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PROGRESS REPORT ON THE DEVELOPMENT OF AN OECD DASHBOARD TO MONITOR A STRONG, RESILIENT, GREEN AND INCLUSIVE POST-COVID-19 RECOVERY

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1. At the OECD Ministerial Council Meeting "The Path to Recovery: Strong, Resilient, Green and Inclusive", held on 28-29 October 2020, OECD Member countries invited the Secretariat to *"continue efforts, on the basis of Committee reviews, to develop an indicator dashboard that could potentially include both traditional economic factors such as GDP and employment as well as environmental and social dimensions related to sustainability, inclusion and well-being, in line with the Sustainable Development Goals"* [C/MIN(2020)7/FINAL]. Given the statistical input required, the Secretariat asked CSSP to take the lead in this work and suggested the creation of an informal Taskforce on Indicators for a Strong, Inclusive, Green and Resilient Recovery composed primarily of members of national statistical offices. The Taskforce is envisaged to continue supervising the work at least until the delivery of the dashboard in the fall of 2021[1]. Other OECD Committees (i.e. EDRC, ELSAC, EPC, EPOC and HC) also participated in the Task Force on a consultative basis, given the horizontal nature of this work, and since the dashboard may be leveraged through various OECD outputs for assessing the effectiveness of recovery plans.

2. Through this process, the Taskforce has been working to develop a prospective set of indicators to track the dynamics of the recovery, focused on the direction and intensity of change for the recovery dimensions considered. Timeliness as well as high-frequency information are critical requirements. When relevant and feasible, the dashboard will inform about developments beyond the national averages through disaggregated data referring to different population groups, sectors of the economy, and sub-national regions.

3. Building on existing analytical frameworks at the OECD, this progress report scopes the COVID-19 recovery dashboard. The dashboard provides an entry point for understanding the main challenges that governments face in deploying their recovery measures to build back better. To ensure its policy relevance, the dashboard will need to be interpreted alongside existing thematic and sectorial OECD dashboards with a COVID-19 specific sunset clause in mind. Coherently with the 2020 MCM Statement, the set of indicators to monitor the post-COVID-19 recovery is made consistent with the set of SDG indicators to ensure that recovery efforts facilitate the likelihood of achieving the SDGs in the long- run and do not obstruct the progress.

4. This progress report informs the OECD Ministerial Council Meeting May's discussions to support recovery packages deployed by countries

1. Understanding the recovery and countries' efforts to build back better

The impacts of the COVID-19 pandemic on economies, societies and the environment have affected people's lives more severely than other events in recent memory.

5. **Foremost, the COVID-19 pandemic has been a health crisis.** By early April 2021, over 130 million infections and nearly three million deaths were reported worldwide. Most OECD countries implemented measures that deliberately restricted economic and social activities in order to limit contacts between people and the spread of the contagion. These measures were combined with transfers to households and businesses to allow them to get through a prolonged slowdown in their income-generating activities, with different degrees of targeting to reach those most exposed to the consequences of the crisis. Meanwhile, the world's environmental challenges remain as pressing as ever, with 2020 marked by extreme weather and climate-related events such as droughts, fires, storms and floods across the globe. While origins of COVID-19 are being investigated, biodiversity loss has been identified as one of channels funnelling the emergence and spread of past infectious diseases (WHO, 2021[1]).

[1] The CSSP members from national statistical offices represented on the Taskforce are from Austria, Belgium, Canada, Colombia, France, Hungary, Italy, the Netherlands, Mexico, Poland, Turkey, Spain, the United Kingdom, United States, and Eurostat. The representatives of five policy committees (EDRC, ELSAC, EPC, EPOC and HC) from Canada, Denmark, Luxembourg and Spain also participate in the Taskforce.

6. **The near-term outlook remains uncertain with sizeable risks**. A recent *OECD Interim Economic Outlook* (OECD, 2021[2]) highlights that faster progress in vaccine deployment in all countries would enable restrictions to be lifted more quickly and enhance confidence and spending. Slow progress in vaccine rollout and the emergence of new virus mutations resistant to existing vaccines would result in a weaker recovery, larger job losses and more business failures.

The strength of the recovery is projected by the OECD Interim Economic Outlook (OECD, 2021[2])) to vary across economies and sectors, depending on the rollout of vaccine deployment, the effectiveness of policy support and structural characteristics, among other factors.

7. **The economic impact on output growth has been significant in all countries,** contributing to a slowdown of the global economy to 3.4% in 2020. Contingent on the effectiveness of policy support and containment measures, global GDP growth is projected to strengthen to 5.6% in 2021 and 4.0% in 2022 (OECD, 2021[2]). Although GDP remains around 1% below the pandemic level, the contraction in the last quarter of 2020 was weaker than expected, reflecting the increasing evidence of the efficacy of COVID-19 vaccines and the demand stimulus from COVID-related measures in many economies. However, there are also signs of increasing divergence across countries and sectors, with the output shortfalls affecting less manufacturing sectors and concentrated in contact-intensive service sectors – such as leisure, hospitality, transportation, and retail and wholesale trade, which account for up to one third of employment in most OECD economies.

8. **In the labour market, COVID-19 as well as support measures to firms and workers has affected employment dynamics.** Labour market conditions are recovering slowly, with job retention measures such as short-time work schemes and wage subsidies continuing to help preserve employment (OECD, 2020[3]). Despite that, almost 10 million more people are unemployed today than before the crisis, while inactivity rates have risen and employment rates have declined in all OECD countries. Total hours worked remain around 5% lower than prior to the pandemic, on average, in the larger OECD economies, with marked differences across sectors. The elevated uncertainty about job prospects points to vulnerabilities ahead, while inactivity affects labour productivity through the loss of current on-the-job knowledge.

9. **The impact of the pandemic has been uneven within economies, shifting the composition of GDP across sectors.** Despite subdued activities in contact-intensive service sectors, global industrial production has strengthened in the first quarter of 2021, while merchandise trade has returned to pre-pandemic levels, helped by increased demand for IT equipment and medical supplies. Consistent with the diverse ability of firms to use innovative technologies and teleworking arrangements, tangible investment- and contact-intensive sectors have been more affected than intangible investment-intensive ones; for example, transportation, hospitality and cross-border travel (OECD, 2020[4]).[2] However, the impact of telework on labour productivity is unclear, and is likely to vary across sectors in light of different task requirements (OECD, 2020[5]).

The crisis has exposed pre-existing inequalities and risks widening gaps across different groups of the population and places.

10. **The net impact of the COVID-19 crisis on household incomes is less clear-cut, and differs across economies.** Economic inequalities had widened well before the crisis struck. Prior to the COVID-19 crisis, the income of those in the top 20% of the income distribution was, on average, 5.7 times higher than that of the bottom 20% among OECD countries (in 2017 or latest). The distribution of household wealth is highly concentrated, with the wealthiest 10% of households owning 52% of total household net wealth in OECD countries (in 2017 or latest). Financial insecurity was widespread even before the COVID-19 pandemic. Across OECD

[2] Blog: https://oecdecoscope.blog/2020/12/12/the-impact-of-the-covid-19-pandemic-on-sectoral-output/.

countries, more than one in three individuals was financially insecure – i.e., while they are not poor based on conventional income thresholds, they do not have enough financial assets to keep their family above the poverty line for more than 3 months, should their income suddenly stop (2015 or latest; Balestra and Tonkin (2018[6]).

11. **Low-income workers have played a key role in ensuring the continuity of essential services during the pandemic**. Yet, they are more likely to have stopped work following the outbreak. Self-employed, temporary and part-time workers were particularly affected by the crisis, as they account for up to 40% of total employment in the most affected sectors, but also because they often lack the same access to social protection as regular employees.

12. **In many countries, women have been affected more than men.** They experienced greater declines in employment than men at the onset of the crisis (by 8.0% in 2020, compared to 7.4% for men), with the gender gap in unemployment rates widening by a ½ point from before the crisis: (i.e. 5.2% for women, as compared to 4.6% for men, on average across OECD countries in 2019). Also, women have been more exposed to infections as they account for the majority of the long-term care workforce – just over 90%, on average across OECD countries. Not only do women dominate employment in the care sector, they also provide most unpaid work at home. Across the OECD on average, at just over four hours per day, women spend around 2 hours per day more on unpaid work than men (OECD Labour Force Statistics).

