

What prior pandemics can teach us today

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History teaches us that pandemics have long legacies. With covid-19, regardless of whether it takes a short or a long time for things to return to 'normal', experience shows that similar crises have regularly acted as catalysts for change. This piece looks through history, and particularly at the experience of the Spanish 'flu to help determine the legacy of today's covid-19 crisis.

The Spanish flu itself was the deadliest pandemic of the 20th century with a global death toll estimated to be as high as 50m. Not long after the outbreak passed however, Western society entered the 'Roaring '20s'. The decade was one of growing prosperity. Consumers accessed a range of new products for the first time, with motor vehicles and the household radio becoming much more widespread. Societal change accelerated as well, with women gaining equal voting rights to men for the first time in both the US and the UK.

This description might make it seem like the pandemic had no adverse lasting legacy. However beyond the economics, numerous studies suggest that Spanish 'flu had a number of negative long-term effects. A recent New York Fed study found a link between the German cities that were the hardest hit by the Spanish 'flu and their likelihood to vote for the Nazi party a decade later. Meanwhile, children born during the Spanish 'flu were disadvantaged. For example, one study¹ looked at data from US Censuses and found that children in utero during the pandemic displayed "reduced educational attainment, increased rates of physical disability, lower income, lower socioeconomic status, and higher transfer payments compared with other birth cohorts." Another study² found that had the pandemic not occurred, "the 1919 birth cohort would have been more likely to graduate from high school, an effect that is largely unaffected by including parental controls and city-specific time trends." Finally, a third study³ found that prenatal exposure to the Spanish 'flu was associated with excess cardiovascular disease in old age. They also noted that when enlisting for the second world war, the heights of the 1919 birth cohort were lower than those for adjacent years.

Today, we have some consolation in that living standards and the quality of medical care

far exceeds those at the time of Spanish 'flu. Nevertheless, there are a number of lessons to be learned. Consider that many children today have missed substantial amounts of schooling, while prolonged social isolation can have long-term effects on mental health. Policymakers should therefore be aware that the effects of measures in place today are likely to persist over years and even decades to come.

Prior experience also shows that the economic impact is also likely to have severe consequences, even in the optimistic event of a V-shaped recovery. Indeed, recessions have negative health effects of their own, quite aside from the virus itself. Unemployment has long been linked to higher rates of anxiety, depression and suicide. And these effects do not simply pass once the recession has concluded. For example, one study⁴ found that the state of the business cycle at a child's birth effected its mortality later in life. Those born in a boom live longer than those born in a recession.

There are other reasons why the effects of the virus may not pass as it recedes. History shows that many of those laid off in recessions never return to the labour force. A recent example can be seen in the US after the financial crisis. Then, the prime-age employment rate of 25-54 year olds did not return to its level at the start of 2008 until a decade later. The negative effect on earnings is also likely to be persistent. For example, young graduates who join the workforce in a recession only see their initial earnings losses fade after eight to ten years.⁵ Given the recession occurring today is astonishingly severe in its scale and severity, the risk is that these effects will be even more pronounced than normal.

In response, many might conclude that we should lift containment measures in order to prevent this economic damage from having its own effects on public health. However, there is evidence that during the Spanish 'flu, those cities that put in place non-pharmaceutical interventions "earlier and more aggressively do not perform worse and, if anything, grow faster after the pandemic is over."⁶ This suggests that policymakers should be cautious when it comes to easing social distancing measures in order to protect the economy, since a second wave of

¹ Almond (2006)

² Beach et al. (2018)

³ Maxumder et al. (2010)

⁴ Van den Berg et al. (2006)

⁵ Oreopoulos et al. (2006)

the pandemic could have its own very negative effects on economic activity, and an aggressive approach at the start might in fact be the best strategy for long-term economic performance.

Another pernicious outcome of pandemics are its effects on social cohesion. One theme that repeats through history is how pandemics have been tied to conspiracy theories or discrimination of various kinds. For example, Jews were often blamed for the spread of the Black Death in the mid-14th century, with massacres taking place across the European continent. When Spanish 'flu began to spread at the end of the first world war, there were suggestions that the virus had been spread by Germany as some form of biological weapon. And once again today, unproven claims have spread that 5G is responsible for the spread of the coronavirus, and a number of incidents have occurred where people of various ethnicities have faced discrimination as a result of the coronavirus. Furthermore, political disagreements have emerged based on the origin of the virus.

It is therefore no surprise that pandemics have been connected to lower levels of social trust. One study looked at the issue by studying the descendants of migrants to the US, in order to obtain estimates of social trust for different countries around the time of the Spanish 'flu. It found that if 'flu mortality increased by one death per thousand, there was a decrease in trust of 1.4 percentage points.⁷ With death rates today already well above their historic norms, the risk is that covid-19 could similarly lead to a breakdown in trust in an already polarised society.

The politics of social trust should not be underestimated as disease has also played an important role in the geopolitical formation of the world. Perhaps the most notable example in the last millennia occurred when Europeans who colonised America brought new illnesses for which the indigenous population had no immunity, thus playing a key role in the European colonisation.

Though the geopolitical consequences of covid-19 are unlikely to be as severe as the colonisation of the 'new world', its impact

has already been felt across multiple regions. Tensions between the US and China have risen once again. Within the EU, traditional dividing lines between northern and southern member states have resurfaced as they work out how to pay for a recovery fund. Meanwhile, protectionism has grown as countries have instituted export restrictions on certain medical supplies. Over the longer term, globalisation itself could be a victim (see our piece 'Undermining global value chains') as countries seek to internalise supply chains and restrict the movement of people.

While this article has discussed many of the adverse consequences that may result from the covid-19 pandemic, it would be remiss not to acknowledge that prior pandemics show that they can help catalyse positive change in society. Just one example is a potential decrease in inequality (see our piece 'Undermining global value chains'). It is also worth noting that the feel-good 'Roaring '20s' followed both the first world war and the recovery from the Spanish 'flu. This was a period of profound social change.

Fast forward to today and medical knowledge and global cooperation is much stronger. Meanwhile, governments around the world have taken extraordinary steps to protect human life and support their economies. This offers the chance for the subsequent recovery to be significantly stronger than it could otherwise have been. Technology is already taking a leap forward. Indeed, the only reason why the covid-19 recession is not even more severe than it is, is because technology has allowed people to work and engage with the economy remotely. Given that so many people have been forced to adopt these technologies it is likely a self-fulfilling cycle will lead to even better technology in the near future.

Necessity is certainly the mother of all invention and if the current pandemic continues to spur technological innovations that offer new forms of working, living, and communicating, then there may be some small consolation that society is better placed to cope with pandemic-like scenarios in the future.

⁵ Correia et al. (2020)

⁷ Aassve et al. (2020)