

COVID Shines a Light on Some Gaps and Some Dark Corners

Covid-19 Pandemic and Total Factor Productivity in the Quarterly Model of Korea (2012-21)

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Taxes, Subsidies, and Productivity Measurement in the Covid Era

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All views expressed are those of the authors and do not reflect the views or policies of the U.S. Bureau of Labor Statistics



Overview

- Please share your thoughts!
- COVID was unique
 - ▶ Size of rescues more recently
 - ▶ Data frequency issues at play
- Usefulness of high frequency measures
- “The elephant in the room,” -- taxes How do they impact productivity?

Korean Quarterly Productivity

- Innovations on the Fernald approach- ratio of overtime working hours in total working hours as a separate proxy for effort per unit of labor.
- Does overtime work proxy for effort? Does it work, is it adequate, can it be improved, how do other countries handle the problem of labor effort- the comparable piece to capital utilization?
- “The third difference is that while Fernald (2014) includes consumer durables in the investment sector, we do not... ” –availability of data-we can all relate.

Taxes & Subsidies-no longer a penny for thoughts!

- US- Emergency Economic Stabilization Act of 2008~\$700 billion
- England- The Special Liquidity Scheme (SLS) 2008~ £50 billion
- Bailouts, Subsidies—Not Production, right? But...?

■ Are subsidies in compensation to employees? Or investment?

Industry must maintain the building – structure- or keep the lights on – energy?

- How in the world do we PRICE TAX? Implicitly, the taxes paper does this, is that appropriate? OUCH! This makes my head hurt!



Open Forum- Share Your Thoughts- Any and All

- Lastly, I ask questions to the authors and everyone, not to critique the measures –but rather foster a discussion of the challenges of measuring the economy in turbulent times.
- I recommend both papers for reading- one for its completeness on a subject rarely addressed recently and one for its responsiveness to immediate events that make economists jobs ever changing.