13. **Young people are among the biggest losers from the crisis.** The crisis pushed youth unemployment rates upwards in nearly all OECD countries and the impact has been stronger than for other generations. By the end of 2020, the average OECD unemployment rate reached 13.1% for 15-to-29 year olds; modestly improving from the 18.9% recorded in the first quarter of 2020 (OECD Youth Action Plan, 2021). While around 85% of young people complete upper secondary education in OECD countries, on average, the prospects of finding a job are increasingly bleak for new graduates. Young people, including students, are also 35% more likely to live in an income-poor household. While the mental health impact of the COVID-19 crisis has been significant for many people, young people report consistently higher levels of mental distress than other age groups.

14. **The impact of the COVID-19 crisis is also skewed across regions.** The magnitude of the health impact in the form of COVID-19 mortalities has differed substantially between the hardest- and least-affected regions in most OECD countries (differences between regions amount to more than 100 fatalities per 100 000 people in France, Italy, Mexico, Spain, the United Kingdom and the United States). Economic and social implications, too, have been widely different across regions. Mortality rates have been twice as large in municipalities in the first quartile of the national income distribution than in municipalities in the highest quartile (for example, in France), also reflecting differences in housing conditions and occupational exposure. Regional disparities are also stark when looking at the share of jobs potentially at risk as a result of confinement measures, ranging from less than 15% to more than 35% across 314 regions in OECD countries (OECD, 2020[7]).

Making economies greener after the crisis would entail monitoring and addressing key environmental challenges including climate change, air and water pollution, inefficient use of natural resources, and biodiversity loss.

15. **Global CO_2 emissions** are expected to decline overall by 8% in 2020, reverting to levels last observed 10 years ago. However, this one-off decline in emissions will not have any long-term impact on the CO_2 concentrations in the atmosphere, which continues to climb rapidly. This will continue to be the case unless structural changes lead to emissions staying consistently below pre-pandemic levels.

16. **Air pollution** declined temporarily as industrial activity, ground transport and air travel were heavily curtailed for several months, but a number of countries have since reported a rapid return to high levels of air pollution. The pandemic highlighted the important link between air pollution and mortality from COVID-19, with higher levels of indoor and outdoor air pollution exacerbating the health impacts of the pandemic.

17. The reduction in economic activity led to an improvement in **water quality** in a number of waterways and coastal zones, with a number of OECD countries and regions reporting reduced concentrations of suspended particulate matter and other water pollutants. However, this will be a temporary phenomenon as water pollution is expected to increase once economic activity recovers.

18. **Resource use and waste management** challenges have increased significantly as a result of the pandemic as governments deal with major increases in medical waste (due mostly to disposable personal protective equipment), increased demand for single-use plastics (for groceries, food delivery, health care and e-commerce packaging), reduced recycling capacity and a collapse of the market price for recycled plastics.

19. The pandemic has highlighted the **significance of human interference with biodiversity** in helping to create the conditions for pathogens to leap from animals to humans. Deforestation, habitat degradation and fragmentation, agriculture intensification, wildlife trade and climate change have all played a role in zoonotic diseases, including COVID-19. Current negative trends in biodiversity and ecosystems will also undermine progress towards about 80% (35 out of 44) of the SDG targets related to poverty, hunger, health, water, cities, climate, oceans and land.

The COVID-19 crisis provides an opportunity to build back better and strengthen systemic resilience to cope with future shocks

20. **"Building back better" heightens the need to monitor and assess the quality of the recovery from both multidimensional and distributional perspectives.** In particular, this concerns all aspects of the digital transformation following the surge in teleworking, distance learning and e-commerce; as well as the growing urgency of strengthening the inclusiveness of society and keeping climate change and other environmental challenges in check.

21. **Digitalisation** is affecting economies and societies in complex and interrelated ways. Countries are stepping up their efforts to increase connectivity, making it reliable, fast and accessible for various groups of population. In the past eight years, the share of high-speed fibre in all fixed broadband subscriptions across OECD countries has more than doubled, rising to at least 50% in nine OECD countries (*OECD Digital Economy Outlook*, 2020). Among businesses, the access gap between large and small firms narrowed across the OECD, with 93% of all enterprises having a broadband connection in 2019. The average mobile data usage per subscription in the OECD quadrupled in four years, and is likely to accelerate further (*OECD Digital Economy Outlook*, 2020). However, with greater use of big data and better internet access, new challenges in terms of privacy, security and effective use call for appropriate policy responses. In 2019, over 80% of OECD countries reported AI and big data analytics as the biggest challenges to privacy and personal data protection, followed closely by the IoT and biometrics (*OECD Digital Economy Outlook*, 2020).

22. **The effectiveness of infrastructure spending** is under scrutiny to ensure that resilient infrastructure systems are assessed in a holistic way, rather than in terms of individual infrastructure assets or projects. The recovery is an opportunity to promote **sustainable infrastructure** by ensuring that the significant resources focused on infrastructure as part of stimulus packages and investment programmes are aligned with longer-term goals on climate, biodiversity and resource efficiency, while phasing out fossil fuel subsidies and the environmentally harmful support measures. In the COVID-19 context, the attention to business non-financial ESG risks has become increasingly important in leveraging capital from private sources.

23. **Government support to firms through grants, credits or loan guarantees has been crucial also to limit crisis-related insolvencies**, which could potentially affect otherwise viable firms, and to lessen the risk of debt-overhang, which could otherwise slow down the speed of recovery. In this context, it is also relevant to monitor the developments in public debt and, whenever possible, the extent to which firms have depleted their equity buffers and increased the leverage ratios to cope with the crisis and raise new financing to fund investments.

24. **Statistical infrastructure is key to ensure trust in public policy**, particularly when providing relevant, timely and disaggregated information on the parts of the economy, the environment and people most affected by the crisis. It can help to strengthen confidence in governments' ability to respond to the crisis. This concerns a broad range of issues from household income and social expenditures to business opportunities and balance sheet problems; as well as on the skilling opportunities and learning prospects to adapt to new information systems. Adequate statistical information would further support a policy dialogue among governments that face the common structural challenge to reorient economies and reallocate resources to build back better.

2. Measuring the post-COVID-19 recovery

2.1 Main principles

25. The COVID-19 recovery dashboard will serve as a reference for countries when assessing progress in their efforts to build back better in the aftermath of the pandemic and strengthen systematic resilience by taking into account economic performance, social inclusion and environmental sustainability through a broad well-being lens. The dashboard extends beyond the economic aspects of the COVID-19 recovery, as requested by Ministers at the MCM 2020.

26. The Taskforce has agreed on the following principles:

- **Structure of the dashboard:** The dashboard will monitor four aspects of the ongoing crisis and recovery (i.e. strong, inclusive, green and resilient). The first domain ("strong") focuses on the strength and spread of economic activity, looking at GDP growth, household income, employment, health risks and business dynamics. The second domain ("inclusive") focuses on how crisis has affected the income and jobs of the most vulnerable, and whether the efforts to build back better are focusing on ensuring that economies and societies can become more equal; informed by the OECD Inclusive Growth and Well-being frameworks. This dimension concerns non-material aspects of well-being, such as financial insecurity and gender gap in labour underutilisation. The third domain ("green") focuses on progress towards achieving a people-centred green transition, by focusing on climate change, renewable energy, circular economy, biodiversity and environmental quality of life; informed by the OECD Green Growth framework and related work. The fourth domain ("resilient") focuses on the factors that could have helped countries to better withstand the crisis as well as to prepare for the future crises. It takes a forward-looking perspective on building back better as it considers the capacity *to absorb* the shocks like COVID-19, the ability *to adapt* to new circumstances, and the agility *to transform* structurally with investment in different types of capitals, while taking measures of digitalisation, innovation and fiscal sustainability into account.
- **Number of indicators**: Deciding upon the optimal number of indicators, the Taskforce has highlighted the tension between relevance and parsimony. Recovery efforts are complex, multidimensional and need to encompass a number of aspects – this justifies a large number of indicators. At the same time, policy decisions need to be focused and informed by a limited number of priorities. To balance these considerations the Taskforce recommends to include up to 5 indicators per dimension. The Taskforce recognised that additional indicators may be added to provide additional context and/or to dissect issues in more detail. Similarly, going forward, the dashboard could be enriched by additional sectorial and spatial information (e.g. digitalisation) as needed and to meet country-specific needs and circumstances.
- **Timeframe and life-cycle of the dashboard**: The Taskforce highlighted the importance of considering a COVID-19 specific sunset clause for this dashboard. It also welcomed further efforts to focus on the short-term horizon of the recovery while capturing the connection between short-term and structural dimensions of recovery, in consideration of country-specific dynamics in building back better and strengthening the preparedness

