Incorporating well-being into recovery policies

25/11/2021 – The COVID-19 pandemic has not only had devastating effects on physical heath and mortality but has touched every aspect of people's well-being, with far-reaching consequences for how we live and work, according to a new study by the OECD.

COVID-19 and well-being: life in the pandemic says the virus caused a 16% increase in the average number of deaths across 33 OECD countries between March 2020 and early May 2021, compared with same period over the previous four years. Over the same time frame, survey data in the report reveal rising levels of depression or anxiety and a growing sense among many people of loneliness and of feeling disconnected from society.

Government support helped to sustain average household income levels in 2020 and stemmed the tide of job losses, even as average hours worked fell sharply. Although job retention schemes offered workers some protection, 14% of workers in 19 European OECD countries felt it was "likely they would lose their job" within three months, and nearly 1 in 3 people in 25 OECD countries reported financial difficulties.

The report says experiences of the pandemic have varied widely depending on age, gender and ethnicity, as well as on the type of job people do and on their level of pay and skills. The crisis also aggravated existing social, economic and environmental challenges.

In those countries with available data, workers from ethnic minorities have been more likely to lose their jobs during the pandemic. Mental health deteriorated for almost all population groups on average in 2020 but gaps in mental health by race and ethnicity are also visible. COVID-19 mortality rates for some ethnic minority communities have been more than twice those of other groups.

Younger adults experienced some of the largest declines in mental health, social connectedness and life satisfaction in 2020 and 2021, as well as facing job disruption and insecurity.

Launched on the first anniversary of the new OECD Centre for Well-being, Inclusion, Sustainability and Equal Opportunity (WISE), the report offers a primer for OECD recommendations on well-being. It assesses the impact of the pandemic across the 11 dimensions identified in the OECD's Well-being Framework – income and wealth; work and job quality; housing; health; knowledge and skills; environment; subjective well-being; safety; work-life balance; social connections; and civil engagement. It features data on inclusion and equality of opportunity, and also considers how the stocks of economic, human, social and environmental resources that sustain well-being have fared.

The report argues that as governments move from emergency support to stimulating the recovery, they need to refocus their action on what matters most to people's well-being.

A key objective must be to increase the job and financial security of households, and particularly those most affected by the crisis – with a focus on the most vulnerable, on youth, women and the low skilled. Addressing the burden of poor physical and mental health and a cross-government approach to raising the well-being of the most disadvantaged children and youth must also be prioritised. The report also stresses that actions to raise living standards and equality of opportunity must take place within the context of greening the economy: the climate and biodiversity crises, like the pandemic, require a coordinated response across public policy.

A well-being approach, the report explains, looks at government objectives as interconnected goals, focusing on how different policies can complement each other. Such an approach encourages decision-making that simultaneously considers impacts on current well-being, inclusion, and the sustainability of well-being over time. For instance, improving long-term economic opportunities through raising child well-being, or aligning efforts to combat climate change with social and economic objectives by increasing employment and mobility for people and places left behind.

Natural, human and social capital will need rebuilding after the crisis, the report adds. Reducing inequalities in access to, and uptake of lifelong learning, for example, will help people – especially the disadvantaged – get high quality jobs by developing training programmes that address skills gaps and emphasise digital abilities.

Social capital – the norms, shared values and institutions that foster co-operation – has shaped communities' responses to the pandemic. Data from across OECD countries shows that both trust in institutions and interpersonal trust influenced the effectiveness of pandemic containment. Although it has recently shown signs of weakening, institutional trust in 2020 in most OECD countries was at its highest since records began in 2006.

The report says reinforcing trust is key to reconnecting people to their societies, and to the institutions that are meant to support them. By doing so, the well-being of citizens is improved both today and in a post-pandemic future.

The full report together with individual country notes and data on well-being during the pandemic is available at: https://www.oecd.org/wise/covid-19-and-well-being-1e1ecb53-en.htm.

A comprehensive range of OECD work on policy responses to the pandemic is available on the dedicated [COVID hub](#).

For further information, journalists are invited to contact Martine Zaida (martine.zaida@oecd.org) or the OECD [Media Office](#) (tel: +33 1 4524 9700).

