RESPONDING TO THE MOST SERIOUS GLOBAL PANDEMIC CRISIS IN A CENTURY

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COVID-19 Outbreak: Assessment

- Viral outbreak, originated in China and now a global health threat
- Many OECD countries follow the same path of China and Italy with a time lag
- Between 1-3% of those infected show a fatal outcome, with people aged 60+ and those with chronic conditions at significantly higher risk

Source: OECD analyses on: https://coronavirus.jhu.edu/map.html
Fighting Back the Outbreak: What Weapons Do We Have?

Prevention of the spread in the community

Medical countermeasures

- Prophylaxis
- Vaccine

Non-medical countermeasures

- Information and communication
  - Increase in social distance
  - Disinfection measures
- Reduction of the risk of transmission
  - Decrease interval between symptom onset and isolation
  - Travel restrictions
Economic activity has drastically dropped (1)

Note: RHS: The last data point is March for the euro area, Japan and the United States, and February for China. Source: Markit, OECD calculations.
Economic activity has drastically dropped (2)

Percentage change in flight departures from major airports

*Difference between March 18-20 daily average and February 18-29 daily average*

Source: Flightradar24
A crisis of a different nature

A different mix and timing of policy responses is required:

- Contain the epidemic
- Cushion the effects
- Prepare the recovery
An immediate employment and social-policy response

Reducing workers’ exposure to Covid-19

Income support to sick or quarantined workers

Helping dealing with unforeseen care needs

Short-time work schemes to preserve jobs

Income support to workers losing their jobs or self-employment income

Financial support to firms affected by a drop in demand
Countries have taken bold and unprecedented measures

Share of OECD countries that have introduced (or announced) new measures or expanded existing ones in response to Covid-19

- Financial support to firms: 86%
- Income support to workers: 81%
- Short-time work schemes: 67%
- Reducing exposure to Covid-19: 61%
- Income support to sick workers: 58%
- Unforeseen care needs: 50%
- Housing: 36%
- Income support to quarantined workers: 28%
- Measures on economic dismissals: 11%

Extending short-time work schemes to preserve jobs and secure incomes

Short-time work schemes (Kurzarbeit, Chômage partiel, Cassa integrazione, ...) proved very effective during the global financial crisis. In times of low demand, they

- help firms hold on to qualified staff
- provide income support to workers

- Introducing, extending or temporarily relaxing access requirements for short-time work
- Simplifying procedures and provide easy access to online information for employers.
- Promoting the uptake of online training to invest in employees’ skills during the downturn.
Providing financial support to firms affected by the crisis

Besides means of quickly adjusting staff numbers, many firms will require liquidity

- Defer tax and social contribution payments.
- Provide public grants and emergency credits to temporarily support companies’ liquidity.

See also the Policy Brief on SMEs by the OECD Centre for Entrepreneurship, SMEs, Regions and Cities.
Containing the epidemic while minimising its economic effects

• Reducing workers’ exposure to Covid-19 in the workplace
  – Telework and higher health and safety standards

• Strengthening income support for sick or quarantined workers
  – Extending coverage and duration notably for non-standard workers and include quarantine.
  – Reimbursing employers if they provide paid sick leave to quarantined workers.
  – Adapting sickness certification requirements.
• Supporting workers and families with unforeseen caring responsibilities
  – Alternative care arrangements and financial support.
  – Financial subsidies to employers who provide workers with paid leave.
  – Adapting telework requirements to workers’ caring responsibilities in terms of working hours and work load.

• Providing protection to workers who lost their jobs or self-employment income
  – Extend access to unemployment benefits, including to non-standard workers.
  – Help workers stay in their homes.
Thank you

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Read more about our work: www.oecd.org/els and http://www.oecd.org/coronavirus/
OTHER SLIDES
COVID-19 Outbreak: Assessment

- Viral outbreak, originated in China and now a global health threat
- It is a concern among the public health community because, compared to other infections:
  - High reproduction rate (it spreads quickly)
  - (seemingly) higher mortality than flu and some other common viruses
- 5%-20% of those infected need access to healthcare services and this may overload healthcare systems

Source: [https://hgis.uw.edu/virus/](https://hgis.uw.edu/virus/)
• In the short-term countries should implement measures to contain and mitigate the outbreak (e.g. social distancing and hygiene);

• In the medium-term countries should work to strengthen surveillance and public health systems, including in LMICs, to be ready for the next outbreak.

Public health measures slow down the outbreak and buy us time

- Without measures
- With measures

Time since beginning of the outbreak

Health system capacity

Number of infected persons
2. Strengthen income support for sick or quarantined workers

Not all countries offer generous sick-leave compensation

Public and private spending on sick leave compensation, as a percentage of employees’ compensation, 2017 or latest year available

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2. Strengthen income support for sick or quarantined workers

...particularly to workers in non-standard forms of employment

Statutory access to sickness benefits for non-standard workers compared to standard workers by contract type and incidence of employment form, 2017
4. Protect workers who lost their jobs or self-employment income

Jobs and livelihoods are at risk, particularly for workers in non-standard forms of employment

Overall support package for working-age individuals, 2014-15

A. Probability of receiving benefits