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CELSI COVID-19 Policy Response Inquiry (COPReQ)

First results

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Key points

- The COVID-19 Policy Response Inquiry (COPReQ) conducted by CELSI since March 2020 collects data about policies adopted to mitigate the COVID-19 pandemic in 50 countries. By the end of April 2020, it gathered a sample of 607 policy measures in 20 countries.
- The data show that among the first policy responses to the COVID-19 pandemic were measures aimed at limiting the spread of the virus (including a state of emergency, physical distancing measures, and/or various strategies of testing)
- To mitigate the consequences of COVID-19 and the distancing measures on the economy and incomes, the governments and parliaments adopted various income maintenance measures (60% of the data collected)
- 75% of the measures were implemented by the governments, the rest were implemented by the national parliaments, or other sub-regional and municipal bodies
- One third of the measures were targeted at the general population, and another one fifth at specific sectors and professions
- Social partners were involved in the creation of the policy measures in only about 20% of the cases

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1 Introduction

In this policy brief, we present the first results from the COVID-19 Policy Response Inquiry (COPReQ) expert data collection conducted by the Central European Labor Studies Institute (CELSI) in 2020 to gather data about the policies adopted to mitigate the COVID-19 pandemic¹ and its social and economic impacts on society.

The objective of the COPReQ database is to systematize and compare information about policy responses to the COVID-19 pandemic and to share the evidence and findings from this data analysis with researchers and policy professionals to better inform policy efforts fighting COVID-19 pandemic but also similar pandemic in the future. With its broad scope of the policies covered (14 types) and its focus on the involvement of social partners, COPReQ complements some other initiatives aimed at the collection of data about policy responses to COVID-19.²

In this policy brief we present a descriptive account of the policies that aimed to limit the spread of the virus and policies adopted to mitigate the economic impact on various population groups. We also look at the involvement of social partners in the creation of the adopted policy responses.

¹ Coronavirus disease 2019 (COVID-19) is an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). The first cases were identified in China in December 2019. Since then it has become a global pandemic, having killed more than 300,000 people by mid-May, 2020.

² See e.g. Hale et al. (2020), ILO (2020), Cheng et al (2020)

2 Methodology

The data collection started on March 26th and is ongoing as of May 15, 2020, coordinated and supervised by a CELSI team. Of the 50 country experts invited to participate in the collection of data in their countries, 20 completed the task in the first wave (by April 30th), representing Armenia (AM), Belgium (BE), Belarus (BY), Czechia (CZ), Denmark (DK), Estonia (EE), Finland (FI), Georgia (GE), Hungary (HU), Kosovo (KO), South Korea (KR), Lithuania (LT), Montenegro (ME), Norway (NO), Romania (RO), Slovakia (SK), Slovenia (SI), Turkey (TR), United Kingdom (UK), and the United States (US). In total we attained 607 observations about policy measures undertaken in these countries, ranging from 11 in Belgium to 70 in Slovenia (Table 1).

Table 1 Number of data entries per country

Country	AM	BE	BY	CZ	DK	EE	FI	GE	HU	KO
Number of measures	14	11	26	28	32	24	34	14	31	21
Country	KR	LT	ME	NO	RO	SI	SK	TR	UK	US
Number of measures	69	18	15	31	27	70	28	17	28	69

Experts were asked to cover all 14 categories of proposed policy measures we identified as relevant (see Table 2). For the analysis in this policy brief, we aggregated these 14 categories into 7 broader types of policy responses: physical distancing; testing; payments to maintain income and liquidity provision; payments postponement; employment protection; state of emergency; and other.

