

CED Public Policy Watch

02.11.2021

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1. DATA DIVE: NEW UNEMPLOYMENT INSURANCE CLAIMS MOVE SIDEWAYS

In the week ending February 6, new weekly unemployment insurance claims in all programs reporting (not seasonally adjusted) declined by about 71,000, which is about 6 percent. New claims under regular state programs (seasonally adjusted), the headline number, fell by 19,000, or a little over 2 percent. New state claims (seasonally adjusted) remain about quadruple the level of one year ago. The high level of new claims, this far into the pandemic downturn, reminds one more time that the economy has enormous healing to do.

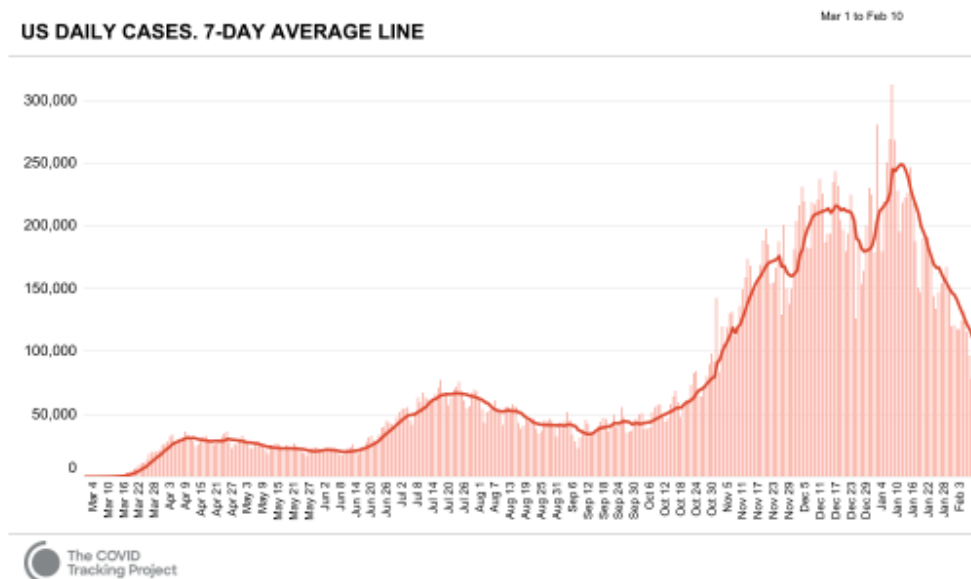
2. FEDERAL RESERVE CHAIRMAN SPEAKS

The Chairman of the Federal Reserve Board of Governors, Jerome H. Powell, [spoke](#) to the Economic Club of New York on Thursday about the labor market. Chairman Powell [reaffirmed](#) that he believes that the job market today remains far from the ideal, imposing enormous costs on workers and the entire economy. He noted that the enormous improvement from the financial crisis in the labor market over the previous decade brought more people into the labor force and did not cause inflation. That progress has been lost, with many of the people exiting the workforce coming from the most vulnerable populations, and in danger of long-term damage to their employability and earnings. He asks for an attack on the pandemic, continuing support for the worst-affected job losers, and an accommodative monetary policy—believing that inflation remains a remote threat, and that monetary accommodation

will be needed even as the economy approaches and reaches high levels of employment. He closed by advocating investment in our workforce, because of all of the economic and human benefits that come from full employment.

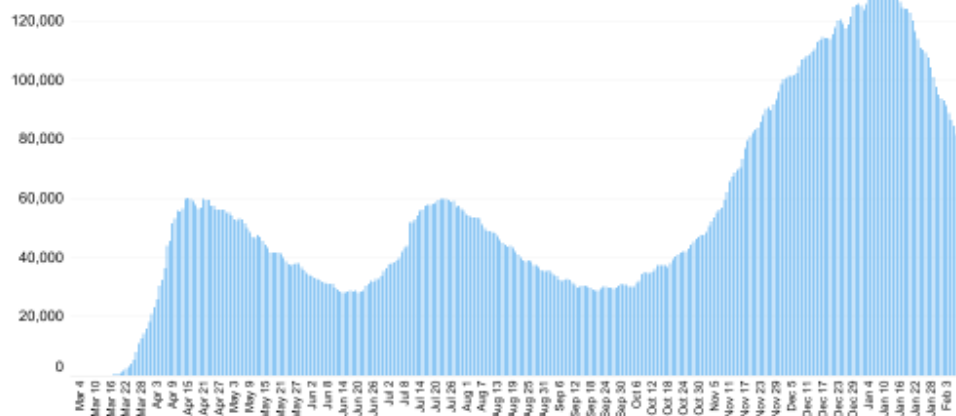
3. CORONAVIRUS NEWS: CURRENT INDICATORS CONTINUE DECLINE

All of the COVID-19 indicators in the United States declined this week, with the lagging number of deaths finally turning down in keeping with the path of the infections. The number of hospitalizations, the best measure of the load on the health care system, has fallen below 80,000—a number that today brings a sigh of relief, but which five months ago would have evoked a gasp of terror. In light of some of the news about mutations of the virus, current levels could be the beginning of the end (with a rising cadence of inoculations beginning to stamp out the virus) or just the end of the beginning (if the mutations evade our vaccines and send the caseload rising again).



