Comparing the outcome of Government responses to Covid-19

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Executive summary

Ambition

This paper compares government responses to the Covid-19 crisis over two timeframes, in order to identify the most effective policies. For the first timeframe, we have analysed country performance since the beginning of the pandemic (January 2020 – October 2021). For the second, we have analysed how well governments have recovered since the peaks of the crisis in terms of GDP loss (July 2020 – October 2021). Ultimately, we wish to ascertain whether policies whose sole focus was to mitigate the health impacts of Covid-19 hindered or helped the long-term recovery, and whether countries that only focused on the economic recovery endured greater social harm.

Methodology

To run our analysis, we combine a set of macroeconomic and health-related indicators to rank the countries according to their ability to manage and mitigate the effects of the Covid-19 crisis, both from an economic and social perspective. As there are two time periods in scope, the indicators are analysed from two perspectives. Finally, we relate the countries' rank to the policies implemented to support workers and businesses, and to other indicators such as the fiscal stimuli and the stringency Index.

Main findings:

6.4%

South Korea has tamed the pandemic: the country outscores the others in scope on every level. Its economy has been relatively spared and is recovering confidently. The health system and citizens have remained insulated from the deadly virus and all of this with government spending on additional support measures at only 6.4% of its GDP. **South Korea** shares the podium with **Australia** and **New Zealand,** which also show remarkable management of the crisis.

80%

Singapore has mastered the recovery: the country's economy had the strongest economic upsurge, whilst having a relatively low number of Covid-related deaths and the highest vaccination rate, with 80% of the population being fully vaccinated against the virus.

Protecting the people protects the economy: the countries that kept the spread of the virus under control and have successfully rolled out vaccination experience better economic performance and stronger recovery.

There is no correlation between the strictness of a country's countermeasures and its health score: restrictive rules do not necessarily help contain the virus. It appears that what matters is to have reasonable and targeted measures.

Investing in fiscal measures supports recovery: the countries with the strongest recovery are also the ones that, since January 2020, have invested the largest share of their GDP in above-the-line support measures.

A sudden or early phase-out of the support measures can jeopardise further economic recovery.

Policy recommendations:

Protect the people: governments must continue their vaccination efforts and implement targeted measures to avoid the spread of the virus. As our analysis shows, the state of the pandemic in a country and its economy are linked: saving lives saves the economy. Yet, strict rules do not necessarily translate to efficiency; well-targeted policies are needed.

Maintain support measures: While measures to support the economy across the board may not be financially sustainable, targeted measures will continue to be a crucial way of avoiding significant labour market disruptions with potentially long-lasting scarring effects. A sudden or early withdrawal of government support measures risks exacerbating labour market disruptions and could jeopardize the economic recovery. Governments should ensure these support measures reach all workers, including – or rather especially - those in diverse forms of work.

Never waste a good crisis: The Covid pandemic has caused certain economic sectors and activities to grow and others to whither, in addition to more long-term trends that are also prompting labour market transitions. Governments should encourage and enable companies and jobseekers to prepare for these transitions by investing in career management, including via re- and upskilling.

Prepare regulatory frameworks for the Reset Normal: The world of work has been changing since before the Covid crisis. The pandemic has put additional focus on some aspects, such as the need to invest in worker wellbeing and work-life balance, and the need to establish a clear set of rights and responsibilities in the context of remote working (**see our separate paper on that topic "How to make Remote Work work for Everyone"**). Workers' desire to work more flexibly paired with a need for labour market agility also requires governments to rethink regulation on diverse forms of work such as agency work and self-employment (also see our **separate paper on Instant Delivery platform work**). Governments need to make haste in implementing the necessary labour market reforms to set their economies up for success.

Note:
Please note that the cut-off date for all data feeding into our analysis is October 31, 2021. With cases having surged in every country due to new Omicron variant and with more restrictive measures having been put in place, the situation in individual countries might have shifted.

Contents

1. Introduction

The world is now two years into the Covid-19 pandemic. Most countries have gone through at least three waves of infections. The acceleration and access to vaccines and booster shots is driving headlines across the globe. We saw governments reacting with fiscal, monetary, and political interventions on unprecedented level, as the effects of the crisis became apparent in the early days. In many countries, those support measures are still in place. Countries had to deal with the virus, but each of them has done so in its own way. So, what can we learn? Is one policy recipe more successful than others? This report sets out to provide the answers to these questions.

Our paper compares government responses to the Covid-19 crisis, in order to identify the most effective policies. Building on our last **analysis of October 2020,** this paper takes a broader approach by analysing government responses over two timeframes. First, we have analysed a country performance since the beginning of the pandemic (January 2020 – October 2021). Within a second timeframe, we have analysed how well governments have recovered since the peaks of the crisis passed (July 2020 – October 2021). We evaluate the peaks of the crisis in terms of GDP and see that the second quarter of 2020 suffered the greatest loss of GDP compared to the previous year.

For the first analysis, we establish a ranking of countries that managed the pandemic successfully **throughout the whole period** from both an economic and social point of view. This ranking is based on a set of macroeconomic and health criteria, which we relate to the public policies in place. The goal is to determine which government policies resulted in the smallest variations of economic indicators compared to pre-pandemic levels, while preserving the health of citizens and social harmony.

Our second focus is on **Recovery.** The goal is to determine which country experienced the greatest rebound since the peak of the crisis and how this relates to the policies it implemented. As our focus in time begins at 7 months after the start of the pandemic, this gives an indication of how governments were able to react, cope and adapt to the unprecedented crisis. Ultimately, we wish to ascertain whether policies whose sole focus was to mitigate the health impacts of Covid-19 hindered or helped the long-term recovery, and whether countries that only focused on the economic recovery endured greater social harm. Based on the results to these two analyses, we aim to identify the best policy mix.

This paper focuses on 20 countries from three global regions:

- **Americas:** Brazil, Canada, Mexico and the United States
- **Europe:** Austria, Belgium, France, Germany, Italy, the Netherlands, Poland, Spain, Sweden, Switzerland and the United Kingdom
- **Asia-Pacific:** Australia, Japan, New Zealand, Singapore and South Korea

The selection of countries offers a wide range of different approaches to policy design and pandemic response. While the countries featured fall primarily into the IMF-defined category of Advanced Economies, they represent a range of economic profiles and geographic contexts.

1.1. Indicators and public policies

The analysis is based on a set of macroeconomic and health indicators relating to public policies aimed at supporting businesses and workers.

Macroeconomic indicators

The macroeconomic impact of the pandemic is measured using the percentage change to GDP, the unemployment rate, the employment rate, stock market indexes, the consumer confidence index, and the business confidence index.

Health indicators

The health impact of the pandemic is measured using the number of deaths per capita, the number of cases per capita, vaccination speed, the full vaccination rate, and the partial vaccination rate.

Public policies to support businesses

Policy measures to support businesses include access to credit, tax payment deferrals, subsidies for business costs, compensation for workers on sick leave and short-time work/wage subsidy schemes.

Public policies to support workers

Measures to support workers included in this analysis are (expanded) access to sick pay and unemployment benefits, moratoriums on dismissals, income support for self-employed workers, and a variety of other support measures, such as direct aid.

Other indicators

We consider two other indicators in our analysis. First, the countries' stringency index, which is a composite measure developed by the Oxford COVID-19 Government Response Tracker and which is based on nine criteria. Those include school closures and workplace closures, travel bans, face coverings, restrictions on internal movement and the banning of gatherings. Second, we look at government fiscal measures put in place in response to the pandemic as a percentage of GDP in 2020 in order to quantify countries' actions in the face of the crisis. Note that we only consider direct fiscal stimuli, or so-called "above-the-line measures".

2. Analysis

The analysis is split in two parts. The first part looks at countries' performance between January 2020 and October 2021 in detail and ranks them based on how well they have weathered the pandemic during its course. The second part focuses purely on the recovery since July 2020, ranking in order of the strongest Recovery.

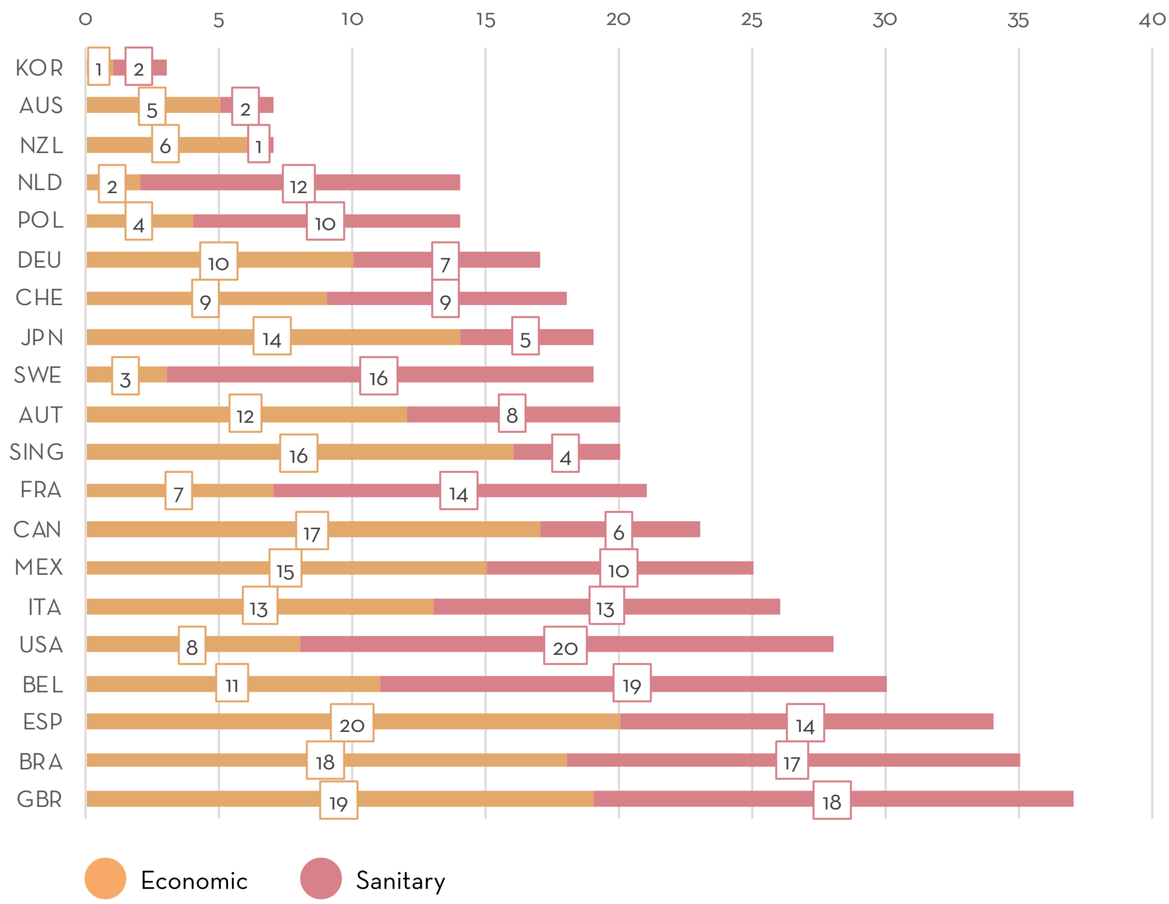
2.1 Analysis of pandemic during its entire course

Based on the methodology detailed in the Annex, we find **South Korea** appears to have the most effective strategy to respond to the pandemic, both in terms of economic and health indicators, followed by **Australia** and **New Zealand.** Those countries were able to avoid a surge in deaths and cases, without affecting economic activity.

While the **South Korean** government has only spent 6.4% of its GDP since January 2020 in fiscal measures aimed at mitigating the effects of the pandemic, making it the third most frugal country, it has used a wide range of economic policies and provided support to both businesses and workers. Businesses are able to obtain low-interest loans, are granted subsidies to cover their business costs, and are able to avail themselves of short-term work compensation schemes. Workers have seen their access to sick pay eased and the application process for unemployment benefits simplified. Moreover, financial support has been made available to low-income individuals, both in the form of low-interest loans and child subsidies. Finally, unlike other countries, those support measures are still in place today. **New Zealand,** which also sits on the podium for its remarkable management of the health and economic crisis, has spent a far more substantial amount - 19.3% of its GDP - to support its economy. Businesses could access loans and benefit from tax deferral and subsidies, whilst Individuals could apply for income support. Special focus has been given to supporting the tourism sector, given that it has been very severely impacted by the complete closure of the borders since early 2020.

To compare the top results to our **analysis of October 2020:** South Korea already topped the ranking last year, while **Australia** and **New Zealand** were in 4th and 6th place, respectively. Thus, it seems that the 'zero-covid policy' followed by those two countries has paid off. **Sweden** on the other hand, was in second place in our ranking in 2020, but is now downgraded to 9th. The country famously refused to go into lockdown and put very few restrictions on public life and economic activity, which explains its poor score from a health perspective and was the cause of its downgrade. By contrast, however, Sweden's economy has remained surprisingly buoyant.

Countries' final ranking during the entirety of the pandemic



Brazil and the **UK** are examples of poor management of the crisis. **Brazil** suffers from the greatest number of deaths per capita, and the employment rate of the country, as well as the stock market index, have been severely impacted since the beginning of the crisis, this despite the fact that the country has invested 9.2% of its GDP in support measures, targeted at both businesses and employees. Brazilian employers benefit from access to credit, tax deferral and subsidies, whilst workers had their access to sick pay and unemployment benefits eased or expanded as a result of the pandemic. But those measures seem not to have been enough to support the economy. In the **UK**, the quarterly GDP figure has consistently been less than the previous period, meaning the economy has not rebounded. This is also reflected in the stock market index, which is 1% less than pre-pandemic levels, whereas the index in other countries is already showing positive results. It is, however, impossible to determine whether the poor economic outcome is attributable to the pandemic, or to other factors, notably, Brexit.

While the **UK** already scored poorly in our 2020 analysis (at 18th place in 2020 and at 20th in 2021), **Brazil's** score plummeted from 8th to 19th place. In our previous analysis, we noted that the country's economic performance was unexpectedly high, given the state of the pandemic. Now, it seems that **Brazil's** poor management of the health crisis has impacted the Brazilian economy's ability to cope and adapt.

Some scores to highlight

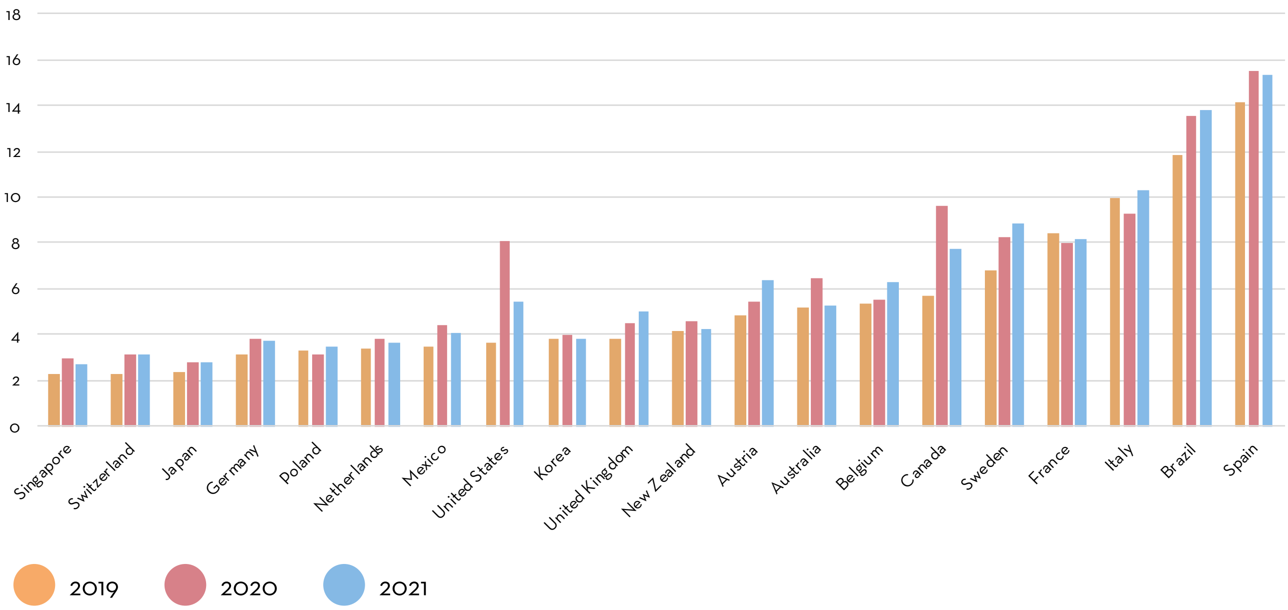
GDP:

Over the whole period, **New Zealand** has been a champion in terms of minimising the impact of the pandemic on GDP. Whilst GDP dropped significantly in the second quarter of 2020, it rebounded rapidly from the third quarter, ensuring an aggregated growth of 13.74%[1]. Following suit are **South Korea** and **Australia.** By contrast, **Spain** shows the worst results in terms of GDP throughout the pandemic, with an aggregated decrease of 28.23%. This has only begun to recover since the second quarter of 2021.

Unemployment[2]:

When we analyse the difference in the rate of unemployment from 2019 to 2021, we observe that **Australia** and **South Korea** show the smallest change in unemployment by only increasing by 1.3% and 1.5% respectively, as a result of the crisis. At the other end of the scale, the **US** exhibit the largest relative increase in unemployment by a large margin: + 47% in 2021 compared to 2019.

Unemployment rate evolution 2019, 2020 and 2021



Stock market:

Most countries' leading stock market indices have increased since January 2020, meaning that the stock markets are doing even better than before the pandemic. On one measure, **South Korea** leads once again, with a stock market index 55% higher than in January 2020. The **UK's** and **Spain's** indices are the only ones showing negative results, with -1% and -4%, respectively.

Consumer Confidence and Business Confidence Indices:

For almost all countries, the CCI and the BCI are stronger than pre-pandemic levels. **Sweden** has delivered the best results on both CCI and BCI by improving its score by 4% and 5%. In the **US,** while the BCI shows better results than before the pandemic, the CCI has been highly negatively impacted – reaching last place in the ranking.

