

FOR Analysis 3/2020: Responses to COVID-19 of governments in selected countries

Summary:

- COVID-19 pandemic is a serious challenge for societies around the world. In response to it not only individuals are changing their behavior, but also governments are taking various policy actions. In order to compare responses in different countries we have gathered information from Bulgaria, Czech Republic, Lithuania, Georgia, Germany, Greece, Hungary, Poland, Slovakia, Slovenia and the UK. Overview of the policy responses in those countries highlights both common patterns and some profound differences. Most policies focus on social distancing:
 - All countries have closed restaurants, bars, gyms, cinemas and theatres.
 - Schools and universities are closed, but the extent to which education was moved online differs both between and within countries; major exams are mostly postponed.
 - Only certain types of shops remain open; in some German states restrictions on Sunday shopping were liberalized in order to avoid crowds.
 - Bulgaria and Greece closed all parks and forests, in Poland only public forests were closed, while in Georgia only private parks.
 - Czech Republic, Poland and Slovakia mandate covering faces in public places.
 - Slovenia and Georgia closed public transport, while Lithuania, Poland and Slovakia introduced social distancing measures for passengers.
 - Only the United Kingdom kept fully open borders. Borders remain generally open in Germany and Slovenia as well, but with major caveats.
- Legal basis for policy responses differ - constitutional states of emergency have been declared in Bulgaria, Czech Republic, Lithuania, Georgia, in some German states, and in Slovakia. Poland introduced only a statutory state of epidemic, and some emergency powers are being questioned on this ground. Hungary introduced no state of emergency but passed broader powers for the executive than the Constitution would allow. No emergency states in Greece, Slovenia, or the UK.
- As both reactions of cautious consumers and new policy restrictions are taking heavy toll on business, all countries responded with support schemes. Publicly announced schemes are supposed to go into billions of euro, but large part of them consists of crucial at the moment liquidity provisions. The second most important instrument - subsidies to workplaces and for self-employed will be less costly. Also generosity and scope of such schemes differs and estimating their fiscal costs is difficult, but in most countries the cost no more than 1%-2% GDP.

This analysis was prepared by FOR in cooperation with partner organizations from 4Liberty.eu and EPICENTER networks: Bulgaria (Institute for Market Economics – IME), Czech Republic (Centre for Economic and Market Analyses – CETA), Georgia (New Economic School – Georgia), Germany (Friedrich Naumann Foundation – FNF), Greece (KEFIM), Hungary (EPICENTER), Lithuania (Lithuanian Free Market Institute – LLRI), Poland (Civil Development Forum - FOR), Slovakia (Institute of Economic and Social Studies - INESS), Slovenia (Visio Institut), United Kingdom (EPICENTER).

Social distancing and other restrictions to slow down COVID-19 pandemic

In order to flatten the curve and keep the daily number of infections at a manageable level for medical services in all surveyed countries restrictions on many activities have been imposed. Restaurants, bars, cinemas and theatres have been closed. Education institutions have been closed and education moved online, although not fully. With minor differences also operations of shops other than those focused on basic needs are restricted. Policy responses have varied to a larger extent in the case of public transport, borders, and broader restrictions of movement. Also, the legal basis for governmental actions differs – Bulgaria, Czech Republic, Lithuania, Georgia, some German states, and Slovakia declared states of emergency, while in Hungary executive powers were broadened beyond constitutional emergency powers without declaring a state of emergency, and in Poland no constitutional state of emergency has been declared, but some of the powers reserved for states of emergency have been used based on acts of parliament and executive orders.

Restaurants and bars remain closed, apart from home delivery and takeaways, in all the surveyed countries. In Poland alcohol remains banned from home delivery or takeaway (specialized shops have learned to evade the ban, but it still binds restaurants).

