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## Iris Claus Comments on **COVID-19 in Korea: Success Based on Past Failure**

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**Iris Claus, University of Waikato:** Since early 2020, a pandemic has been spreading around the world. It was identified as a novel coronavirus (severe acute respiratory syndrome coronavirus 2 or SARS-CoV-2) and later renamed as coronavirus disease 2019 or COVID-19 (Qiu et al. 2020). Most countries and territories (more than 200 as of September 2020) have been affected by the virus, but their success in coping with the pandemic has varied in terms of case numbers, deaths, and economic slowdown. One country that has fared better than others is the Republic of Korea.

In their paper, Byeongho Lim, Emma Kyoungseo Hong, Jinjin Mou, and Inkyo Cheong discuss how Korea has halted the transmission of the virus. A key reason for Korea's success is that the government and people had learned from the outbreak of the Middle East Respiratory Syndrome (MERS) in 2015. Korea's response to MERS was considered a failure, following which a range of measures and changes were implemented. Notably, the Korean government modified the law and set up a system for contact tracing, which is vital in the early response phase of an epidemic/pandemic. Moreover, an extensive review was undertaken, of which the findings were documented in a comprehensive report. As a result, when COVID-19 broke out in Korea, the country was prepared and emergency responses for hospitals and the public health system—including contact tracing and testing, and standards for hospitalization—could be established swiftly. Another important factor contributing to Korea's success in curbing the spread of COVID-19 is strong voluntary participation by the public in mask wearing and social distancing.

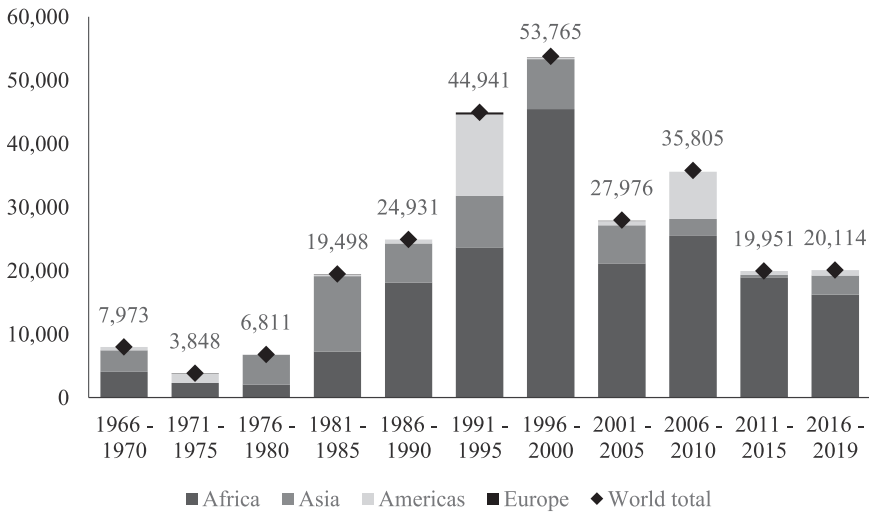
From reading the paper, I draw five key lessons from Korea's experience with COVID-19 for other countries.

### **Lesson 1: Investment in preparedness is needed to reduce the adverse impacts of disasters**

Disasters and crises cannot be avoided. The question is not if they will happen but when.

Some countries have been more successful in coping with COVID-19 than others. One reason may be that they were better prepared for a pandemic. Figure 1, which graphs the number of deaths across regions due to epidemics from 1966 to 2019 in five-year

**Figure 1. Number of deaths from epidemics**



Source: EM-DAT, CRED / UCLouvain, Brussels, Belgium, [www.emdat.be](http://www.emdat.be) (D. Guha-Sapir).

Note: Oceania deaths are excluded as they are too low to register on the scale.

intervals, shows that most deaths from epidemics occurred in Africa and Asia. In contrast, for COVID-19, excluding Oceania, deaths are lowest in Africa (Figure 2). Adjusting for population size, the numbers of deaths per 10,000 people are 0.2 in Oceania, 0.3 in Africa, and 0.4 in Asia—compared to 3 and 5.3 deaths per 10,000 people in Europe and the Americas (Table 1).

