

## **Panel of Wise Economic Heads Urgently Needed to Assist Government in Charting New Zealand's COVID-19 Response**

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3 May 2020

Both in New Zealand and globally, COVID-19 and measures to limit its damage are causing economic impacts not seen since the Great Depression. Tremendous responsibility is being placed on the shoulders of incumbent governments and their policy advisers to chart a course through the current economic turmoil. They were not elected with a clear and direct mandate to do so, and they should not have to shoulder that responsibility alone. Their responses to the pandemic will have consequences not just for the current generation, but for future generations as well.

Governments around the world have adopted a variety of measures to minimise the economic consequences of the pandemic. Given the unprecedented scale of the issues, many of these responses have been reactive, and often needed major refinements as their efficacy – or lack thereof – has been revealed. However, given the short time that has passed since the onset of the pandemic, the long-term consequences of the pandemic, and of pandemic responses, have received little attention.

Likewise, proposals for alternative response measures are many. They include “helicopter drops” of money to all households, combinations of business subsidies and cheap loans, and Cognitus’ own proposal for a student-loans like scheme for households and businesses.<sup>1</sup> *There is an urgent need for such competing proposals to be assessed by competent parties, alongside existing economic support measures, taking a non-partisan and inter-generational view of how best to respond to the crisis.*

*Cognitus calls for the urgent formation of an independent, private (i.e. not government-led) and politically-neutral/balanced panel of former Ministers of Finance, Reserve Bank*

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<sup>1</sup> Meade, R., *Keeping the Economy Going in COVID19 Lockdown – A Proposal for "Low Cost" Generalised Insurance of Business and Household Incomes*, 3 April 2020. Available at [www.cognitus.co.nz](http://www.cognitus.co.nz).

*Governors, Secretaries of the Treasury and prominent academic economists/economic historians (with New Zealand-focused research).*

The objective of the panel would be to quickly assess which solution – from among the extant local (or most promising global) measures/proposals, or variations thereon as the panel sees fit – offers the greatest prospect of minimising the adverse economic impacts of the pandemic, for both present and future generations of New Zealanders.

The purpose of the panel would be to share some of the burden of choosing the path forward, rather than that responsibility resting with the current Minister of Finance and policy advisers, drawing on the panel member's collective wisdom and experience in managing the New Zealand economy.

Panel membership would be voluntary, with panel members acting in their personal capacities for the benefit of current and future New Zealanders, based on their experience gained from their former roles.

The panel's output would be an open letter, to the Minister of Finance and Secretary of the Treasury, produced within [two] weeks of the panel being convened.

The work of such a panel might be considered untimely, and cutting across current government initiatives, given New Zealand's latest Budget is imminent. However, the panel's work could materially improve the lot of current and future New Zealanders, so it should work alongside such processes, rather than be constrained by them.

The time is now to ensure that New Zealand makes full use of the wisdom and experience available to it to find the best solution to the urgent and significant multi-generational challenges posed by the COVID-19 pandemic. We shouldn't expect the current government and its advisers to have all the answers, and to shoulder that responsibility alone.