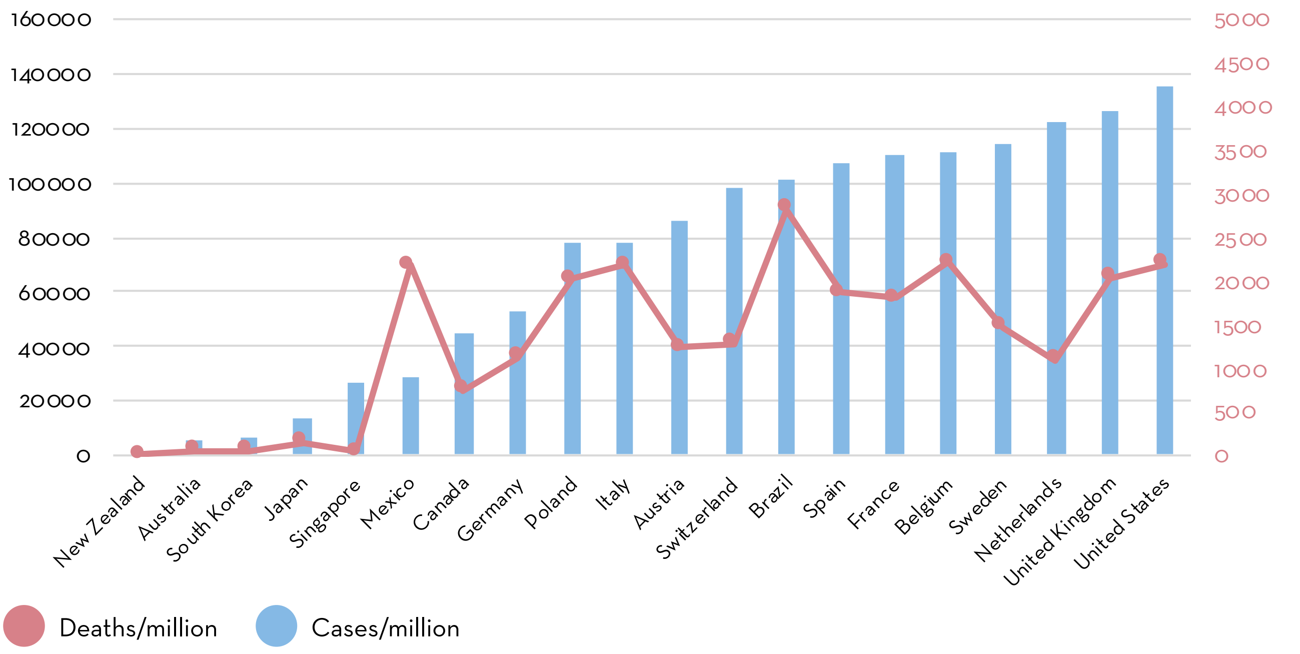
Severity of the COVID-19 outbreak:

The **US** have more confirmed cases of COVID-19 per million than any other country, followed by the **UK** and the **Netherlands.** Yet, the pandemic has been the deadliest in **Brazil,** where deaths in connection with COVID-19 have reached 2,817 per million inhabitants. Following suit is **Belgium,** with 2,215 COVID-19-related deaths per million inhabitants. The lowest numbers of cases and deaths are observed in **New Zealand, Australia,** and **South Korea.** When we compare Covid-cases to the number of deaths, it appears that the pandemic has been the deadliest in **Mexico.** Although the country does not have the highest record of infection, 7.8% of Covid patients die from the virus, the highest rate for the countries within our scope. Following this is **Brazil,** where 2.8% of cases have resulted in death. In **the Netherlands,** only 0.9% of patients die from Covid-19, in spite of an extremely high number of cases per inhabitant. **Singapore** is in first place, with a 0.2% death rate.

1: The aggregated evolution of GDP is calculated as the sum of the quarterly percentage change from the previous year: i=2019Σ n=2021 (QGDPi – QGDPi-1)

2: While the results show that France has managed, not only to reach its pre-pandemic level, but to increase labour market participation by 3.27%, it should be noted that the methodology used to measure unemployment in France differs from that of other countries. The numbers for France are generally considered to be underestimated and factual unemployment is likely higher.

Covid-19 cases and deaths per million inhabitants



Relationship between social and economic mitigation

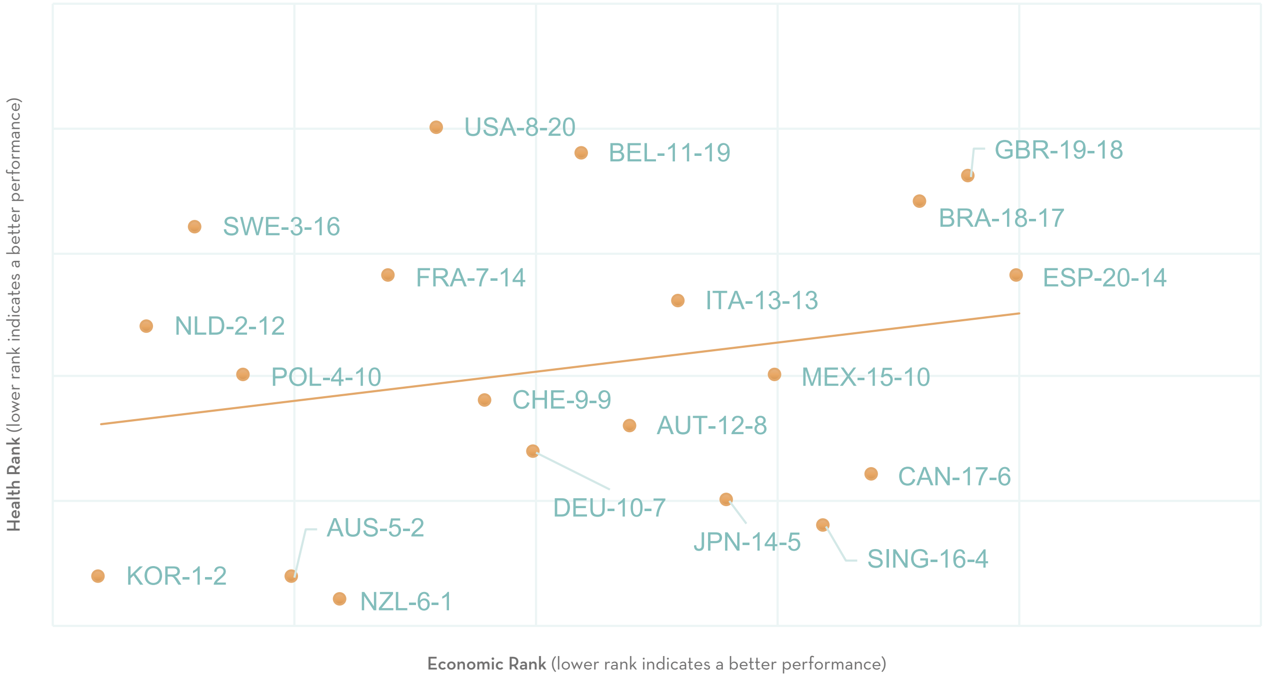
Countries have been affected by, and have responded to, the health crisis differently. Yet, in all countries, an economic decline has ensued. This raises the question: what is the correlation between the health situation of a country and its economic performance in the time of Covid-19?

In our analysis in 2020, a trend seemed observable: the more a country contains the spread of the virus, the smaller the impact on the economy. This is now confirmed. **South Korea** illustrates the point perfectly, as its economy barely suffered from the pandemic, while showing an extremely low number of Covid-related cases and deaths. In other words: protecting your people protects your economy. At the other end of the scale, in **Brazil** and the **UK,** the health situation got out of hand and this severely impacted the economy.

However, it should be noted that some countries buck the trend, **Sweden** being a case in point. **Sweden** famously refused to go into lockdown or implement strict control measures, which resulted in its ranking among the worst in terms of cases per million inhabitants, but enabling a comparatively good economic performance. To support the economy, the Swedish government injected the modest sum of 4.2% of its GDP, implementing short-term work schemes, granting companies easy access to credit, and simplifying access to unemployment benefits for workers. Interestingly, when we delve into the detail of **Sweden's** results across the economic indicators, we observe it also faces a large increase in the unemployment rate as a result of the pandemic, and that GDP dropped significantly dropped during the most critical phase of the pandemic. Which raises the question: why did it rank among the three tops from an economic point of view? The Business and Consumer Confidence Index may provide a clue: Sweden has the strongest Business and Consumer Confidence Index of the countries measured, meaning that consumers remained confident enough to keep spending and businesses never stopped investing in their future development. Sweden was already an exception in our analysis in 2020 – as was Brazil. But the difference in Brazil, was that the state of the pandemic had a serious impact on the economy, as mentioned above.

The Netherlands is also an exception to the rule. The country scores surprisingly well on the economic indicators, considering how the epidemic has played out. This positive economic performance is mainly driven by the national stock market index, which is in the green and the employment rate, which has increased since 2019. The Netherlands has invested the median amount of 10.3% of GDP to support its economy, mainly focusing on supporting SMEs and start-ups through credit, tax deferral and industry-specific subsidies.

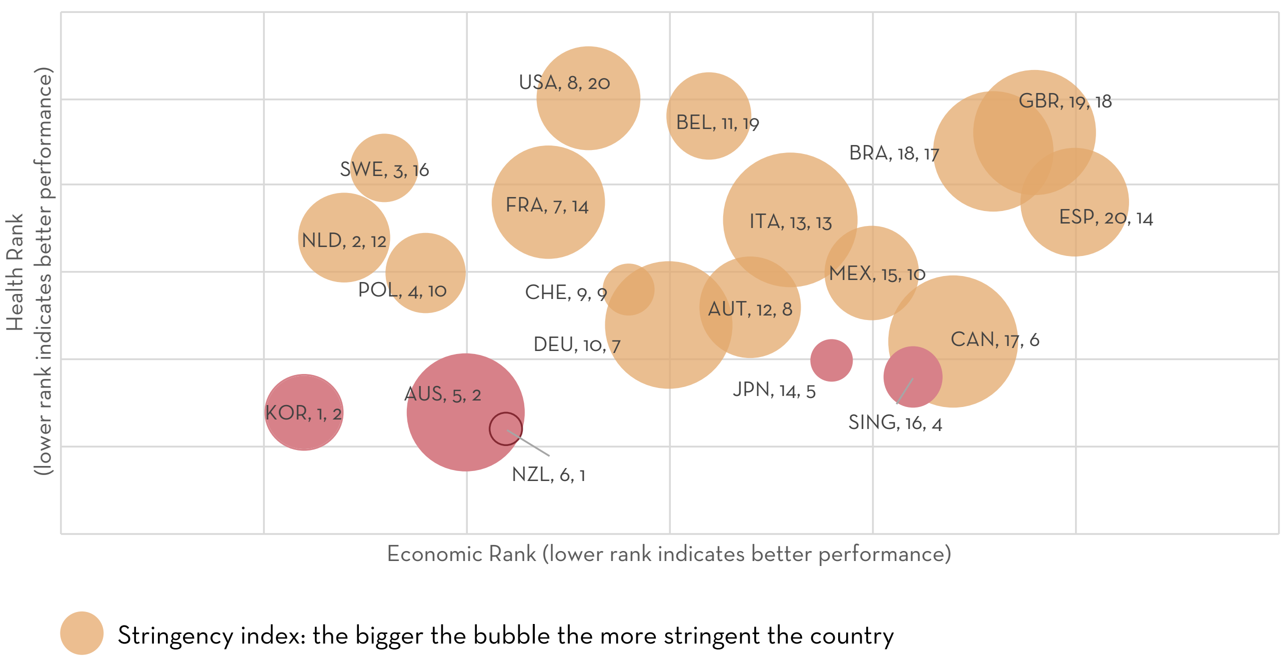
Relationship between the economic rank & the health rank
for the entirety of the pandemic



Does stringency mean efficiency?

Surprisingly, we can see that the countries that have been the strictest during the pandemic (i.e., imposing highly restrictive measures on the population in order to combat the virus, such as school closures, obligatory mask-wearing, and travel restrictions) are not necessarily the ones with the best scores in terms of infection and deaths per capita. Nonetheless, we can see that the five countries that score the highest in their management of the health crisis, **New Zealand, Australia, South Korea, Singapore,** and **Japan,** have something in common: they either closed their borders or severely restricted entry to the country. This may be easier for island countries to do, but it does illustrate the importance of well-directed policies.

Relationship between the economic rank, the health rank and the stringency index
for the whole pandemic



2.2. Analysis of the Recovery

To analyse how well the countries have coped with the pandemic, both from an economic and social perspective, we calculate how the economic indicators have varied since the peak of the crisis, in Q2 2020, until now, and we assess each government's ability to roll out vaccination at a large scale to prevent further deaths. This gives us an indication of how well the countries are recovering from the crisis.

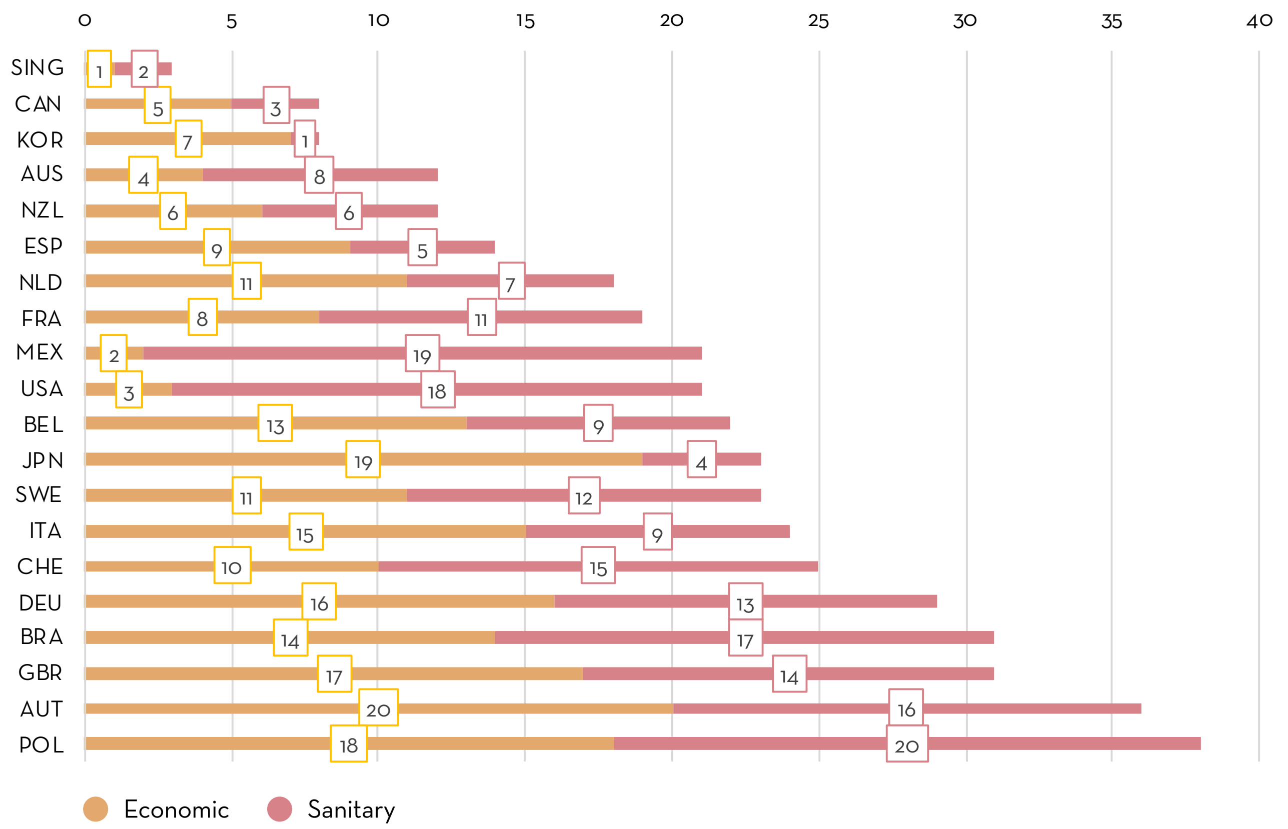
Based on these criteria, it appears that the **Singaporean** economy had the strongest economic upsurge, whilst having a relatively low number of Covid-related deaths and the highest vaccination rate, with 80% of the population being fully vaccinated against the virus. Similarly, in **Canada** and **South Korea,** three quarters of the population have received a vaccine, and the economic indicators display a confident rebound. Moreover, these two countries were extremely quick to roll out the vaccine and ensured jabs were available for all – once 10% of the Canadian population was vaccinated, it took only two further months for the government to make that figure 50%. In comparison, **Poland** and **Mexico** required five months.

Did someone say that saving lives saves the economy?

Since Q3 2020, **Poland** has effectively lost control of the pandemic and the country has, together with **Brazil,** the lowest vaccination rate, and the highest number of deaths per capita. While **Brazil** can compensate for its poor social score with an improved GDP, the Polish economy has not recovered. The Polish government did not intervene significantly to pre-empt the effects of the pandemic on the economy and has only dedicated 6.5% of its GDP to fiscal measures in the form of loans, tax deferral or subsidies for businesses. And those measures are no longer in place.

Interestingly, the ranking demonstrates that the **US** and **Mexico** have struggled to cope with the virus and suffered a very high number of Covid-related deaths, coupled with a poor vaccination rate. But their economies have benefited from such a positive resurgence that they could reach 10th and 11th place in the final ranking.

Countries' final ranking for the recovery

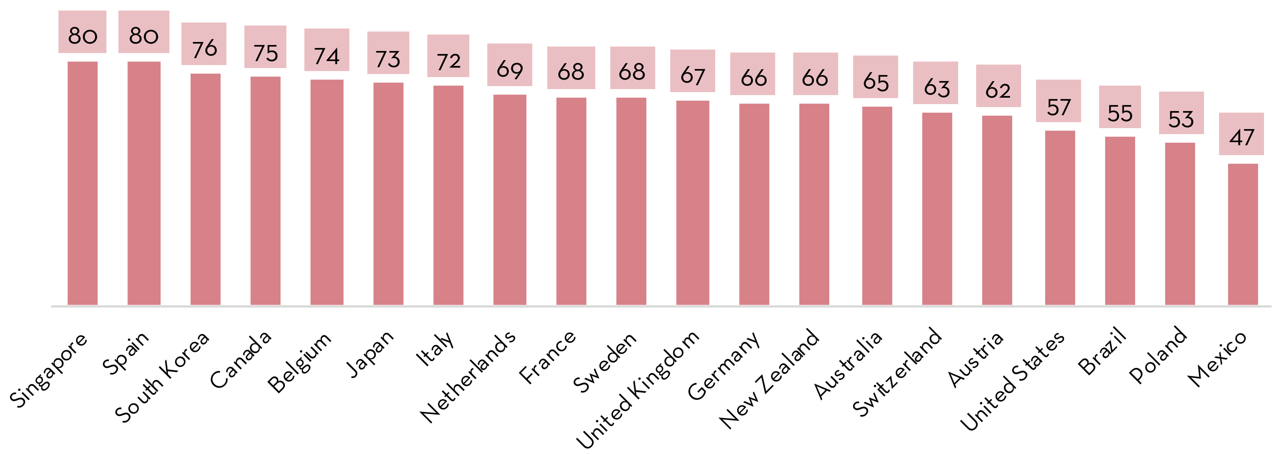


Some scores to highlight

Full vaccination rate:

Spain and **Singapore** hold the highest vaccination rates, with 80% of their population immunised against Covid-19. The score ripples down to **Mexico,** where not even half of the population has been fully vaccinated. On average in our sample, 66% have received the vaccine.