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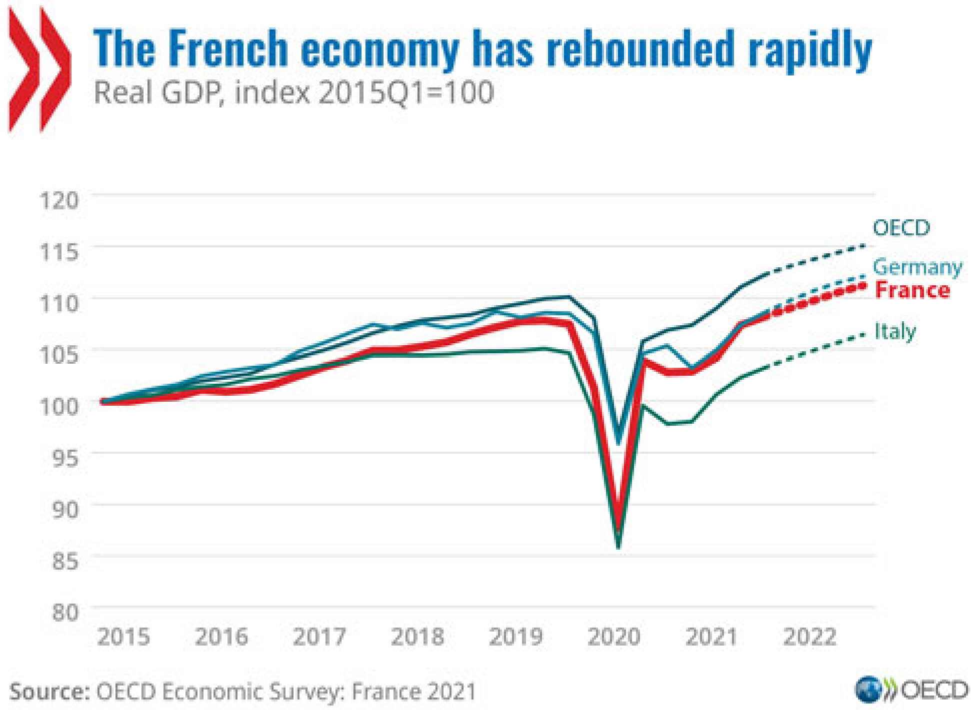
[Invest in skills, digitalisation and the green transition, says the OECD](#)

18/11/2021 – Swift and effective government support has helped France to rebound rapidly from its COVID19-induced recession. Using the country's announced Recovery and Investment Plans to invest in education, worker training, and the green and digital transitions should result in stronger and more resilient growth, according to a new OECD report.

The latest **[OECD Economic Survey of France]** says that while it is important not to prematurely withdraw support for households and firms, as the recovery gains traction support measures should increasingly be targeted at the most viable businesses and sectors and should favour investment. Professional training and support for workers transitioning to new jobs should be strengthened to ease labour market shortages and address the mismatch between skills and the needs of the business sector.

“France’s response to the COVID-19 crisis has been swift and effective, enabling it to emerge from the health crisis with jobs and household incomes well protected and its economic capacity largely preserved,” **OECD Secretary-General Mathias Cormann** said, launching the Survey alongside **French Minister of Economy, Finance and Recovery Bruno Le Maire**. “A rigorous implementation of the government’s Recovery and Investment Plans will help to turn the rebound into lasting sustained growth, building a greener, more digital and more resilient economy.”



After an 8.0% contraction in economic activity in 2020, the Survey projects a strong GDP rebound of 6.8% in 2021 and 4.2% in 2022 as domestic demand resumes. This follows a period of slower growth in France in the decade leading up to the COVID-19 crisis marked by weak gains in productivity and living standards. Low-skilled and young workers face difficulties in accessing the labour market and unequal opportunities have weakened inter-generational social mobility. The pandemic has also exposed a lag among small and medium-sized enterprises in adopting digital technologies.

These structural weaknesses can only be addressed through reforms, the Survey says. It calls for renewed efforts to boost skills to help sustain jobs and productivity growth. A combination of labour market, taxation and spending reforms could lead to a tangible increase in living standards in the years ahead, according to the Survey.

It is particularly important to use the recovery period to improve the fiscal framework and notably the effectiveness of public spending through reviews and better allocation of resources, the Survey says. France's public spending as a share of GDP is the highest of OECD countries, and the high level of social expenditures, notably on pensions, as well as looming pressure from an ageing population makes it vital to rebalance spending towards more investment. This would support growth and help to stabilise and then gradually lower the public debt-to-GDP ratio.

The government has already pursued important reforms to reduce labour market segmentation and strengthen active labour market policies. Ensuring broad access to retraining and enforcing high quality standards for lifelong training courses would boost employment opportunities.

France has made the transition towards a greener economy a pillar of its recovery plan, and it is vital that this leads to increased private investment in green infrastructure and technology. Greater incentives are needed to drive behavioural changes within businesses and households. To be fully effective, this should extend to all available policy instruments, including regulation and R&D as well as progressively aligning carbon prices across sectors, albeit alongside complementary measures. To avoid unfair impacts on people and sectors, it is essential to support vulnerable households and firms, through targeted measures, for example help-to-buy schemes for clean vehicles and equipment.

