

The Nordics during the first phases of COVID-19


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Preface

This publication describes the Nordics during the first phases of COVID-19. The publication is the result of the Nordic Chief Statisticians' decision to publish a joint comparative analysis concerning the socio-economic effects of COVID-19 in Denmark, Finland, Iceland, Norway, and Sweden.

The report presents the development of key indicators from before the first incidence of COVID-19 in March 2020 until Q3 2021 – and in some cases Q4 2021. The objective is to compare how the five Nordic countries performed during what can be described as the first phases of the COVID-19 pandemic.

At the time of writing, it is unclear how the situation will evolve in the following months and years. Thus, this report is a snapshot of the state of the Nordic societies just before and during the pandemic up until the time when the majority of the population in the Nordic countries was vaccinated. As time progresses, more data of a final character will be available, and it will be possible to evaluate and describe in more depth the developments during the whole COVID-period – and in the aftermath of the full reopening of the societies. Data management for this report ended in April 2022, and later revisions and updates are therefore not taken into consideration.

The report focuses on four themes: health; macro economy; businesses; and the labour market. The data sources vary, but the report mainly relies on data, which are harmonized and comparable on a European scale combined with data from the National Statistical Offices and OECD. Yet, the comparison of the five countries is not solely straightforward, and is considerably challenging in relation to new data concerning COVID-19. For instance, there was not necessarily a common understanding in the assessment of when COVID-19 was an underlying or contributing factor to death. Likewise, the COVID-19 support schemes differ in relation to requirements, periods and coverage, which makes it difficult to compare the figures across countries.

Statistics Denmark coordinated the project and the project group consisted of:

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The project group held several meetings and organised consultations with the relevant national domain experts in the Nordic statistical institutes in order to prepare this publication.

Main takeaways

<p>Different test strategies</p> <p>Up to and including Q3 2021, Denmark had tested each inhabitant seven times on average. The rest of the Nordic countries had an average of around 1.5 per inhabitant.</p>	<p>Variation in mortality rates</p> <p>In Sweden, all-cause mortality among the elderly climbed significantly in 2020 but fell correspondingly in 2021. Finland and Denmark had a small increase in both 2020 and 2021, while Norway had lower mortality in 2020 than in 2019, and no change between 2020 and 2021. In Iceland, the mortality rate decreased throughout the pandemic.</p>	<p>Similar GDP development</p> <p>All the countries had a massive downturn in the second quarter of 2020 (6-8 per cent), but recovered in the third quarter of 2020. All countries also had a government deficit in 2020. In Finland and Iceland, the deficit exceeded -3 per cent of GDP. In Denmark, it was close to zero.</p>
<p>Big downturn of total import and export</p> <p>Four of the five Nordic countries experienced a decline in total imports and exports (3-14 per cent from Q1 2018 to Q2 2020), but recovered during 2021. The decline in Iceland was more severe: Export -45 per cent and import -39 per cent.</p>	<p>Tourism was the most impacted activity</p> <p>In April 2020, the nights spent in tourist accommodation were 67-94 per cent lower than in April 2018. The decline was most severe in Iceland.</p>	<p>A sharp decline in turnover in accommodation and food services</p> <p>In the beginning of the pandemic, turnover in accommodation and food services activities fell around 50 per cent in all countries.</p>
<p>Higher employment rates in Q3 2021</p> <p>In all the five countries, employment rates increased in 2021, and except for Iceland, the employment rate was even higher in Q3 2021 than at the beginning of the pandemic in 2020.</p>	<p>Labour market slack has increased in Iceland</p> <p>Labour market slack rose 0.6-4.1 percentage points in all the Nordic countries from Q1 2020 to Q2 2020. The sharpest rise was in Iceland.</p>	<p>Wide-ranging compensation schemes in all five countries</p> <p>Among others, compensation for the self-employed, loans and compensation for fixed costs were introduced in all countries. For instance, Denmark and Sweden spent around 2.0 per cent of GDP on compensation schemes.</p>

1. Introduction

COVID-19, which first emerged in Europe in January 2020, is a virus that causes respiratory infections, with many cases of severe disease. COVID-19 was very contagious and spread globally. The pandemic has been described as one of the most severe crises since the Second World War and words like 'unprecedented' have frequently been used to underline the situation it caused.