Full Vaccination rate

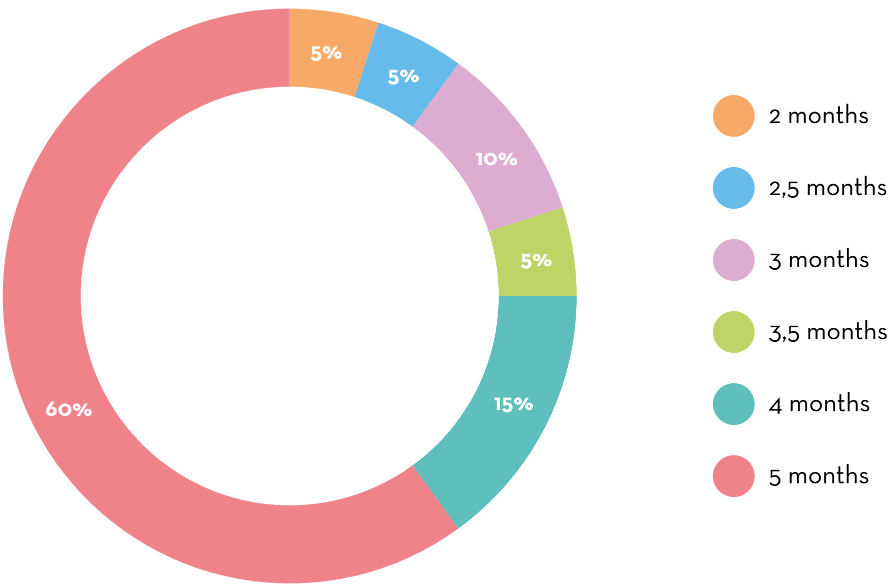


Vaccination speed:

Once the vaccination campaign was launched and 10% of the population vaccinated, most countries needed three further months to address the logistical hurdle of rolling out the jab at large scale and distributing it to 50% of the population. **Canada** was faster, requiring only two months, whilst **Poland** and **Mexico** were the slowest, taking five months.

Vaccination speed

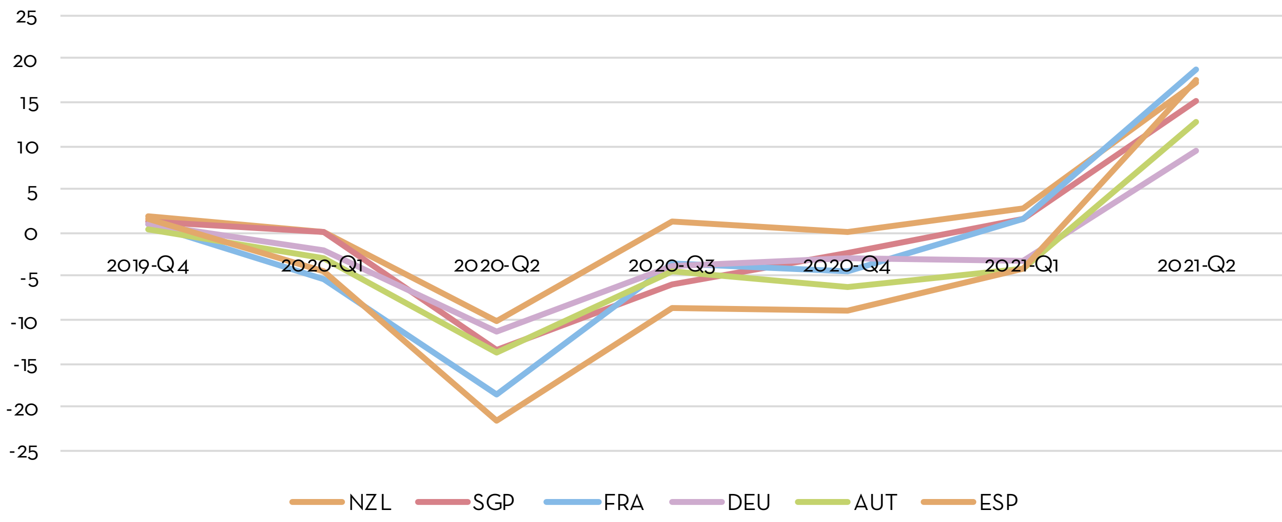
How long does it take to go from vaccinating 10% to 50% of the population?



GDP[4]:

The graph below illustrates that Q2 2020 was the worst, for all countries, in terms of economic loss. After reaching this through, the countries have largely rebounded, but in different ways. **New Zealand, Singapore** and **France** have experienced the most significant cumulative increase in GDP, while **Spain, Austria,** and **Germany** (the last three countries in the ranking), although following a similar upward trend, have had difficulty catching up and show the weakest increase in GDP over the period.

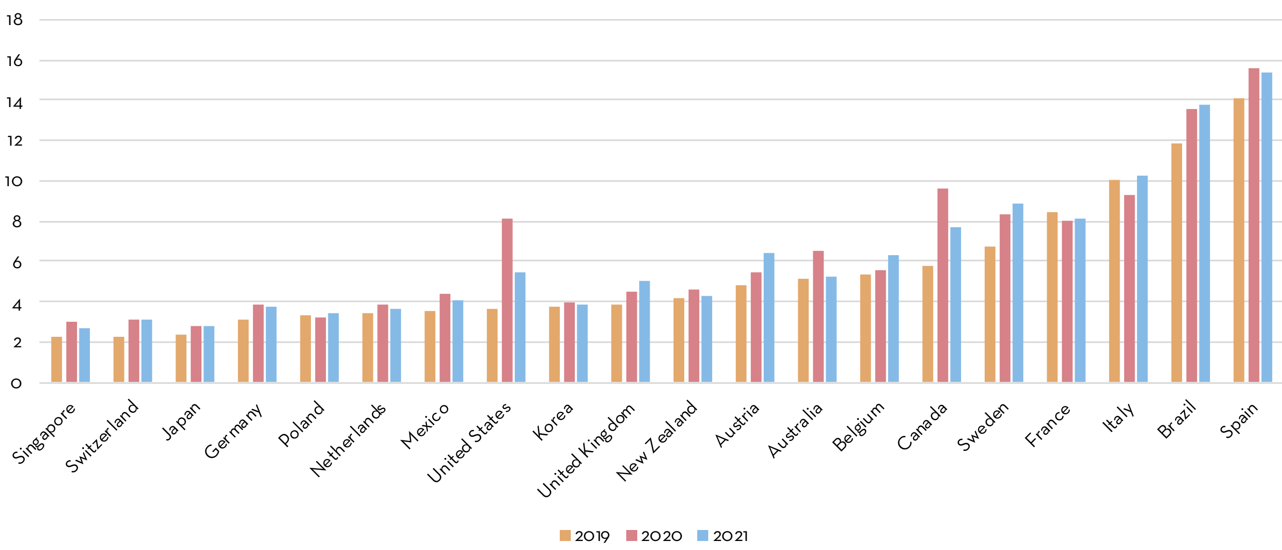
Quarterly evolution of GDP YoY



Unemployment:

An analysis of how the unemployment rate has evolved shows that the **US** and **Canada** faced the greatest surges in unemployment in 2020. Nevertheless, they were also the best at reducing this gap in 2021. In some countries, such as **South Korea** and **Japan,** the labour market barely reacted to the pandemic and the unemployment rate remained comparatively stable. Interestingly, other countries, namely **Austria, Belgium, Brazil, Italy, Poland, Sweden** and the **UK** are experiencing a worse unemployment rate in 2021 than in 2020.

Unemployment rate evolution 2019, 2020, 2021

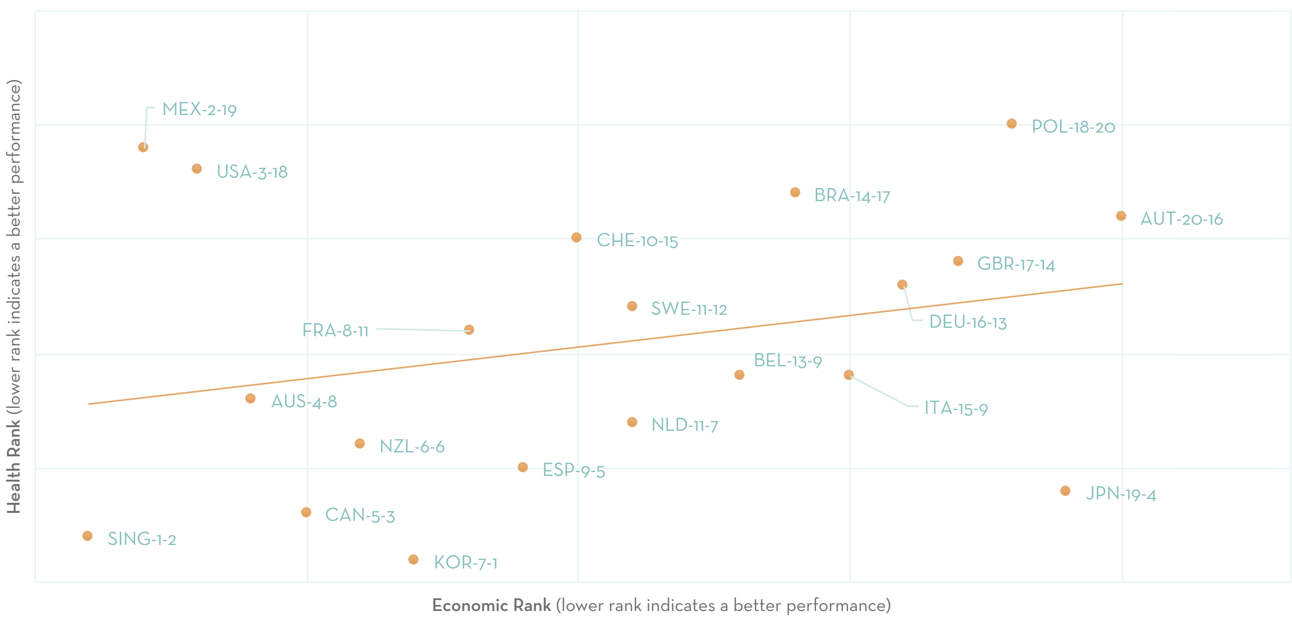


4: The aggregated evolution of GDP is calculated as the sum of quarterly percentage changes from the previous year: i=2019Σ n=2021 (QGDPi – QGDPi-1)

The economic recovery and pandemic mitigation

We have already noted vaccinating the population and saving lives is also good for economic recovery. The graph below illustrates that the better able a country has been at deploying the vaccine and preventing Covid-related deaths, the more strongly the economy has rebounded. Moreover, according to the ILO Covid Monitor report, for every 14 people fully vaccinated in the second quarter of 2021, one full-time equivalent job was added to the global labour market. The leading example is **Singapore,** which shows the greatest rebound of the economic indicators and the highest vaccination rate. **Austria** is the main counterexample, where the country's vaccination effort is hampered by significant serious vaccine-hesitancy within the population, which in turn translates into relative loss of GDP, rising unemployment (as mentioned, Austria is one of the countries in which the unemployment rate is worse in 2021 than in 2020) and a decline in consumer confidence.

Relationship between economic rank & health rank for recovery



But there are two notable exceptions: **Mexico** and the **US.** Unexpectedly, those countries display good economic performance despite their poor management of the pandemic from a health point of view. The countries have recovered comparatively well, but at a high human cost. Indeed, the two countries are sadly on the podium for the highest number of Covid-related deaths.

Finally, **Japan** is also an outlier. Despite keeping the spread of the virus under strict control, the Japanese economy has failed to rebound. In absolute terms, the Japanese economy is still performing well, but relative to other countries' ability to recover from the initial impact of the crisis, Japan's score is unusually low. Evidence by the OECD seems to suggest that this is more due to structural factors in the Japanese economy (ageing and lack of productivity). To support its economy, the Japanese government has spent 16.7% of its GDP in measures mainly targeted at businesses. Employers could benefit from access to credit, tax deferral, subsidies, and short-term work compensation schemes. Moreover, the government gave all citizens a ¥100,000 income support (€775). Those measures come on top of various other public policies implemented at local government level.

Do fiscal measures support the recovery?

We found that implementing fiscal measures supports the economy and facilitates an economic rebound. The countries with the strongest recovery are also the ones that have, since January 2020, invested the largest share of their GDP in above-the-line support measures – as the graph below bluntly proves: **Singapore, the US, Australia, New Zealand,** and **Canada** score best in terms of their economic rebound and are also the countries benefitting from the largest government investment (illustrated by the size of the bubble).

Above-the-line measures refers to increases in government expenditure and reduction in tax revenues—directly impacting economic activity via fiscal multipliers. In other words, the more a country directly supports its economy through fiscal incentives, the better it will rebound.

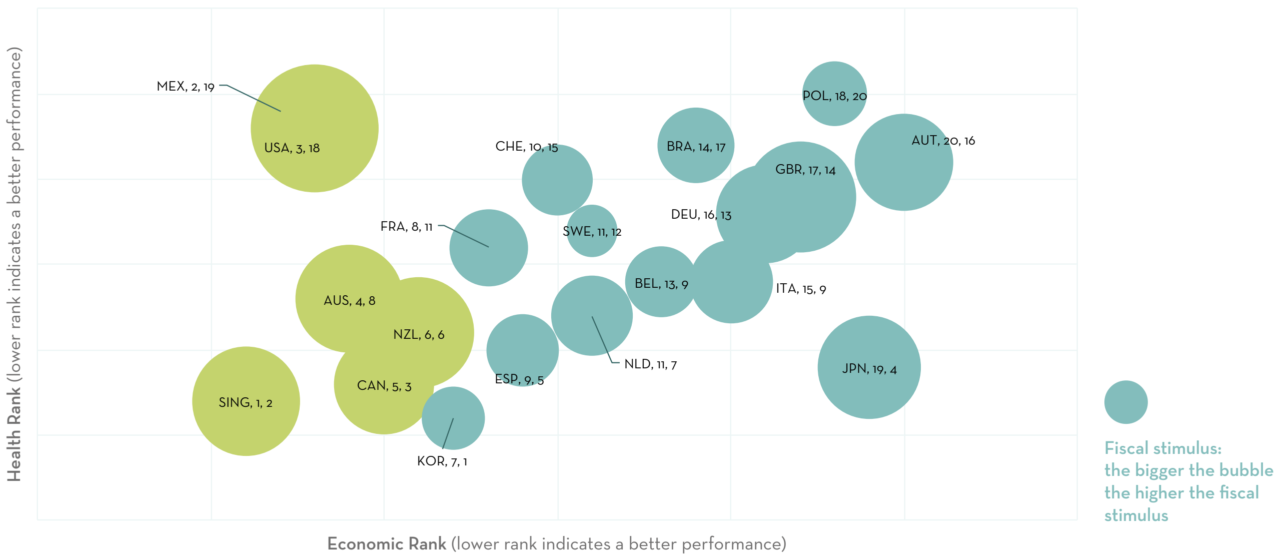
In the first phase of the crisis, from January to May 2020, the **US, Germany,** and **Switzerland** were the first countries to inject substantial amounts of GDP into economic support measures. Yet, **Germany** and **Switzerland** did not keep up and have been surpassed by other countries.

According to the [ILO Covid Monitor report,] an increase in fiscal stimulus of 1% of annual GDP is associated with a 0.3 percentage point increase in working hours relative to pre-crisis. In the US, the government has spent 25.5% of GDP on support measures. The focus has been put on granting businesses refundable tax credits to keep employees on their payroll and providing workers with an extended access to unemployment benefits. **New Zealand** has invested 19.3% of its GDP and **Australia** and **Singapore,** 18.4%.

By contrast, **Mexico,** as mentioned, goes against this trend: although the government implemented absolutely no fiscal measures in response to the pandemic, its economy has experienced the second strongest rebound since the peak of the crisis. This has been driven by the fact that employment, or active labour market participation, has risen by 55% from 2020 to 2021. Moreover, in Mexico, the Consumer Confidence Index and the Business Confidence Index show the greatest improvement since the peak of the crisis passed - meaning that both consumers and businesses had sufficient trust in the future economic situation to pursue and intensify their activities.

The fact that the **US** and **Mexico** are both experiencing a robust economic rebound, despite their radically different strategy in terms of public support, proves that there is no one single path to recovery. Therefore, the only real question is: at what human cost?

Relationship between economic rank, health rank & fiscal stimulus for recovery



Is it only about implementing support measures?

Since the beginning of the crisis, the countries have implemented various measures to support businesses and employees. Some of them were designed to be short-term and have already been phased out, while other were intended to support the economy over the long term. Yet, it seems, the phasing out of those support measures should be done gradually. As the ILO Covid Monitor report warns, premature withdrawal of fiscal support risks exacerbating labour market disruption or slowing down job recovery. The report explains that evidence confirms the importance of continued strong stimulus.

The results from the **UK** corroborate this claim. As from the first quarter of 2020, the **UK** has invested a considerable amount in fiscal measures in response to the Covid-19 pandemic – 19.3% of GDP. Businesses were supported through numerous measures, from access to credit, subsidies for business costs, to the introduction of short-term work compensation schemes. Yet almost all those measures have been phased out and the economic recovery is weak. In addition, the UK has the second worst economic score for the entire pandemic, after **Spain.**

Thus, high spending and the implementation of support measures does not suffice. Countries must continue supporting the economic recovery in the long term.

Who is the priority in the recovery?