See a **Survey Overview** with key findings and charts (this link can be used in media articles).

For further information, journalists are invited to contact Catherine Bremer in the OECD Media Office (+33 1 45 24 80 97).

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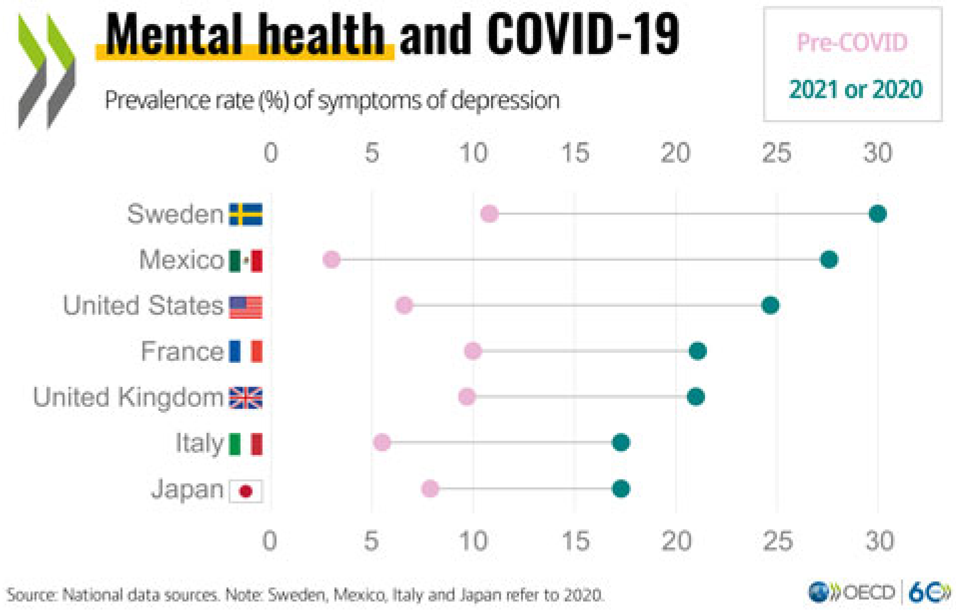
Investment in health system resilience needed: OECD

09/11/2021 – COVID-19 contributed to a 16% increase in the expected number of deaths in 2020 and the first half of 2021 across OECD countries. Life expectancy fell in 24 of 30 countries with comparable data, with drops particularly large in the United States (-1.6 years) and Spain (-1.5 years), according to a new OECD report.



[OECD Health at a Glance 2021]() says that the mental health impact of the pandemic has been huge, with prevalence of anxiety and depression more than double levels observed pre-crisis in most countries with available data, most notably in Mexico, the United Kingdom and the United States.

COVID-19 has also had a major indirect impact on people not infected with the virus. For example, breast cancer screening fell by an average of 5 percentage points in 2020 compared to 2019, across OECD countries with available data. The median number of days on a waiting list increased on average by 58 days for hip replacement, and 88 days for knee replacement in 2020, as compared to 2019.

The COVID-19 pandemic has led to a sharp increase in health spending across the OECD. Coupled with reductions in economic activity, the average health spending to GDP ratio jumped from 8.8% in 2019 to 9.7% in 2020, across OECD countries with available data. Countries severely affected by the pandemic reported unprecedented increases. The United Kingdom estimated an increase from 10.2% in 2019 to 12.8% in 2020, while Slovenia anticipated its share of spending on health rising from 8.5% to more than 10%.

The pandemic highlights the persistent shortage of health workers stressing the importance of investing more in the years ahead on improving primary care and disease prevention and strengthen the resilience and preparedness of health systems. Indeed, the report says that health spending continues to focus mainly on curative care rather than disease prevention and health promotion, and much more is spent on hospitals than on primary health care. Prior to the pandemic, spending on health amounted to over USD 4 000 per person on average across OECD countries, reaching almost USD 11 000 in the United States. Inpatient and outpatient services make up the bulk of health spending, typically accounting for 60% of all health spending.

Although the number of doctors and nurses have increased over the past decade in nearly all OECD countries, shortages persist. The lack of health and long-term care staff is proving to be more of a binding constraint than hospital beds and equipment, says the report.

The pandemic has also underscored the impact of unhealthy lifestyles, with smoking, harmful alcohol use and obesity increasing the risk of people dying from COVID-19. Yet spending on disease prevention remains relatively low, accounting for only 2.7% of all health spending on average.

