

Entry into Pandemics: first measures, first results

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Lockdown vs. meltdown: Seeking for optimal balance

- ▶ Common global challenge – similar but different economic and healthcare responses
 - ▶ Different degrees of healthcare stress
 - ▶ Specific spatial pathways of contagion
 - ▶ Readiness of healthcare system
 - ▶ Different antiviral stringency measures (lockdowns)
 - ▶ Strict lockdown vs. “Swedish” scenario
 - ▶ Different kinds of economic support
 - ▶ Direct vs. indirect
 - ▶ Immediate vs. delayed
- ▶ Now we can check the results of the first wave, the second one is still going on

First wave, first reactions

Global Situation

59,204,902

confirmed cases

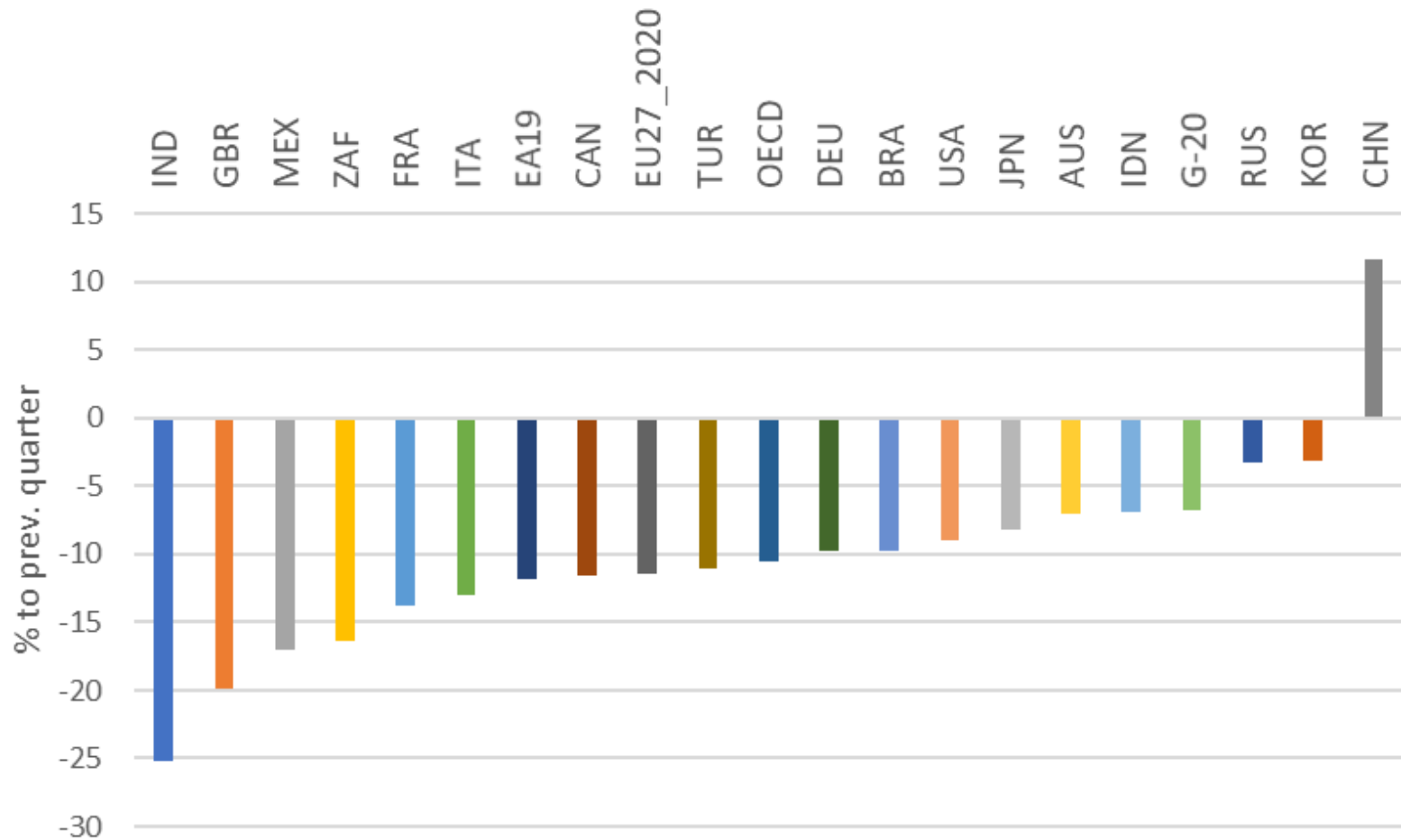
1,397,139

deaths

Source: World Health Organization
Data may be incomplete for the current day or week.