To determine whether a country's priority leans more towards preserving business activity or safeguarding jobs, we compare the countries' ranks in our analysis of

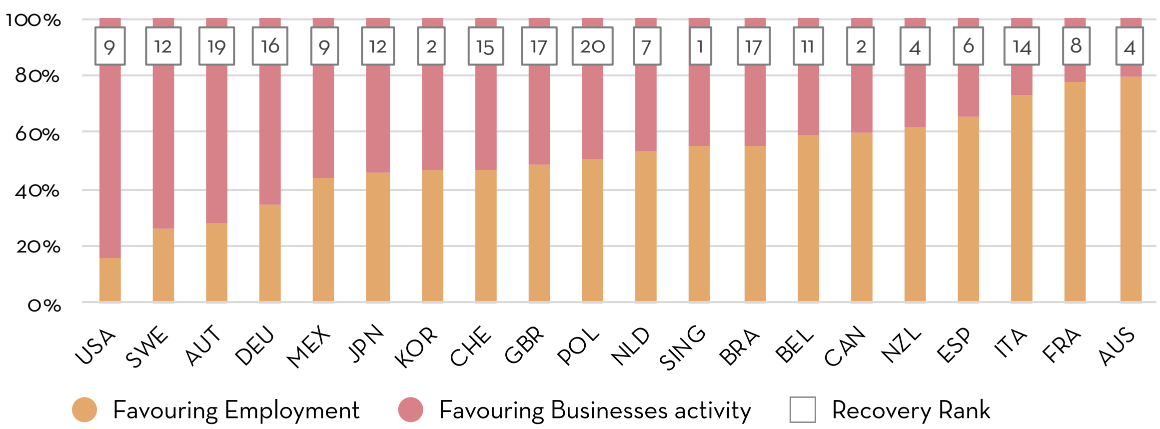
1) the evolution of the unemployment rate and the CCI
2) the evolution of the stock market indicator and the BCI

This provides insights into the different approaches countries have taken to recover from the crisis.

On the one hand, the **US** appears to give significant priority to business, as illustrated in the chart below. The country scores well when it comes to its Stock market index and Business Confidence Index, but the ranking drops for unemployment and consumer confidence. It appears that it has somewhat neglected its labour market in favour of focussing on business activities. Most countries have adopted a more balanced approach, considering both the interests of individuals and businesses. **France** and **Australia** went in the opposite direction, safeguarding the high level of employment and protecting jobs. Which means that French and Australian consumers and employees are better off than businesses in those countries.

Looking more closely at the countries that scored best in our analysis of economic recovery: **Singapore, Mexico,** the **US, Australia,** and **Canada,** we note that they represent the whole spectrum of possible strategies - as they each opted for a different one – from the US, that exclusively focused on business, to Australia, that prioritised employment. There is therefore no golden rule for restarting the economy, but an effective policy response does matter.

Was the focus on Businesses or Individuals?



Analysis of the differences

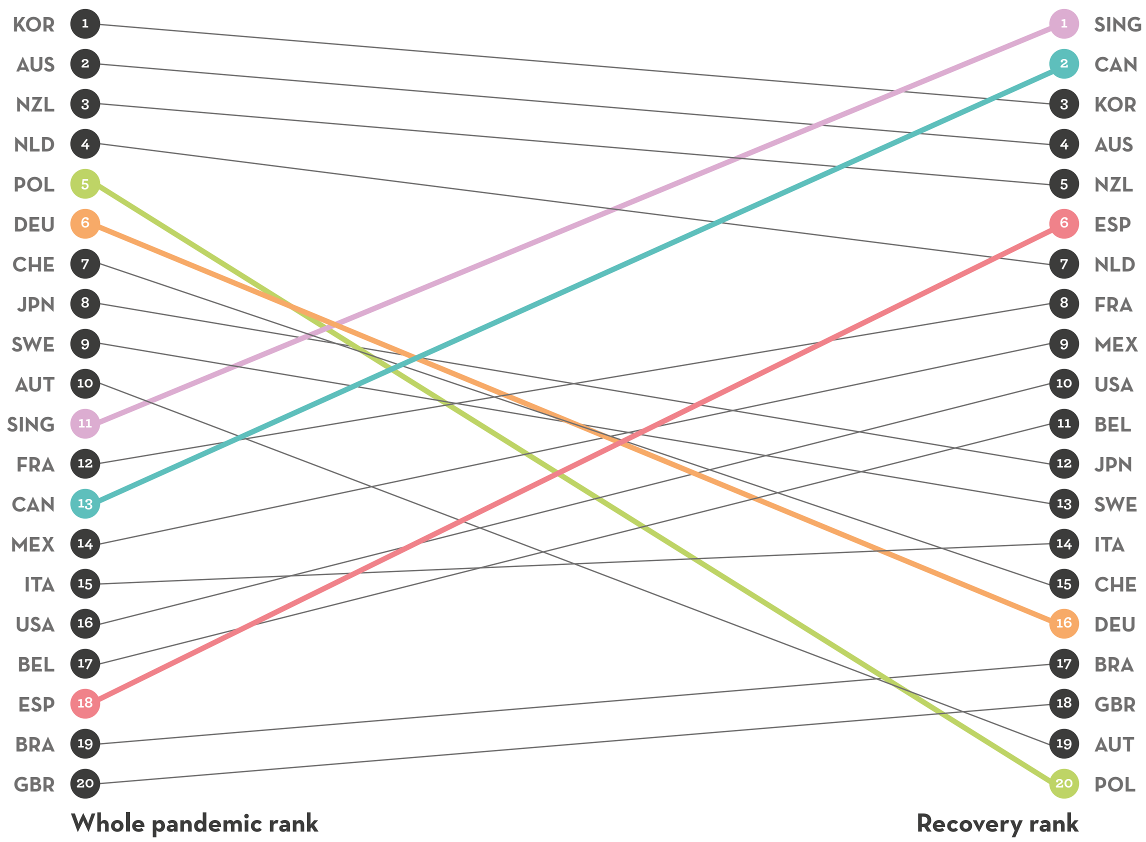
After analysing the various countries' performance over two timeframes: the course of the pandemic and the recovery, we have been able to explore whether there were notable differences between the two. Were those that performed well during the course of the pandemic the same as those that topped the recovery? Were there countries that dropped the ball? Or that got their act together at a later stage?

Three countries whose performance during the course of the pandemic was not outstanding, have strongly rebounded: **Singapore, Canada,** and **Spain.** Sitting at the end of the overall ranking (11th, 13th, and 18th,

respectively), they reach the top six for the recovery, with **Singapore** ranking first place. Singapore's good results are driven by a strong GDP rebound, as well as excellent management of the health crisis. Although **Spain's** GDP has not experienced such an upsurge, the country's good performance in terms of its unemployment rate and Consumer Confidence Index, coupled with remarkable management of the health crisis during the recovery (Spain has, after all, the highest vaccination rate, with 80% of the population vaccinated) have enabled the country to move from 18th place in the overall ranking to 6th in the recovery ranking.

Conversely, **Poland** and **Germany,** which sat in 5th and 6th position in the overall ranking, seem to have lost control of the pandemic and downgraded to 16th place for Germany and 20th for Poland during the recovery. In the German case, GDP has failed to rebound, and labour market participation has decreased over the period. On top of that, the country has a rather low vaccination rate. In Poland, the health situation got out of hand, resulting in among the highest death rates per capita and the lowest vaccination rate. On economic aspects, Poland counts among those countries that show a worse unemployment rate in 2021 than in 2020. This could be due to the fact that the measures put in place by the Polish government to support businesses with salary compensation schemes have since been phased out.

Differences in ranks
Whole pandemic rank vs. Recovery rank



2.3. Public policy overview

We identify the measures implemented by governments that specifically target businesses and workers.

Measures to support businesses

Access to credit: through this measure, governments offer businesses the option to take low-interest (or free interest) loans. The conditions for access to government-guaranteed loans may differ; they can be based on the size of the enterprise or on the sector or the decrease in turnover.

Tax exemption or deferral: this applies to governments that deferred the payment of taxes, that offered taxpayers the possibility to pay in installments, or that reduced taxes. These measures can be applied to a range of taxes, from VAT, to social insurance contributions and income tax.

Subsidies for business costs: this relates to businesses that received subsidies from the government to address decreases in turnover. The rationale and method of calculation of subsidies differ greatly, depending, for example, on the number of full-time employees, the particular industry, or the fixed costs of the business.

Compensation for workers on sick leave: Businesses are compensated if an employee has contracted Covid-19 and/or must quarantine and is therefore unable to work. The employer pays the employee the totality (or a high percentage) of his/her salary, which is then reimbursed by the state.

Short-term work compensation schemes: Through this measure, employers could reduce their employees' working hours and receive financial support from the government to compensate for the cost of retaining the employees. Using this measure, countries avoid a larger drop in the labour market.

Measures to support individuals

Access to sick pay eased or expanded: this applies if governments have made it easier to obtain sick pay and if the government has expanded the length of sick leave or the percentage of salary that will be paid out. However, the length and percentage of sick leave varies across the countries, as does the question of whether the vaccination status of the worker plays a role.

Increased/simplified access to unemployment benefits: this applies if it has become easier to apply for unemployment benefit and/or the benefits have been improved. An improvement to unemployment benefit could mean an increase in the percentage of the last salary that is guaranteed, or a lengthening of the unemployment period covered by the state.

Income/financial support: this measure includes increased child benefits, access for individuals to low- (or free) interest loans, subsidies for low-income families and income support for the self-employed.

Country overview

The table below summarises the measures governments have put in place to mitigate the harmful effects of the pandemic, listed in an increasing order based on the percentage of GDP invested. From that table a few remarks can be made.

- We note that all the countries surveyed have implemented fiscal measures to support businesses and individuals. All except for **Mexico,** which stands out as the sole country that did not intervene in the economy.

- The size of the fiscal stimulus packages ranges from 0.7% in **Mexico,** to 25.5% in the **US.** The median spending amounts to 10.3%. In general, APAC countries largely outspent European countries, which on average spent 8.8% of GDP.

- Countries have heavily relied on two main measures to support businesses: granting businesses access to credit and offering tax exemptions or deferral.

- **South Korea** seems to have found the perfect policy mix to fight the effects of the pandemic. Spending only 6.4% of its GDP in additional fiscal measures and making use of a large range of public policies to support both businesses and individuals, the country reached the top of our ranking for its management of the pandemic, from both an economic and health point of view.

- The **UK** arrives at last place in our ranking. Depicting a poor economic performance and having trouble safeguarding its health system, the country nonetheless spent a considerable amount in additional fiscal measures – 19.3% of GDP. Yet, most of the support measures have already been phased out. These results call into question the efficiency of the measures put in place and show that the premature withdrawal of government support endangers further economic development and recovery.

	Fiscal measures since January 2020	Rankings		Measures to support businesses					Measures to support employees			
	% of GDP	Whole pandemic	Recovery	Access to credit	Tax exemptions or deferral	Subsidies for business costs	Compensation for workers on sick leave	Short-term work compensation schemes	Access to sick pay eased or expanded	Increased/sim-plified access to unemployment benefits	Income/ financial support	Moratorium on dismissal
MEX	0.7	14	9	✗	✗	✗	✗	✗	✗	✗	✗	✗
SWE	4.2	8	12	✓	✓	✗	✓	✓	✗	✓	✓*	✗
KOR	6.4	1	2	✓	✓	✓	✗	✓	✓	✓	✓	✗
POL	6.5	4	20	✓	✓	✓	✗	✗	✗	✗	✗	✓
CHE	7.9	7	15	✓	✓	✗	✗	✓	✓	✓	✓*	✗
BEL	8.2	17	11	✗	✓	✗	✗	✓	✗	✓	✓*	✗
ESP	8.4	18	6	✓	✓	✓	✓	✓	✓	✓	✓*	✓
BRA	9.2	19	17	✓	✓	✓	✗	✓	✓	✓	✗	✗
FRA	9.6	12	8	✓	✓	✓	✗	✓	✓	✓	✓	✗
NLD	10.3	4	7	✓	✓	✓	✗	✗	✗	✗	✓	✓
ITA	10.9	15	14	✓	✓	✗	✓	✓	✗	✓	✓	✓
AUT	15.2	10	19	✓	✓	✓	✗	✓	✗	✗	✗	✓
DEU	15.3	6	16	✓	✓	✓	✓	✓	✗	✓	✓	✗
CAN	15.9	13	2	✓	✓	✓	✗	✗	✓	✓	✓	✓
JPN	16.7	8	12	✓	✓	✓	✗	✓	✗	✗	✓	✗
AUS	18.4	2	4	✓	✓	✓	✗	✗	✓	✓	✓	✗
SING	18.4	10	1	✓	✓	✓	✓	✗	✗	✓	✓	✗
GBR	19.3	20	17	✓	✓	✓	✓	✓	✓	✗	✓*	✗
NZL	19.3	2	4	✓	✓	✓	✓	✗	✓	✗	✓	✗
USA	25.5	16	9	✓	✓	✗	✗	✗	✗	✓	✗	✗

*= The financial support only comprises an income support for the self-employed

3. Conclusion

This study ranks 20 countries based on the impact the pandemic has had on their economies and based on their management of the health crisis. The analysis was carried out in relative terms, meaning that a country can have poor performance relative to its previous term, signalling that it has been heavily impacted by the pandemic, while outperforming the other countries in absolute terms.

The performance of the countries is analysed within two frames of reference: the whole course of the pandemic (January 2020 – October 2021) and the Recovery phase (July 2020 – October 2021) in order to ascertain which country implemented the best policy mix, safeguarding both its economy and the health of its citizens. The answer? South Korea has tamed the pandemic, and Singapore has mastered the Recovery. But this analysis also unveils interesting results.

3.1 Main findings

- **South Korea** outscores the other countries in scope on every level. Its economy has been relatively spared and is recovering confidently. The health system and citizens have remained insulated from the deadly virus and all of this with government spending on additional support measures at only 6.4% of its GDP. **South Korea** shares the podium with **Australia** and **New Zealand,** which also show remarkable management of the crisis.

- All top scoring countries have the advantage of being island economies, for whom it was easier to close borders or restrict entry in order to contain the spread of the virus. This factor is not enough however, as illustrated by the **UK,** which arrives last in the ranking. The country has not been able to prevent the spread of the virus and the economy has been widely impacted by the pandemic – in spite of massive investments from the government.

- Protecting the people protects the economy: the countries that kept the spread of the virus under control and have successfully rolled out vaccination experience better economic performance and stronger recovery. **Singapore** is a case in point, as the country has the highest vaccination rate and has seen the greatest rebound since the apex of the crisis, on all economic indicators. **Brazil,** which stands out in 2020 for its good economic performance, considering the devastating number of infections amongst the population, has now been overwhelmed by the pandemic and is ranking last – confirming our trend: saving lives saves the economy.

- Yet, we find no correlation between the strictness of a country's countermeasures and its health score. In other words, restrictive rules do not necessarily help contain the virus. It appears that what matters is to have reasonable and targeted measures.

- Investing in fiscal measures supports recovery. The countries with the strongest recovery are also the ones that, since January 2020, have invested the largest share of their GDP in above-the-line support measures. With the notable exception of **Mexico,** whose economy is recovering surprisingly well without any state intervention.

- A sudden or early phase-out of the support measures can jeopardise further economic recovery – as illustrated in the **UK,** where the government massively invested to support its economy but phased out most measures by the first half of 2021.

- Almost all countries saw some increase in unemployment in 2020, but the unemployment rate is trending downward again from 2020 to 2021 in most countries (notable exceptions being **Austria, Belgium, Brazil, Italy, Poland, Sweden** and the **UK**). Important to maintain employment were both the size of the government investment, as well as willingness to continue the support rather than phasing this out too soon.

3.2. Policy Recommendations:

While writing these lines, the news is spreading that a new variant – Omicron, is proliferating across continents at worrying speed. Hence, to avoid reaching a new economic low, we urge governments to:

- **Protect the people:** governments must continue their vaccination efforts and implement targeted measures to avoid the spread of the virus. As our analysis shows, the state of the pandemic in a country and its economy are linked: saving lives saves the economy. Yet, strict rules do not necessarily translate to efficiency; well-targeted policies are needed.

- **Maintain support measures:** While measures to support the economy across the board may not be financially sustainable, targeted measures will continue to be a crucial way of avoiding significant labour market disruptions with potentially long-lasting scarring effects. A sudden or early withdrawal of government support measures risks exacerbating labour market disruptions and could jeopardize the economic recovery. Governments should ensure these support measures reach all workers, including – or rather especially - those in diverse forms of work.

- **Never waste a good crisis:** The Covid pandemic has caused certain economic sectors and activities to grow and others to whither, in addition to more long-term trends that are also prompting labour market transitions. Governments should encourage and enable companies and jobseekers to prepare for these transitions by investing in career management, including via re- and upskilling.

- **Prepare regulatory frameworks for the Reset Normal:** The world of work has been changing since before the Covid crisis. The pandemic has put additional focus on some aspects, such as the need to invest in worker wellbeing and work-life balance, and the need to establish a clear set of rights and responsibilities in the context of remote working (see our separate paper on that topic **"How to make Remote Work work for Everyone"**). Workers' desire to work more flexibly paired with a need for labour market agility also requires governments to rethink regulation on diverse forms of work such as agency work and self-employment (also see our separate paper **Instant Delivery Platform Work**). Governments need to make haste in implementing the necessary labour market reforms to set their economies up for success.

Methodology

To run our analysis, we combine a set of macroeconomic and health-related indicators to estimate which country has been best able to manage and mitigate the effects of the Covid-19 crisis, both from an economic and social perspective. As there are two periods in scope, the indicators are analysed from two perspectives. First, we have analysed the variation of each indicator *since the beginning of the crisis* (i.e. from January 2020 until October 2021). Second, to determine which country is experiencing the strongest recovery, we have examined the variation of each indicator *since the worst point of the crisis has passed* (i.e. from July 2020 until October 2021). The 20 countries in scope are then ranked based on the variation of this set of indicators.

Indicators and public policies

The table below presents the various indicators that have been used for this analysis. Their relevance, as well as how their variation affects the countries' ranking is detailed.