for the future crises. It is therefore expected to include both short-term and medium-term indicators, illustrative of the challenges that policy-makers are and will be facing in course of the next five to eight years. While some flexibility on the lifespan of the dashboard should be maintained, the Task Force envisions the dashboard as associated with this specific post-COVID-19 recovery and thus should include some parameters for sun-setting the initiative.

- **Link with policy:** The Taskforce recognised that the dashboard has mainly a statistical purpose, aiming at monitoring countries' situation in the wake of the pandemic. However, the Taskforce has chosen indicators that are policy relevant, as they measure outcomes that can be shaped by policies and that are particularly salient in the COVID-related policy debate. The Taskforce also discussed the issue of the possible policy trade-offs to be considered along all the dashboard dimensions. The Taskforce did not find a conclusive position on this issue and suggested to bring this question to the attention of the policy committees. The Taskforce noted that strategic recovery plans are being envisaged in such a way as to achieve a balanced economic recovery across sectors, workers and places, while also seeking to build resilience in the economic, social and environmental systems. In this context, public and private investment plans should be designed to maximise returns across these three dimensions, while taking in consideration distributional issues.
- **Interpretation and analysis of results:** The Taskforce underscored the importance of putting the dashboard findings in the broader context of the trends that predate the pandemics and that have been to some extent impacted by COVID-19 and policy responses. Considerations around the starting conditions of countries when the pandemic hit and underlying structural transformations will be key in this respect. The analysis of the evolution of the selected indicators will have to disentangle temporary phenomena from medium or long-term ones. In addition, some countries highlighted the importance of interpreting the subjective indicators included in the dashboard with caution, especially when making comparisons across countries and/or drawing policy insights from those.
- **Relative importance of dimensions, aggregation and ranking:** the Taskforce did not express any views on the relative importance of the dimensions of the dashboard. It considers that users will have to apply their own weights and preferences to identify policy priorities among the various issues illustrated by the dashboard. Concerning aggregation, the dashboard will offer information in the form of a scoreboard, without aggregating indicators and dimensions into a composite index. No aggregate scores or ranking will be established.
- **Value added of the dashboard**: The recovery dashboard leverages existing analytical frameworks and policy approaches at the OECD. An inventory of available data and indicators in OECD and beyond has been conducted to map the in-house data resources in order to inform the production of this dashboard in consultation with the Taskforce. Thus far, no other dashboard of indicators is available to focus on four inter-related dimensions of the recovery - strong, resilient, inclusive and green. The dashboard will represent one of the first attempts to monitor trends in the quality of recovery along these dimensions, as well as capturing the intersections as the work evolves. The dashboard operationalises the concept of resilience in broad terms; building on more narrowly-defined concepts of resilience in earlier OECD work (e.g. on strengthening *economic resilience*[3]). In this context, the recovery dashboard looks at the notion of resilience from a perspective of the recovery and reconstruction, by looking at the capacity to absorb the shock, to minimise its impacts, to adapt to new circumstances, and to transform structurally our economies and societies. In order to facilitate further policy use and analyses of the crisis management, the dashboard's governance process involves several

[3] OECD project on Economic Resilience: https://www.oecd.org/economy/growth/economic-resilience.htm

policy committees to ensure the whole-of-government approach that mirrors governments' decisional process in establishing recovery plans.

- **Usage of the dashboard:** The taskforce recommended that the dashboard is reported on twice a year, in connection with the Global Strategy Group and Ministerial Council Meetings. These updates may be shared with Ministers and provide the broad context against which policy discussions are held. In addition, policy committees may decide to further develop the analysis of the dashboard indicators and to unpack them through specific applications and processes (e.g. including the dashboard in future versions of Economic and Employment Outlooks; Economic Surveys, etc.). Additional country-specific analysis may be conducted upon countries' requests and in the context of policy committees' work, and taking a multi-faceted approach to crisis management.
- **Disaggregation for relevant geographies, sectors and population groups:** Countries highlighted the need to break down indicators by a number of criteria in order to fully assess the spatial, sectorial and distributional aspects of the recovery. While a balance will have to be found between granularity and parsimony, the dashboard will attempt at including relevant disaggregated indicators – particularly by gender (see also below). Building on the existing OECD frameworks and data (see Box 1), the dashboard aims to integrate, as much as possible, timely high-frequency information at detailed levels of aggregation. In this respect, the Taskforce is exchanging views on the relevance of indicators and data availability during the COVID-19 pandemic, and advising on new efforts to address pertinent data and measurement gaps.

Box 1. Building on the existing OECD frameworks and data

Developed under the leadership of CSSP, EDRC, ELSAC, EPC, EPOC, HC and other Committees over the last decade(s), a number of existing OECD frameworks inform the development of the dashboard; for example, these include:

- The standard set of **OECD cyclical indicators** used in flagship economic or statistical publications.
- The **OECD's Well-being Framework**, the international reference for measuring the key aspects of life that shape people's well-being, which differentiates between people's current well-being and the resources and assets that sustain well-being over time and across generations.
- The **OECD's Inclusive Growth Dashboard**, which provides insights into inequalities and opportunities along four axes: participation in labour markets, productivity growth, business dynamism and responsive governance.
- The **OECD Green Growth Indicators**, which informs about the economy-environment interactions using data stemming from, amongst others, the System of Environmental-Economic Accounting (SEEA).
- The **OECD Jobs Strategy Dashboard**, which provides indicators related to job quantity and quality, the future of work and labour market performance.
- The **OECD Going for Growth** publication, which may help connect the selected indicators for recovery to their structural policy drivers.
- The **OECD Going Digital Initiative**, which may inform the measurement of the digital transformation of productive systems as well as of digital opportunities for various groups of the population.

2.2 Data and measurement limitations

27. Adequately measuring the impact of the COVID-19 pandemic requires going beyond GDP to understand the distributional and sustainability implications of the crisis and of recovery efforts. Not all indicators that are of conceptual importance to the recovery are readily available in a harmonised and timely fashion across OECD countries.

28. In particular, the statistical challenges concern:

- **The limited availability of high-frequency and timely indicators** underscores the urgency of piloting novel "nowcasting" tools to generate more timely estimates for indicators where recent data are not available. Some of the distributional and environmental indicators in the dashboard come with a considerable lag and may not provide policy makers with timely information that is essential for decision-making (that is, for highly volatile outcomes over time, like COVID-related excess mortality rates). The lack of up-to-date indicators in these areas, notably on the distributional side, may warrant the use of proxy measures and illustrative examples based on "non-standard data" to gauge recent, and even real-time, developments. For example, recent bank and credit card transaction data could be used to nowcast distributional developments in addition to aggregate spending.
- **Lag times associated with collecting and processing large-scale surveys** means that timely and frequent indicators of important dimensions of well-being, particularly in the quality of life dimension, such as subjective well-being, self-reported (mental) health or social connections, are not currently available. This makes dashboards such as the one proposed here inherently biased towards economic and material dimensions of well-being.
- **The increasingly abundant geo-spatial data could inform all four dimensions of the recovery; yet efforts are needed to turn these data into harmonised high-quality indicators for OECD countries.** The Secretariat is exploring several sources of geo-spatial data and developing new methodologies that could allow monitoring disparities of economic activities (by regions and territories) as well as inequalities, households' living standards, and human exposure to air pollution across regions.
- **Most of the existing data and indicators map separate dimensions of the recovery, but a few indicators exist to capture the interlinkages and connections between the various dimensions.** To remedy that, the dashboard will, as much as possible, use disaggregated data (e.g. new jobs created by gender), sectorial data (e.g. economic activity by industries), indicators that combine several objectives (e.g. productivity and inclusiveness or productivity and environmental sustainability) as well as information on cross-cutting enablers of the building back better (e.g. on digital transformation and green transition).
- **Some aspects of the crisis and the recovery are still poorly understood.** The pandemics has severely affected learning outcomes of many students; yet the overall impact on human capital is not fully known yet. Similarly, while COVID has had dramatic consequences on mental health and social connectedness, it is hard to appreciate the medium-term implications of increased depression, anxiety, loneliness, etc. This adds to the limited comparable data on mental health, which implies that only experimental indicators could be leveraged.