Table 2 Policy measures in the questionnaire

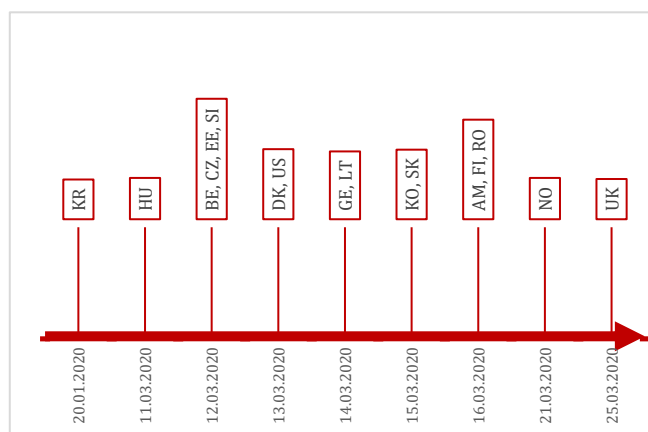
Aggregated measure type	Measure as indicated in the questionnaire
Physical distancing	Border control, quarantine at the border
	Travel bans, shutting down public transportation
	Lock-downs, curfews (national, local, municipal)
	School closures (elementary, secondary, universities)
	Other major social distancing measures (e.g. mandatory home office, cap on public gatherings)
Testing	Testing (limited, of suspected cases; massive, general population)
Payments to maintain income and liquidity provision	Monetary policy, quantitative easing (QE), helicopter money
	Income maintenance schemes
	Insurance schemes or regulation
	Sectoral subsidies or direct payments to employers
Payments postponement	Tax breaks or grace periods
	Deferring, capping, or subsidizing utilities, mortgage or debt payments
Employment protection	Employment protection adjustment, flexible employment forms, Kurzarbeit
State of emergency	State of emergency (national, local, sectoral)
Other	Other (Please specify in column "short description")

3 Measures preventing the spread of disease

Declaring emergency

The spread of COVID-19 around the world triggered a majority of the covered countries to declare a state of emergency in order to pursue specific policies to stop the spread of the virus and fight its consequences. In our sample, only three countries had not declared the state of emergency (Belarus, Montenegro, and Turkey) by the end of April 2020 (Figure 1).

Figure 1 When the states declared the state of emergency



Physical distancing measures

Physical distancing measures³ targeted at the whole populations included lock-downs, border controls, schools closure and other measures. Figure 2 shows that the dataset covers approximately equal shares of school closures, travel bans, border controls, and lock-downs (14-17%), as well as the largest category of other measures, including a ban of gatherings or mandatory home office. These measures reduced the mobility of people and thus the risk of the spread of the COVID-19 virus; however, at the same time they hampered economic activity and slowed down economic growth.⁴

About 94 per cent of these measures were implemented by governments, only a few by the respective parliament or by the municipality at the local level. Curfews were mostly implemented at the

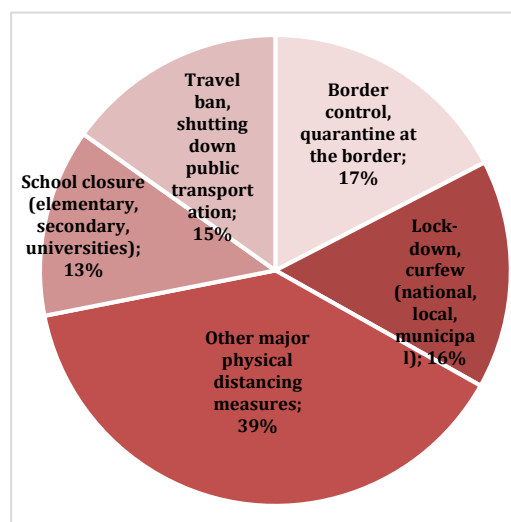
³ We prefer to call all measures that eliminated contacts to as *physical distancing* instead of more widely spread social distancing acknowledging that social contact between people remained in place and were especially desirable.

⁴ Kahanec et al. (2020)

national level, although in federal states more decisions were made at the sub-national level (e.g. in the US).

Other social distancing measures included limitation and/or prohibition of public gathering, sport events and religious gatherings (almost in all countries); and banning or limiting movements between municipalities (Estonia, Finland, Slovakia, Slovenia). In order to protect the elderly, visits in social care houses were prohibited, or opening hours were reserved for the elderly (above 65) to do their shopping. Mandatory face masks were also introduced in some countries (e.g. Slovakia and Czechia). Schools were closed in all countries in our sample and the measure was still in place at the end of April 2020.

Figure 2 Physical distancing measures



Almost half of the measures aimed at physical distancing targeted general population (see Figure 3). The second most frequent category of policy measures (24%) concerned travel restrictions from countries where COVID-19 was already present. In

all the countries in the sample, all these restrictions were still in place as of the end of April 2020.

Some physical distancing measures specifically targeted elderly people (generally above 65 years of age). Such targeted policies mostly included curfews and lock-down of care facilities; special shopping hours; or more intensive testing within this age group. Physical distancing measures targeted at children included school closures and distance learning.