Macroeconomic indicators

Indicator	Explanation	Ranking	Source
GDP	As a result of forced closures, the GDP has dropped for every country in 2020. We analyse the quarterly percentage change of countries' GDP compared to the previous year as a measure of how governments could support their economic activities during the crisis.	**Overall pandemic:** The country with the smallest negative percentage change in quarterly GDP since the beginning of the pandemic ranks best at handling the overall crisis from an economic point of view. **Recovery:** The country with the strongest quarterly increase in GDP compared to the previous year since July 2020 experiences the strongest recovery from an economic point of view.	OECD[1]
Unemployment rate	The unemployment rate has increased in most countries as a result of the pandemic, in spite of the support schemes that have been put in place. We calculate the percentage change to the unemployment rate for 2019, 2020 and 2021 as a measure of how businesses and governments could preserve their labour force during the crisis.	**Overall pandemic:** The country whose unemployment rate in 2021 is the closest to (or better than) the unemployment rate in 2019 ranks best at handling the crisis from an economic point of view. **Recovery:** The country that has the greatest reduction to its unemployment rate in 2021 compared to 2020 experiences the strongest recovery from an economic point of view.	IMF Economic Outlook October 2021[2]

1 https://data.oecd.org/gdp/quarterly-gdp.htm
2 https://www.imf.org/en/Publications/WEO/Issues/2021/10/12/world-economic-outlook-october-2021

Indicator	Explanation	Ranking	Source
Employment rate	As many people dropped out of the labour market initially, they did not count as unemployed. Yet, as the health situation stabilises, some people may slowly be re-integrating into the labour market, resulting in a rise to the employment rate. We compare the percentage change in countries' employment rate in order to understand whether people were re-integrating into the labour market.	**Overall pandemic:** The country whose employment rate in 2021 is the closest to (or better than) the employment rate in 2019 ranks best at handling the crisis from an economic point of view. **Recovery:** The country that has the greatest increase in its employment rate in 2021 compared to 2020 experiences the strongest recovery from an economic point of view.	IMF Economic Outlook October 2021[3]
Consumer Confidence Index (CCI)	The monthly CCI provides an indication of future household spending and saving patterns, based on their expected financial situation, unemployment and saving capabilities. The greater consumer confidence in the future economic situation, the more inclined they are to spend money and the less prone to save.	**Overall pandemic:** The country whose CCI in 2021 is the closest to (or better than) the CCI in 2019 ranks best at handling the crisis from an economic point of view. **Recovery:** The country that has the greatest increase to its CCI in 2021 compared to 2020 experiences the strongest recovery from an economic point of view.	OECD[4]
Business Confidence Index (BCI)	The monthly BCI provides information on businesses' future developments, based on expected evolution in production and orders. A high BCI indicates that businesses are confident about their future performance.	**Overall pandemic:** The country whose BCI in 2021 is the closest to (or better than) the BCI in 2019 ranks best at handling the crisis from an economic point of view. **Recovery:** The country that has the greatest increase to its BCI in 2021 compared to 2020 experiences the strongest recovery from an economic point of view.	OECD[5]
Stock Market	Compared to other indicators, the stock market index is forward-looking and anticipates future changes, instead of reacting to it. Looking at the leading respective stock market indices, we rank changes in stock market values in January 2020 compared to October 2021.	**Overall pandemic:** The best rank is attributed to the country whose stock market index value in 2021 has experienced the strongest increase compared to 2019.	Trading Economics[6]

3 idem
4 https://data.oecd.org/leadind/consumer-confidence-index-cci.htm
5 https://data.oecd.org/leadind/business-confidence-index-bci.htm
6 Data retrieved on https://tradingeconomics.com/ - 14th October 2021

Health indicators

Indicator	Explanation	Ranking	Source
Cases per capita	We rank the number of cases per capita as a measure of how well governments have been able to prevent further spread of the virus in their countries.	**Overall pandemic:** the country with the smallest number of cases per capita since the beginning of the crisis ranks the highest. **Recovery:** the country with the smallest number of cases per capita between July 2020 and now ranks the highest.	John Hopkins University
Deaths per capita	We rank the number of deaths per capita as a measure of how well governments have been able to prevent the collapse of their public health systems.	**Overall pandemic:** the country with the smallest number of deaths per capita since the beginning of the crisis ranks highest. **Recovery:** the country with the smallest number of deaths per capita between July 2020 and now ranks the highest.	John Hopkins University
Full vaccination rate	We rank the countries according to the number of people fully vaccinated against Covid-19 as a measure of how well governments have been able to prevent further spread of the virus in their countries. Fully vaccinated means they have received the total prescribed dose, depending on the vaccine administered.	**Recovery:** the country with the highest full vaccination rate ranks the highest.	John Hopkins University
Partial vaccination rate	We rank the countries according to the number of people who had received 1 dose out of 2 of the vaccine against Covid-19 as a measure of how well governments have been able to prevent further spread of the virus in their countries.	**Recovery:** the country with the highest partial vaccination rate ranks the highest.	John Hopkins University
Vaccination speed	We rank the countries based on how much time it took to go from having 10% of the population vaccinated against Covid-19 to 50% of the population, as a measure of how well governments have been able to roll out vaccination at large scale.	**Recovery:** the fastest country to go from 10% of the population being vaccinated to 50% of the population, ranks the highest.	John Hopkins University

7 https://coronavirus.jhu.edu/map.html

Other indicators:

Indicator	Explanation	Source
Fiscal stimulus	We look at the Fiscal Measures governments put in place in response to the pandemic as a percentage of GDP in 2020 to quantify actions taken to combat the pandemic. We only consider direct fiscal stimuli, or so-called "above-the-line measures".	IMF Fiscal Monitor October 2021[8]
Government stringency index	We look at each country's average stringency to quantify the government action taken to combat the pandemic. The stringency index is a composite measure based on nine response indicators including: - school closures and workplace closures - travel bans - face coverings - restrictions on internal movements - contact tracing - banning gatherings	Oxford COVID-19 Government Response Tracker[9]
Public policies	We identify the measures implemented by governments that specifically target businesses and workers. The measures targeted at businesses include: - access to credit - tax exemptions or deferrals - subsidies for business costs - compensation for workers on sick leave - short-term work compensation schemes The measures targeted at workers include: - access to sick pay eased or expanded - increased/simplified access to unemployment benefits - income/financial support - moratorium on dismissal	

Rankings

The countries in scope are ranked to determine their ability to cope with the crisis from an economic and social perspective, within the two timeframes chosen: throughout the course of the pandemic and since the recovery started.

From 1 to 20, each country receives a rank based on its ability to mitigate the variation of the mentioned indicators. The ranks for each indicator are then calculated as described in the equations below.

Ranking for the whole pandemic

Based on the variation of the indicators between the beginning of the crisis and now, the rankings are calculated using the following equations:

Economic performance = (GDP + Stock market index) x 1.5 + (Unemployment rate + Employment rate) x 0.75 + (Consumer Confidence Index + Business Confidence Index)x 0.75

In our economic analysis, the GDP and the Stock market index are weighted 1.5x, the labour market indicators (unemployment and employment rate) together weight 1.5x, and same goes for the Business and Consumer Confidence indexes.

Health performance = deaths per capita + cases per capita

For the health analysis, the same weight is attributed to the number of deaths per capita and the number of cases per capita.

Overall performance = economic performance + Health performance

The final ranking is based on the capacity of countries to manage the crisis by preserving both economic activity and the health of citizens, since January 2020.

Ranking for the recovery

Based on the variation of the indicators since the peak of the crisis and now, the rankings are calculated using the following equations:

Economic performance = (GDP + Unemployment rate)x 1.5 + Employment rate+Consumer Confidence Index + Business Confidence Index

For the economic analysis during the recovery, the stock market index is not taken into account, due to its forward-looking nature. The GDP and unemployment rate are given a higher importance by weighting them 1.5x.

Health performance = deaths per capita + vaccination speed+full vaccination rate+partial vaccination rate

For the health analysis, the various vaccination indicators are used as a measure of health performance, instead of the number of cases per capita.

Overall performance = economic performance + Health performance

The overall performance determines how strongly countries have been able to rebound since July 2020. As it is seven months since the start of the pandemic, we are able to see how governments have reacted, coped and adapted to this unprecedented crisis.

Country tables (A to Z)

Australia

Australia infection and stringency chart

Final Ranking	Rank
Overall rank for the whole pandemic:	2/20
Overall rank for the recovery phase:	4/20

Key indicators	Value	Rank
Cumulated GDP evolution:	+3.6%	3/20
Unemployment rate difference (compared to 2019):	+0.07	3/20

Government measures:	Value	Rank
Size of the fiscal stimulus as % of GDP 2020:	18.4%	4/20

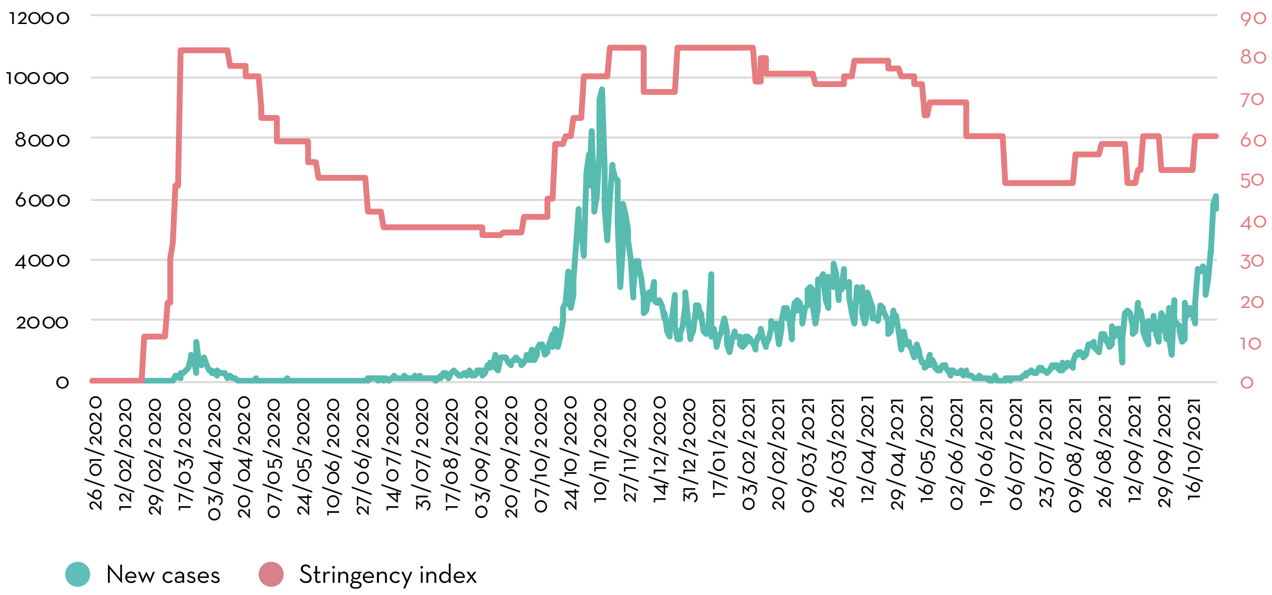
Measures to support businesses	
Access to credit	✓
Tax exemption or deferral	✓
Subsidies for business costs	✓
Compensation for workers on sick leave	✗
Short-term work compensation schemes	✗

Measures to support individuals	
Access to sick pay eased or expanded	✓
Increased/simplified access to unemployment benefits	✓
Income/ Financial support	✓
Moratorium on dismissal	✗

Together with South Korea and New Zealand, Australia appears to have found the best strategy responding to the crisis, as it reaches the 2nd and 4th place in our two rankings. The country's ranking has improved compared to our analysis in October 2020, suggesting that its 'zero-covid policy' followed by the government has paid off. Additionally, the unemployment rate and the GDP have experienced among the smallest negative changes.

Austria

Austria infection and stringency chart



Final Ranking	Rank
Overall rank for the whole pandemic:	10/20
Overall rank for the recovery phase:	19/20

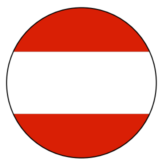
Key indicators	Value	Rank
Cumulated GDP evolution:	-18.5%	17/20
Unemployment rate difference (compared to 2019):	+1.5%	16/20

Government measures:	Value	Rank
Size of the fiscal stimulus as % of GDP 2020:	15.2%	9/20

Measures to support businesses	
Access to credit	✓
Tax exemption or deferral	✓
Subsidies for business costs	✓
Compensation for workers on sick leave	✗
Short-term work compensation schemes	✓

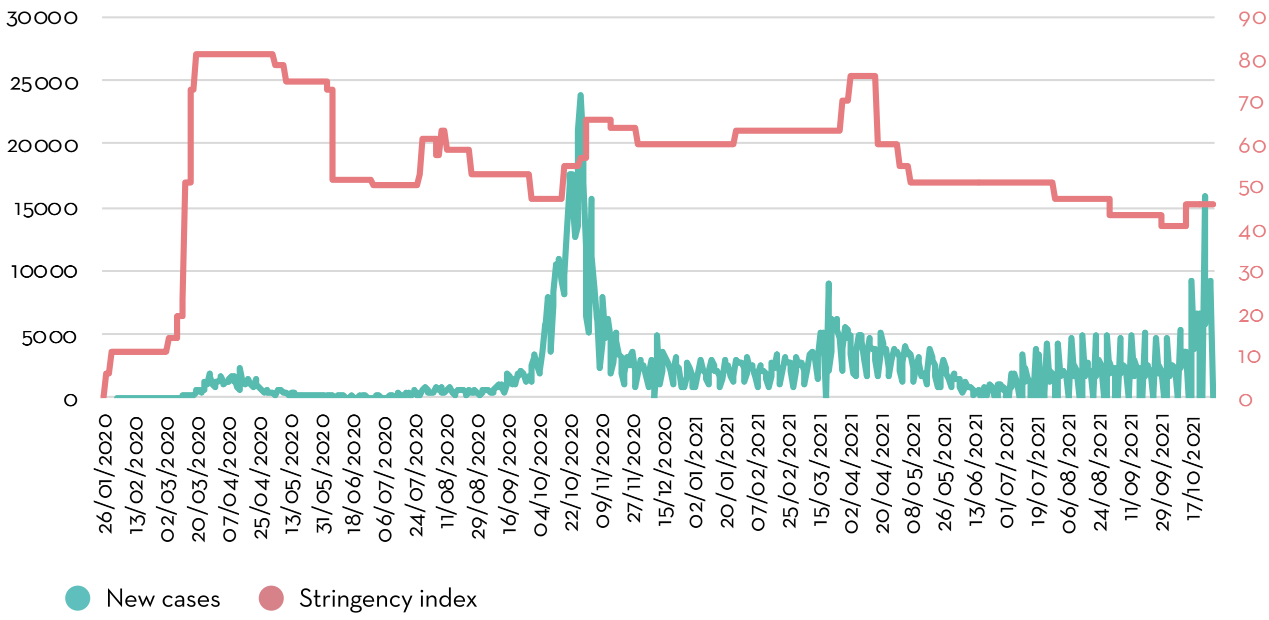
Measures to support individuals	
Access to sick pay eased or expanded	✗
Increased/simplified access to unemployment benefits	✗
Income/ Financial support	✗
Moratorium on dismissal	✓

Austria's vaccination effort is hampered by a serious vaccine-hesitancy within the population, which in turn translates into relative loss of GDP points, rising unemployment (Austria is one of the countries in which the unemployment rate is actually worse in 2021 than in 2020) and decline of the consumer confidence. Thus, the Austrian recovery has so far been comparatively weak.



Belgium

Belgium infection and stringency chart



Final Ranking	Rank
Overall rank for the whole pandemic:	17/20
Overall rank for the recovery phase:	11/20

Key indicators	Value	Rank
Cumulated GDP evolution:	-5.5%	11/20
Unemployment rate difference (2021 compared to 2019):	+0.9%	13/20

Government measures:	Value	Rank
Size of the fiscal stimulus as % of GDP 2020:	8.2%	15/20

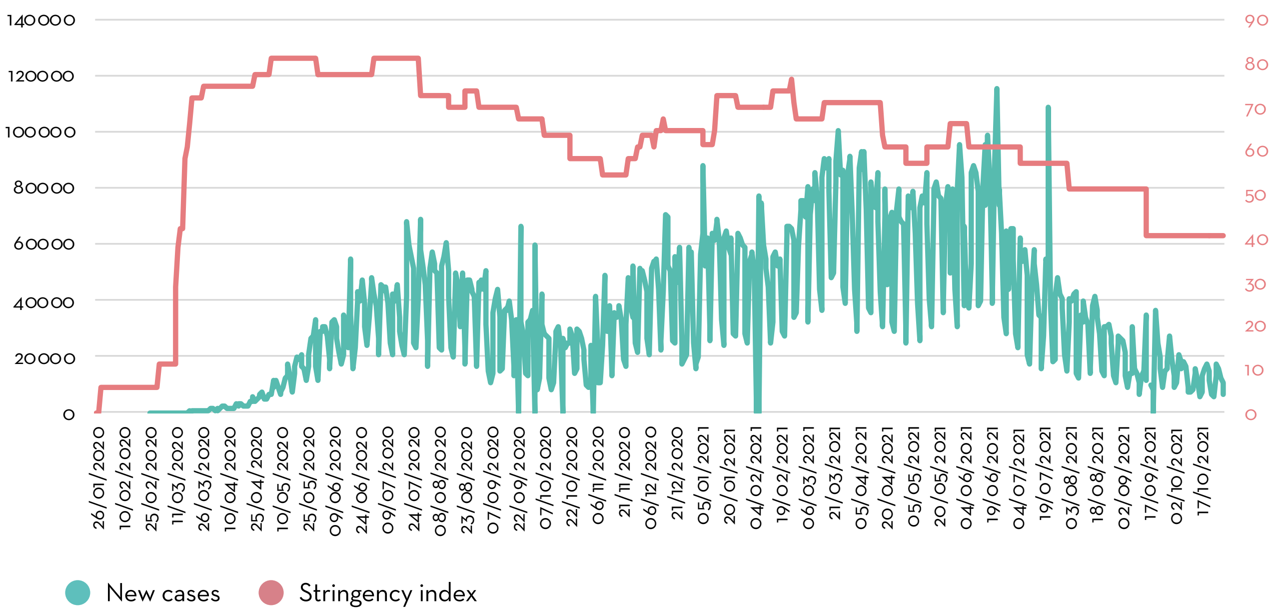
Measures to support businesses	
Access to credit	✗
Tax exemption or deferral	✓
Subsidies for business costs	✗
Compensation for workers on sick leave	✗
Short-term work compensation schemes	✓

Measures to support individuals	
Access to sick pay eased or expanded	✗
Increased/simplified access to unemployment benefits	✓
Income/ Financial support	✓*
Moratorium on dismissal	✗

Belgium has had among the most severe Covid-19 outbreak and its unemployment rate in 2021 was worse than in 2020. Thus, it explains why the country's score for the whole pandemic is so low.

