its attendant economic shock have exacted a staggering toll on the global economy, with some of the largest GDP contractions since the Great Depression. In “**COVID-19 Is Also a Reallocation Shock**” (Research Briefs in Economic Policy no. 232), José María Barrero, Nicholas Bloom, and Steven J. Davis examine the consequences of this toll for the labor market. As they note, the sudden disruption has resulted in millions of workers being displaced and searching for new jobs. The authors undertake to quantify that displacement and document some of its effects.

UNPOLICED POLICE

Qualified immunity is a judicial doctrine that has gutted a key provision of federal civil rights law that is supposed to allow citizens to sue state actors for violation of their constitutional rights. In “**Qualified Immunity: A Legal, Practical, and Moral Failure**” (Policy Analysis no. 901), Jay Schweikert lays out the comprehensive case against this judicial malfeasance and the drastic negative consequences it has

had for America’s justice system and public confidence in law enforcement.

BAILOUT BAMBOOZLE

In 2008–2009, the U.S. Treasury invested almost \$700 billion to stabilize the financial system under the Troubled Asset Relief Program (TARP). Although TARP has long been defended on the grounds that these investments were repaid at a profit, in “**Did Banks Pay Fair Returns to Taxpayers on the Troubled Asset Relief Program?**” (Research Briefs in Economic Policy no. 234), Thomas Flanagan and Amiyatosh Purnanandam find that these returns actually underperformed private investors over the same time period, amounting to a substantial subsidy from taxpayers.

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SUPERPOWER FOLLIES



From 1968 to 2014, the United States gave foreign governments approximately \$470 billion in military aid, much of it ostensibly aimed at combatting terrorism. In **“Paying Them to Hate Us: The Effect of U.S. Military Aid on Anti American Terrorism, 1968–2014”** (Research Briefs in Economic Policy no. 235), Eugen Dimant, Tim Krieger, and Daniel Meierrieks find that high levels of military aid actually increase the likelihood of anti-American terrorism originating from the recipient nation.

PANDEMICS AND PROTESTS

Over the past summer, Black Lives Matter protests gathered large numbers of people outdoors to protest police brutality and killings of African Americans, while at the same time the COVID-19 pandemic raged and Americans were still strongly advised to engage in social distancing. In **“Black Lives Matter Protests, Social Distancing, and COVID-19”** (Research Brief in Economic Policy no. 236), Dhaval M. Dave, Andrew I. Friedson, Kyutaro Matsuzawa, Joseph J. Sabia, and Samuel Saford use cell phone tracking and public health data to show that the protests actually had negligible effect on the pandemic.

PAID LEAVE

Mandatory paid family leave has long been advocated as particularly important to women and as a policy with the potential to increase their earnings and lower the wage gap. In **“Do Generous Parental Leave Policies Help Top Female Earners?”** (Research Briefs in Economic Policy no. 237), Gozde Corekcioglu, Marco Francesconi, and Astrid Kunze examine the case of Norway’s 1993 expansion of paid maternity leave and find that it had

negligible or even possibly negative impact for mothers in the top earnings decile.

WELFARE INCENTIVES

Transfer payments as part of the welfare state have a long history in the United States and long-debated effects on the incentives they create. In **“The Incentive Effects of Cash Transfers to the Poor”** (Research Briefs in Economic Policy no. 238), Anna Aizer, Shari Eli, and Adriana Lleras-Muney examine the lifetime effects of one of the first such programs, the “mother’s pension” adopted by several states between 1911 and 1930. They find that concern about behavioral distortions from such programs may be overstated, with only modest effects visible in the data.

LOCKED IN

More than a fifth of all workers in the United States are engaged in a profession that requires occupational licensing by the government. In **“Occupational Licensing and Labor Market Fluidity”** (Research Briefs in Economic Policy no. 239), Morris M. Kleiner and Ming Xu outline the staggering costs of those licenses on labor mobility, to the detriment of workers.

DEMOCRATIC BACKSLIDING

India is often described as the world’s largest democracy, but the rise of the populist Hindu nationalists under Prime Minister Narendra Modi has provoked concerns that this may no longer be the case. In **“Despite Modi, India Has Not Yet Become a Hindu Authoritarian State”** (Policy Analysis no. 903), Swaminathan S. Anklesaria Aiyar examines the state of Indian democracy and finds that the trends are troubling, but the worst possibilities have not come to pass and India remains broadly democratic. ■



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“Find out why, if you are not an optimist, you should be.”

— VERNON L. SMITH
NOBEL PRIZE–WINNING ECONOMIST



The world is, for the most part, getting better. While major concerns such as climate change, marine plastic pollution, and declining wildlife populations are still with us, many of these problems are already in the process of being ameliorated as a result of favorable economic, social, and technological trends. *Ten Global Trends Every Smart Person Should Know: And Many Others You Will Find Interesting* will provide busy people with beautifully illustrated, quick-to-read, easily understandable, and entertaining access to surprising facts that they need to know about how the world is really faring.

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