

The OECD COVID-19 Policy Tracker: What are governments doing to deal with the COVID-19 pandemic?

by Tim Bulman and Shashwat Koirala

Governments have implemented an extraordinary range of new policy measures to tackle the health and economic consequences of the COVID-19 pandemic, including actions to stop the virus's spread, to bolster health systems, to support economic activity and livelihoods, and to protect the vulnerable. To identify effective policies to fight the pandemic, policymakers and researchers need to share experiences and learn from each other.

[The OECD COVID-19 Policy Tracker](#) is a centralised database of government responses to the different dimensions of the COVID-19 crisis, compiled and verified by OECD country experts. Covering over 90 countries, across all continents and income levels, the Tracker summarises each country's containment and health measures, fiscal responses, monetary and macro-prudential mechanisms, and structural policies. It also links to highly granular information on countries' responses pertaining to tax policy, social, employment and income policies, policies in support of small and medium-sized enterprises, and health technology policy. The Tracker is updated daily to capture the evolving nature of the crisis. To facilitate empirical analysis of the impact of the pandemic, users will soon be able to access a time-series of countries' responses, and assess the policies in place on different

dates.

This blog post presents some of the Tracker's insights into how OECD and G20 countries are responding to the COVID-19 crisis.

Support for the health sector

Governments have taken substantial steps to strengthen the capacity of the health sector. Many countries have boosted health funding to cover the costs of increased staffing needs, vital medical infrastructure (e.g. hospitals, ventilators, beds, etc.) and safety equipment (e.g. personal protective equipment). For example, Italy has devoted EUR 845 million to recruit 20 000 health care workers and allocated additional funding to produce and procure necessary equipment.

To give their health workforce more flexibility, governments have also relaxed or eliminated certain rules, regulations and administrative procedures. In Denmark and France, working time rules and overtime caps for healthcare employees have been relaxed while in the United States and Brazil, regulatory barriers to telemedicine have been removed to facilitate remote consultations. Meanwhile, Argentina and New Zealand have eased import procedures by temporarily reducing import duties and tariffs on medical supplies.

In addition to these instruments, countries have deferred non-essential medical services, promoted research and development of innovative medical equipment (e.g. affordable ventilators), vaccines, treatments and testing-kits, and compensated medical workers through bonuses or salary increases. Though generally

not considered to be good practice, some governments have also imposed restrictions, such as export bans, to preserve access to vital medical supplies.