- **Bulgaria.** Closed; home delivery and takeaway
- **Czech Republic.** Closed; home delivery and takeaway
- **Lithuania.** Closed; home delivery and takeaway
- **Georgia.** Closed; home delivery and takeaway (from major brands, e.g. Wendy's)
- **Germany.** Closed; home delivery and takeaway
- **Greece.** Closed; home delivery and takeaway
- **Hungary.** Closed; home delivery and takeaway
- **Poland.** Closed; home delivery and takeaway; delivery of alcohol remains banned
- **Slovakia.** Closed; home delivery and takeaway
- **Slovenia:** Closed; home deliveries and takeaway
- **United Kingdom.** Closed; home delivery and takeaway

Groceries, pharmacies, gas stations, warehouses, banks, post offices, some services and the like remain open in all surveyed countries. Czech Republic is beginning to gradually reopen other shops, while Poland is planning to do this from April 19th. In Poland and Slovakia, the number of customers allowed inside is restricted, in Slovakia to 1 customer per 25 square meters, while in Poland to 3 customers per 1 cash register. Czech Republic, Poland, Slovakia, and Slovenia regulate special hours for seniors only. Poland seems to have introduced the most conditions for shopping, with gloves obligatory for customers. Barbers and beauty services are closed in Poland but remain open in Hungary. While the Sunday shopping ban has been liberalized in some German states, it remains in force in Greece, Poland, and Slovakia.

- **Bulgaria.** Only groceries, pharmacies, warehouses, gas stations, banks, post offices and similar open.
- **Czech Republic.** Only groceries, pharmacies, warehouses, gas stations, banks, post offices and similar open; special opening hours dedicated for the elderly; however more shops opening gradually, e.g. hobby or repair.

- **Lithuania.** Only groceries, pharmacies, warehouses, gas stations, banks, post offices and similar open.
- **Georgia.** Only groceries, pharmacies, warehouses, gas stations, banks, post offices and similar open.
- **Germany.** Only groceries, pharmacies, warehouses, gas stations, banks, post offices and similar open. Sunday shopping liberalized in some states.
- **Greece.** Only groceries, pharmacies, warehouses, gas stations, banks, post offices and similar open. Sunday shopping remains restricted.
- **Hungary.** Only groceries, pharmacies, warehouses, gas stations, banks, post offices, and similar open. Barbers and beauty services remain open.
- **Poland.** Only groceries, pharmacies, warehouses, gas stations, banks, post offices and similar open. Barbers and beauty services closed. Conditions: 3 people per 1 cash register allowed into a shop at once; obligatory gloves provided by shops; special opening hours dedicated for the elderly. Sunday shopping remains restricted. Measures declared until April 19th.
- **Slovakia.** Only groceries, pharmacies, warehouses, gas stations, banks, post offices and similar open. Conditions: only 1 customer per 25 square meters; special opening hours dedicated for the elderly. Sunday shopping remains restricted.
- **Slovenia.** Only groceries, pharmacies, warehouses, gas stations, banks, post offices and similar open. Between 8 am and 10 am and for the final hour in a day open only to people with disabilities, seniors over the age of 65, pregnant women, and other vulnerable groups. Grocery stores are mandated to open at least at 8 am and stay open at least until 6 pm.
- **United Kingdom.** Only groceries, pharmacies, warehouses, gas stations, banks, post offices and similar open. Sunday shopping remains restricted.

Cinemas and theatres are closed in all countries surveyed.

Airports are closed (with exceptions) in Georgia, Poland and Slovakia. Bulgaria restricts arrivals from some destinations. In Czech Republic airports remain open, but due to closed borders flights are limited to repatriation and cargo.

- **Bulgaria.** Open; restrictions for certain arrivals
- **Czech Republic.** Open
- **Lithuania.** Open
- **Georgia.** Closed; only charter flights allowed
- **Germany.** Open
- **Greece.** Open
- **Hungary.** Open
- **Poland.** Closed; previously planned incoming charter flights and state-owned airline flights for Poles returning from abroad allowed; measures in place until April 26th
- **Slovakia.** Closed
- **Slovenia.** Closed
- **United Kingdom.** Open

Gyms are closed in all countries surveyed.

