

Is the Oregon Shutdown Worthwhile?

By Bruce Gilley

Dr. Bruce Gilley is Professor of Political Science and Founding Director of the Master of Public Policy Program at Portland State University; He is Principal of Policy Foresight Associates, LLC

Updated: 30 March 2020, 9:00am

Governor Brown's broad shutdown of large parts of the Oregon economy may be a major policy mistake. The longer it remains in effect, the more likely it will cost more lives than it saves.

Any sudden loss of income, employment, businesses, and market demand is devastating for human lives. Numerous [studies](#) show surges in physical health problems caused by depression, anxiety, substance abuse, and loss of social ties when people are needlessly disrupted and cut off from their regular lives. These cause premature deaths, to which must be added steep rises in suicides, especially among men. The lockdown also hurts minorities more who tend to work in service industries, as well as the young, who are more likely to work in the gig economy.

Those costs might be worth it if they were preventing a plague-like pandemic. But COVID-19 may be nothing worse than a bad cold for most healthy people. Two Stanford medical professors [estimate](#) that the

mortality rate is 0.01%, a tenth of the normal flu mortality rate of 0.1%. That contrasts with the 1% mortality rate being used to justify sweeping measures.

If we assume the middle 0.1% fatality rate and a spread to half the Oregon population, COVID-19 will kill 2,000 Oregonians. By contrast, traffic accidents kill about 500 per year. That is a tragedy that could have been avoided by early information from China and faster rollouts of social precautions and medical solutions. But Governor Brown's shutdown will cost far more than 2,000 lives in Oregon if it goes on too long.

The way to determine if the shutdown is worth it is to ask whether the costs we are incurring to avoid deaths are roughly consistent with the expected costs in lives lost if we do nothing. We can then ask whether the avoidance measures are consistent with a "window" of reasonable probability estimates of dying.

Start with the costs. If half of Oregon's economy is deemed non-essential, then we lose about \$2,200 in economic activity per Oregonian per month. Since the onset of major disruption in March, and the governor's shutdown orders, we have already locked-in at least three months of losses, or US\$6,600 per Oregonian.

What about the avoided harms? The high range for the value of a life for the purposes of risk policy (but not of course for transcendent truth) is \$10 million. Putting a dollar value on a human life is not "heartless" nor does it miss non-economic values. All public policy puts a value on lives and the value of \$10 million incorporates *all* reasons to value a life, not just economic output. It is heartless to *not* make these judgements for difficult public policy choices that involve lives.

Dividing the per capita shutdown cost by the avoided harm if half of all Oregonians get COVID-19 gives an implied fatality rate of 0.14%. So if the governor acts *today* and we are back to business as usual on June 1, we will have been on the high side of the mid-range fatality estimate of 0.1%. If the economic consequences extend through the summer, we will be incurring costs for prevention that are excessive by a factor of two or three.

The two rigorous attempts at calculations like this on the national level ([one](#) by a University of Wyoming team and [another](#) by a University of Chicago team) reach opposite conclusions but only by using the high 1% fatality rate estimate -- in other words ten times the level of the flu and 100 times the estimate by the Stanford team used above. Much depends on that assumption.

Either way, as President Obama's former regulatory guru Cass Sunstein [noted](#), we cannot proceed without these discussions. Oregon politicians have rolled out massive social legislation without the faintest idea about whether it is worthwhile, or on what basis and measure it is expected to be evaluated.

Our politicians are adding to the material deprivations by imposing unnecessary psychological stress on the state such as closing beaches. These fears of COVID-19, along with the costs of the COVID-19 shutdown, will cost far more lives than COVID-19 itself.

It is often forgotten, that the biggest health [consequences](#) of the Chernobyl nuclear disaster in the Soviet Union were not from radiation, which killed very few, but from the elevated death rates associated with the mental health problems of people who *feared* they had been exposed to radiation. The so-called Babushkas of Chernobyl, the

elderly women who refused to leave the area, had *better* health outcomes than those who fled in fear. Governor Brown's lockdown order is forcing the same mistake, turning the manageable first-order impacts of COVID-19 into unmanageable second-order impacts through deprivation and fear.

Our hospitals may be under great stress. But hospitals *should be* under great stress during a once-in-a-lifetime event, just as the NYC fire department was during 9/11. If they are not, the stress gets displaced to other systems, with worse results.

To be sure, the elderly and those with underlying medical conditions should take

extreme precautions. Those caring for them should as well. Those who can, at little or modest cost stay home, work remotely, or delay certain activities, should do so. Intensive local outbreaks, as exist in New York city, may require a temporary lockdown. But in general society, not government, is the best judge of the risks and rewards of continuing to work and play.

COVID-19 will disappear, but the lingering effects of the unnecessary government panic will be with us for a generation. Those effects may prove a far more lethal killer than the coronavirus.

ENDS