Physical distancing measures introduced in specific sectors encompassed mostly access to healthcare facilities and restrictions on outpatient care as well as various restrictions on service provisions in tourism, restaurants, and similar recreational activities.

Testing

Initially states were testing mostly those with travel history or those who have had contact with COVID-19 patients; gradually more encompassing testing strategies were implemented in e.g. Czechia, Slovenia, South Korea, Turkey, and the UK. The elderly and healthcare and social workers also received special attention in testing protocols. Local testing in high-risk locations was introduced in some countries (e.g. in marginalized communities in Slovakia). The issue of the lack of testing capacities is not captured in our database.

Figure 3 Target groups of physical distancing measures

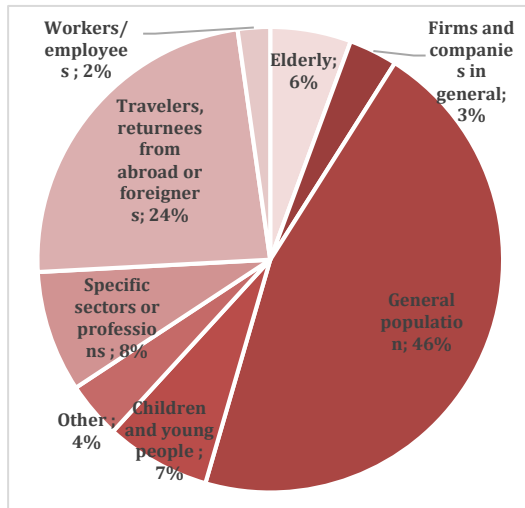
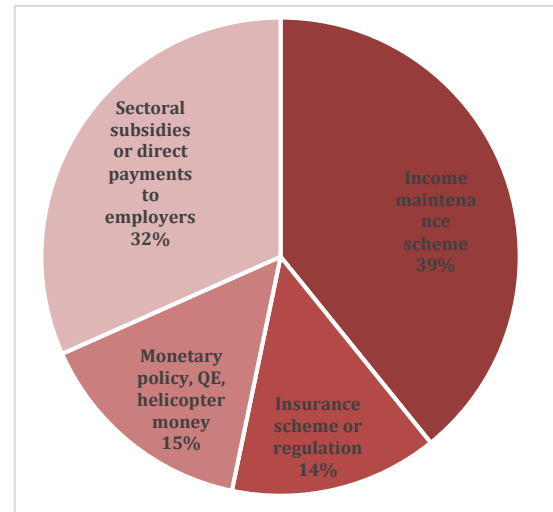


Figure 4 Payments to maintain income and liquidity provision

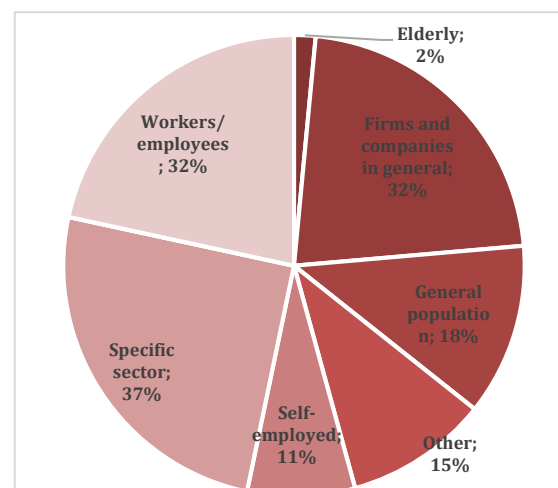


4 Payments to maintain income and liquidity provision

Experts identified 199 measures involving payments to maintain income or liquidity provision of which 39% were income maintenance schemes, 32% were direct payments and sectoral subsidies targeted at entrepreneurs, 15% were some forms of monetary policy instruments including quantitative easing or helicopter money, and 14% of the policies included changes in insurance schemes which mostly concerned widening of the group of eligible persons for insurance payments (Figure 4). More than two thirds of the measures aimed at income maintenance were implemented based on the government decisions (130 out of 199), while another quarter (56 out of 199) was implemented by the parliament.

As depicted in Figure 5, payments to maintain income and liquidity provision mostly targeted workers and entrepreneurs in specific sectors (37%), workers and entrepreneurs in general (32%), and firms and companies in general (32%) and general population (18%). Another 11% of measures were aimed at the self-employed and another 10% at other groups.