29. In light of these considerations, the Taskforce has decided to develop the dashboard in two stages:

- In the **first stage**, the dashboard will include a subset of indicators with the best information available (see the following section) for a relatively large number of OECD countries. To ensure that the prototype dashboard goes beyond the economic aspects of the recovery, as requested by the MCM 2020, it will mostly focus on the official statistics regularly published by the OECD,

vetted by its various Committees and that have been made the object of validity check by the Secretariat.

- In the **second stage,** the dashboard will be refined and additional or improved indicators will be included, harnessing ongoing data initiatives using non-official statistics and nowcasting in the OECD; including in the areas of income inequality, poverty and CO_2 emissions.

2.3 Selection of the indicators

30. Bearing in mind the various data limitations discussed earlier in the note, the selection of indicators is guided by a combination of the following considerations:

- Relevance from the perspective of capturing the four priorities of the recovery (strong, resilient, green and inclusive) and countries' ambitions to "build back better".
- International comparability and accuracy of data, drawing to the extent possible from existing OECD datasets.
- Country coverage. Indicators should cover a majority of OECD countries, and go beyond members of the European Union.
- Timeliness and frequency of information as well as the ability to capture dynamics by focusing on changes rather than levels; particularly relevant to the indicators that monitor short-term movements.
- Interpretability, ease of visualisation and communication for multiple users; the dashboard should be useful and relevant to multiple audiences.
- Measurability, whereby data availability is not a necessary condition for inclusion in the dashboard (i.e. Table 1 include place-holders by proposing "proxies" of some of the "main" indicators for which data or methodology are currently limited but where good prospects of near-future development exist. In cases where the dashboard would include "proxies," the dashboard will note the limits of these measures, especially when data is obtained from non-official sources).
- Consistency and complementarity with existing OECD measurement frameworks (e.g. the Well-being Framework, Going for Growth, Green Growth, Inclusive Growth, Going Digital), and with the recovery dashboard developed by the European Statistical System, NSOs and other relevant organisations.

Table 1. Draft selection of candidate indicators

Sub-theme	Indicator	Disaggregation	Unit	Timeliness	Availability	Source	Country coverage	Tier	Comments
STRONG									
Economic activity	GDP growth	Total; Upper band (strongest performing sector); Lower band (poorest performing sector)	% difference in GDP (y-o-y) or Index, 2019=100	Monthly or Quarterly (Official); Weekly (Tracker)	Available	National accounts; OECD Weekly Tracker	ALL + KP	1, 3	Official quarterly or monthly indicators on GDP growth extended using the OECD Weekly Tracker, a real-time high-frequency indicator of economic activity using machine learning and Google Trends data. Source: http://www.oecd.org/economy/weekly-tracker-of-gdp-growth/.
Employment	Job quantity in terms of volume of hours worked		Index, 2019=100	Quarterly	Available	LFS data	ALL	1	
Household income	Real (inflation-adjusted) household disposable income per capita		Index, 2019=100	Quarterly	Available	National accounts	ALL	1	Alternatively, the Taskforce considered also a measure of consumption, such as real household final consumption per capita, though pending on data availability.
Business dynamism	Number of enterprise exits		Index, 2019=100	Annual	Available	Enterprise statistics	OECD 15	1	Delegates have expressed concerns about poor country coverage, but indicator is considered highly relevant by delegates nonetheless. Alternatively, a measure of the number of start-ups is also relevant to reflect business opportunities.
Health risks	Excess mortality		Index, 2019='100'	Weekly	Available	OECD Health Status database	OECD 31+	1	The Taskforce has also concerned indicators on COVID-19 deaths and vaccination rates; with mixed preferences.
INCLUSIVE									
Income inequality	S80/S20 ratio of household disposable income nowcasted estimates		Index, 2019=100	TBD	In pipeline	Nowcast	TBD	3	The OECD is currently collaborating with Eurostat on developing a nowcasting methodology for S80/S20 household disposable income, with first results expected in Q4 of 2021; further collaboration needed for non-EU countries
Labour underutilisation	Number of unemployed persons, inactive people who wish to work and are available but may not have looked for work during the	Total; Male; Female	% of labour force	Quarterly	Available	LFS data	OECD 34	1	This indicator will also be used to capture the gender equality component of the crisis and recovery in the labour market. Delegates have also suggested including a consideration of gaps between racial and ethnic groups; the Taskforce may explore such

Sub-theme	Indicator	Disaggregation	Unit	Timeliness	Availability	Source	Country coverage	Tier	Comments
	past 4 weeks, and employed people who work fewer hours than they would like, as a percentage of the labour force, seasonally adjusted.								horizontal inequalities in the future.
Youth employment and training	Share of youth (aged 15-24) not in employment, education or training, percentage	Total; Male; Female	% of 15-29 year olds	Quarterly	Available	LFS data	ALL	1	A measure of access of youth to labour and training.
Financial insecurity*	Share of people that are finding it difficult or very difficult to live on current household income		% of population	Annual, T-1	Available	Gallup World Poll	ALL + KP	2	A self-reported measure of financial insecurity comparable to the "difficulties making ends meet" indicator used in How's Life publication for EU countries. GWP data to be presented with necessary caveats
Low life satisfaction*	Share of people reporting a level of life satisfaction of 4 or below on a 10-point scale	Total; Male; Female	Index, 2019=100	Annual, T-1	Available	Gallup World Poll	ALL + KP	2	Current annual estimates of life satisfaction would be based on the Gallup World Poll; countries that have official time series including the year 2020 may provide official data. GWP data to be presented with necessary caveats
GREEN									
Climate change	GHG emissions		Tonnes per capita	Monthly or quarterly	In pipeline	Environment Statistics + Nowcast	ALL	1, 3	The OECD, in collaboration with the IEA, is working to produce timely statistics on emissions of greenhouse gases (GHG) for the purpose of this project, which would be based on nowcasting methodologies rooted in National Accounts data.
Green energy	Renewable energy in the energy mix (excluding solid biomass)		% of primary energy supply	Annual, T-1	Available	IEA World Energy Statistics	ALL	1	Data for 2020 will become available in 2021 (Mar-Sep)
Circular economy	Domestic material consumption		Tonnes per capita	Annual, T-1	Available	OECD Environment Statistics	ALL	1	Data for 2020 will become available in 2021 (Mar-Sep)
Biodiversity	Losses in natural and semi-natural vegetated land cover (tree-covered area, grassland, wetland,		Index, 2019=100	Annual, T-1	Available	OECD Environment Statistics	ALL	1	Data for 2020 will become available in 2022