Schools and universities are closed in all countries surveyed. Schools and universities in most or all countries have introduced online learning. Bulgaria, Czech Republic, Hungary and Poland have postponed or plan to postpone national school exams. Slovakia is the only country to have cancelled exams this year. In Germany, most states plan to go ahead with examinations. In the UK, schools remain open for children of 'essential workers'.

- **Bulgaria.** Closed; online learning; national exams are to be postponed by 4-10 days (no final decision).
- **Czech Republic.** Closed; exams postponed to the end of emergency by 3 weeks.
- **Lithuania.** Closed; online learning.
- **Georgia.** Closed
- **Germany.** Closed; online learning depending on school/university (currently Easter break; university classes postponed); most major state-level exams likely will be held.
- **Greece.** Closed
- **Hungary.** Closed; online learning; some national exams postponed, no decision on others.
- **Poland.** Closed; online learning, declared until April 26th; national exams to be postponed.
- **Slovakia.** Closed; online learning on teachers initiative; national exams cancelled (but no student will have to repeat the year).
- **Slovenia.** Closed; online learning.
- **United Kingdom.** Closed; online learning at universities, schools open for children of 'essential workers'; A-levels exams suspended; universities accept students based on predicted grades

Parks and forests have been closed only in Bulgaria, Georgia (partly), Greece and Poland. In Poland, the closure of state-owned forests is being questioned on legal grounds.

- **Bulgaria.** Closed
- **Czech Republic.** Open
- **Lithuania.** Open
- **Georgia.** Public parks open; private parks closed
- **Germany.** Open
- **Greece.** Closed
- **Hungary.** Open
- **Poland.** Closed; state-owned forests are closed (questioned on legal grounds), private forests are unaffected, but there are very few of them
- **Slovakia.** Open
- **Slovenia.** Open
- **United Kingdom.** Open; visits discouraged

Public gatherings (including parks) are restricted in all countries surveyed to various degrees. In Bulgaria, groups up to 2 adults allowed if they keep distance of 1.5 meters, however this includes the insides of supermarkets and other commercial and administrative establishments that remain open. Poland limits both the number of people to 2 (unless adult with a child or guardian with a person with a disability, household/family members) and require them to keep a distance of 2 meters. Lithuania, Georgia, most states in Germany, and the UK only limit the number of people allowed together. Slovenia limits to household members and up to 5 co-workers. Hungary only specifies the minimal distance between people.

- **Bulgaria.** Up to 2 adults and 1.5 meters; social distancing of 1-1.5 meters limited to 2 adults also inside shops and other open establishments.
- **Czech Republic.** Up to 2 unrelated people; social distancing of 2 meters; masks mandatory in public.
- **Lithuania.** Up to 5.
- **Georgia.** Up to 10 people.
- **Germany.** Suspended; detail depend on the state, in almost all 2 people or household member allowed, although in Saxony only 2 people who live in the same household.
- **Greece.** Suspended.
- **Hungary.** 1.5-meter distance required.
- **Poland.** Up to 2 or families/household members, but 2-meter distance between them (!) required; measures in place until April 19th; masks mandatory in public from April 16th.
- **Slovakia.** Suspended.
- **Slovenia.** Household members or up to 5 co-workers.
- **United Kingdom.** Up to 2 people.

Public transport has been closed only in Slovenia and Georgia. In Lithuania, only taking passenger seats is allowed, while in Poland, only half of available passenger seats (including small private buses). Czech Republic, Poland and Slovakia mandate face covering.