Despite daily smoking rates decreasing in most OECD countries over the last decade, 17% still smoke daily. Rates reached 25% or more in Turkey, Greece, Hungary, Chile and France.

People who drink heavily range from 4% to 14% of the population across the OECD countries analysed, yet consume 31% to 54% of alcohol. Harmful drinking is particularly high in Latvia and Hungary.

Obesity rates continue to rise in most OECD countries, with an average of 60% of adults measured as overweight or obese. Obesity rates are highest in Mexico, Chile and the United States.

OECD Health at a Glance 2021, together with country notes for Australia, Austria, Chile, Colombia, Costa Rica, France, Germany, Italy, Japan, Mexico, Spain, Switzerland, the United Kingdom and the United States, is available at www.oecd.org/health/health-at-a-glance.htm.

For further information, journalists should contact Francesca Colombo, Head of the OECD Health Division, (tel. + 33 1 45 24 93 60) or Chris James, Senior Health Economist, (tel. + 33 1 45 24 89 69) at the OECD Health Division.

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Development co-operation to align with Paris Climate Accords

27/10/2021 – Members of the OECD Development Assistance Committee (DAC) today issued a joint Declaration ahead of COP26 committing to align official development assistance (ODA), which totalled USD 161 billion in 2020, with the goals of the Paris Agreement on Climate Change.

The Declaration states: “As the custodians of the governance of ODA, we commit to aligning our ODA with the goals of the Paris Agreement. Climate and environmental impacts must be considered in all ODA spend, including in sectors not traditionally associated with climate and the environment. Alignment with the Paris Agreement will recognise the unique circumstances of partner countries and support their own low carbon, climate resilient development pathways and transition towards net zero economies, while minimising the risk of creating stranded assets."

This Declaration:

1. Prioritises the adaptation needs of developing countries, especially Least Developed Countries (LDCs) and Small Island Developing States (SIDS). It commits to:

- Increasing finance for adaptation
- Reducing barriers to accessing finance, particularly for SIDS

2. Commits to supporting partner countries' own plans for just and equitable transitions towards net zero, by:

- All DAC members agreeing to end new ODA for unabated international thermal coal power generation by the end of 2021
- Developing an approach for how ODA can best be used to help developing countries transition to net zero
- Prioritising support for technologies that accelerate progress towards net zero energy systems

3. Acknowledges that we cannot reduce poverty and leave no one behind unless we also tackle climate change. It commits to:

- Being more transparent in climate finance reporting, especially ODA, by the end of 2022
- Applying the development effectiveness principles (country-led, results focussed, mutual accountability and transparency and inclusive partnerships) more systematically across our development co-operation, especially for climate and environment.

4. Recognises the need to mobilise more finance from a variety of sources (including from the private sector), and to incentivise innovation. It commits to:

- Supporting partners wherever possible to finance risky, but potentially transformative, new ideas.
- Promoting innovation and well-functioning markets to increase access to sustainable, clean and renewable energy.

DAC Chair Susanna Moorehead said, "Developing countries need visibility and a voice at COP26. If you're a poor woman or man in an LDC or a SIDS, climate change is already making it harder to feed your children and make a livelihood. We can't reduce poverty and leave no one behind without also tackling climate change and helping poor countries to adapt. That is what the DAC has agreed to do in its landmark Declaration."

OECD Secretary-General Mathias Cormann welcomed the Declaration, saying: "This is a landmark Declaration that aligns development co-operation with the important climate goals of the Paris Agreement. It demonstrates the OECD's commitment to address the needs and challenges of developing countries. And, it shows great leadership by the DAC in pursuit of new policies to achieve better development outcomes. This Declaration also shows how important new donor commitments to increase public climate finance from next year are, and that more finance is needed from all sources."

Read the complete DAC Declaration

For further information journalists are invited to contact the OECD Media Office (+33 1 4524 9700).

The DAC is an OECD committee that serves as a forum for 30 donors and observer bodies to agree on international principles, rules and other standards for development cooperation.