Sub-theme	Indicator	Disaggregation	Unit	Timeliness	Availability	Source	Country coverage	Tier	Comments
	scrubland and sparse veg.) as % of total land area								
Environmental quality	Share of population exposed to 10g/m3 of PM2.5		% of population	Annual, T-1	Available	OECD Environment Statistics	ALL	1	Data for 2020 will become available in November 2021
RESILIENT									
Debt	Financial liabilities by institutional sector	General government; Private sector; Household	% of GDP or % of revenue	Quarterly	Available	OECD National Accounts	ALL + KP	1	
Investment	Gross fixed capital formation	Total; R&D	% of GDP	Quarterly	Available	OECD National Accounts	ALL + KP	1	R&D disaggregation only available on annual basis for most countries
Digital transformation	Households with broadband Internet access at home	Total; Poorest performing region	% of households	Annual, T-1	Available	OECD ICT Access and Usage	OECD 31	1	Delegates have expressed concerns about the relevance of this indicator; may consider alternatives in the future
Trust in government*	Share of people reporting confidence in the national government	Total; Age 18-44; Age 45-64; Age >65	Index, 2019=100	Annual, T-1	Available	Gallup World Poll	ALL + KP	2	GWP data to be presented with necessary caveats
Health resilience	*An appropriate indicator will be explored in consultation with the Health Committee (e.g. Multiple Chronic Conditions, work absenteeism, health spending, or other indicator that measures broad physical health of the population).*								

Notes: Each dimension (strong, inclusive, sustainable, resilient, should ultimately have a maximum of 5 indicators. Tier 1 indicators denote vetted indicators based on official statistics, Tier 2 indicators refer to vetted indicators that rely on an alternative data source in order to improve timeliness, Tier 3 indicators refer to experimental indicators in development and are not currently available. Indicators are broadly consistent with the SDGs, in particular, with Goals 8 and 10 for "strong" dimension, Goals 1, 8 and 10 for "inclusive" dimension, Goals 7, 8, 11, 12, 13, 14, 15 for "green" dimensions, and Goals 3, 9, 16 and 17 for "resilient" dimension of the dashboard. * denotes the indicators based on the subjective well-being data retrieved from the Gallup World Data, which need to be interpreted with specific caveats in mind in light of any differences with the official statistics; as noted in Box 3 – Measuring Subjective Well-being.

31. This selection is based on a number of conceptual and practical reflections for each of the dimensions of the recovery, which are described below.

1. Strong

32. The first criterion mentioned in the Ministerial statement to assess the recovery refers to its "strength". As the COVID-19 crisis translated into large drop in the volume of economic output, measures of real GDP represents a natural point of departure for this part of the dashboard. The strength of GDP growth provides, however, only a limited perspective on the 'economic' aspects of the recovery. Whether the recovery is robust and broad-based (across individuals, sectors and geographies) is as important as its pace – although this brings to the fore the issue of how to reflect disaggregation of the selected indicators in the dashboard.

33. In addition, changes in GDP may fail to translate (or do so only with long lags) into commensurate changes of households' economic well-being, calling for measures that relate more directly to the experience of individuals and households. Any economic recovery would be at risk in the event of a resumption of the pandemic, pointing to the importance of monitoring either the pandemic itself or the measures used to avoid its resurgence.

34. The main candidate indicators considered are:

- *GDP growth* is the entry point for assessing the pace of the recovery. Aspects related to its breadth could be captured through a measure of the contributions of different industries or regions to overall GDP growth. In order to capture the extent to which the recovery is recouping the loss incurred during the crisis, GDP in the most recent period could be expressed relative to either its pre-crisis level, or to the level it could have attained based on the pre-crisis trend. Caution will be exerted on how to report the monthly GDP estimates that are available for a selected number of OECD countries. To complement the official statistics informing on quarterly developments, the Secretariat has recently developed a Weekly Tracker of GDP growth (based on machine learning and Google Trends data to estimate year-on-year growth rates for weekly GDP[4]) which could also be included in the dashboard as a proxy measure for real time GDP growth. A productivity indicator may also be considered to inform further on reallocation of resources across the economy and over time.

- Job quantity, as reflected by a measure of *volume of hours worked*, is relevant as it captures one important aspect of the COVID-19 crisis, with many countries having temporarily shut down some sectors of their economy to contain the spread of the virus. For example, in the first three months of the crisis, in OECD countries for which data are available, hours worked fell ten times more than in the first three months of the 2008-09 global financial crisis. The volume of hours worked indicator is a comprehensive job quantity indicator as it covers regular hours worked by full-time, part-time and part-year workers, paid and unpaid overtime, and hours worked in additional job. Further complementary information on output or productivity can be considered to facilitate its interpretation from a welfare perspective.

- *Real household disposable income* is a measure of household material well-being that accounts for the impact of the economic downturn on people's living standards and of the support provided by governments through cash transfers. The (SNA) measure typically lags GDP; in the COVID-19 context, the full extent of its economic impact on household income may only materialise when government support packages that cushion temporary income and employment losses are terminated. An alternative indicator has also been considered – *real household final consumption expenditure*.[5] As the latter indicator is more strongly

[4] The methodology used by the Weekly Tracker is presented in Woloszko (2020[14]).

[5] For some (most) countries, this SNA-based measure of household living standards could also be expressed on an 'adjusted' basis, whereby capturing the impacts of the services in kind provided by governments.

correlated with the dynamics of economic activity, which is already included in the dashboard, the household income measure has been preferred.

- Monitoring business dynamism is important to monitor developments beyond the short-term horizon, as full economic consequences of the pandemic may only crystallise during the aftermath of the pandemic, as support packages terminate. *Business entry and exit rates* is an important indicator that can help to monitor such dynamics. Unfortunately, this indicator is only available for a limited number of OECD countries, and so a trade-off presents itself between the relevance of this indicator and its limited country coverage. In addition, the Taskforce has also discussed the relevance of considering crisis-related insolvencies, which could be further explored by considering non-performing loans' measures to capture a possible debt overhang of non-financial companies induced by the COVID-19 pandemic (Demmou et al., 2021[8]).
- *Health risks* will loom large on the recovery. Given the nature of this crisis, an indicator that captures its health impacts on people is a strong candidate for inclusion in the dashboard, as any rebound in the COVID death toll would put a recovery at risk. At the same time, the health indicator is linked to the strength of economy to revive productivity and mitigate adverse impacts on labour force dynamics (e.g. as higher morbidity due to severe and/or chronic health conditions weighs on productivity and earnings). Measures of excess mortality, recently developed by the Secretariat, would allow monitoring direct and indirect health impacts of the COVID-19 pandemic in a comparable and high-frequency manner (although they would become less relevant as time goes by). Alternative measures have been brought up for consideration by the Taskforce are *vaccination rates.*
- Finally, the Taskforce considered using a *high-frequency leading indicator* of the recovery such as *consumer confidence*[6] or composite leading indicators (CLI), as well as indicators on consumer prices, inflation rates productivity to complement GDP and understand better the short-term economic dynamics. For now, the Taskforce has opted against their inclusion in the dashboard due to the constraints imposed by the limited number of indicators to be included in the dashboard.[7]

2. Inclusive

35. The recovery will be inclusive only if it benefits all members of a community rather than a few, by addressing inequalities and ensuring access to equal opportunities. Building back better involves not reverting to the pre-pandemic status quo, but creating an economy that works to the benefit of a larger share of the population. A focus on the inclusion of the recovery is important as the impacts of the COVID-19 crisis have been uneven among the population, often reflecting pre-existing inequalities. Indicators in this dimension can help hold policy-makers accountable for their efforts; not merely in limiting such inequality-inducing effects of the pandemic, but also reducing pre-existing gaps between groups and raising living standards for all.

36. Task Force members supported the inclusion of some of non-material conditions of people and households, however delegates had different views on the utility of tracking non-material conditions with self-reported indicators. They recommended clearly indicating that the goal of this dimension is not to go back to pre-pandemic levels of inequality but to build back more equal societies. They stressed the importance of capturing gender inequalities (see Box 2), and suggested a number of other indicators as candidate for inclusion in this part of the dashboard, including on absolute poverty, education (e.g. students returning to schools), housing (e.g. evictions), unpaid

[6] Consumer confidence is a composite measure computed by the OECD as arithmetic average of the difference between positive and negative replies of the following four questions: past own financial situation, expected own financial situation, expected generic economic situation and expected major purchases. The time horizon for all questions is 12 months and the indicator is expressed in net balance form, seasonally adjusted.

