## Economic considerations in the fight against Corona: Good measures require reliable data - these must be collected urgently



nario ("Corona is like the flu"), 10 million people become in- medical equipment is urgently needed. fected and the death rate is "only" 0.2 percent. In this scenario, 20,000 people would die. The German healthcare system wouldn't come close to its capacity limit and significant interventions in public life could be avoided. The truth probably lies somewhere in between these two scenarios, depending on the containment and prevention measures taken in Germany. Neither of the two scenarios currently seems absurd.

have been taken. In Europe, entire regions are now quaran- lation groups. Region-specific containment measures can tined, borders are closed, and freedom of assembly is re- then be carried out using the data collected in this way, and stricted. The right degree and timing of interventions in public their success can be continuously evaluated. In this way, a scicontroversial in Germany. It's become clear that essential in- the restrictions in public life, such as school closings, need to formation for good, proportionate decisions remains missing. be maintained and whether relaxing them entails a significant If the measures are too lax and if they are implemented too risk of a renewed wave of infections. late to curb the spread of the virus, the healthcare system will quickly reach its capacity limit and all seriously ill people cannot be adequately cared for. If the measures are too restrictive, social and economic life will be restricted longer than necessary. In the worst case, a severe recession is unnecessary triggered, with dire consequences for the community. The current stock market freefall provides a glimpse into such a situation.

The SARS-CoV-2 (2019 novel coronavirus) is a great unknown Reliable data must therefore be collected as soon as possible. compared to the seasonal flu. We still don't have reliable in- Vital information is still missing. For example, it is imperative fection rate projections, and the burden the healthcare sys- that we have an accurate, region-specific estimate of the actem will undoubtably undergo is also currently undetermina- tual number of people infected by population group. Infection ble. Unsurprisingly, however, circulating throughout the me- figures from the Robert Koch Institute are published daily. dia are numerous scenarios speculating on the seriousness However, these are only reported cases. The number of acof the virus, it's effect on the health of the population, and tual infections is likely to be many times higher, since only a what interventions in public life are necessary. This leads to small portion of the population has so far been tested. In conuncertainty among citizens and presents decision-makers trast to the flu, reliable models do not exist for extrapolating with difficult decisions. In a rather pessimistic scenario, a me- the number of infections. As a result, it is completely unclear dium-term "infection" of two-thirds of the population and a at what speed the virus will spread in each region of Germany, mortality rate of 0.7 percent is assumed. This could result in and how successful measures already taken in the federal nearly 400,000 deaths. If the infection numbers explode states have been. This information could be used, for examguickly, the healthcare system could also become overloaded ple, to estimate the proportion of people who will have to be and significantly more people would likely die. In another sce- hospitalized in the foreseeable future and in which regions

We therefore recommend the following: Regionally stratified, randomized, controlled tests for the SARS-CoV-2 must be carried out throughout Germany. This means that several thousand people are systematically tested for the virus each day: Tests are carried out independently of suspected cases or symptoms and are drawn representatively from all persons registered in Germany. The test results can then be extrapolated to the total population, enabling a regionally differenti-As a reaction to the virus, unprecedented countermeasures ated prognosis of the infection numbers according to populife and the economy - and their potential relaxation - are also entifically supported decision could be made as to how long

> The current epidemic requires complex trade-offs to be made. Economic, social and especially health effects must be considered and weighed against one another. Good decisions can only be made based on evidence. To do this, there is an urgent need for a reliable, representative database. Politicians have the ability to create them. They should act immediately.

## CONTACT

IPE Institute for Policy Evaluation Walther-von-Cronberg-Platz 6

## **AUTHORS**

Prof. Marcus Hagedorn

m.dietsch@ipe-evaluation.de

## DISCLAIMER

This document shall be treated as confidential. It has been compiled for the exclusive, internal use by our client and is not complete without the underlying detail analyses and the oral presentation. It may not be passed on and/or may not be made available to third parties without prior written consent from IPE Institute for Policy Evaluation.

© 2020 IPE Institute for Policy Evaluation GmbH. All rights re-