Millions of people, directly or indirectly, felt the effects of the pandemic, and the pandemic placed a huge burden on healthcare systems. Therefore, the outbreak of the COVID-19 pandemic at the beginning of 2020 led to restrictive measures by almost all governments around the world. Social distancing and lockdowns of large parts of the economies played a big role in overcoming the disease. People were confined to their homes to prevent the spreading of COVID-19, which slowed down a large part of the economic activities. Similarly, many people lost their jobs and their means of livelihood. In other words, COVID-19 started as a health crisis, but led to economic challenges because of self-regulation, restrictions and shutdowns.

In comparison with many other countries, the Nordic countries were relatively mildly affected in terms of infections and deaths. The pandemic led, however, to a comprehensive shutdown of the Nordic societies, with huge economic consequences. The economies of Denmark, Finland, Iceland, Norway, and Sweden are small open economies with a large dependence on foreign trade, which turned sharply down in the early stages of the pandemic. Also, the five Nordic countries are economies with large service sectors, which were seriously affected by lockdowns. Domestic pandemic restrictions and self-regulation by companies and individuals led to reduced economic activity in several industries.

This report aims at comparing the developments up to and during the first phases of the pandemic (March 2020 until Q3 2021 – and in some cases Q4 2021). Focus is on key indicators in the fields of health, macro economy, businesses and labour market in the five Nordic countries: Denmark, Finland, Iceland, Norway, and Sweden. The report mainly relies on harmonized data that are comparable across the Nordic countries. However, some of the COVID-19 data concerning mortality and compensation schemes are experimental and currently challenging to compare across countries.

Although there are important lessons to learn from the early stages of the pandemic, the pandemic has not fully played out and we have yet to see the long-term consequences. Thus, this report provides a snapshot and does not pretend to give the full picture. As time progresses and more and final data become available, it will be possible to follow up and extend this report with evaluations of the post-vaccine periods after the full reopening of the societies in early 2022.

The report proceeds as follows. Chapter 2 concerns health including persons infected, testing, mortality, and birth statistics. Chapter 3 deals with macroeconomic indicators such as the impact on GDP, public finances, households, and foreign trade. Chapter 4 regards businesses, e.g., turnover, and bankruptcies. Chapter 5 concerns the labour market such as employment rates, absence from work, hours worked, and labour market slack. Finally, the report is supplemented with an annex concerning the government compensation schemes and initiatives in the five countries, which are important in order to understand and interpret the effects of COVID-19 on the economies in the Nordics. These data are still experimental but give an overview of the different national strategies to mitigate the economic consequences of the pandemic.

2. Effects on health

The Nordic countries were less affected than many other developed countries, but the pandemic has been hard on segments of the population within the Nordic countries. The Nordic countries chose different approaches to restrictions and shutdowns. Sweden was less restrictive than its neighbours in enacting strict governmental measures, but faced a higher rate of infection and a larger number of deaths than the rest of the Nordic region.

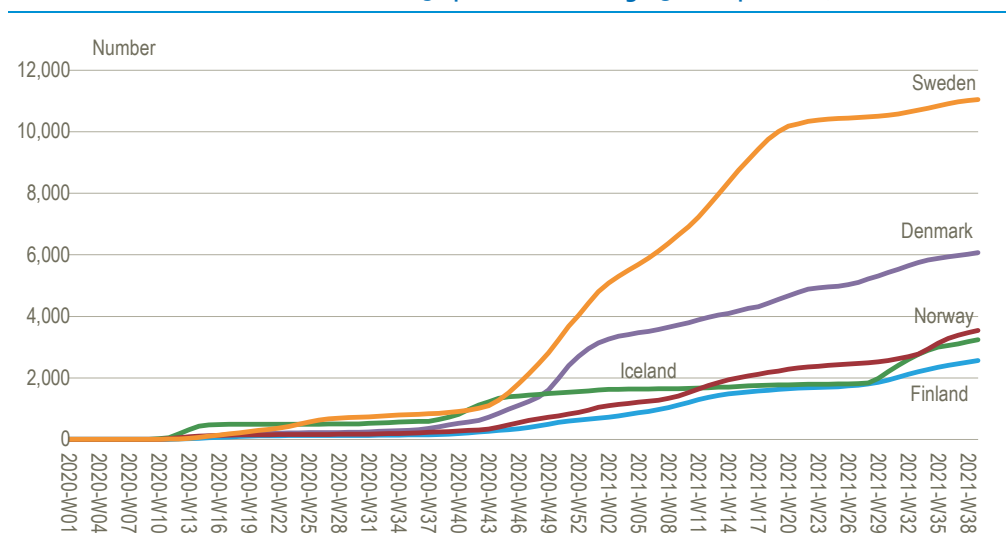
The most commonly used measure to track the course of COVID-19 is the number of infections and deaths. Infection and death rates influenced the selection and extent of restrictions and shutdowns. Many countries had little time to weigh the pros and cons before the pandemic struck. The Nordic countries had a slight advantage in that they were affected later than many other countries, giving them a little more time to plan for different actions.