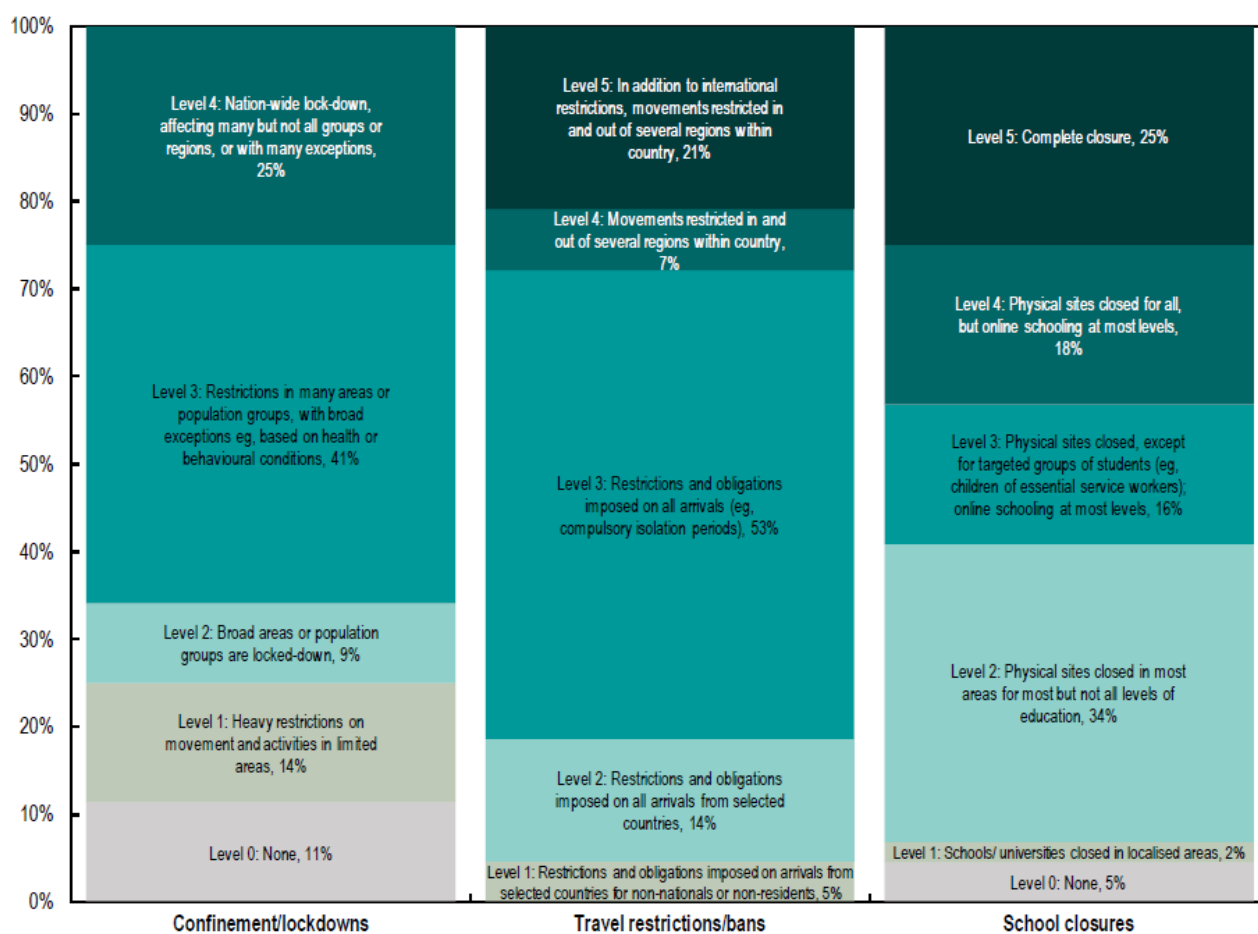
Containment measures

Containment measures aim to limit human interaction through confinement or stay-at-home orders, school closures, and restrictions on international and/or within-country travel. These measures vary in intensity across countries (Figure 1). One-fourth of OECD and G20 countries, covering about 558 million people[\[1\]](#), have instituted nation-wide lockdowns, affecting many but not all groups or regions. Forty-one percent have implemented more moderate confinement measures; many areas or population groups in these countries are restricted, but there are broad exceptions. These countries account for about 2.6 billion people.[\[2\]](#) Meanwhile, only a few countries (11%), with roughly 73 million people, have refrained from or no longer have confinement measures.

Countries' travel restrictions and school closures policies also vary. In 21% of countries, totalling almost 1.9 billion people[\[3\]](#), both international travel and movement within the country are severely restricted. A larger share (53%) have only imposed restrictions on all international arrivals, while allowing internal movement to continue. These countries cover a comparatively smaller number of people (approximately 1 billion). Likewise, whereas schools are completely closed in 25% of countries, some (16%) have kept physical sites open for targeted groups, such as children of essential workers. Nevertheless, these two groups of countries encompass a similar number of people (about 1.7 billion and 1.8 billion respectively[\[4\]](#)).

Certain countries have also started lifting their containment measures (e.g. Austria, Spain, and Germany) and have indicated timelines for further easing in the future. As the stringency of containment measures changes across countries, the Tracker is updated accordingly.

Figure 1. Selected containment measures



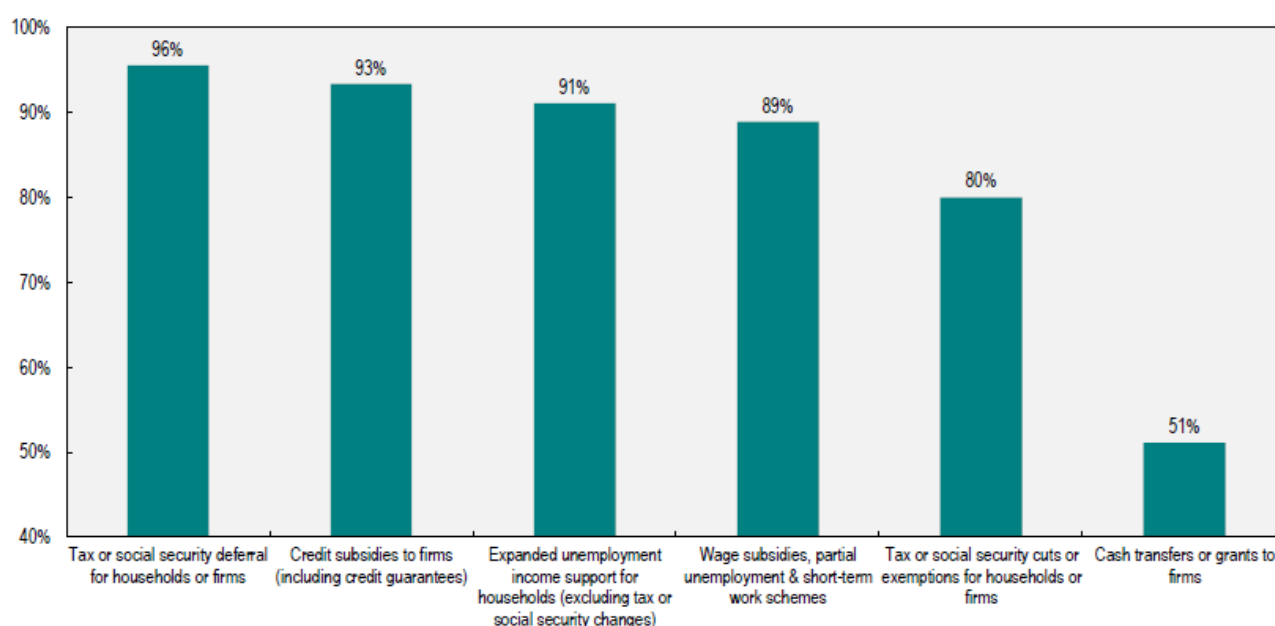
Note: a) Data as of 13 May, 2020, 11h30 CET. b) Total number of OECD & G20 countries is 45, but data is missing for Switzerland for all three indicators and data is missing for China for travel restrictions; so, n=44 for confinement/lockdowns, n=43 for travel bans/restrictions, n=44 for school closures.

