

Press Release 9/2021

Halle (Saale), March 18, 2021

Economic mobility likely to increase significantly after relaxation – but also number of COVID-19 cases

The relaxation of Corona containment measures from the beginning of March 2021 lead to a significant increase in economic mobility and thus also in personal contacts in Germany. Estimates suggest that the recent relaxations increase economic mobility by more than ten percentage points and the number of new infections and deaths in Germany by 25%. Because both continued lockdowns and relaxations carry significant negative consequences, it is even more important to enable further relaxations through better testing and quarantine strategies and by increasing the pace of vaccination without putting people's health at risk.

In Germany, measures to contain the coronavirus were relaxed in some areas in early March; for example, restrictions on private and public gatherings were eased, and retail stores are increasingly able to receive customers again. The aim is to allow for a resurgence in economic mobility and personal contact between people. However, the frequency of contact is a major factor influencing the rate of spread of coronavirus, especially since the relaxations have not yet been accompanied by a systematic testing strategy; and vaccination progress has also so far fallen short of expectations.

Estimates based on a model of the relationship between containment measures (Oxford COVID-19 Government Response Tracker, Stringency Index), economic mobility (Google Mobility Data), new corona infections, and deaths (World Health Organization) with data from 44 countries suggest that recent relaxations increase economic mobility by more than ten percentage points and the number of new infections and deaths in Germany by 25%. Oliver Holtemöller, head of the Department Macroeconomics and vice president at the IWH, and co-author Malte Rieth, Martin Luther University Halle-Wittenberg and German Institute for Economic Research (DIW Berlin), simulate a counterfactual scenario without the early March relaxations. They contrast this with a scenario in which the Stringency Index falls by 5%, which is similar to its fall in early March. The figure (see page 2) shows the difference between these two scenarios.

“Since both a continued lockdown and relaxations have significant negative consequences, it is even more important to enable further relaxations through better testing and quarantine strategies and by increasing the pace of vaccination without jeopardizing people’s health,” says Holtemöller.

[no press embargo](#)

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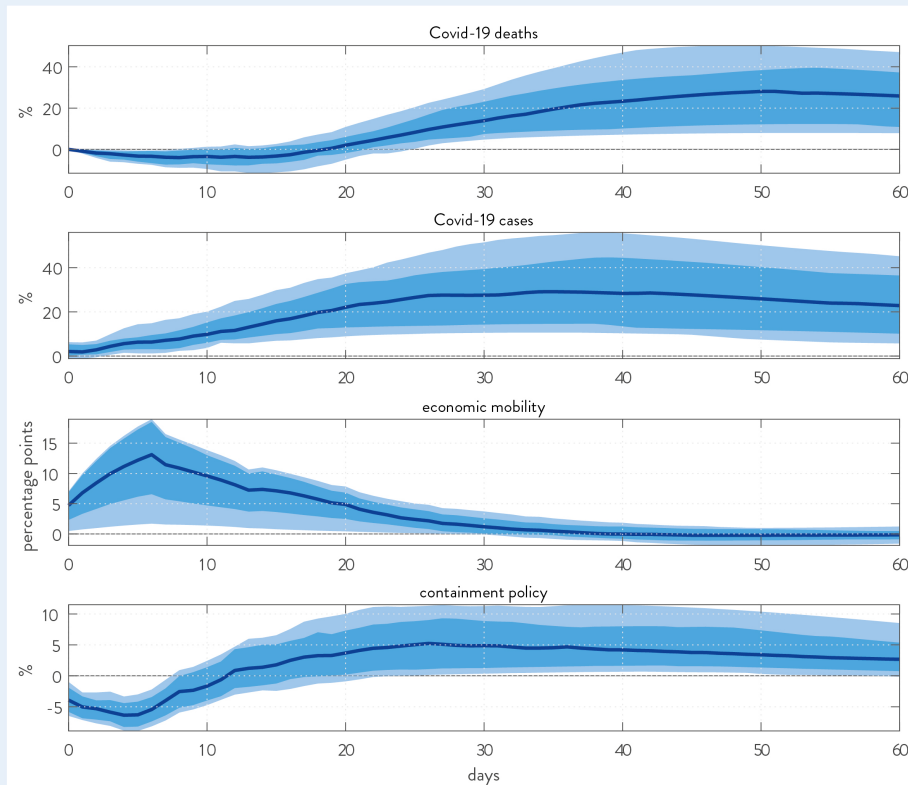
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Figure
Effects of Early-March Relaxations on Mobility and on Corona Cases



Sources: Camehl, A.; Rieth, M.: Disentangling Covid-19, Economic Mobility, and Containment Policy Shocks. IWH Discussion Paper 2/2021, Halle (Saale) 2021; own calculations.

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