This chapter will look at the number of infections and deaths and should be read with restrictions and shutdowns in mind. The cause or effect will not be discussed here, but some measures came before the infection and death rates, as well as measures that came as a response to the infections and deaths.

2.1 Number of persons infected with COVID-19

The Nordic countries' objectives were the same: to contain infections and protect the most vulnerable citizens. Sweden chose a different direction than the other Nordic countries. While Sweden leaned more on voluntariness and self-regulation, the other countries relied more on state-imposed restrictions and shutdowns. This may have led to a higher infection rate in Sweden. As shown in figure 2.1, at the end of the third quarter of 2021, Sweden had around 11,000 confirmed infections per 100,000 inhabitants. In comparison, Finland's corresponding figure was 2,500.

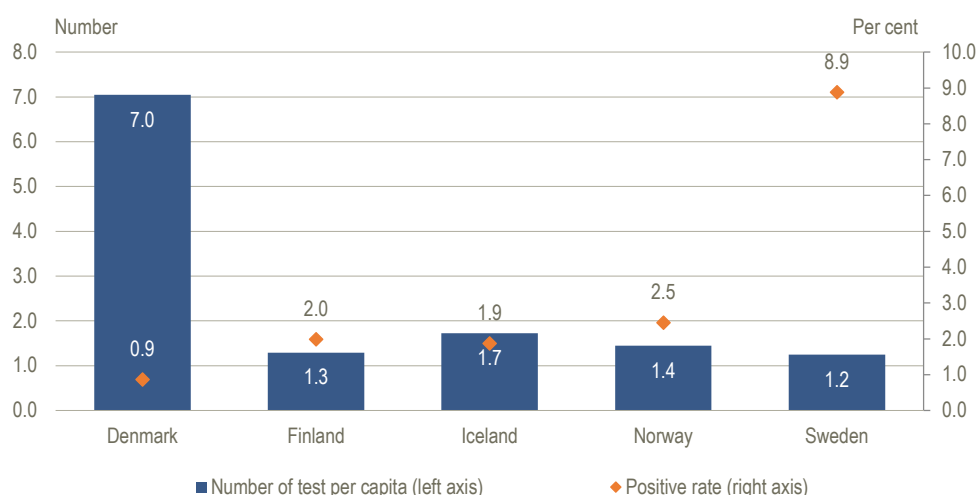
Figure 2.1 Cumulative confirmed cases of COVID-19 up to and including Q3 2021 (per 100k)



Source: OECD Health Statistics

Starting in the autumn of 2020, Denmark increased the amount of testing much more than its Nordic neighbours. This is a factor in explaining why recorded infections in Denmark are increasing faster than in Norway, Finland, and Iceland. By the third quarter of 2021, Denmark had tested each inhabitant an average of seven times, while the rest of the Nordic countries tested an average of around 1.5. As seen in figure 2.2, the proportion of positive tests is 0.9 per cent in Denmark, while in Sweden, the figure is 8.9 per cent. This could imply that Sweden has more undetected cases than Denmark, and that the number of infections in Sweden would be higher if they had the same test rate as Denmark.