Fiscal and monetary policy responses

The containment measures, in conjunction with people's anxieties about the virus, have brought economic activity to a standstill, inducing estimated output and consumption

decreases in many countries of 20-25% and 33% respectively (OECD, 2020_[1]), as well as severe income losses for firms and households. To address this, governments have implemented expansionary fiscal policies (Figure 2). The most common schemes are deferral mechanisms for tax or social security contribution payments (96%), credit subsidies (including credit guarantees) for firms (93%), and expanded unemployment income support programs for households (91%). Nearly half of the countries have also introduced targeted support – financial and otherwise – for vulnerable segments of their population (e.g. elderly, low-income, migrant workers, informal workers, etc.). For example, Spain has put in place a special program to provide housing to victims of gender violence.

Figure 2. Selected fiscal measures to support firms and households



Note: a) Data as of 13 May, 2020, 11h30 CET. b) N=45. c) Expanded unemployment income support for households includes income support mechanisms for the self-employed.

Countries have also eased their monetary policies and macro-prudential regulations to ensure that there is sufficient liquidity in the economy. Common monetary instruments include the reduction of policy rates and large-scale asset purchases

by central banks. For example, the United States Federal Reserve has lowered its interest rates by 100 basis points to 0-0.25% and resumed large-scale asset purchases of treasury securities, agency mortgage-backed securities, as well as assets backed by student, car, credit card and small business loans. Similarly, the Bank of England has reduced its policy rate to 0.15% and increased its holding of UK government and corporate bonds by GBP 200 billion.

In terms of macro-prudential regulations, many central banks and financial regulators have reduced reserve and/or capital requirements for banks. The European Central Bank has allowed banks that it supervises to temporarily operate at lower capital levels. Many Eurozone countries have supplemented the ECB's responses through additional actions at the national level. The French High Council for Financial Stability, for example, has released all banks' from its countercyclical capital buffer.

Given the extraordinary burden of the COVID-19 pandemic on socio-economic systems, many countries are also reaching to tools beyond fiscal and monetary measures, towards sharing the burden across the private sector. This includes payment holidays affecting private transactions between firms and/or households, such as rent freezes or reductions, mortgage deferrals, and exemptions from utility payments.

Tracking policies to launch the recovery

As governments relax restrictions, the goal of policy responses will shift from bridging the crisis to the recovery. To launch sustained and inclusive recoveries, governments will need to transition from broad economic support mechanisms to

targeted initiatives that buttress demand while helping people to find new jobs, viable firms to restructure, and new businesses to emerge and grow. The Tracker will continue to report structural policies implemented by countries in response to the COVID-19 crisis, such as strengthening safety nets, upgrading skills, raising the effectiveness of public administration, leveraging the benefits of digitalisation, and supporting investment for green growth.

Forthcoming OECD Ecoscope blog posts will present further policy insights from the Tracker that can help countries tackle the COVID 19 crisis and prepare the recovery.

References

OECD (2020), Evaluating the initial impact of COVID-19 containment measures on economic activity, https://read.oecd-ilibrary.org/view/?ref=126_126496-evgsi2gmqj&title=Evaluating_the_initial_impact_of_COVID-19_containment_measures_on_economic_activity. [1]

OECD (2020), Tackling coronavirus (COVID 19): Contributing to a global effort, <http://www.oecd.org/coronavirus/en/>. [2]

[1] All population figures are based on country populations for 2019. The sample includes China (about 1.40 billion people) and India (about 1.33 billion people), which helps explain the large number of people covered by the level of containment measures to which these countries correspond.

Total population for all OECD and G20 countries is about 4.86 billion.

[\[2\]](#) These countries include India.

[\[3\]](#) These countries include India.

[\[4\]](#) Former includes India and the latter includes China.