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An expert on economic calamities sees ‘very, very dangerous territory.’



Kenneth S. Rogoff, shown in 2012, has studied centuries of economic crises. He says small businesses will have a particularly hard time recovering from the current one. Credit...Eduardo Munoz/Reuters

With 13 million fewer people working since the pandemic hit, according to the [monthly jobs report released on Friday](#), the economist Kenneth S. Rogoff — an expert on financial crises — says the American economy is at a precarious point.

“We are going to clock the worst recession since the Great Depression, regardless of how fast we bounce back at this point,” he said. “The virus is coming back, hard and fast. It really does look like this is going to have profound long-term impacts.”

A Harvard University professor, Mr. Rogoff is a noted historian of economic calamities. His books include “This Time Is Different: Eight Centuries of Financial Folly,” written with Carmen M. Reinhart in 2009.

Mr. Rogoff said the current state of virus was reminiscent of 1918 Spanish Flu, in which the second wave of virus proved even more devastating from an economic and public health perspective than the first. At this point, the economic damage from the coronavirus has far surpassed the 2008 recession, he said.

Small businesses will be hit hardest, Mr. Rogoff said.

“We’re going to start to see a lot of small businesses fall by the wayside, a lot of people who are unemployed become chronically unemployed,” he said. “We’re in very, very dangerous territory.”

Large corporations will be more shielded from the impact of the virus, accelerating their ability to crush smaller competitors, a trend that the United States has been experiencing over the last 40 years, he said.

“They have cash reserves to survive this,” he said. “And so their monopoly power is going to grow.”

— *Gillian Friedman*