

Business, Economy and Policy in the midst of COVID-19

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Outline: (Roughly two weeks per session)

1. History: Evolution, Public Health and Resilience, Health Economics

- Human resilience, disease, issues arising with growing populations, food supply, interconnectedness, climate change
- Public health resilience: Science, medicine, data/information; collective action: vaccination, monitoring
- Economics of public health: Externalities, spillovers, collective action, mandates, incentives, regulation, tradeoffs, cost-benefit analysis, financing, access

2. Detecting, Testing and Tracing the Pandemic

- Epidemiological basis/modeling, including Digital applications
- Demographic and geographic distribution and implications
- Tracking: technology vs herd immunity

Suppression / Containment Strategies for the Pandemic

- Lockdown, Phasing out, Adaptive strategies
- Medical support and Strategies
- Cost-benefit analysis of alternative strategies (apart from economic impact)

3. Paradox of the Pandemic I - Macroeconomic Impact of Containment

- Supply and Demand Shocks
- Economic Vulnerabilities and Resilience
- Recession: Depth and duration; Depression; Deflation
- Jobs, Firm creation, Small businesses, Large businesses, Bankruptcies
- Tradeoffs

4. Paradox of the Pandemic II - Financial Impact of Containment

- Amplifiers; e.g. procyclicality, liquidity spirals
- Equity, Bond, Wholesale funding, Foreign exchange: Returns, volatility and correlation
- Banks, Broker-dealers, Insurance companies

5. Policy Responses to the Macroeconomic and Financial Fallout

- Fiscal, Monetary and Quasi-Fiscal
- Long-run implications: Public debt, Central bank independence, Inflation
- Strengthening the safety net
- Mussa theorem – moral and real hazard

6. Global Issues

- Spillovers via Supply Chains, Multinationals, Markets, Central Banks
- Emerging markets vs Developed economy policy tradeoffs, Role of IMF and NGO sector

7. Planning for Future – Improving Public Health, Vaccination, Pandemic and Climate Stress Tests

- Especially in Emerging Market Economies, including infrastructure and financing
- Investing in Resilience and Robustness against Low-Risk, High-Cost shocks
- Implications for Business models, Economy and Policy

8. Privacy-Surveillance Tradeoffs

- Privacy and identifiers
- Understanding the externalities; personal vs. social needs

9. Final Exam - Group project