Figure 2.2 Number of tests per capita and positive rates of tests up to and including Q3 2021

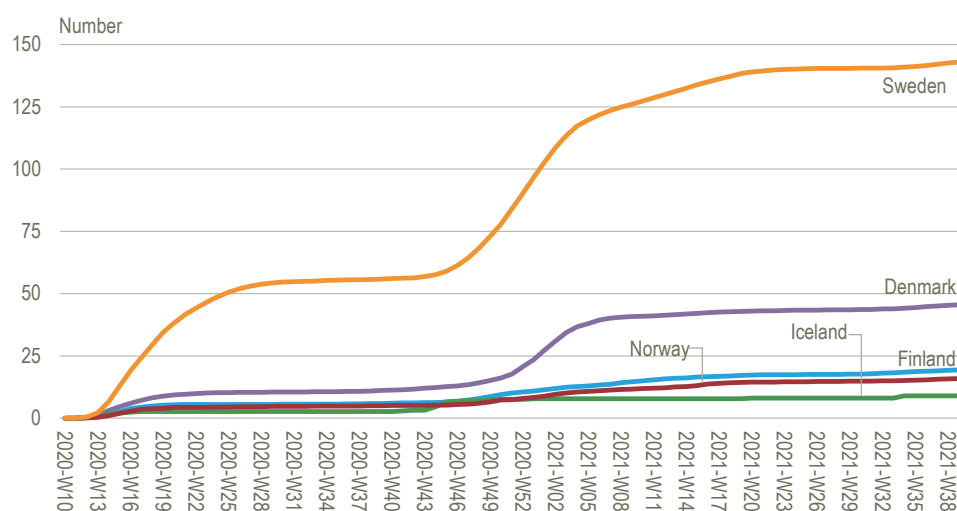


Sources: OECD Health Statistics and ourworldindata.org

2.2 Mortality

As with COVID-infections, there are significant disparities in the number of deaths related to COVID-19 between the Nordic countries. Sweden has a far higher death rate than the rest of the Nordic countries, as seen in figure 2.3. At the end of the third quarter of 2021, Sweden had over 140 deaths per 100,000 inhabitants, while Denmark, which was closest, had 45 deaths per 100,000 inhabitants. Iceland had the lowest rate, with less than 9 deaths per 100,000 inhabitants. The death rates levelled off in the first quarter of 2021, which is likely because vaccination of vulnerable groups began in early 2021.

Figure 2.3 Cumulative deaths attributed to COVID-19 up to and including Q3 2021 (per 100k)



Source: OECD Health Statistics

Comparing the number of deaths caused by COVID-19 between nations can be challenging. The practice of registering deaths may vary from country to country and may have changed during the pandemic.

At the start of the pandemic, there was not necessarily a common understanding in the assessment of when COVID-19 was an underlying or contributing factor to death around the world (see box 1). Furthermore, this definition may have shifted during the pandemic. However, there is no reason to suggest that the Nordic countries' COVID-death registration

practices differ significantly, and hence we have not taken into account any systematic differences.

Box 1: COVID-19 deaths

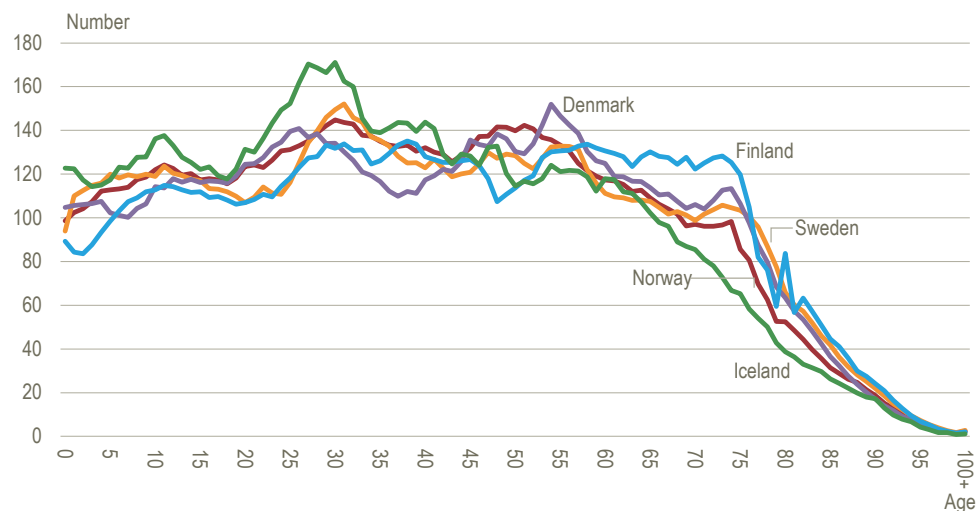
Most people who die from COVID-19 have numerous underlying and competing diseases, and the sum of these leads to death.