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Stronger policy action needed for climate goals

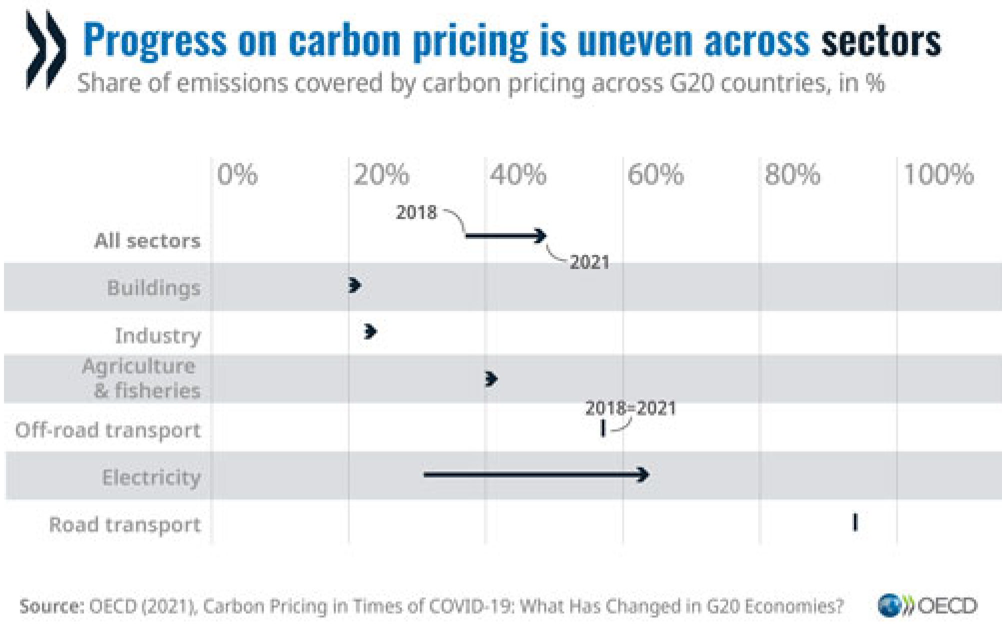
27/10/2021 – Almost half of all energy-related CO_2 emissions in G20 economies are now covered by a carbon price, as several countries introduced or extended carbon taxes or emissions trading systems in the last few years.

More needs to be done using the full range of policy tools, if countries are to match their long-term climate ambitions with outcomes, according to a new OECD report.

Carbon Pricing in Times of COVID-19: What has changed in G20 economies? finds that G20 economies priced 49% of CO_2 emissions from energy use in 2021, up from 37% in 2018.

The increase was driven by new emissions trading systems (ETS) in Canada, China and Germany, new carbon levies in Canada, and a new carbon tax in South Africa, as well as Mexico's introduction of carbon taxes at the subnational level.

“G20 economies are lifting their ambition and efforts, including through the explicit and implicit pricing of carbon emissions. However, progress remains uneven across countries and sectors and is not well enough coordinated globally. We need a globally more coherent approach which enables countries to lift their ambition and effort to the level required to meet global net zero by 2050, with every country carrying an appropriate and fair share of the burden while avoiding carbon leakage and trade distortions,” **OECD Secretary-General Mathias Cormann** said. “Carbon prices and equivalent measures need to become significantly more stringent, and globally better coordinated, to properly reflect the cost of emissions to the planet and put us on the path to genuinely meet the Paris Agreement climate goals.”



G20 economies account for around 80% of global greenhouse gas emissions with energy-related CO_2 emissions making up around 80% of total G20 GHG emissions.

The share of emissions covered by carbon prices varies substantially across G20 economies with Korea in the lead at 97% of emissions priced. G20 emissions pricing is highest in road transport (where 94% of emissions are covered by fuel excise taxes) and electricity (64% of emissions priced) and lowest in industry (24%) and buildings (21%). Recent changes have been concentrated in the electricity sector.

Recent progress has been driven by “explicit” carbon pricing which uses carbon taxes and emissions trading systems to raise the cost of carbon-intensive fuels, thus encouraging firms and households to make more climate-friendly choices. This also generates revenue that can be used to provide targeted support to improve energy access and affordability, enhance social safety nets, or invest in low-carbon infrastructure. Explicit carbon prices also offer an incentive for investment in clean technologies.

In all, 12 G20 economies now have explicit carbon pricing instruments in place or participate in the EU ETS. Explicit carbon prices in the G20 have risen to an average of EUR 4 per tonne of CO_2, with ETS prices at EUR 3 versus EUR 1 in 2018 as carbon prices in the EU’s ETS quadrupled. On the other hand, average carbon taxes across the G20 remain below EUR 1 per tonne.

The report also calculates an average “effective carbon rate” – the sum of explicit carbon prices and fuel excise taxes – for G20 economies and finds it has increased by around EUR 2 since 2018 to EUR 19 per tonne of CO_2.

To access the report and country notes, visit https://oe.cd/carbonpricing-g20.

Register to attend a virtual presentation of the report on Wednesday 3 November during COP26, when Mr Saint-Amans will discuss key findings alongside WRI Vice President for Climate Helen Mountford.

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