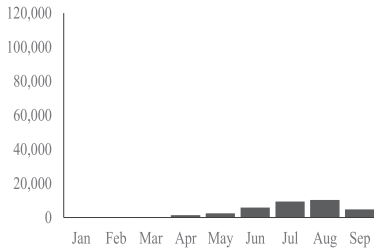
**Lesson 2: Rigorous research needs to identify the true underlying factors contributing to lower deaths**

The data in Figure 2 and Table 1 only include cases and deaths reported by the national and regional competent authorities. Countries may have fewer reported cases and deaths if they conduct fewer tests for COVID-19 than other countries. Demographics may also be a contributing factor. Age and the presence of comorbidities have been found to predict mortality (Iaccarino et al. 2020) and the relatively fewer deaths in Africa may be due to the median age in Africa being lower than the global average (Nachega et al. 2020). Geographic characteristics are another possible influence. In Oceania, the number of deaths is low partly because the majority of countries with no reported COVID-19 cases are in the Pacific. They are small, remote island economies that managed to stop the spread of COVID-19 by swiftly limiting and then imposing an outright ban on inbound flights and ships. Returning citizens and residents were only gradually allowed into countries as

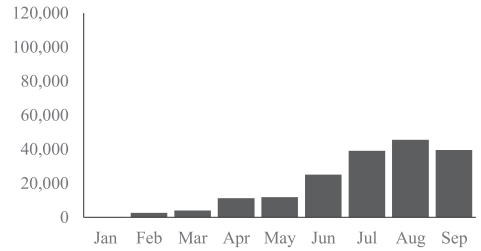
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**Figure 2. Number of deaths from COVID-19 (2020)**

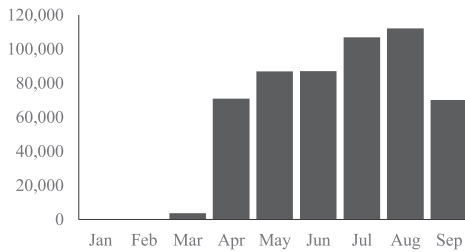
**Africa**



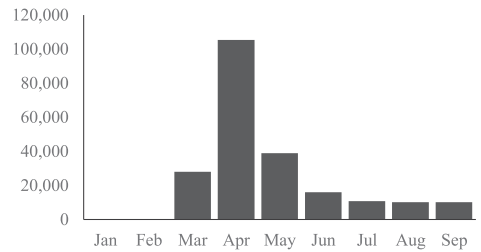
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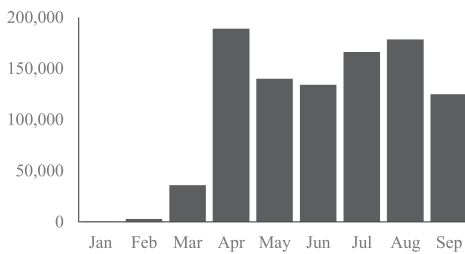
**Americas**



**Europe**



**World**



*Source: European Centre for Disease Prevention and Control, as of 23 September 2020.*

*Note: Oceania deaths are not plotted as they are too low to register on the scale.*

quarantine facilities were set up. To identify which policy measures are most effective in reducing the transmission of COVID-19, analysis must control for exogenous factors such as geographic and population characteristics.

**Lesson 3: Countries' experiences with COVID-19 should be reviewed and evaluated by a global, inter-disciplinary research consortium and findings should be made freely available**

**Table 1. Number of COVID-19 cases and deaths adjusted for population size**

	Deaths	Cases	Population	Deaths per 10,000 people	Cases per 10,000 people
Korea	388	23,216	51,225,321	0.1	5
Asia	179,430	9,638,594	4,542,059,903	0.4	21
Africa	34,326	1,421,375	1,306,903,030	0.3	11
Americas	537,929	15,919,539	1,013,601,796	5.3	157
Europe	219,245	4,645,783	719,275,278	3.0	65
Oceania	932	32,586	40,438,886	0.2	8
Total	971,862	31,657,877	7,622,278,893	1.3	42

Source: European Centre for Disease Prevention and Control, as of 23 September 2020.

Such an inquiry may include an investigation into the origins of COVID-19 but it should not be the main focus. Preparedness for the next disaster is the objective.