- **Bulgaria.** Open
- **Czech Republic.** Open; mandatory face covering
- **Lithuania.** Open; passenger seats only
- **Georgia.** Suspended
- **Germany.** Open
- **Greece.** Open; reduced service
- **Hungary.** Open; reduced service
- **Poland.** Open; some municipalities reduced service, half of passenger seats only; applies to private transport of 9+ seats as well; mandatory face covering
- **Slovakia.** Open; mandatory face covering
- **Slovenia.** Suspended
- **United Kingdom.** Open; reduced service

State borders remain open for people only in the UK, partly in Germany (though quarantine is mandated) and Slovenia (though foreign non-residents need medical certificates). Greek borders are closed for non-EU citizens without residence, while Bulgarian additionally for selected Schengen-area countries. In Czech Republic, Lithuania, Georgia, Hungary, Poland and Slovakia borders are closed for all foreigners without residence (with some exceptions). Czech Republic is the only country to ban citizens from leaving with limited exceptions for commuters. Czech Republic, Lithuania, Poland and Slovakia quarantine all arrivals (with minor exceptions, e.g. truck drivers passing through). Bulgaria quarantines arrivals from selected countries (with some exceptions). Cargo is allowed in all countries surveyed, in Bulgaria it is additionally organized via Green Corridors/Lanes.

- **Bulgaria.** Closed for people arriving from countries outside the EEA, Spain, Italy, the UK, Ireland, France, Germany, Netherlands and Switzerland without residence, with exceptions; arrivals

from selected countries quarantined for 14 days; cargo allowed, organized via Green Corridors/Lanes

- **Czech Republic.** Closed for foreigners without residence; Czechs with the exception of commuters cannot leave. Commuters (with the exception of health workers) must stay abroad for at least 3 weeks and then compulsory 14 days quarantine on return
- **Lithuania.** Closed for foreigners without residence, with exceptions; compulsory 14-day quarantine; cargo allowed
- **Georgia.** Closed for foreigners without residence, with exceptions; cargo allowed
- **Germany.** Partly closed for persons; mandatory 14-days quarantine; cargo allowed
- **Greece.** Closed for non-EU citizens without residence; cargo allowed
- **Hungary.** Closed for foreigners; cargo allowed
- **Poland.** Closed for foreigners without residence; compulsory 14-day quarantine, with exceptions; cross-border commuting no longer allowed (would result in a quarantine); cargo allowed; current measures declared until May 3rd
- **Slovakia.** Closed for foreigners without residence; compulsory 14-day quarantine, with exceptions; cargo allowed
- **Slovenia.** Open; but restrictions apply: local border crossings with Croatia are closed (in addition, a closure of international border crossing points for persons is ordained by Croatia); foreigners without residence in Slovenia, Austria or Italy, are asked to present a medical certificate confirming a negative molecular-biological SARS-CoV-2 test that is issued by a licensed medical practitioner in Slovene, English, Italian or German and must not be older than 3 days at the time of entry; citizens and residents without symptoms are told to self-quarantine; citizens and residents with symptoms are mandated to isolation by the state.
- **United Kingdom.** Open; some restrictions; cargo allowed

Constitutional states of emergency have been declared in Bulgaria, Czech Republic, Lithuania, Georgia, some German states and Slovakia. Poland introduced only a statutory state of epidemic, and some emergency powers are being questioned on this ground. Hungary introduced no state of emergency but passed broader powers for the executive than the Constitution would allow. No emergency states in Greece, Slovenia, or the UK.

- **Bulgaria.** State of emergency until May 13th.
- **Czech Republic.** State of emergency until April 30th.
- **Lithuania.** State of emergency.
- **Georgia.** State of emergency.
- **Germany.** Some states only, not federal.
- **Greece.** No.
- **Hungary.** No, instead new executive powers broader than allowed in the Constitution, unlimited time.
- **Poland.** No, only statutory state of epidemic, unlimited time (but restrictions usually are limited, though can be extended), some of the state of emergency powers introduced by acts of parliament and executive orders (probably unconstitutional); particular measures declared until April 19th, April 26th, and May 3rd.
- **Slovakia.** State of emergency in the area of healthcare.
- **Slovenia.** No.