Brazil

Brazil infection and stringency chart



Final Ranking	Rank
Overall rank for the whole pandemic:	19/20
Overall rank for the recovery phase:	17/20

Key indicators	Value	Rank
Cumulated GDP evolution:	-1.16%	8/20
Unemployment rate difference (compared to 2019):	+1.9%	18/20

Government measures:	Value	Rank
Size of the fiscal stimulus as % of GDP 2020:	9.2%	13/20

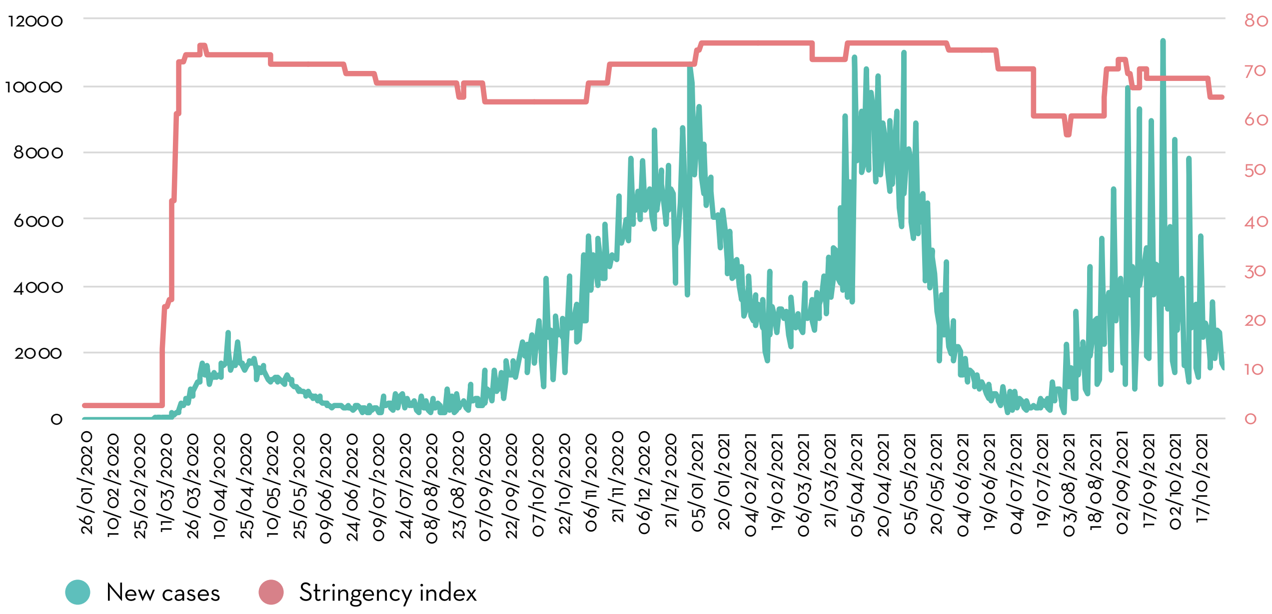
Measures to support businesses	
Access to credit	✓
Tax exemption or deferral	✓
Subsidies for business costs	✓
Compensation for workers on sick leave	✗
Short-term work compensation schemes	✓

Measures to support individuals	
Access to sick pay eased or expanded	✓
Increased/simplified access to unemployment benefits	✓
Income/ Financial support	✗
Moratorium on dismissal	✗

Brazil, who stood out in 2020 for its economic good performance considering the devastating number of infections among Brazilians, has now been overwhelmed by the pandemic and is ranking second-to-last. The employment rate of the country, as well as the stock market index, have been severely impacted since the beginning of the crisis, although the country has invested 9.2% of its GDP in support measures, targeted at both businesses and employees.

Canada

Canada infection and stringency chart



Final Ranking	Rank
Overall rank for the whole pandemic:	13/20
Overall rank for the recovery phase:	2/20

Key indicators	Value	Rank
Cumulated GDP evolution:	-6.4%	12/20
Unemployment rate difference (compared to 2019):	+1.99%	19/20

Government measures:	Value	Rank
Size of the fiscal stimulus as % of GDP 2020:	15.9%	7/20

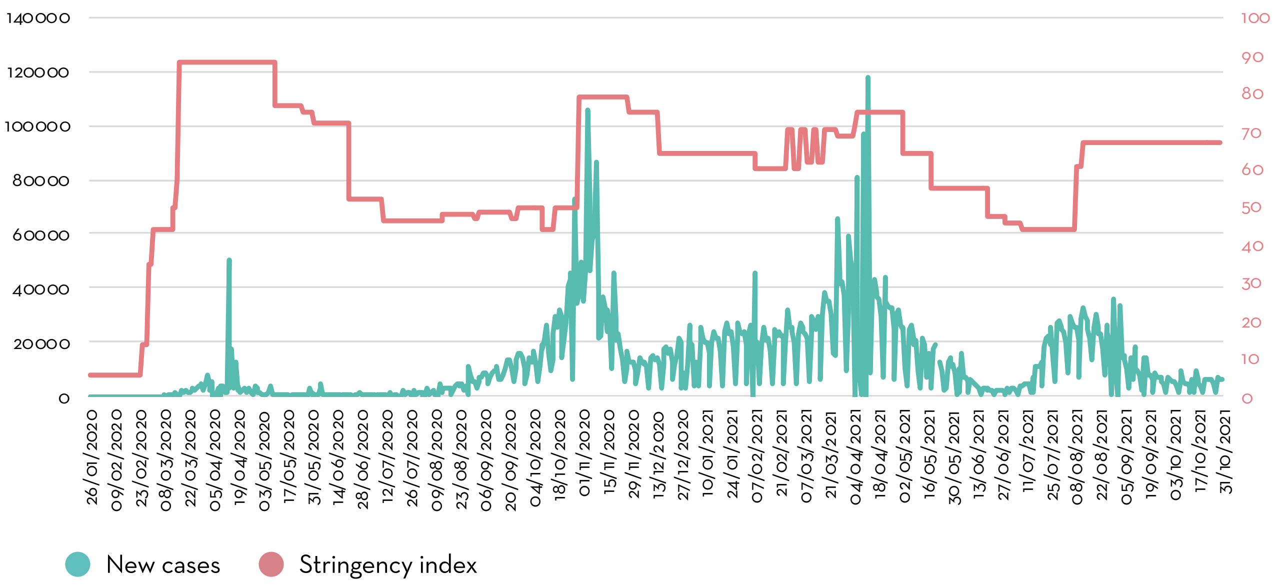
Measures to support businesses	
Access to credit	✓
Tax exemption or deferral	✓
Subsidies for business costs	✓
Compensation for workers on sick leave	✗
Short-term work compensation schemes	✗

Measures to support individuals	
Access to sick pay eased or expanded	✓
Increased/simplified access to unemployment benefits	✓
Income/ Financial support	✓
Moratorium on dismissal	✓

While Canada's performance during the overall pandemic has not been outstanding, the country has strongly rebounded. Three quarters of the population have received the vaccine, and the economic indicators show a confident upward trend.

France

France infection and stringency chart



Final Ranking	Rank
Overall rank for the whole pandemic:	12/20
Overall rank for the recovery phase:	8/20

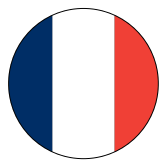
Key indicators	Value	Rank
Cumulated GDP evolution:	-10.8%	13/20
Unemployment rate difference (compared to 2019):	+0.2%	1/20

Government measures:	Value	Rank
Size of the fiscal stimulus as % of GDP 2020:	9.6%	12/20

Measures to support businesses	
Access to credit	✓
Tax exemption or deferral	✓
Subsidies for business costs	✓
Compensation for workers on sick leave	✗
Short-term work compensation schemes	✓

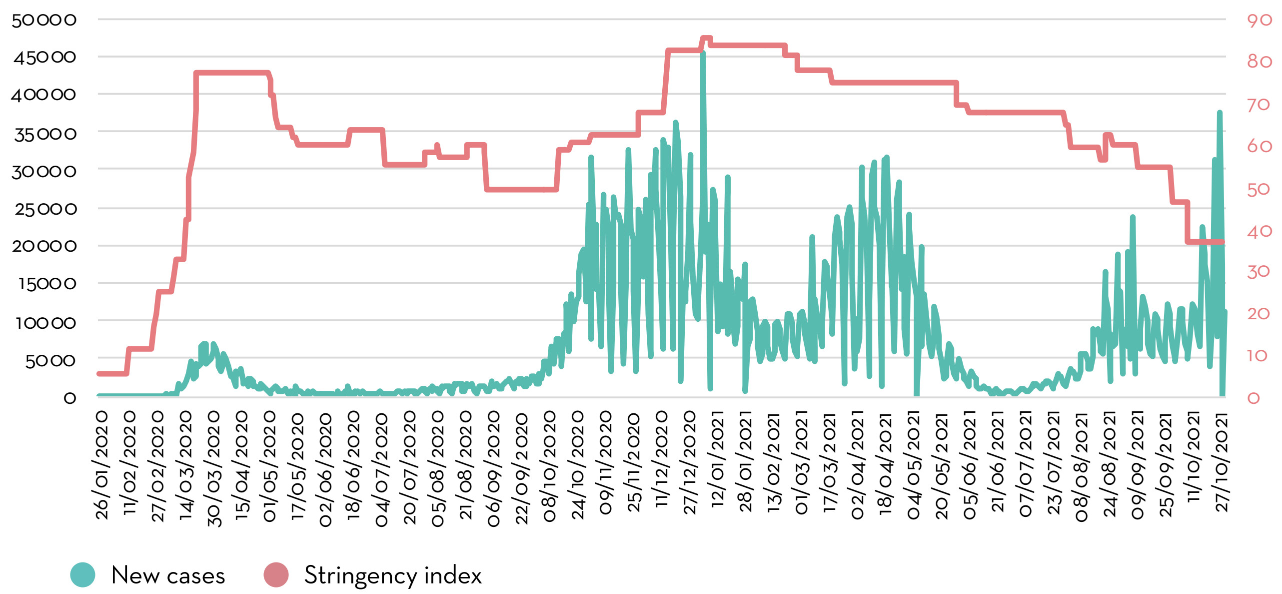
Measures to support individuals	
Access to sick pay eased or expanded	✓
Increased/simplified access to unemployment benefits	✓
Income/ Financial support	✓
Moratorium on dismissal	✗

France's strategy aimed at safeguarding a high level of employment and protecting jobs. Thus, France ranks best in terms of mitigating the impact of the crisis on the unemployment rate. Moreover, the country has experienced among the most significant cumulated increases in GDP.



Germany

Germany infection and stringency chart



Final Ranking	Rank
Overall rank for the whole pandemic:	6/20
Overall rank for the recovery phase:	16/20

Key indicators	Value	Rank
Cumulated GDP evolution:	-12.5%	14/20
Unemployment rate difference (compared to 2019):	+0.5%	10/20

Government measures:	Value	Rank
Size of the fiscal stimulus as % of GDP 2020:	15.3%	8/20

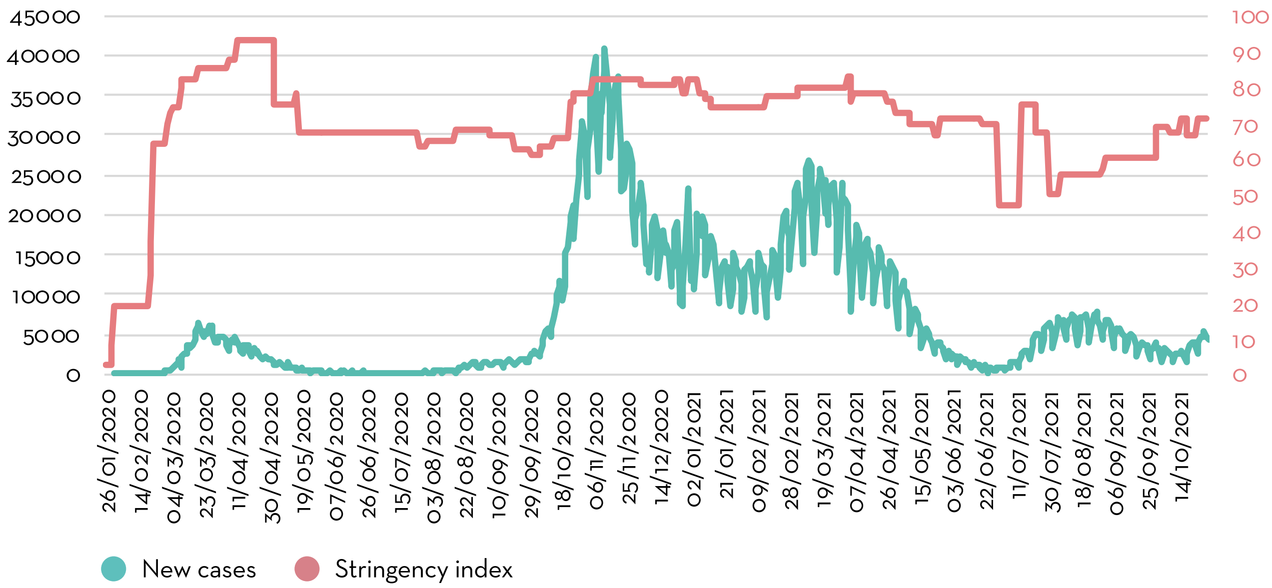
Measures to support businesses	
Access to credit	✓
Tax exemption or deferral	✓
Subsidies for business costs	✓
Compensation for workers on sick leave	✓
Short-term work compensation schemes	✓

Measures to support individuals	
Access to sick pay eased or expanded	✗
Increased/simplified access to unemployment benefits	✓
Income/ Financial support	✓
Moratorium on dismissal	✗

Germany, who is sitting in the 6th position in the overall ranking, seems to have lost control of the pandemic and is downgraded to 16th for the recovery. The country's GDP, although following an upward trend, has had difficulty catching up on the recovery and thus ranks among the last.

Italy

Italy infection and stringency chart



Final Ranking	Rank
Overall rank for the whole pandemic:	15/20
Overall rank for the recovery phase:	14/20

Key indicators	Value	Rank
Cumulated GDP evolution:	-19.6%	18/20
Unemployment rate difference (compared to 2019):	+0.3%	7/20

Government measures:	Value	Rank
Size of the fiscal stimulus as % of GDP 2020:	10.9%	10/20

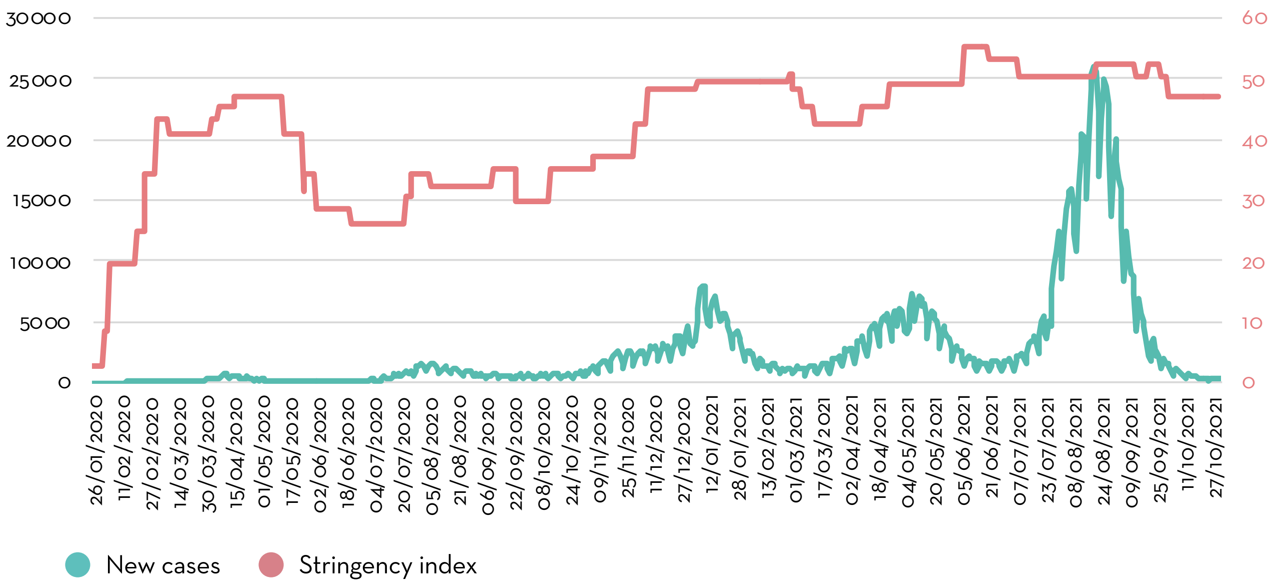
Measures to support businesses	
Access to credit	✓
Tax exemption or deferral	✓
Subsidies for business costs	✗
Compensation for workers on sick leave	✓
Short-term work compensation schemes	✓

Measures to support individuals	
Access to sick pay eased or expanded	✗
Increased/simplified access to unemployment benefits	✓
Income/ Financial support	✓
Moratorium on dismissal	✓

Italy is one of the countries in which the unemployment rate is actually worse in 2021 than in 2020. While the country's recovery has not been outstanding, Italy will benefit from more than 209bn€ made available through the 750bn€ European Commission's Next GenerationEU recovery fund, which should go a long way in boosting the Italian economy.

Japan

Japan infection and stringency chart



Final Ranking	Rank
Overall rank for the whole pandemic:	8/20
Overall rank for the recovery phase:	12/20

Key indicators	Value	Rank
Cumulated GDP evolution:	-13.4%	15/20
Unemployment rate difference (compared to 2019):	+0.4%	8/20

Government measures:	Value	Rank
Size of the fiscal stimulus as % of GDP 2020:	16.7%	6/20

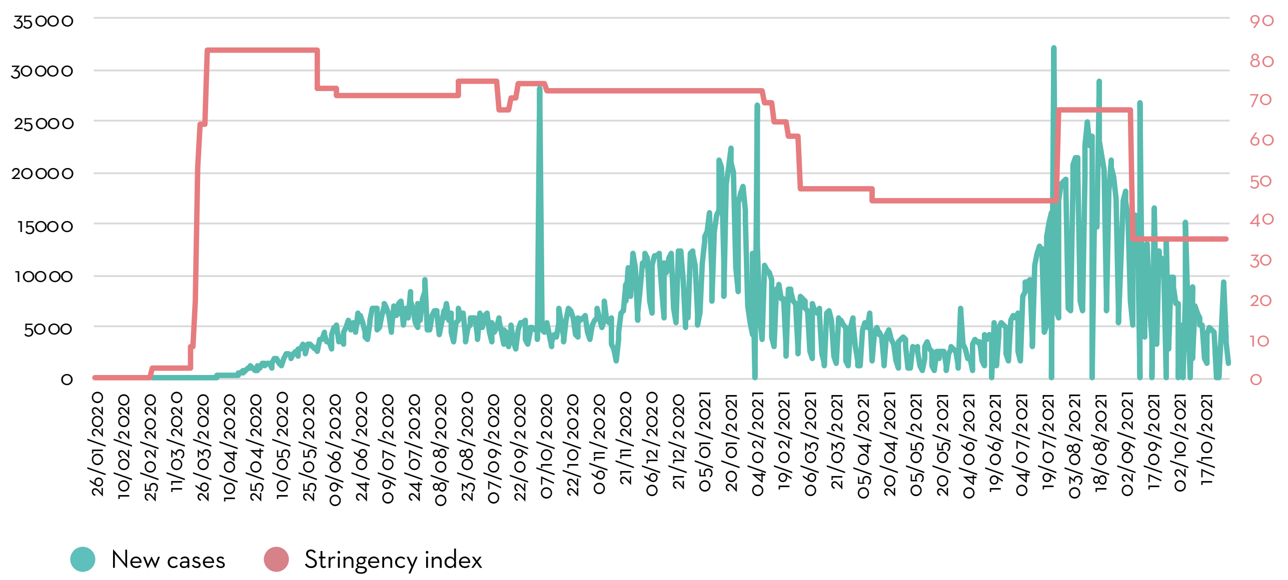
Measures to support businesses	
Access to credit	✓
Tax exemption or deferral	✓
Subsidies for business costs	✓
Compensation for workers on sick leave	✗
Short-term work compensation schemes	✓

Measures to support individuals	
Access to sick pay eased or expanded	✗
Increased/simplified access to unemployment benefits	✗
Income/ Financial support	✓
Moratorium on dismissal	✗

Despite keeping the spread of the virus under strict control, the Japanese economy has failed to rebound. Evidence by the OECD seems to suggest that this is more due to structural factors in the Japanese economy (ageing and lack of productivity). Still, the labour market barely reacted to the pandemic and the unemployment rate has remained comparatively stable.