The review and evaluation should be an international, interdisciplinary collaboration including economists, epidemiologists, public health experts, and social and behavioral scientists because countries' management of a pandemic has externalities in a globalized world. The virus spread because of international migration and travel. Countries that have managed to contain community transmission of COVID-19, like Korea, still remain vulnerable because of the risks of cases entering the country from abroad. A reduction in a country's COVID-19 infections benefits that country as well as all the countries its residents travel to. Moreover, fewer production shutdowns in a country not only benefit that country but all its trading partners. Some collaborations are already occurring. For example, the European Commission is coordinating a European response to the COVID-19 outbreak to reinforce public health sectors and mitigate the socioeconomic impacts of the pandemic in the European Union. Gavi is a vaccine alliance to help vaccinate children around the world. It is leading COVAX, which is "a global risk-sharing mechanism for pooled procurement and equitable distribution of eventual COVID-19 vaccines" ([www.gavi.org/](http://www.gavi.org/)). International collaborations are needed because governments do not fully consider the positive (or negative) spillovers to the rest of the world when designing policies and actions for their countries and as a result, measures to cope with COVID-19 are not socially optimal from a global perspective.

#### **Lesson 4: Governments need transparent and credible policies and clear and open communications of what they seek to achieve**

Transparency and credibility enhance policy efficacy; that is, outcomes can be achieved faster and with lower costs. Moreover, transparency and clear and open communication increase accountability and public trust because they allow citizens to hold governments to account. Public trust in governments is particularly vital during times of crisis or disaster because measures that require or rely on behavioral responses by the public often need to be implemented.

## Lesson 5: Economic policy responses to shocks need reconsideration

The aim of economic policy is to improve living standards that can be achieved through four channels, by:

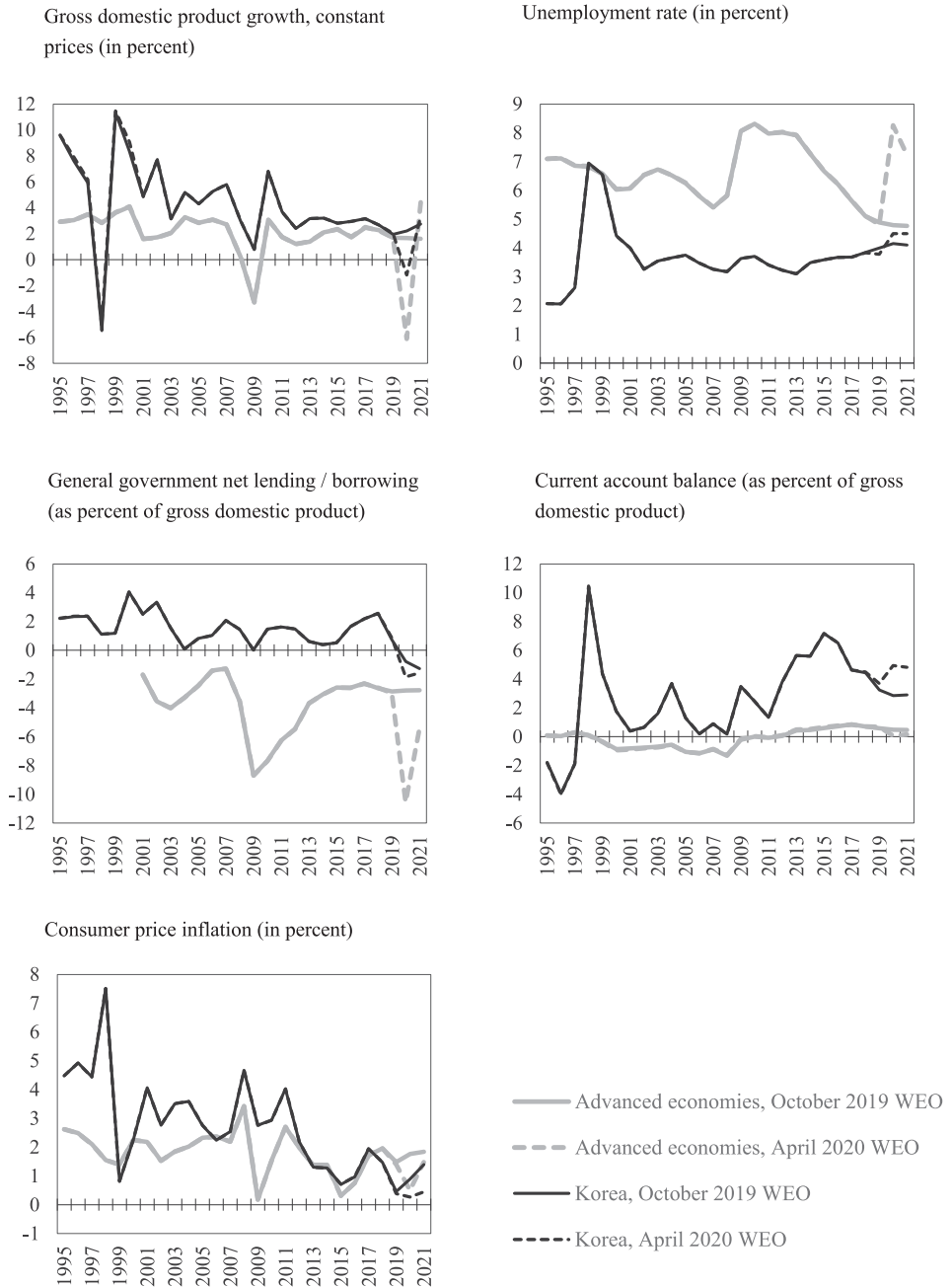
- stabilizing economic fluctuations;
- increasing economic efficiency;
- distributing resources, wealth, and income according to what people consider fair; and
- providing a safety net, minimum protection, and security.