[7] Measures of some of the items feeding the OECD consumer confidence measure may also be used to monitor some of the 'inclusive' aspects of the recovery, and be available for sub-groups of the population.

work and inactivity (NEET). Gradually, more granular information informing on the recovery of economic sectors and the affected individuals could also be considered.

Box 2. Integrating a gender and age lens in the dashboard in a transversal manner

A growing body of research points to the diverse impacts of the COVID-19 pandemic on men and women, as well as on different age groups (e.g. children, young adults and the elderly). The dashboard could consider such horizontal inequalities in a transversal manner. Where relevant, for indicators measured at the individual level, the dashboard could provide disaggregation by age and gender in order to highlight the different impacts of the crisis and the recovery for different groups.

37. The main candidate indicators considered are:

- *Income inequality:* The crisis risks exacerbating economic inequalities, hence it is important to include a measure of how they unfold. As comparable data based on official sources on income inequality (from the OECD Income Distribution Data) have significant lags,[8] the Secretariat has initiated a collaboration with the European Commission's Joint Research Centre and Eurostat to develop nowcasting measures of income inequality, in particular the *S80/S20 ratio of household disposable income*. This methodology is currently being developed, and the WISE Centre will report on early findings from this activity to the Committee at a later stage. For the moment, this work focuses on EU countries and the methodology will need to be extended to other OECD countries in order to be useful in the dashboard. For this reason, this indicator is currently characterised as being part of the statistical agenda ahead to be included in the dashboard at a later stage. The Taskforce also suggested exploring nowcasted estimates of alternative measures (such as poverty) as well as different methodologies (e.g. updating micro-data from household surveys using national accounting aggregates).
- *Unemployment and underemployment* weigh directly on people's well-being, and the burden of the recovery may fall differently on the employment opportunities of different groups. Given the specific conditions of this crisis, which has many workers on furlough or working reduced hours, the labour underutilisation rate is a candidate indicator to gauge the labour market impacts of the recovery. The labour underutilisation rate is expressed as a share of the unemployed, discouraged or underemployed workers in the total labour force. The measure could be presented separately for women and men to capture gender inequality (see Box 2). Use of this indicator could also be justified on the ground that inactivity and underemployment might lead to a degradation of the skills and competencies that underpin productivity and future well-being.
- *Youth employment and training:* Special attention should be paid to the labour market outcomes of young people, who are disproportionally affected by weakened labour markets, as was the case during the last financial crisis. Also, high-school students in a number of OECD countries have missed out the substantial amounts of class time as a result of the pandemic, which may be reflected in education and labour market outcomes of young adults in the near future. The rate of young people (aged 18-29) not in education, employment or training (or NEET rate) is a suitable indicator to reflect the broad impacts of the crisis on young adults in the aftermath of the pandemic.
- *Financial insecurity:* In the absence of timely data on income inequality or poverty, an option to reflect the impact of the economic crisis on the income of vulnerable groups is to include a measure of perceived financial insecurity of the household from the Gallup World Poll. The GWP features a question on people's perceived ability to 'get by' on household income that is conceptually similar to the question on people's perceived difficulties making

[8] For most OECD countries, estimates refer to income earned in 2018, with even older estimates for several countries)

ends meet used in EU-SILC, which is also reported on in the OECD's *How's Life?* report. Comparative analysis of time series of the two measures suggest that these two measures largely reflect similar dynamics, and that the GWP measure therefore may be a suitable candidate for inclusion, given that it includes data on all OECD countries and is sufficiently timely (See Annex A). Given the absence of official statistics for this indicator, the dashboard will note the limits that apply to this indicator.

- *Non-material aspects of people's life:* Growing evidence reveals that the impact of the pandemic has affected all dimension of people's lives, that these impacts are diverse in their nature and that they vary significantly between groups. Beyond economic and labour market incomes, the dashboard should give due consideration to the broad effects of this crisis on non-material dimensions of life, such as social connections and loneliness, mental health, work-life balance and health outcomes. A candidate indicator that has the ability to capture a wider range of quality of life effects is life satisfaction, a component of subjective well-being. Given data availability issues (See Box 3), Gallup World Poll data would be presented in the appropriate context with caveats taking methodological issues and country-specific considerations into account. While there were differing views in the Taskforce, most members were supportive of considering subjective well-being measures, while stressing the need to place underlying data sources in the appropriate context in light of any differences with the official statistics.

- The Taskforce identified a few key additional areas for further work. Mental health concerns and loneliness have increased significantly during this crisis. Unfortunately, comparable official statistics on such measures are not currently available. This is an area where experimental approaches (e.g. big data, unofficial sources) could be considered to provide a more timely proxy measure of mental health outcomes, and where future harmonisation of official statistics is warranted.[9] Taskforce members also expressed a particular interest in exploring the possibility of capturing housing-related inclusion outcomes in the future. Finally, the Taskforce may explore further disaggregation for capturing inequalities between racial and ethnic groups.

[9] See for example (Algan et al., 2016[12]) and https://www.sciencedirect.com/science/article/pii/S0047272720302103?dgcid=raven_sd_aip_email .

Box 3. Measuring subjective well-being

Evidence suggests that subjective well-being measures captured the strong impact of the COVID-19 crisis on people's lives[10]. A measure of deprivation in life satisfaction, which considers the share of people who respond to the question with a rating of 4 or less, is sensitive to short-term developments and may well illustrate the impact of the crisis on the lower end of the distribution.

NSOs have made great strides when it comes to efforts in measuring subjective well-being in the past years. While some countries have monitored life satisfaction in some form for decades, calls by prominent academics such as Kahneman & Krueger (2006) and the Stiglitz-Sen-Fitoussi Commision (2009) triggered a new focus on these new measures of progress. In particular, developments on the optimal use of question wording and response scales have led countries to rethink their life satisfaction items and adopt new measures. The *OECD Guidelines on Measuring Subjective Well-being* (2013[9]) have catalysed a harmonisation process, promoting the widespread use of a standardized life satisfaction question that has been widely tested and validated.

The majority of OECD countries have collected life satisfaction data in line with the measurement standards set out in the OECD Guidelines at least once, and some countries do so on a more regular basis. Eurostat has implemented the EU-SILC Module on Well-being that has provided a critical mass of official estimates for country comparisons. However, this module has so far been implemented in 2013 and 2018, and only a few OECD countries have introduced the life satisfaction in a regular survey vehicle or have introduced a separate data collection targeted at collecting subjective well-being data. The latest official data on life satisfaction included in the 2020 edition of *How's Life* refer to 2018 (earlier for some countries). In the absence of more up-to-data official statistics, the Gallup World Poll provides annual data on life satisfaction for 2020. These data could be considered as a proxy measure, particularly since these data have already been vetted in the past by the CSSP (See Annex A).[11]

Source: OECD (2013[9]), *OECD Guidelines on Measuring Subjective Well-being*, OECD Publishing, Paris, https://doi.org/10.1787/9789264191655-en.

3. Green

38. Building back better also requires aligning short-term recovery efforts with the long-term ambition to achieve a people-centred green transition. The climate crisis and other, interrelated, environmental challenges, such as exposure to pollution and threats to biodiversity demand scaling up mitigation and adaptation efforts. Important areas of focus for the indicators included in this dimension should be the emissions responsible for climate change and associated investment towards clean energy, material resource use, and people's exposure to pollution.

39. Taskforce members converged on the conceptual considerations and agreed on candidate indicators. The Taskforce offered a number of possible alternative indicators, such as land use change to capture biodiversity threats. On pollution, it was suggested to focus on less weather-dependent indicators, such as nitrogen or sulphur oxides.

40. The main candidate indicators considered are:

[10] Evidence from weekly data collected by the UK Office of National Statistics shows that life satisfaction dropped during lockdowns, alongside spikes in negative affect (e.g. anxiety) and drops in positive ones (e.g. experienced happiness), https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/bulletins/personalwellbeingintheukquarterly/april2011toseptember2020.