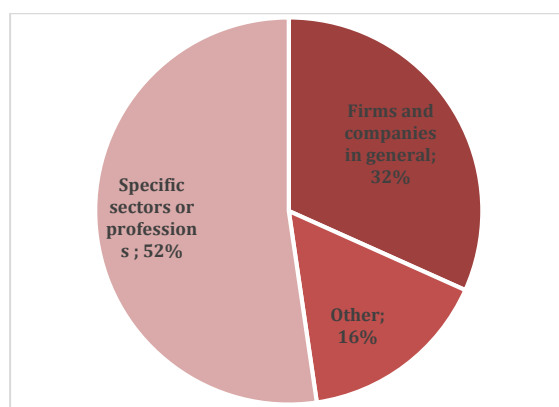
Figure 5 Target groups of payments to maintain income and liquidity provision



Within the category of payments to maintain income and liquidity provision, subsidies for entrepreneurs and the self-employed included immediate support to retain employees and allowed credit access and guaranteed loans, in some cases also immediate financial transfers. In 70% of cases, policies were adopted by the governments and only in 30% cases by the parliament.

Other forms of support to entrepreneurs included provision of medical equipment to various public and private establishments, hospital grant programs (US), increased payments to healthcare facilities (HU), specific support to retail, and hospitality providers (UK) or temporary access to refunds of sick pay payments (UK), compensation to farmers or fishermen for loss of income (e.g. public procurement of farmers goods in Slovenia, or farmers support in Kosovo), support of private childcare facilities (Slovenia, South Korea), support for sports and cultural facilities to compensate the loss of income (Estonia, Czechia, Denmark), and compensation of media or social organizations (Denmark).

Figure 6 Target groups of entrepreneurs support



5 Payment postponement policies

Besides payments to maintain income and liquidity provision, some policies also permitted various payment postponements in the form of tax breaks, grace periods, and deferring, capping or subsidising utilities, mortgages or debt payments. The majority of the payment postponement measures targeted the general population. In practice, it meant that people or entrepreneurs who qualified for the respective measure could ask for the deferral of payments for utilities and mortgages or of debt instalments. The eligibility criteria can be expected to significantly affect the actual take-up of such measures. Payment postponement measures were, in half of the cases, adopted by the executive branch and one third was decided by the respective parliaments.

As shown in Figure 7, besides the general population, a significant share of payment postponement measures were aimed at firms and at specific sectors, including tax breaks and grace periods (e.g. in tourism, agriculture, or industry). The majority of measures were implemented temporarily, with the planned expiration by the end in June or September 2020.

Figure 7 Payment postponement measures and target groups

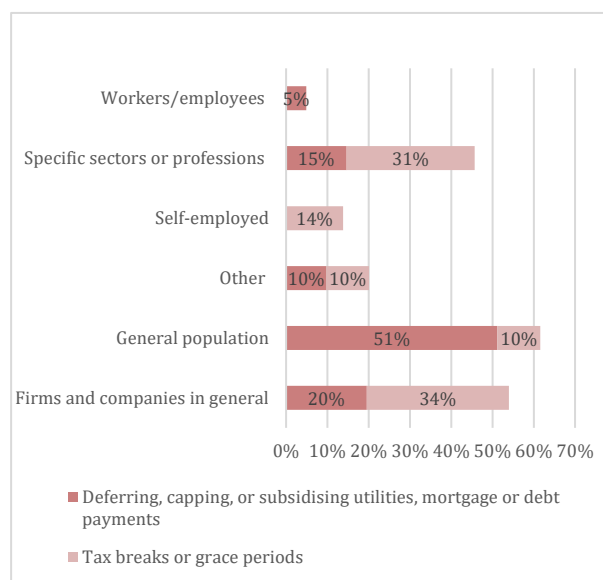
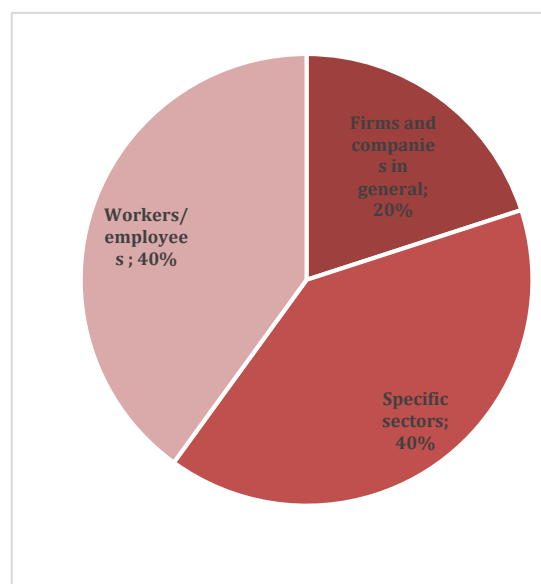