Following the outbreak of the pandemic, governments around the world have correctly responded with increased public spending to limit the spread of COVID-19, such as providing medical equipment and funding (research for) treatments and vaccines. Public expenditure on health improves economic efficiency, hence increases living standards and welfare because of the externalities discussed earlier—people do not consider the benefits (costs) to other people of them being healthy (ill). During epidemics/pandemics, additional public funding is warranted because the risks of people getting infected and spreading the disease increase. Moreover, governments need to invest in the development of treatments and vaccines because private companies invest less in research and development than what is socially optimal, as products can be copied and produced by other companies at a lower cost.

Countries have also responded to COVID-19 with expansionary fiscal and monetary policy to support jobs and businesses. Forecasts by the IMF of key economic variables pre- and post-onset of COVID-19 are plotted in Figure 3. They show the devastating impact that the pandemic is expected to have on countries' economies. The downturn in Korea is anticipated to be less severe than in other advanced economies because Korea has managed to slow the spread of COVID-19 without prolonged production shutdowns.

Countries implement economic tightening or stimulus measures to stabilize the macroeconomy, that is, to reduce booms and busts. Countercyclical fiscal and monetary policy is expansionary when domestic demand is anticipated to be slowing and contractionary when the economy is at risk of overheating. But COVID-19 is not a “normal” demand shock and evidence is emerging that macroeconomic stabilization in response to COVID-19 may be less effective than anticipated (e.g., Chetty et al. 2020). In fact, it may be reducing economic efficiency by directing resources to unviable firms (Banerjee and Hofmann 2020). Economic activity has declined because of national lockdowns, supply chain disruptions, and because of uncertainty—we do not know how long the pandemic will last and how it will change the structure of economies. The extent to which fiscal and monetary policy can and should be used to stabilize the economy in response to a global pandemic requires further investigation. A more appropriate and more effective policy response may be greater

**Figure 3. Economic forecasts pre- and post-outbreak of COVID-19**



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Source: World Economic Outlook (WEO), IMF.

focus on providing a safety net and minimum protection, such as a universal income, to ensure no one falls into poverty and to help ease transition to the new post-COVID economy.

Greater consideration also needs to be given to the impact of policies on intergenerational inequity. School closures are exacerbating existing inequalities because they have larger adverse social and health consequences for children living in lower income households than for children with higher income parents (Van Lancker and Parolin 2020). School closures also more adversely affect single working parents.

By borrowing to finance public expenditure, governments are shifting the costs of COVID-19 to future generations. This may be appropriate if future generations are expected to be better off than current generations. However, given the magnitude of the shock, this may not be the case. Millennials who entered working age years during the recession that followed the 2008–09 global financial crisis have been found to be “less well off than members of earlier generations when they were young, with lower earnings, fewer assets, and less wealth” (Kurz et al. 2019).

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