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Book review

The Political Economy of the SARS Epidemic: The Impact on Human Resources in East Asia, Grace O.M. Lee, Malcolm Warner, Routledge London and New York, 2008, xxii+168 pp. $19.95, ISBN: 0-415-39498-8.

This short book documents the economic consequences of the outbreak of the Severe Acute Respiratory Syndrome (SARS) in southern China in late 2002. Perhaps pandemic is the more accurate description since cases were reported in 32 countries, but the authors acknowledge that this episode turned out milder than other recent pandemics, like the 1918 Spanish flu or the 1957 Asian flu. No doubt decisive action by the World Health Organization (WHO) can be credited with mitigating what could have developed into a global crisis. The authors provide a useful documentation on the SARS epidemic, which totaled a little more 8400 cases with about 900 deaths.

Initially called “atypical pneumonia,” SARS is caused by a previously unknown corona virus, a more lethal relative of the virus that causes of the common cold. Although its origin remains unknown, several animals are suspected, including civet cats, a delicacy in southern China. In early 2003 the infection spread rapidly throughout the world until it was effectively contained by June of that year. Individuals played a crucial role in spreading SARS, most significantly Liu Jianlun, the Chinese doctor who had been treating patients in Guangdong. On February 21 he traveled to Hong Kong for a family wedding, and stayed in the Metropole Hotel. His stay has been connected to outbreaks in Hong Kong, Singapore, Vietnam and Canada.

The book is broken into three parts: background, case studies, and implications. One rather interesting contribution of the book is the detailed timeline documenting the history from the first case in China’s Guangdong region in November 2002 until the WHO validated that the epidemic was over in May 2004. Altogether China experienced about 5330 cases of SARS; the next hardest hit was Hong Kong (1760 cases), Taiwan (670 cases), and Singapore (240 cases). For each of these countries the book includes a separate case study chapter documenting the disease’s spread, focusing on its consequences for labor markets, especially in the tourist, airline and other service industries. If these case studies had been selected purely on a case-wise basis, the authors could well have included a case study of Canada, which experienced 250 cases. Although the first documented case of SARS occurred in southern China, these case studies oddly begin with the experience of Hong Kong.

The book suffers from false advertising. Although its title implies a merging of political and economic analysis, its discussion of politics and public policy is uneven and inadequate. For most of the book the subtitle could well have been the title, as most of the space is devoted to a rather tedious recitation of job losses in the tourist and service industries of Asia during the half-year-long panic following the outbreak of the SARS. This is a shame because the political and institutional issues relating to the threat of global epidemics would be a useful contribution, and because the merging of economic and political analysis frequently adds insights that are overlooked by a narrower disciplinary scope. In fact, the authors’ discussion suggests that this topic might be valuably enriched by more analysis of the psychological and social dimensions.

The authors seem well aware that the public health crisis that they set out document turned out to be rather minor in the history of epidemics, with hardly any measurable economic consequences. They present some statistical tables that show very little impact, and others that are inadequate because they end in 2003. The reader cannot evaluate the SARS impact because 2004 and 2005 are not included. Surely the relevant post-SARS data were available by the time the book went to press in 2008. The authors frequently indulge in hyperbole, such as describing a 1 percent rise in unemployment as catastrophic.

With enticing quotes from Albert Camus and Mao Zedong at the beginning of chapters, one is lead to expect much more than the dry presentation of the rather short-lived drop in tourist arrivals covering only about 3 months. There is a brief discussion of the initial Chinese cover-up (2 pages in the China case study and 1 page in chapter 9) and the role played by WHO, but there is scant analysis. There is also a section on the lessons learned from SARS, but it merely lists seven points from a WHO document with little discussion. Instead, the authors could have expanded their scope to include the continuing possibility that avian influenza, which is still being reported in Asia, will mutate into a form that could rival the global Spanish flu epidemic of 1918. Probably there are political economy dimensions to the containment of a future flu pandemic, perhaps the aggressive policies instituted in Singapore against SARS would be successful against an outbreak of transmittable bird flu.

In chapter 4 the authors invoke standard social science methodology by formally stating three hypotheses to test. The first hypothesizes that “the greater the adverse impact of SARS... the greater will be the negative impact on the service sector...”
The second that “the greater the adverse impact of SARS on consumer demand in the hotel and hospitality industry, the greater will be the negative impact on the related demand for labour…” And, the third, that “the greater the adverse impact on the demand for labour…, the greater will be…layoffs…” Although the authors never present p-values, it is obvious that these hypotheses are true, but not political economy. Why bother with all this jargon? Shortly after declaring that they are addressing questions of political economy, they present an unnecessary diagram to illustrate the point that the SARS epidemic involved both demand and supply shocks, obviously true. Even within the self-imposed narrow scope of a study of the market impact of SARS, this book is disappointing.

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