- **United Kingdom.** No, the parliament passed the existing measures until early May

Restrictions of movement have been introduced in Bulgaria, Czech Republic, Greece, Hungary, Poland, Slovenia and the UK. Greece and Slovenia seem most restrictive, as Greece requires submitting online forms for leaving home, and Slovenia limits movements to the municipality of residency. Bulgaria limits movement to and from city centers. Georgia is the only country surveyed to have introduced a curfew. Czech Republic is the only country surveyed to make wearing masks mandatory in public, but Poland plans to follow suit.

- **Bulgaria.** Movement in and out of the 28 district center cities allowed only for work, healthcare, caring for relatives, etc. Necessary documents include a statement from employer, referral from a doctor, recipe, current living address in ID or other official document, etc. Wearing masks outside home has been made compulsory and revoked the next day.
- **Czech Republic.** Restricted, but many exceptions apply, e.g. shopping or exercise; masks mandatory.
- **Lithuania.** No.
- **Georgia.** Yes, curfew from 21:00 to 6:00.
- **Germany.** No.
- **Greece.** Restricted until April 27th. Movement allowed only for work, shopping for groceries/medical supplies/necessary services, receiving medical care, walking dogs and taking walks up to 2 people. Only under a special declaration submitted online to the Ministry, reporting the reason (transfer to the open jobs, shopping goods, medical reason, individual exercise, to the banks for transactions not possible online).
- **Hungary.** People allowed to leave for establishments which remain open.
- **Poland.** Restricted until April 19th may be extended. Leaving home allowed only for movement to and from work and "necessities of life", which is unclear and seems to include shopping, receiving medical care, walking dogs and taking walks; up to 2 people at once separated by 2 meters; sports discouraged; minors have to be accompanied by parents.
- **Slovakia.** No.
- **Slovenia.** Limited to the municipality of residency, and further restricted for essential purpose to family or household members, or up to 5 co-workers.
- **United Kingdom.** Leaving home allowed only for movement to and from essential work, that cannot be done from home, food/medicine shopping, and daily exercise; up to 2 people, separated by 2 meters.

Workplace distancing so far, has been introduced only in Poland, where a 1.5-meter distance is to be kept between workplaces, employers have to provide gloves and sanitizers. In Slovakia companies consult protective measures with authorities. In Germany protective measures are strongly advised. In Georgia limits for gathering of people in one space apply to workers.

- **Bulgaria.** No.
- **Czech Republic.** No.
- **Lithuania.** No.
- **Georgia.** No, but the number of the gathering limits of workers in one space.
- **Germany.** No, however protective measures are strongly advised.
- **Greece.** No.

- **Hungary.** No.
- **Poland.** 1.5-meter distance between workplaces, gloves and sanitizers required.
- **Slovakia.** No, but companies have to take protective measures and consult them with authorities.
- **Slovenia.** No, guidelines only.
- **United Kingdom.** No.

Policies mitigating economic impact of COVID-19

Both reactions of weary consumers and restrictions imposed by government are taking a heavy toll on economic activity. Companies focused on domestic market are hit by the closure of shops and service providers, while exporters are facing restrictions on borders and weakening foreign demand. In order to support income of households and avoid lay-offs governments in all surveyed countries rolled out fiscal packages.

Below, we try to provide budgetary costs of measures instead of the value of benefits for companies, both in national currency and as a percentage of 2019 Gross Domestic Product (2020 GDP is hard to predict at the moment).

In Greece and Slovakia **subsidies** are targeted at companies closed by administrative orders. Bulgaria, Germany, Hungary, Lithuania, Poland, and Slovenia are subsidizing companies experiencing economic downturn, that do not fire employees. UK tailors support for companies in accordance with business size and revenue.