GDP growth, II quarter 2020, q/q



Lockdown vs. meltdown: Seeking for optimal balance

- ▶ (Kurdin, Kolomiets, Markova, Sluzhevskaya, Filippova, Shpakova, 2020): “Entry into pandemics: First measures of economic support and first results”
- ▶ The selection of nations (chosen by the government of Moscow) to monitor economic performance and main anti-crisis measures:
 - ▶ China
 - ▶ France
 - ▶ Germany
 - ▶ Italy
 - ▶ The USA
 - ▶ Czech Rep.

First wave COVID stats

Country	Start of COVID (>100 infected per day)	New daily cases: peak date	New daily cases: peak quantity	Deaths: peak date	Deaths: peak quantity
China	Jan 21.	Feb 4	3884*	Feb 23	150
France	Mar 5	Mar 31	7578	Apr. 15	1438
Germany	Mar 5	Mar 27	6933	Apr. 8	333
Italy	Feb 26	Mar 21	6557	Mar, 27	919
USA	Mar 7	Apr 24	36514	Apr. 21	2744
Czech Rep.	Mar 15	Mar 27	377	Apr. 8	15

* - without re-assessment of Apr. 17 (additional 1290 victims)

Now, in November, the severity is not higher:
there are much more cases but less deaths (except Czech Rep.)

Public policies

Country	Government Reaction (Oxford University Indices), 1H 2020						
	Date when GSI > 50	Length of period with GSI > 50, days	Maximum GSI	Average GSI (when GSI > 50)	Date when ESI > 50	Maximum ESI	Average ESI (since ESI > 0)
China	Jan 26	157	82	74	-	13	25
France	Mar 16	107	88	79	Mar 16	100	92
Germany	Mar 18	105	77	68	Apr 1	63	59
Italy	Feb 23	117	94	76	Mar 27	75	56
USA	Mar 16	107	73	72	Mar 27	63	63
Czech Rep.	Mar 13	73	82	67	Mar 26	100	81

GSI – Government Stringency Index – denotes the intensity of lockdowns etc.

ESI – Economic Support Index – denotes the intensity of income support (primarily for households)

Public policies

Country	Anti-crisis fiscal package, as of June 2020 % GDP 2019 (data by Bruegel)		
	Immediate financial impulse	Deferrals	Guarantees etc.
China	about 15% (IMF, Oxford)		
France	3,6%	8,1%	13,9%
Germany	13,3%	7,3%	27,2%
Italy	0,9%	13,2%	29,8%
USA	9,1%	2,6%	2,6%
Czech Rep.	n/a	n/a	n/a

China

- ▶ Low intensity of COVID, Early reaction, Moderate govt stringency, Low income support, Active support of enterprises and exports
 - ▶ Successfully restored industrial production and exports
 - ▶ Problems in domestic markets

	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20
Industrial production, % y/y	6,9	-13,5		-1,1	3,9	4,4	4,8	4,8
Retail trade sales, % y/y	8	-20,5		-15,8	-7,5	-2,8	-1,8	-1,1
Exports, % y/y	7,6	9,1	-17,2	-6,6	3,5	-3,3	0,5	7,2
Imports, % y.y	16,3	-1,5	-4	-1	-14,2	-16,7	2,7	-1,4
CPI, % y/y	4,5	5,4	5,2	4,3	3,3	2,4	2,5	2,7

Italy

- ▶ High COVID intensity, Delayed and Moderate income support, Massive govt intervention but low level of direct support, High peak govt stringency and Moderate govt stringency on average
 - ▶ Collapse of industrial production with somehow successful recovery
 - ▶ Problems on domestic markets