[11] The *How's Life?* publication (OECD, 2020[13]) started reporting on life satisfaction using official statistics in 2020, after having relied on the Gallup World Poll data in the previous editions.

- *Emissions of greenhouse gases (GHG):* while GHG emissions may have temporary declined as a result of pandemic restrictions, this is unlikely to have any significant long-term impact on GHG levels in the atmosphere without structural policy changes, and the atmospheric concentration of GHG that drives climate change is set to climb further.[12] An indicator of GHG emissions would need to inform on whether or not their level is coming down consistently during and post-recovery. Since comparable annual data on total GHG emissions from energy use and industrial processes are only available up to 2019, more timely and higher-frequency data including geo-spatial information should be explored by the Secretariat, aiming to nowcasting quarterly GHG emissions. A partnership with other international organisations has been launched to achieve that goal.

- *Investment in renewable energy* has been a focus of accelerated government support in several countries, and a number of OECD countries are using economic stimulus packages to invest in renewable energy sources and phase out fossil fuels. Tracking the share of energy that comes from renewable sources is an important indicator of whether countries are meeting their climate objectives.

- *Material resource use*, aside from CO_2 emissions, is a second key indicator of the footprint of economic activity on the environment. It reflects the extent to which economic activity relies on the extraction of new resources rather than recycled resources. The building back better of our economies and societies should not only consider greenhouse gas emissions, but also the resource intensity of our societies, which has indirect consequences for biodiversity and climate change. The Taskforce will also explore the availability of data to construct an indicator of electronic waste. Information on recycling and secondary use of materials could also be considered to facilitate interpretation, when timely and comparable information is available.

- *Air pollution* has declined temporarily during the crisis as ground transport and air travel were curtailed at the onset of the pandemic; however, since then a number of countries have reported a resurgence in air pollution.[13] As the pandemic highlighted the link between air pollution and mortality from COVID-19 (with higher levels of indoor and outdoor air pollution worsening the health impacts of the pandemic and exacerbating airborne transmission of virus), an indicator of human exposure to particulate matter ($PM_{2.5}$) has been considered to inform on changes in the environmental quality of life during and post-recovery. Along with aggregate time-series, geo-spatial data are being explored to identify the air pollution hot-spots building on the OECD recent work in this area; which in turn may facilitate more accurate attribution of air pollution to domestic policies in consideration of cross-border effects.

- *Biodiversity:* The Taskforce broadly agreed that environmental indicators should extend beyond climate change and consider other environmental challenges, such as threats to biodiversity from increased resource use and pressures on natural environments related to human activity. The Taskforce viewed biodiversity as especially relevant to this COVID-19 recovery given the ecological origins of the disease itself. The most suitable harmonised indicator in this context is the share of natural and semi-natural vegetated land cover as a percentage of total land area, which reflects natural space available for wildlife and conservation. The lag time for this indicator is slightly longer than for other indicators in the dashboard, as data for 2020 will only become available in 2022.

[12] By over 2ppm per year, reaching 414.38ppm at Mauna Loa in July 2020 – see: https://www.esrl.noaa.gov/gmd/ccgg/trends/mlo.html.

[13] See for example: https://eeb.org/air-pollution-returns-to-china/; https://www.tellerreport.com/news/2020-06-10-air-pollution-in-paris--%22we-have-returned-to-80%25-of-the-usual-level%22.S1EeOESR3U.html.

4. Resilient

41. Building back better is a central tenet of policy-makers' ambitions for the recovery after the COVID-19 pandemic, running through all the dimensions of this dashboard. To a significant extent, building back better entails preparing for future shocks and preparing for the mega-trends facing us in the years ahead. Some of the main long-term or mega-trends that would need to be brought into the picture are digitalisation, ageing, and challenges to democracies.

42. The Taskforce considered it important to be able to inform on resilience also in the context of potential future crises beyond COVID-19. However, Taskforce members noted the conceptual breadth of this dimension, and argued that indicators should focus on those resources that would have improved our response to the current crisis (and potentially, future crises). Furthermore, Taskforce members suggested to explore the possibility of considering relevant technological advances (e.g. vaccine development), digital infrastructure investment (e.g. in software and ICT), technological developments (e.g. R&D in ITC and healthcare services), communities (e.g. housing, health-care and child-care services) as well as OECD Product Market Regulation Indices (e.g. reflecting competition), while monitoring the financial sector buffers.

43. The main candidate indicators considered by the Taskforce are:

- Across institutional sectors, pandemic related economic losses and increased government spending risks augmenting debt levels. Threats to fiscal sustainability can act as a constraint in government response to the pandemic. Many governments have relied on available fiscal space accrued over the past years to respond to the need for stimulus measures during this crisis, and their ability to do so certainly is a sign of resilience. Monitoring government debt as a share of GDP in the future is warranted in order to understand how this component of resilience evolves in light of significant increases in public spending. In light of evolving discussions on fiscal sustainability, the Taskforce also considered alternative measures, such as an indicator on interest payments on debt. In addition to monitoring government debt, it is equally worth monitoring developments in the debt levels of households and the private sector, as these also may incur a sustainability shock to their financial security as a result of the crisis.
- *Investment:* Building back better will require significant public and private investment, including in human capital, green and digital infrastructure. Lessons from previous crises have shown that neglecting such investments would result in a weaker and more short-lived recovery. Building resilience against future crises requires making such investments during the recovery and focusing on green and inclusive priorities. A broad investment indicator may be considered (gross fixed capital formation, or a measure including investment in both tangible and intangible assets), but a narrower measure of specific investment categories (e.g. investment in R&D, sustainable investments) may also be considered.
- *Digital infrastructure and technologies* have facilitated resilience in the face of the COVID-19 pandemic, as economic and social activities moved online. From e-commerce to online classes, digital technologies have averted larger output and human capital losses. At the same time, unequal access and effective use of digital technologies are an important aspect of inequalities. Schools and students without adequate digital resources are falling behind. A broad indicator of digital infrastructure investment, such as the broadband penetration rate, would reflect of the extent to which digital transformation covers all groups and regions in a country.
- *Trust in government:* The OECD has devoted significant efforts to develop measures of people's trust in others and trust in government in the aftermath of the global financial crisis (See Box 4). More recently, a significant body of evidence has emerged on the determinants of trust in government. Trust in government is highly correlated with perceptions of government competence (e.g. public service satisfaction, perceived reliability and responsiveness) and of government values (integrity, fairness, transparency) (Murtin et al., 2018[10]). For this reason, changes in trust in government will reflect changes in the policy dimensions that drive trust. Measures of trust in government typically correlate closely with similar measures (such as confidence in the political/legal system) as people tend to

interpret such measures in similar ways, even though they may refer to slightly different concepts. Official measures of trust in government are available for several OECD countries, but they rarely meet the timeliness requirements for inclusion in the dashboard. Timely measures of trust in governments are available from the Gallup World Poll. As with other indicators reliant on GWP data, limits in this source will be noted.

- *Health system resilience:* The Taskforce agreed on the need to include an indicator of health system resilience in this dashboard, given the various levels of preparedness of health care systems in OECD countries in absorbing the shock of this pandemic. Under the aegis of the Health Committee, the Secretariat has developed a number of indicators on quality of care, access, health outcomes and risk factors. The Secretariat is exploring suitable options for the inclusion of an appropriate indicator in consultation with the Health Committee, and will revert to the Taskforce to discuss options.

Box 4. Measuring trust

Over the past decade, the OECD has been developing new tools to measure people's trust and confidence, including interpersonal and institutional trust, in support of policy recommendations. As part of the OECD Better Life Initiative launched in 2011 and OECD mission to promote better policies for better lives, the OECD has initiated the OECD Trust Strategy at the 2013 OECD Ministerial Council meeting on Jobs, Equality and Trust to provide guidance, including methodological and measurement advice, to restore confidence in public institutions. In order to set standards for the measurement of trust and encourage harmonisation of official measures, the OECD published the Guidelines on Measuring Trust (2017). The OECD has incorporated measures of trust in the OECD How's Life report and the OECD Inclusive Growth Framework for Policy Action. A number of OECD countries, such as New Zealand, Canada, Korea or Australia, collect data on trust in line with the OECD Guidelines. However, as with subjective well-being, the lack of availability of sufficiently timely comparable official statistics necessitates the use of alternative sources such as the Gallup World Poll in this dashboard.