US CURRENTLY HOSPITALIZED WITH COVID-19

Mar 1 to Feb 10

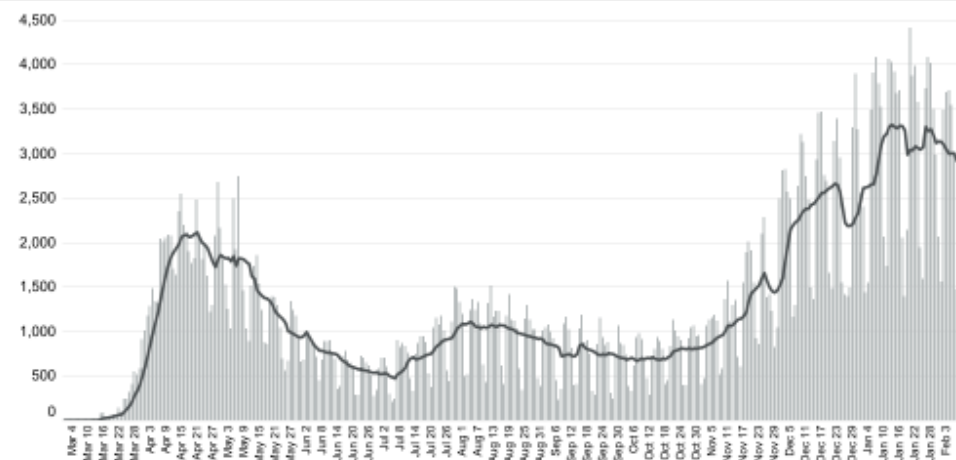


The COVID Tracking Project

Note: Florida began reporting this figure on July 10.

US DAILY DEATHS. 7-DAY AVERAGE LINE

Mar 1 to Feb 10



The COVID Tracking Project

4. MORE TROUBLING NEWS ON VARIANTS AND VACCINES

A large shipment of the AstraZeneca-University of Oxford vaccine had just arrived and was thought to be an impending [godsend](#) for the beleaguered country, including because it is relatively cheap and can be stored in a conventional refrigerator. The World Health Organization (WHO) has [endorsed](#) it, and the BBC has used its practicality to describe it as a “vaccine for the world.” But South Africa [announced](#) that it has suspended—before it had begun—inoculation with vaccine, because recent trials have

demonstrated that it provides virtually no protection against the B.1.351 coronavirus that has become prevalent in that country. (B.1.351 has been referred to as the “South Africa” virus, but it is so widespread in Africa and even beyond that there is as yet no way of knowing where it originated.) And the news got even worse, because tentative evidence continues to indicate that even past infection with the original SARS-CoV-2 coronavirus provides no immunity. Getting deeper into the clinical weeds, the testing of the AstraZeneca vaccine thus far is limited to mild-to-moderate infection, and there is still some hope that the vaccine might protect from severe infection; news on that front will come only later.

All of the vaccines in (or near) emergency use, Pfizer and Moderna (and Johnson & Johnson and Novavax), report less efficacy against B.1.315 than they have against SARS-CoV-2, but they all achieved protection at or very near the minimal threshold of 50 percent, whereas the AstraZeneca vaccine was close to zero. This serves to highlight the painful cost of failure to tamp down the coronavirus sooner using prudent personal behavior. The more the virus spreads, the more opportunities it has to mutate, and the greater the chance that some of those [mutations](#) will prove more transmissible, more lethal, or both.

Another coronavirus variant, B.1.1.7 (informally known with the same imprecision as the United Kingdom mutation), does not appear to have a greater ability to evade vaccines, though it is otherwise apparently more transmissible than SARS-CoV-2. A third variant, P.1 (associated with Brazil), is not as well understood as yet, but has apparently defeated any immunity provided by prior infection with SARS-CoV-2. All of these variants have been identified in the United States.