	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Jul to Feb
Industrial production, % m/m	0	-2,8	3,3	-1,3	-27,9	-20,1	41,7	8,2	7,3	94,8
Unemployment, %	9,5	9,6	9,5	9,3	8,5	7,3	8,7	9,4	9,8	-
Retail trade, % m/m	-0,5	0,3	0,5	0,3	-22,6	-12,2	25	14,2	-7,8	89,4
Exports, % m/m	-3	0,7	2,5	0,1	-18,7	-31,8	27,2	13,8	7,9	86,6
Imports, % m/m	0,2	-1,7	3,8	-1,4	-20,2	-16,5	6,5	13,1	7,2	86,0

France

- ▶ High COVID intensity, Early and Active income support, High govt stringency, Moderate level of direct support
 - ▶ Collapse of industrial production with moderate recovery
 - ▶ Domestic markets were feeling better

	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Jul to Feb
Industrial production, % m/m	-0,3	-2,5	0,9	1,1	-17,1	-21	20,2	13,1	3,9	92,5
Unemployment, %	8,2	8,2	8,1	7,7	7,5	7,8	6,9	6,6	7,1	-
Retail trade, % m/m	1,2	-1,2	0,7	-0,3	-15,9	-17,8	36,9	8,6	-3,3	99,4
Exports, % m/m	-0,2	-1,5	-2,7	2,9	-13,9	-33,2	15,4	15,6	7,8	82,7
Imports, % m/m	0,3	-3,1	0,5	0,9	-17,9	-24,1	20,5	15,8	4,5	90,9

Germany

- ▶ Moderate COVID intensity, Soft lockdown, Moderate income support on average, Massive immediate direct support measures
 - ▶ Somewhat milder industrial production crisis with hard recovery
 - ▶ Domestic markets are OK

	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Jul to Feb
Industrial production, % m/m	0,8	-1,6	2,1	0,4	-10,7	-20	9,3	10,8	2,8	88,9
Unemployment, %	3,2	3,3	3,4	3,6	3,8	4	4,2	4,4	4,5	-
Retail trade, % m/m	1,2	-1,2	1,1	0,4	-1,5	-6,2	13,1	-1,4	0,2	103,2
Exports, % m/m	-1,8	0,7	-0,5	2,3	-11	-25,6	10,1	13,3	5	86,7
Imports, % m/m	-0,1	-0,7	1,3	-1,6	-4,1	-16,2	3,5	5,6	2,3	89,9

Czech Republic

- ▶ Low COVID intensity, High income support, High peak govt stringency but soft lockdown on average
 - ▶ Everything is better

	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Jul to Feb
Industrial production, % m/m	-1,1	-0,9	0,7	0,4	-10,9	-24,7	16,8	15,5	5,7	95,7
Unemployment, %	2,1	2	2	2	2,1	2,2	2,4	2,7	2,7	-
Retail trade, % m/m	0,2	0,3	1	-0,2	-10,4	-1,9	10,4	1	1,8	99,8
Exports, % m/m	-1,1	-0,2	1,5	-1,9	-14,1	-25,7	21,4	14,6	7,6	95,5
Imports, % m/m	-0,6	-0,6	1,2	-2,6	-4,9	-20,8	10,5	5,4	6,5	93,4

USA

- ▶ Moderate lockdown, Moderate income support, Active direct fiscal measures
 - ▶ Softer downfall in industry with a gradual recovery
 - ▶ High unemployment
 - ▶ But domestic markets are more or less OK

	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Jul to Feb
Industrial production, % m/m	0,9	-0,4	-0,4	0,1	-4,4	-12,7	0,9	6,0	4,2	93,1
Unemployment, %	3,5	3,5	3,6	3,5	4,4	14,7	13,3	11,1	10,2	
Retail trade, % m/m	0,3	0,2	0,6	-0,4	-8,3	-14,7	18,2	8,4	0,9	101,1
Exports, % m/m	0,0	0,5	-0,4	1,0	-7,4	-25,0	-6	14,4	12,1	83,7
Imports, % m/m	-0,8	2,6	-2,1	-2,6	-2,1	-13,6	-0,6	5,1	12,4	99,3

Conclusions

- ▶ Different models of COVID economic regime
- ▶ No one is obviously better than others
 - ▶ It is possible to resolve some problems
 - ▶ But not all of them simultaneously
- ▶ Fine-tuning of lockdown measures is desirable



Thank you!
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