An OECD paper based on the Trustlab survey has evaluated the individual-level determinants of trust in others and trust in government, further strengthening the evidence base on the validity of trust measures and their drivers (Murtin et al., 2018[10]). Beyond validating survey measures of trust using behavioural experiments, the paper suggests that trust in government is strongly correlated with people's perceptions of the competence and values of government and public servants. In particular, perceptions of the high-level integrity of politicians, perceived government reliability and responsiveness, and satisfaction with public services contribute strongly to people's self-reported trust in government. These findings support the validity and relevance of the use of trust in government measures as a way of assessing people's wider perceptions of the extent to which policymakers deliver to citizens.

Conclusion: Timeline and next steps

44. This note presents the main outcomes of the CSSP Taskforce on the "OECD dashboard to guide strong, resilient, green and inclusive recovery" that was established following the request voiced at the OECD MCM 2020 last November. The note also summarises some of the main statistical challenges to steer the development of the first version of the dashboard to be published in the fall of 2021.

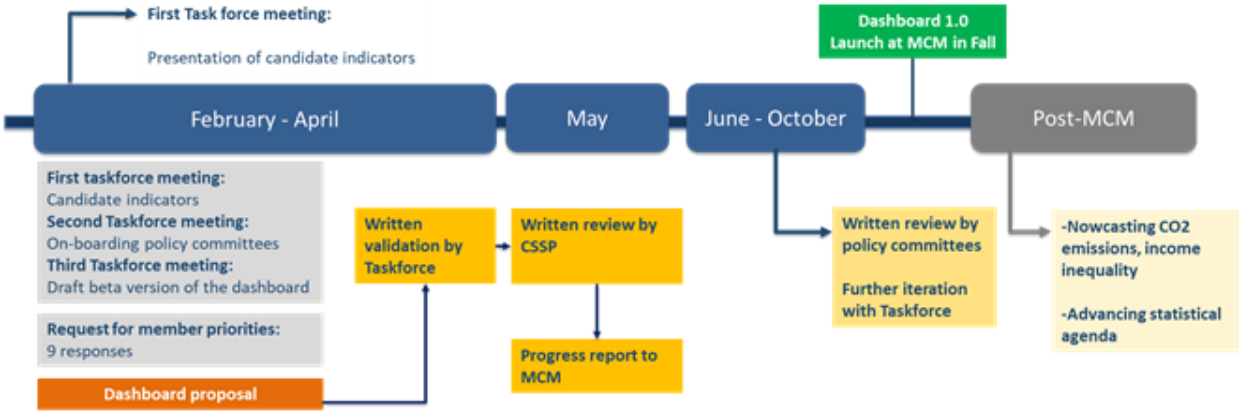
45. The outcomes of the current note are the result of three virtual meetings of the Taskforce, as well as a written consultation to facilitate convergence on indicators and a written review of this note. Moving forward, the Secretariat plans to advance and finalise the development of the dashboard as follows (see Figure 1):

- First, now validated by CSSP, the current note is shared with Ministers in May to document the progress on this work. The note includes the initial selection of indicators, further to

three consecutive meetings of the Taskforce in February, March and April, as well as the consultation with the ELSAC Working Party on Social Policy in March.

- Second, the selection of indicators will be firmed up by the Secretariat, informed by views by CSSP and the relevant policy committees (i.e. EDRC, ELSAC, EPC, EPOC and Health Committee) from June onwards. Efforts geared towards digitalisation of the dashboard and its continuous development and refinement will continue. Caution will be exerted not to place an increased and unnecessary burden on National Statistical Offices.
- Third, the Secretariat will continue to work on the dashboard after May, with continuous supervision by Taskforce, first to refine some of the statistics that are currently not available in a timely fashion; and second to explore how the dashboard could be embedded in OECD processes and linked to policy work. Ahead of the launch, a beta-version of the online data tool to visualise the results will be developed.
- Finally, the launch of the dashboard is envisaged for the Fall 2021, followed by advancing nowcasting and other novel analytical approaches as well as advancing the statistical agenda.

Figure 1. Timeline



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Annex. Using Gallup World Poll data in the absence of official statistics

1. While significant progress has been made in harmonising official statistics of progress, limitations remain in some dimensions when it comes to compiling comparative and timely indicators. In order to ensure the multi-dimensionality of the OECD's recovery dashboard, it has been suggested that for a small number of conceptually important indicators for which official data are not available, the Gallup World Poll (GWP) provides an alternative. The *How's Life?* report has relied on GWP to report on trust, subjective well-being and other self-reported indicators in the past, with approval from the CSSP. Specifically, the dashboard may include indicators on *financial insecurity*, *subjective well-being*, and *trust* using GWP data. On the medium run, the OECD hopes to contribute to better alignment of official statistics in these dimensions in order to improve the robustness and quality of our reporting. There are a number of limitations with regards to the use of GWP data.

2. First of all, Gallup World Poll's data collection is inferior to the standards that National Statistical Office's set for themselves, with poorer sampling methods and a smaller sampling size. NSOs have greater resources to dedicate to minimising non-response and sampling bias. There are also differences in data collection mode (e.g. telephone, in-person data collection) and timing (month of the year) across countries, which may hamper cross-country comparability of levels (although some of these differences may also apply to comparisons of official statistics). In addition to these cross-cutting data quality issues, the concepts measured are not always identical:

    - The Gallup **life evaluation question** differs from the question suggested in the OECD Guidelines on Measuring Subjective Well-being and used in official surveys. Such differences in question wording and scale use that imply that it cannot be used to make comparisons on levels with official life satisfaction data that follow the OECD Guidelines (such as official statistics from EU-SILC or from the UK Annual Population Survey).

    - When it comes to measuring **trust in government**, there are significant differences between the recommendations made in the OECD Guidelines on Measuring Trust and the Gallup question on confidence in the national government. Besides question wording differences, the GWP only asks respondents to provide a yes or no answer, which limits the granularity of information that can be derived from the question. Currently, few official alternatives exist to measure trust in government, and the OECD continues to encourage member states to follow the OECD Guidelines on Measuring Trust to measure trust.

    - There are no official guidelines on self-reported measures of **financial insecurity or difficulties making ends meet**. The OECD's *How's Life?* publication reports on households' difficulties in making ends meet using a measure from EU-SILC on difficulties making ends meet on household income. The Gallup measure is conceptually similar but not identical.[14]

3. In support of the recovery dashboard, the WISE Centre has conducted a comparative analysis of available official and GWP data of subjective well-being and financial insecurity in order to verify the accuracy of the GWP data. Overall, for both indicators, there is a degree of consistency between the official and GWP data in representing changes in subjective well-being and financial

[14] EU-SILC: *A household may have different sources of income and more than one household member may contribute to it. Thinking of your household's total income, is your household able to make ends meet, namely, to pay for its usual necessary expenses?;* GWP: *Which one of these phrases comes closest to your own feelings about your household's income these days: living comfortably on present income, getting by on present income, finding it difficult on present income, or finding it very difficult on present income?*

insecurity. Pairwise correlations between levels of Gallup data and official statistics (from EU-SILC) are r=0.86*** for financial insecurity and r=0.88*** for subjective well-being. That being said, for some countries, there are differences between the changes observed by the two measures.

4. Reporting on indicators using GWP data in the recovery dashboard should be done with the understanding that these data have limitations, and such limitations and source information should be provided clearly and prominently when communicating on findings. In order to improve the robustness of reporting based on Gallup World Poll data, it is advisable to provide, either in complement or as a substitute, a rolling average that pools data from 3 adjacent years in order to smoothen the trend. NSOs that do have timely official statistics on measures that are conceptually similar may supply their own data, provided that comparisons are only made in terms of *changes* and no *level* comparisons are made with GWP data.