Perhaps because the already-approved Pfizer and Moderna vaccines (which use the new mRNA technology rather than the more-conventional science behind the AstraZeneca product) have performed better against the new strains of the coronavirus, the Biden Administration has signed contracts to [purchase](#) 100 million more doses each. That brings the US total of mRNA vaccines to 600 million, or in theory about enough to give every adult American two doses. Although the Pfizer vaccine is demanding in terms of cold storage and shelf life, and even the Moderna product is more finicky than the AstraZeneca vaccine, their distribution could be managed (targeting more-urban, densely populated areas with the Pfizer vaccine, for example) and could take advantage of the greater protection against mutations.

5. THE UNLIKELY FLIGHT OF SPUTNIK V

The Russian coronavirus vaccine, Gam-COVID-Vak (or “Sputnik V”) was [found](#) in a peer-reviewed article in the British medical journal, the Lancet, to have achieved efficacy in the low-90 percent range, or not much behind the Pfizer and Moderna vaccines. Sputnik V did not go through a formal Phase 3 trial before it was approved for use, and its developers even injected themselves with the vaccine before they tried it on animals. There are still some complaints about a lack of transparency in the data underlying the Lancet article. But the international medical community is impressed with the results, and Russia clearly plans to make geopolitical hay out of the opportunity to export vaccine while western nations struggle to get their own vaccination programs on track.

6. REOPENING SCHOOLS, CHICAGO AND ELSEWHERE

The Chicago public schools have completed long and labored negotiations with their teachers' union to [reopen](#) over the coming weeks. The dispute involved concerns about aging buildings and their ventilation systems, the lack of availability of vaccines for teachers, the rights of teachers with vulnerable family members to stay out of the classroom, and the needs of students for in-school instruction. Similar painful negotiations had occurred in San Francisco, New York, and Philadelphia. The CDC is expected to issue [new guidance](#) (the [existing guidance](#) is dated December 31 of last year) for school reopening, listing conditions that do not include vaccinations for teachers.

7. NEW CDC GUIDANCE ON MASKS

The CDC has revised its guidance on personal masks. Rather than our trying to restate the medical advice and risking error, look at the actual guidance [here](#).

8. VACCINES AND RACE

The race of vaccine recipients has been reported in only 52 percent of all inoculations, [according](#) to the CDC. The lack of information hampers efforts to dampen the disproportionate impact of the coronavirus on minorities. Some of the disparity may arise from residual anxiety about past public health inequities, which will be difficult to dispel. One potential tool for righting the balance of opportunity may be mass vaccination sites; the federal government is [partnering](#) with Texas to set up the first three. Another unfortunate occasion of disproportionate impacts is an indication of worse outcomes for persons already suffering [dementia](#), where outcomes for Black sufferers are even worse than for whites.

9. WHO EXPLORES THE ORIGINS OF THE CORONAVIRUS IN CHINA

China has declared [victory](#) in the international dispute over the source of the coronavirus pandemic, because the WHO has ruled out the possibility of a leak from a Chinese government laboratory. Official government statements have clearly referenced what China perceives as an international disinformation campaign at its expense, and even made their own references to alleged past US uses of chemical and biological agents. Although the statement repeated the scientific consensus that the disease most likely traveled from bats through an intermediate species and then to humans, the WHO did repeat the possibility that the virus in China arose from frozen food, which leaves open the further possibility that the food in question was imported from another country. Some experts outside of China believe that the WHO team did not have sufficient [time and access](#) to reach the conclusions that they stated, and expect that an ongoing investigation could yield more information later.

10. SPOTLIGHT ON REOPENING: CHINA'S VACCINATION ROLL OUT

Happy Year of the Ox! Unfortunately, Chinese New Year celebrations have now been thwarted by COVID-19 for a second year in a row. A resurgence of infections in northern China in January has led to [partial lockdowns](#) and heightened travel restrictions that will reduce retail sales and limit travel during what is generally a time of exuberant holiday spending among Chinese consumers.

Given China's swift and surgical ability to isolate COVID-19 outbreaks, its vaccine rollout has been surprisingly slower than expected. The slow pace of vaccinations is [due to a variety of factors](#), including:

1. A very large population to inoculate;
2. The distribution of Chinese vaccines made using the ["inactivated" virus](#), which are slower to produce than the Pfizer and Moderna vaccines using mRNA;
3. A [lack of transparency](#) around the efficacy of the Chinese vaccines that has led to public doubts about getting a Chinese-made shot; and
4. China's strategy of distributing its vaccines worldwide, rather than at home, to [improve its international relations](#) or to advance certain interests, especially among developing countries.

A speedy vaccination campaign in China, however, may not be critical. According to [The Conference Board Global Economic Outlook](#), China's GDP expanded 1.4 percent overall in 2020, among the only economy worldwide that reported positive growth during a year mired by the pandemic. Coupled with a relatively small number of new infections, China's resurgence since the previous Chinese New Year is already a much better than expected health and economic recovery.