Discussions on Garner et al.'s and Ghosh et al.'s papers

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1. What the Two Papers Have in Common

- **Both papers study features of the COVID-19 recession using KLEMS-type databases, although Garner et al. (2022) focuses on the US economy and Ghosh et al. (2022) focuses on the Indian economy.**

- **The KLEMS-type database is very useful for studying the economy under the COVID-19 pandemic, because its impacts differ greatly by industry.**

- **In addition, both papers focus on the effects of supply shortages in intermediate inputs on the output.**

2. What the Two Papers Differ

- **The different approaches to clarify features of the economy under the COVID-19 pandemic.**

- **Garner et al. (2022)'s approach: Comparing the COVID-19 recession to the Great Recession.**

- **Ghosh et al. (2022)'s approach: Classifying 25 KLEMS industries into 4 sectors (brown and contact sensitive, green and contact sensitive, brown and non-contact sensitive and green and non-contact sensitive) and measuring the gap in the four sectors between steady-state growth path and the projected growth rate.**

3. Their Main Results

- **Both papers show that the COVID-19 pandemic inflicted serious damage on contact sensitive industries (in the case of the US, food service and drinking places and health care services).**

- **For the US, the COVID-19 recession is more serious damaging than the Great Recession.**

- **For the US, contact sensitive industries such as transportation and accommodation industries were greatly affected by the supply shortages in intermediate goods in the COVID-19 recession.**

- **Ghosh et al.'s paper also points out that even the Brown Non-Contact Sensitive Sector –the least damaged during the COVID-19 pandemic- are likely to be affected by the serious damage in the Brown Contact Sensitive Sector through inter-industry linkages.**

4. Comments on Garner et al.'s paper

- I am particularly impressed by the analytical approach by Garner et al. Using the Japanese KLEMS database, we would like to follow their method and compare the economic damage inflicted by the Japanese three major recessions :the Japanese financial crisis in 1997-98, the Global Financial Crisis in 2008-09 and the COVID-19 recession in 2020).

- 1st question: The capital accumulation does not fall despite of the COVID-19 pandemic, while the capital accumulation rate in Japan was 0% in 2020. The paper shows that software investment has increased due to the remote work in the financial sector. Will the trend of the remote work continue after the pandemic?

- 2nd question: There is a serious labor shortage in the service sector. It caused high inflation in the US economy. Why will labor not return to the service sector? Have there been large labor movements between sectors?

5. Comments on Ghosh et al.'s paper

- The classification by Ghosh et al.'s paper is very instructive. When we measure environmentally adjusted MFP, this classification will be very helpful.

- 1st question: I have a question on the large negative growth rate in TFP in the Brown Non-Contact Sensitive sector in the 1980s in the Green Non-Contact Sensitive sector in the 2000s in Figure 5. In both cases, the growth rate in the GVA seems almost the same as the growth rate in capital and less than in employment. From standard growth accounting, the TFP growth rate will be positive or slightly negative.

- 2nd question: I understand the COVID-19 pandemic has impacted the each sector differently. However, I would like to know why the output of Green Non-Contact Sensitive sector increased during the pandemic in Figure 7. What kind of parameters led to the increase in the projected output in GNCS sector?

Thank you for the opportunity to discuss these impressive papers.