- **Bulgaria.** 3-month wage subsidies for companies from eligible sectors, experiencing downtime; at a cost of EUR 0.51 bln (0.43% of GDP).
- **Czech Republic.** Promise to cover some losses, kurzarbeit was instituted; cost unknown.
- **Lithuania.** 3-month wage subsidies for companies declaring downtime; at a cost of EUR 0.45 bln (0,92% GDP).
- **Georgia.** (1) Subsidies to the companies; at a cost of GEL 2 bln (4.47% of GDP); (2) Subsidies for costs of utilities for households (limited), at a cost of GEL 160 mln (0.36% of GDP).
- **Germany.** If company reduces work hours, the unemployment insurance covers the difference between the regular wage and reduced wage (unemployment insurance can be used for up to 12 months, for older workers 24 months); unknown cost.
- **Greece.** Benefits for all employers in companies closed by administrative orders; at a cost of EUR 0.4 bln (0.21% of GDP; including the closed self-employed).
- **Hungary.** Wage subsidies for people with reduced working hours, unknown cost; Reduction of social security contributions to 4% of salary from July 1 onwards; unknown cost; Direct support to companies establishing new positions, at a cost of HUF 450 billion (0.97% GDP).
- **Poland.** 3-month wage subsidies for employment contracts, if month on month turnover drops at least by 25% or some other conditions; at a cost of PLN 7.9 bln (0.35% GDP).
- **Slovakia.** Wage subsidies for companies closed by administrative orders; unknown cost.
- **Slovenia.** Wage subsidies and employee social/health contributions for the employees temporary laid off in companies with revenue fall of at least 20% in January-June 2020 in relation to January-

June 2019; employer social/health contributions are suspended, instead should be converted by the employer into a direct 200 EUR payment to each employee, some restrictions apply.

- **United Kingdom.** Aid packages based of company size and revenue; unknown cost.

There are also dedicated **programs for the self-employed**. In Lithuania and Germany, these are granted for all self-employed, while in Poland (the main measure), Slovakia, Slovenia and the UK they are granted to affected entrepreneurs. In Greece it is limited to the self-employed closed by administrative orders. No similar measures in Georgia.

- **Bulgaria.** Unknown.
- **Czech Republic.** Partial freeze on pension and health insurance; Benefits until end of April for those affected; benefits for self-employed parents staying home with children.
- **Lithuania.** Benefits for 3 months; unknown cost.
- **Georgia.** No.
- **Germany.** (1) Benefits for all self-employed; at a cost of EUR 0.4 bln (negligible % of GDP). (2) One-time subsidies for companies up to 10 persons up to 5 months, at a cost of EUR 50 bln (1.46% of GDP).
- **Greece.** Benefits for the self-employed closed by administrative orders; at a cost of EUR 0.4 (0.2% of GDP; including other closed employers).
- **Hungary.** Unknown.
- **Poland.** (1) One-time benefits for the self-employed, who experienced a 15% decrease in revenues in the previous month, and for people working under civil law contracts, who cannot carry them out due to economic downtime; at a cost of PLN 6.8 bln (0.3% of GDP). (2) One-time low-interest loans for all companies up to 9 employees (loans are very small, around one average monthly wage, which is why this are de facto benefits that make any difference for the self-employed only), non-repayable if employment is not reduced for 3 months; at a cost of PLN 1.3 bln (0.05% of GDP).
- **Slovakia.** Subsidies based on the percentage decline in revenue; unknown cost.
- **Slovenia.** For self-employed and farmers, no social/health contribution payments and universal income for March-May, under a condition that their income in Jan-Jun 2020 is 20% or more lower than in Jan-Jun 2019 and they will not have a 20% increase in the second half of 2020 as compared to the second half of 2019. For those working full time in these times, a smaller payment, limitations apply.
- **United Kingdom.** Monthly subsidies based on those who declare to be adversely affected by COVID-19, submitted income self-assessment for 2019-2020, and intend to stay active in 2020-2021; unknown cost.

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