Mexico

Mexico infection and stringency chart



Final Ranking	Rank
Overall rank for the whole pandemic:	14/20
Overall rank for the recovery phase:	9/20

Key indicators	Value	Rank
Cumulated GDP evolution:	-18%	16/20
Unemployment rate difference (compared to 2019):	+0.6%	11/20

Government measures:	Value	Rank
Size of the fiscal stimulus as % of GDP 2020:	0.7%	20/20

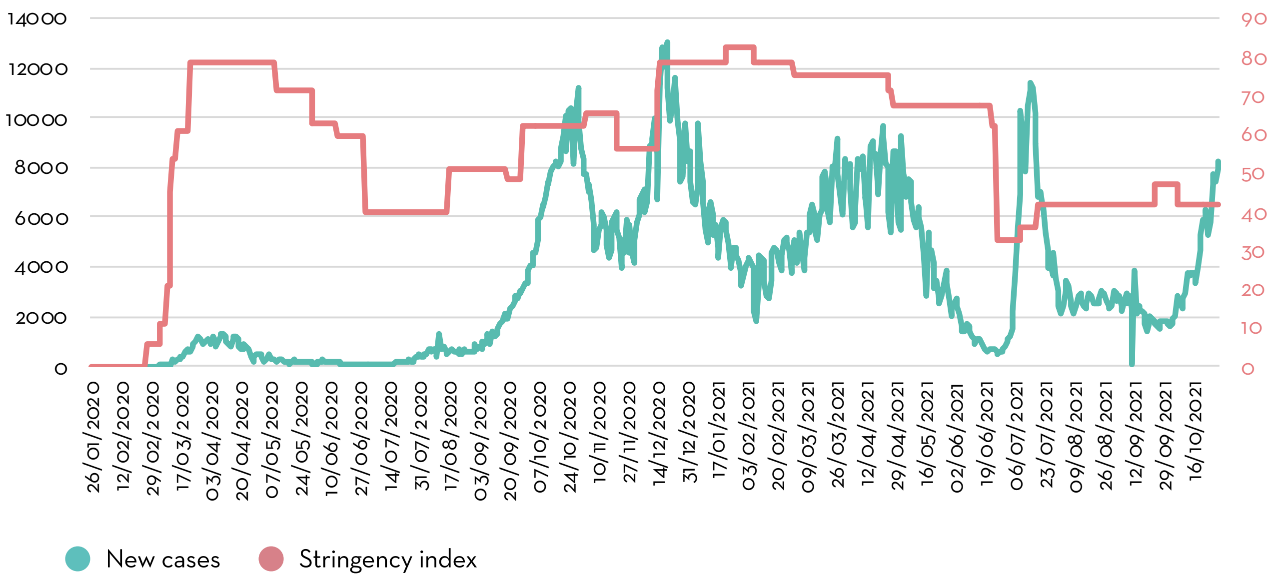
Measures to support businesses	
Access to credit	✗
Tax exemption or deferral	✗
Subsidies for business costs	✗
Compensation for workers on sick leave	✗
Short-term work compensation schemes	✗

Measures to support individuals	
Access to sick pay eased or expanded	✗
Increased/simplified access to unemployment benefits	✗
Income/ Financial support	✗
Moratorium on dismissal	✗

Mexico displays a surprising good economic performance in spite of its poor management of the pandemic from a health point of view and in spite of the fact that the government has implemented no fiscal measure to weather the crisis. the Consumer Confidence Index and Business Confidence index show the greatest amelioration since the peak of the crisis has passed. Meaning that both consumers and businesses have had enough trust in the future economic situation to pursue and intensify their activities.

Netherlands

Netherlands infection and stringency chart



Final Ranking	Rank
Overall rank for the whole pandemic:	4/20
Overall rank for the recovery phase:	7/20

Key indicators	Value	Rank
Cumulated GDP evolution:	-4.8%	10/20
Unemployment rate difference (compared to 2019):	+0.2%	6/20

Government measures:	Value	Rank
Size of the fiscal stimulus as % of GDP 2020:	10.3%	11/20

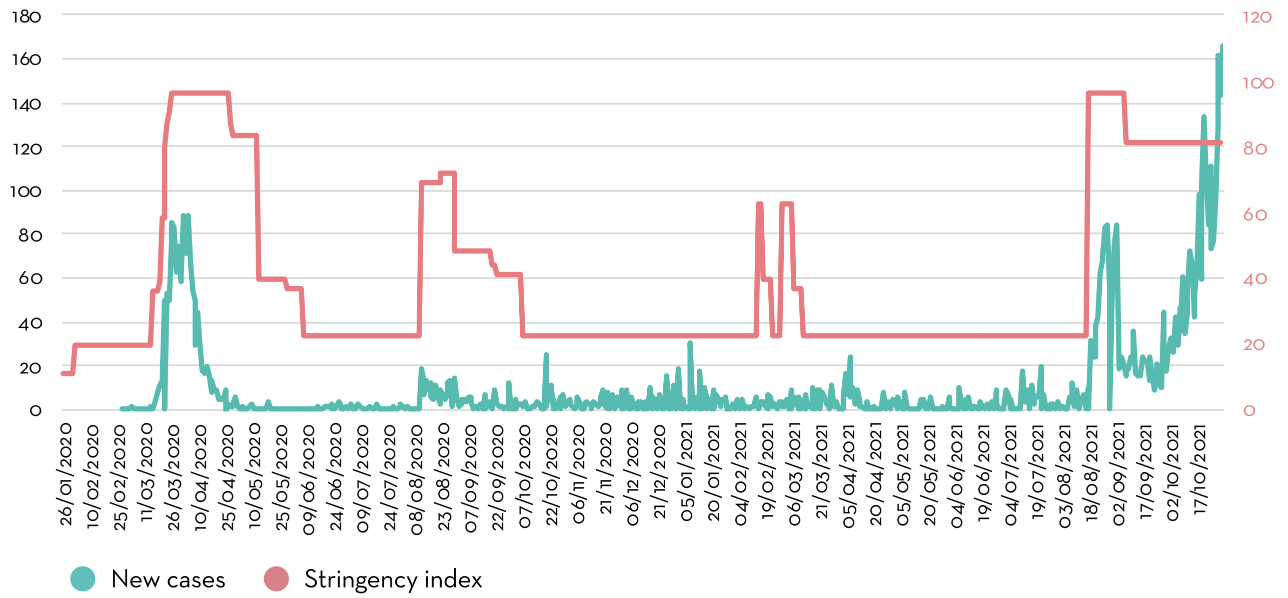
Measures to support businesses	
Access to credit	✓
Tax exemption or deferral	✓
Subsidies for business costs	✓
Compensation for workers on sick leave	✗
Short-term work compensation schemes	✗

Measures to support individuals	
Access to sick pay eased or expanded	✗
Increased/simplified access to unemployment benefits	✗
Income/ Financial support	✓
Moratorium on dismissal	✓

The Netherlands scores surprisingly well on the economic indicators considering its epidemic situation. This positive economic performance is mainly driven by the national stock market index, which is in the green and the Employment rate, which has increased since 2019. The country has invested the median amount of 10.3% of the GDP to support the economy, mainly focusing on supporting SMEs and start-ups through credit, tax deferral and industry-specific subsidies.

New Zealand

New Zealand infection and stringency chart



Final Ranking	Rank
Overall rank for the whole pandemic:	2/20
Overall rank for the recovery phase:	4/20

Key indicators	Value	Rank
Cumulated GDP evolution:	+13.7%	1/20
Unemployment rate difference (compared to 2019):	+0.1%	4/20

Government measures:	Value	Rank
Size of the fiscal stimulus as % of GDP 2020:	19.3%	2/20

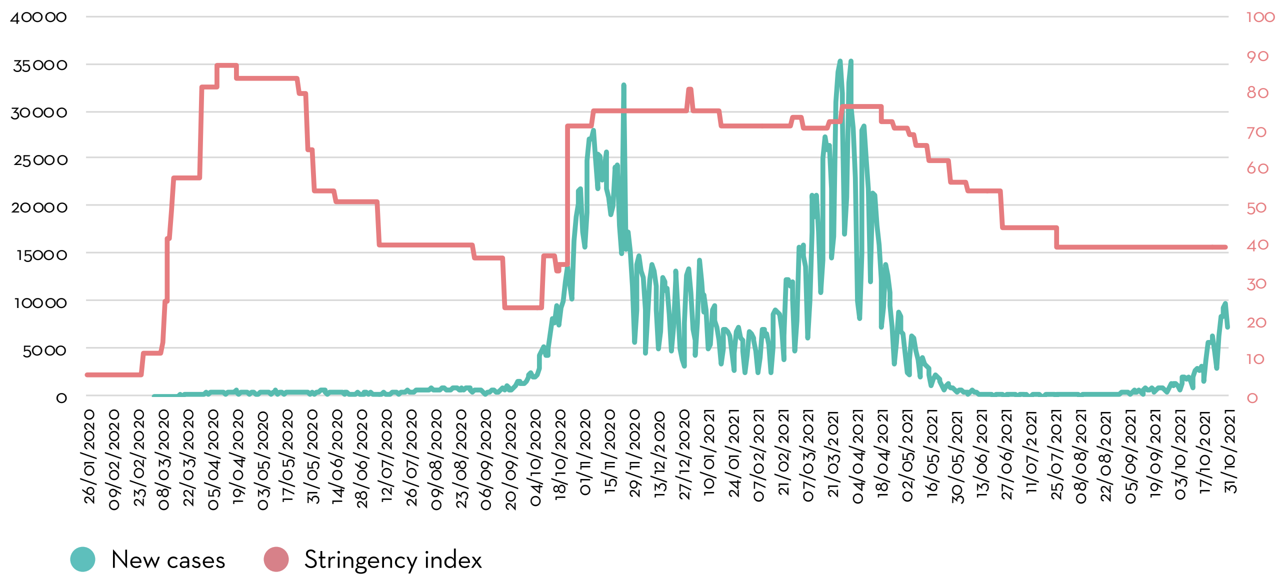
Measures to support businesses	
Access to credit	✓
Tax exemption or deferral	✓
Subsidies for business costs	✓
Compensation for workers on sick leave	✓
Short-term work compensation schemes	✗

Measures to support individuals	
Access to sick pay eased or expanded	✓
Increased/simplified access to unemployment benefits	✗
Income/ Financial support	✓
Moratorium on dismissal	✗

Together with South Korea and Australia, New Zealand appears to have found the best strategy responding to the crisis, as it reaches the 2nd and 4th place in our two rankings. Over the whole period, New Zealand has been a champion in minimizing the impact of the pandemic on the GDP. While it experienced a significantly drop in the second quarter of 2020, it rebounded rapidly as of the third quarter, which ensures the country an aggregated GDP growth of 13.74%.

Poland

Poland infection and stringency chart



Final Ranking	Rank
Overall rank for the whole pandemic:	4/20
Overall rank for the recovery phase:	20/20

Key indicators	Value	Rank
Cumulated GDP evolution:	+3.07%	4/20
Unemployment rate difference (compared to 2019):	+0.1%	5/20

Government measures:	Value	Rank
Size of the fiscal stimulus as % of GDP 2020:	6.5%	17/20

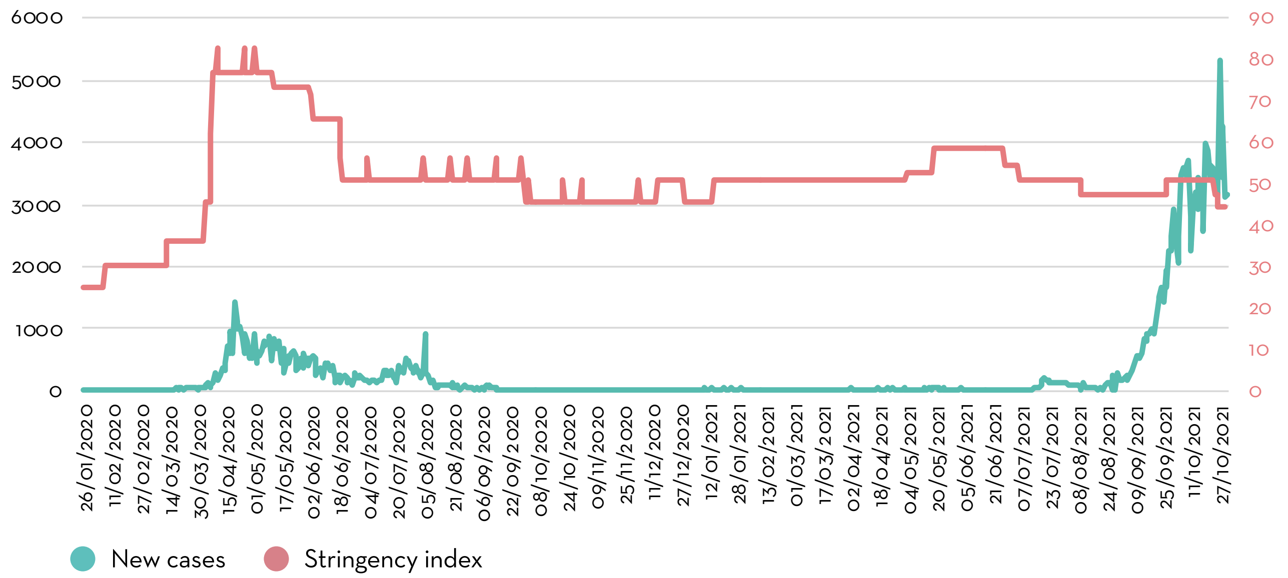
Measures to support businesses	
Access to credit	✓
Tax exemption or deferral	✓
Subsidies for business costs	✓
Compensation for workers on sick leave	✗
Short-term work compensation schemes	✗

Measures to support individuals	
Access to sick pay eased or expanded	✗
Increased/simplified access to unemployment benefits	✗
Income/ Financial support	✗
Moratorium on dismissal	✓

Since Q3 2020, Poland has lost control of the pandemic and the country has among the lowest vaccination rate and the highest number of deaths per capita. The Polish government has not intervened much to pre-empt the effects of the pandemic on the economy and has only dedicated 6.5% of its GDP on fiscal measures in the form of loans, tax deferral and subsidies for businesses. Yet, those measures are no longer in place. Moreover, Poland counts among those countries that actually depict a worse unemployment rate in 2021 than in 2020.

Singapore

Singapore infection and stringency chart



Final Ranking	Rank
Overall rank for the whole pandemic:	10/20
Overall rank for the recovery phase:	1/20

Key indicators	Value	Rank
Cumulated GDP evolution:	+3%	5/20
Unemployment rate difference (compared to 2019):	+0.4%	9/20

Government measures:	Value	Rank
Size of the fiscal stimulus as % of GDP 2020:	18.4%	4/20

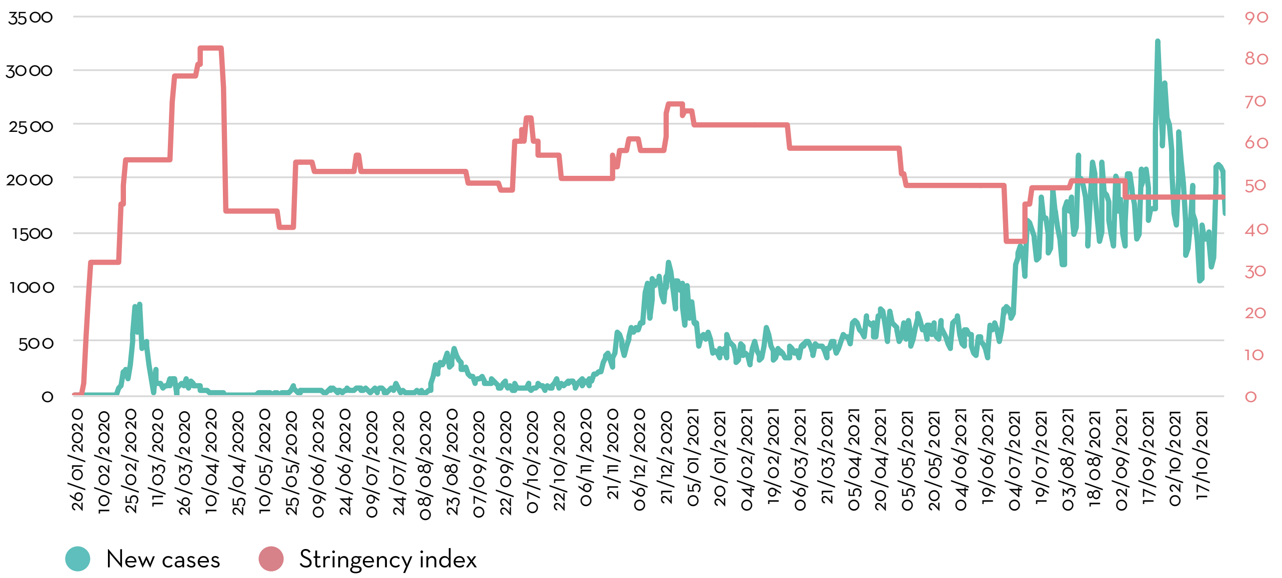
Measures to support businesses	
Access to credit	✓
Tax exemption or deferral	✓
Subsidies for business costs	✓
Compensation for workers on sick leave	✓
Short-term work compensation schemes	✗

Measures to support individuals	
Access to sick pay eased or expanded	✗
Increased/simplified access to unemployment benefits	✓
Income/ Financial support	✓
Moratorium on dismissal	✗

Singapore has mastered the Recovery: it has the strongest economic upsurge, while accounting a relatively low number of covid-related deaths and having the highest vaccination rate, with 80% of the population being fully inoculated against the virus. The large fiscal stimulus in Singapore delivers a holistic set of social and employment policy measures to combat the economic fallout of the pandemic.