Figure 8 Target groups of employment protection adjustment measures



6 Adjustment of employment protection

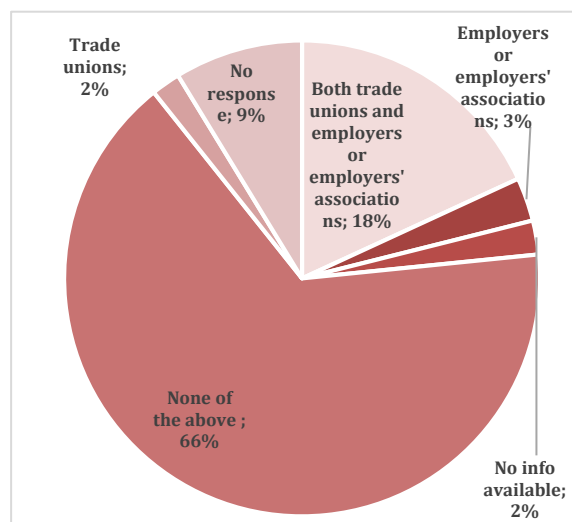
In the first months of the crisis, only a few measures concerned employment protection or employment flexibilization. In our sample, employment protection adjustment included policies that aimed at employee retention (e.g. Kurzarbeit) as well as the flexibilization of redundancy policies to allow for simplified lay off procedures. The experts identified only 30 such policies. These policies were frequently adopted nearly equally by the parliament (47 % of the cases) and by the government (53 % of the cases).

Employment protection measures targeted workers (40%), firms and companies (20%), or specific sectors such as agriculture, or tourism (40%), as depicted in Figure 8.

7 Social partners involvement

In the first months of the COVID-19 pandemic, social partners were involved in the making of the policy measures only to a limited extent. The experts involved in our data gathering indicated that both social partners were involved in only 18% of the policy measures adopted, employers were involved in an additional 3% of the policy measures, and trade unions were involved in additional 2% of the cases (see Figure 9). In 11% of the cases, it was not possible to identify whether social partners were involved or the data was not available. This means that in the making of policy measures, the involvement of the social partners had been limited in the early phases until the end of April 2020.

Figure 9 Social partners involvement



Nevertheless, when it comes to specific policy measures, we see considerably higher levels of social partner involvement in some of them. For instance, in 30% of cases, both trade unions and employers' associations were involved in maintaining income and liquidity measures. Still, in 118 identified cases (out of the 199), none of the social partners were involved. A relatively higher involvement of social partners was also recorded for payment postponement policy measures (20%) and for subsidies for employers (20%).

Although employment protection measures were not a frequent policy type in the first months of the crisis, social partners were intensively involved in this policy area. In fact, in over 60% of the cases both social partners were involved.

Formal involvement of social partners through tripartite consultations requires preparatory procedures that take some time. In the first months of the crisis, most of the decisions were undertaken by the executive bodies and there was little time and

(sometimes will) to involve social partners. Even when not involved directly, however, social partners were often active in pointing out the problems with the proposed policy measures and their implementation. Based on these arguments and some anecdotal evidence, we believe that much of the social partner's involvement had taken place informally, e.g. through lobbying which is not captured in our database.

8 Conclusions

This policy brief aimed at providing a first account of the CELSI COVID-19 Policy Response Inquiry about the policy responses implemented during the first months of the COVID-19 pandemic. Until the end of April 2020, 607 policy responses in 20 countries were covered. Around 40% of the measures implemented were related to physical distancing and testing to limit the spread of the COVID-19 virus. Another 60% of the measures were executed to mitigate the economic impact of the physical distancing measures. Of these, a vast majority were payments to maintain income and liquidity provision. Three quarters of the measures were implemented by the executive bodies, which probably reflects the urgency of the implementation of these measures. We documented only a limited involvement of social partners, but this might be related to the acute need to adopt measures and the associated lack of time for social partner consultations in the early phases of the crisis. Future analysis will need to evaluate whether and to what extent the involvement of social partners will increase in the later stages of the COVID-19 pandemic.

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