South Korea

South Korea infection and stringency chart



Final Ranking	Rank
Overall rank for the whole pandemic:	1/20
Overall rank for the recovery phase:	2/20

Key indicators	Value	Rank
Cumulated GDP evolution:	+7%	2/20
Unemployment rate difference (compared to 2019):	+0.05%	2/20

Government measures:	Value	Rank
Size of the fiscal stimulus as % of GDP 2020:	6.4%	18/20

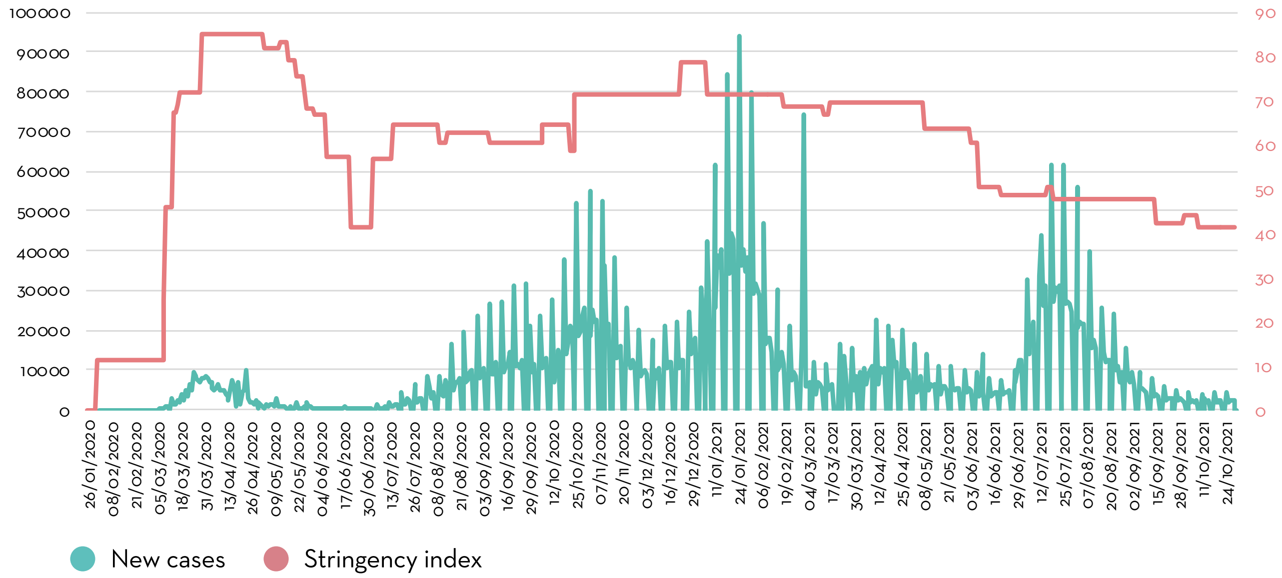
Measures to support businesses	
Access to credit	✓
Tax exemption or deferral	✓
Subsidies for business costs	✓
Compensation for workers on sick leave	✗
Short-term work compensation schemes	✓

Measures to support individuals	
Access to sick pay eased or expanded	✓
Increased/simplified access to unemployment benefits	✓
Income/ Financial support	✓
Moratorium on dismissal	✗

South Korea seems to have found the perfect policy mix to fight the effects of the pandemic. Spending only 6.4% of its GDP in additional fiscal measures and making use of a large scope of public policies to support both businesses and individuals, the country reaches the top of our ranking for its management of the pandemic, from both an economic and sanitary point of view.

Spain

Spain infection and stringency chart



Final Ranking	Rank
Overall rank for the whole pandemic:	18/20
Overall rank for the recovery phase:	6/20

Key indicators	Value	Rank
Cumulated GDP evolution:	-28.2%	20/20
Unemployment rate difference (compared to 2019):	+1.2%	15/20

Government measures:	Value	Rank
Size of the fiscal stimulus as % of GDP 2020:	8.4%	14/20

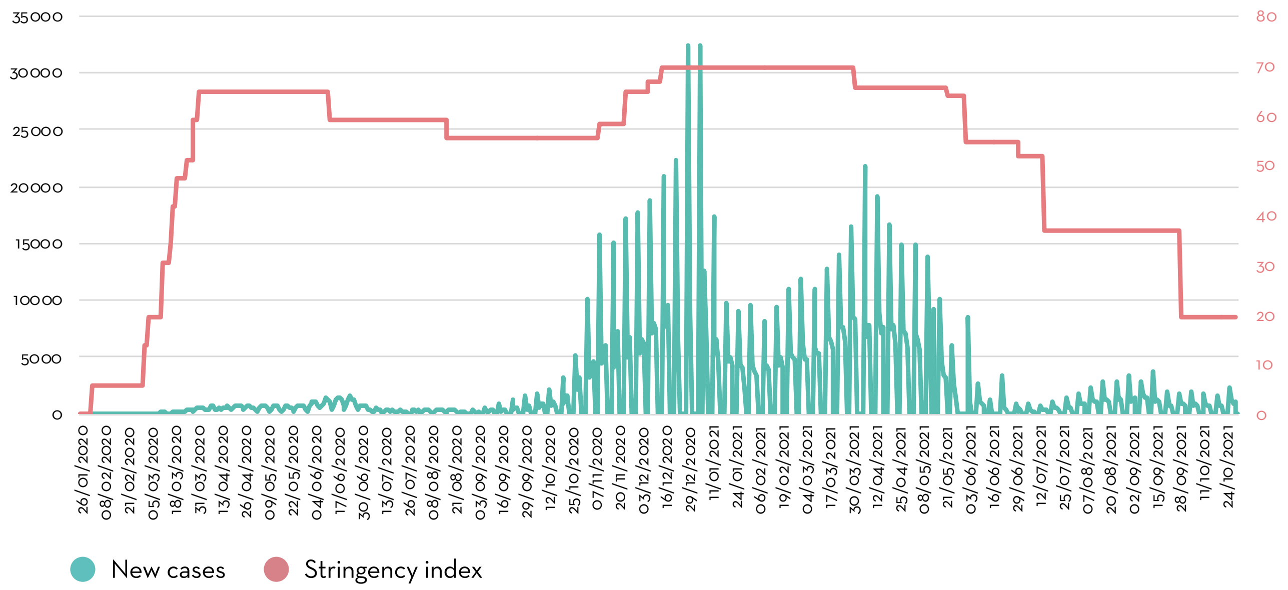
Measures to support businesses	
Access to credit	✓
Tax exemption or deferral	✓
Subsidies for business costs	✓
Compensation for workers on sick leave	✓
Short-term work compensation schemes	✓

Measures to support individuals	
Access to sick pay eased or expanded	✓
Increased/simplified access to unemployment benefits	✓
Income/ Financial support	✓*
Moratorium on dismissal	✓

Spain shows the worst results in terms of GDP throughout the pandemic, with an aggregated decrease of 28.23% and has only started to recover since the second quarter of 2021. Yet, while Spain's performance during the overall pandemic has not been outstanding, the country has strongly rebounded. The country's good performance in terms of unemployment rate and consumer confidence index, coupled with the remarkable management of the sanitary crisis during the recovery part (Spain has after all the highest vaccination rate, with 80% of the population vaccinated) have enabled the country to move from the 18th place in the overall ranking to the 6th in the recovery ranking.

Sweden

Sweden infection and stringency chart



Final Ranking	Rank
Overall rank for the whole pandemic:	8/20
Overall rank for the recovery phase:	12/20

Key indicators	Value	Rank
Cumulated GDP evolution:	-1.06%	7/20
Unemployment rate difference (compared to 2019):	+2%	20/20

Government measures:	Value	Rank
Size of the fiscal stimulus as % of GDP 2020:	4.2%	19/20

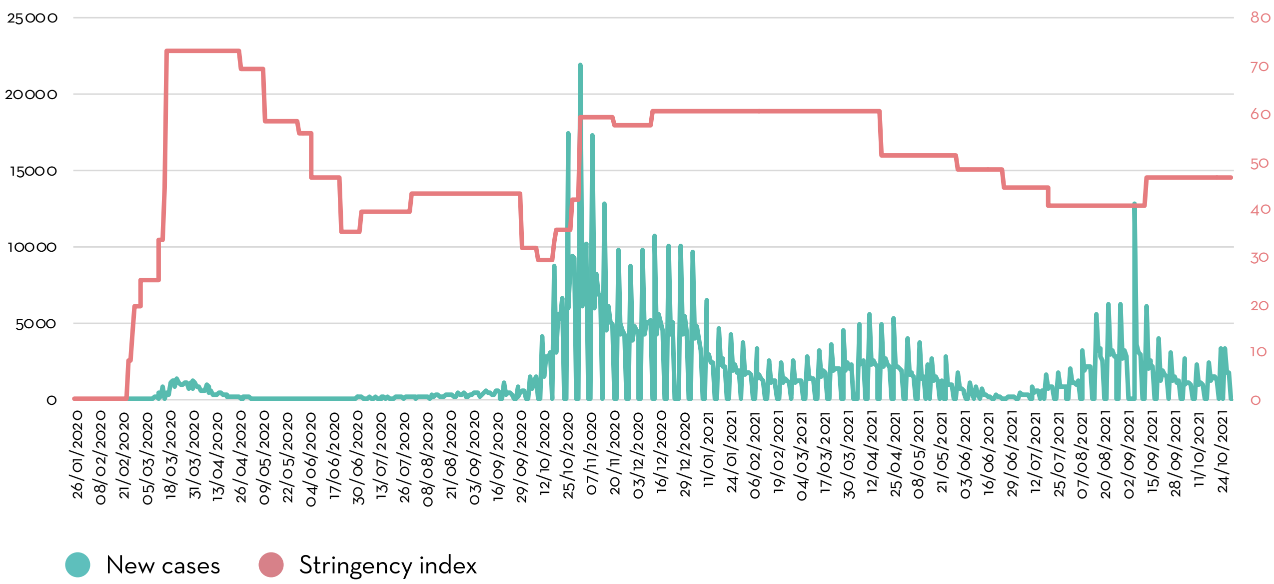
Measures to support businesses	
Access to credit	✓
Tax exemption or deferral	✓
Subsidies for business costs	✗
Compensation for workers on sick leave	✓
Short-term work compensation schemes	✓

Measures to support individuals	
Access to sick pay eased or expanded	✗
Increased/simplified access to unemployment benefits	✓
Income/ Financial support	✓*
Moratorium on dismissal	✗

Sweden has famously refused to put the country in lock down or to implement strict control measures, which resulted in the country ranking among the worst in terms of cases per million inhabitants but enabling a comparatively good economic performance. To support the economic activity in this pandemic context, the Swedish government injected the modest sum of 4.2% of its GDP, implementing short-term work schemes, granting companies easy access to credits, and simplifying the access to unemployment benefits for workers.

Switzerland

Switzerland infection and stringency chart



Final Ranking	Rank
Overall rank for the whole pandemic:	7/20
Overall rank for the recovery phase:	15/20

Key indicators	Value	Rank
Cumulated GDP evolution:	-1.2%	9/20
Unemployment rate difference (compared to 2019):	+0.8%	12/20

Government measures:	Value	Rank
Size of the fiscal stimulus as % of GDP 2020:	7.9%	16/20

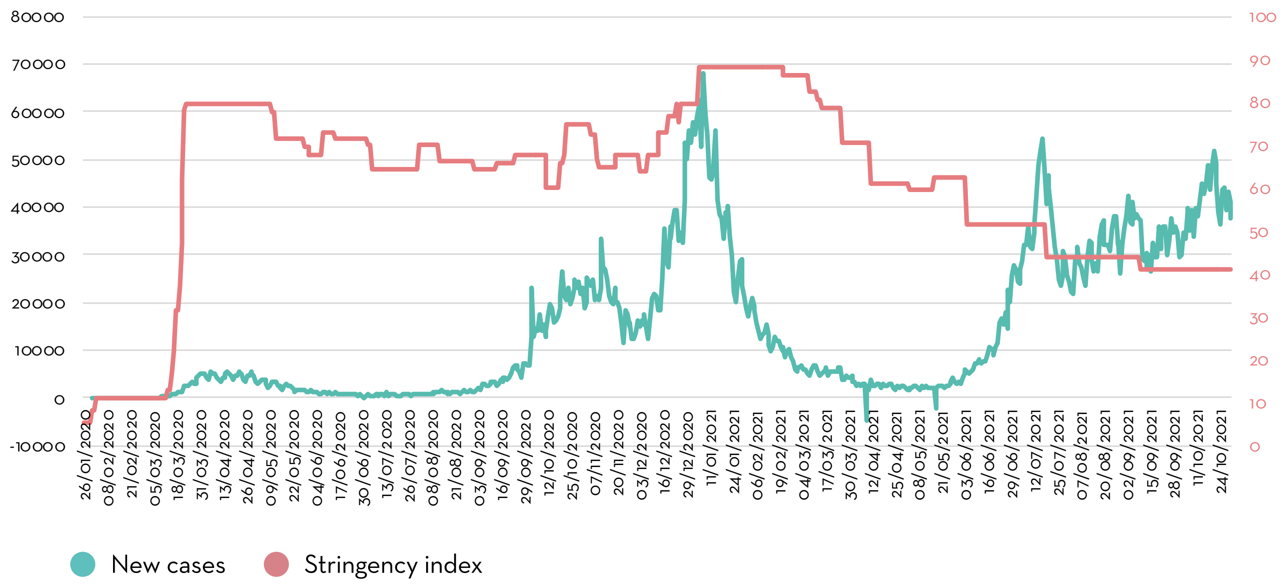
Measures to support businesses	
Access to credit	✓
Tax exemption or deferral	✓
Subsidies for business costs	✗
Compensation for workers on sick leave	✗
Short-term work compensation schemes	✓

Measures to support individuals	
Access to sick pay eased or expanded	✓
Increased/simplified access to unemployment benefits	✓
Income/ Financial support	✓*
Moratorium on dismissal	✗

Having performed best of all countries in the 2 earlier versions of this paper, Switzerland has moved into the mid-tier of countries in our latest assessment. The Swiss recovery has comparatively not been remarkable.

United Kingdom

United Kingdom infection and stringency chart



Final Ranking	Rank
Overall rank for the whole pandemic:	20/20
Overall rank for the recovery phase:	17/20

Key indicators	Value	Rank
Cumulated GDP evolution:	-19.8%	19/20
Unemployment rate difference (compared to 2019):	+1.15%	14/20

Government measures:	Value	Rank
Size of the fiscal stimulus as % of GDP 2020:	19.3%	2/20

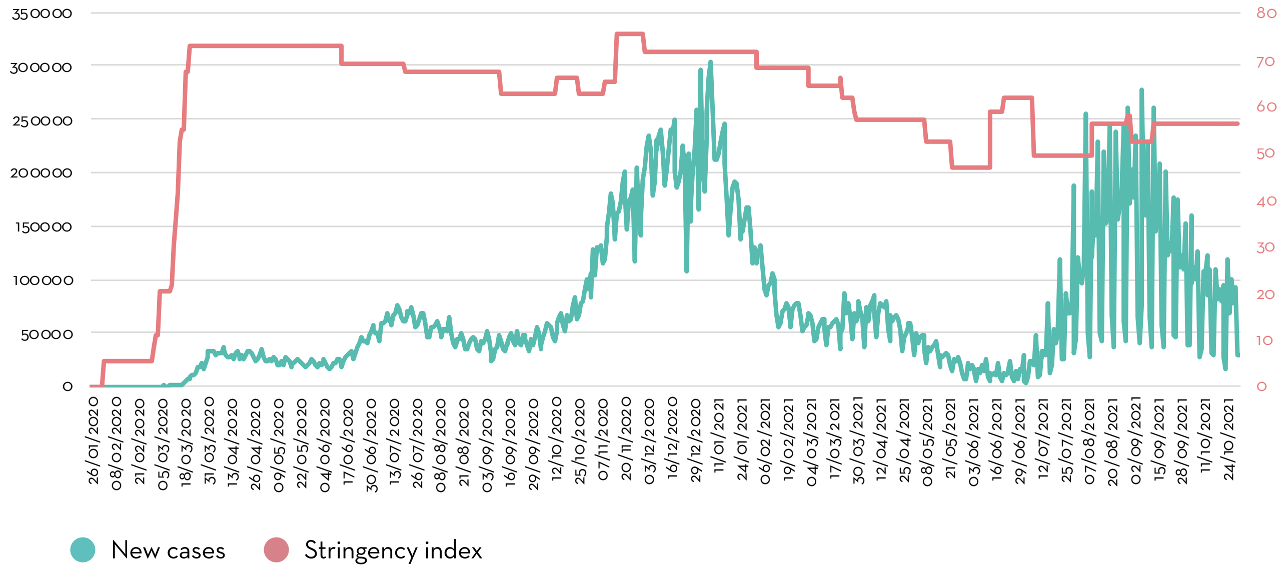
Measures to support businesses	
Access to credit	✓
Tax exemption or deferral	✓
Subsidies for business costs	✓
Compensation for workers on sick leave	✓
Short-term work compensation schemes	✓

Measures to support individuals	
Access to sick pay eased or expanded	✓
Increased/simplified access to unemployment benefits	✗
Income/ Financial support	✓*
Moratorium on dismissal	✗

The UK arrives last in the ranking, as the country has not been able to prevent the spread of the virus and the economy has been widely impacted by the pandemic – in spite of massive investments from the government. Yet almost all the measures implemented have been phased out, which could have exacerbated labour market disruptions or slowed down job recovery.

United States

United States infection and stringency chart



Final Ranking	Rank
Overall rank for the whole pandemic:	16/20
Overall rank for the recovery phase:	9/20

Key indicators	Value	Rank
Cumulated GDP evolution:	+1.7%	6/20
Unemployment rate difference (compared to 2019):	+1.7%	17/20

Government measures:	Value	Rank
Size of the fiscal stimulus as % of GDP 2020:	25.5%	1/20

Measures to support businesses	
Access to credit	✓
Tax exemption or deferral	✓
Subsidies for business costs	✗
Compensation for workers on sick leave	✗
Short-term work compensation schemes	✗

Measures to support individuals	
Access to sick pay eased or expanded	✗
Increased/simplified access to unemployment benefits	✓
Income/ Financial support	✗
Moratorium on dismissal	✗

The US exhibits the largest relative increase in unemployment by a large margin: + 47% of unemployed in 2021 compared to 2019. Moreover, the country has struggled to cope with the virus, suffering from a very high number of covid-related deaths and a poor vaccination rate. The US government has invested the largest share of GDP to support the recovery, using a large range of measures to mainly support businesses.

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