According to WHO regulations, only one underlying cause of death can be selected when reporting causes of death. The underlying cause of death is regarded as the primary reason for a person's death; the other causes will be regarded as contributing factors.

However, when a person has several conditions, determining the true cause of death is not always easy. Based on examinations and judgments, the individual physician must decide. This means that if COVID-19 is defined as a contributory factor, it will not be counted as a COVID-death.

COVID-19 deaths disproportionately affect the elderly. People over the age of 70 are more likely to have several underlying health issues, particularly chronic disorders, which increase their risk of dying from COVID-19. As seen in figure 2.4, the Nordic countries have different age structures. Iceland's population is younger than that of the other Nordic countries. In terms of age composition, Finland has the oldest population. Finland stands out among people aged 65 to 75. By this logic, Iceland would have fewer deaths than its neighbours if all else remained constant, and Finland would have the most deaths. However, Finland has a low death rate despite its age structure, compared to Sweden, Denmark, and Norway.

Figure 2.4 Age composition for the Nordic countries (per 10k)



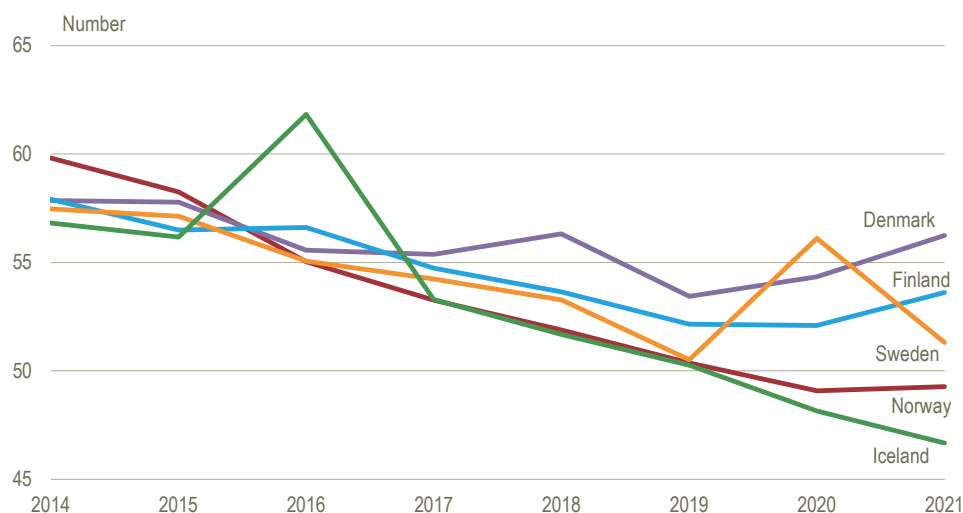
Source: The Nordic statistical offices

2.3 Mortality rate

The possible discrepancies in reporting of COVID-related deaths between countries can skew the numbers. The total mortality rate is more robust. In Sweden, all-cause mortality among the elderly climbed significantly in 2020 but fell correspondingly in 2021, as illustrated in figure 2.5. The story of the other Nordic countries is different. Finland and Denmark had a small increase in 2020 as well as in 2021, while Norway had lower mortality in 2020 than in 2019, and no change between 2020 and 2021. Iceland experienced a peak in 2020, but this was followed by a sharp decrease in the mortality rate from 2020 and onwards.

There is a difference in the age composition of people aged 70 and older between the countries, as shown in figure 2.4. This means that the figure 2.5 below should be interpreted with that in mind.

Figure 2.5 Deaths per 1,000 men aged 70+



Source: The Nordic statistical offices

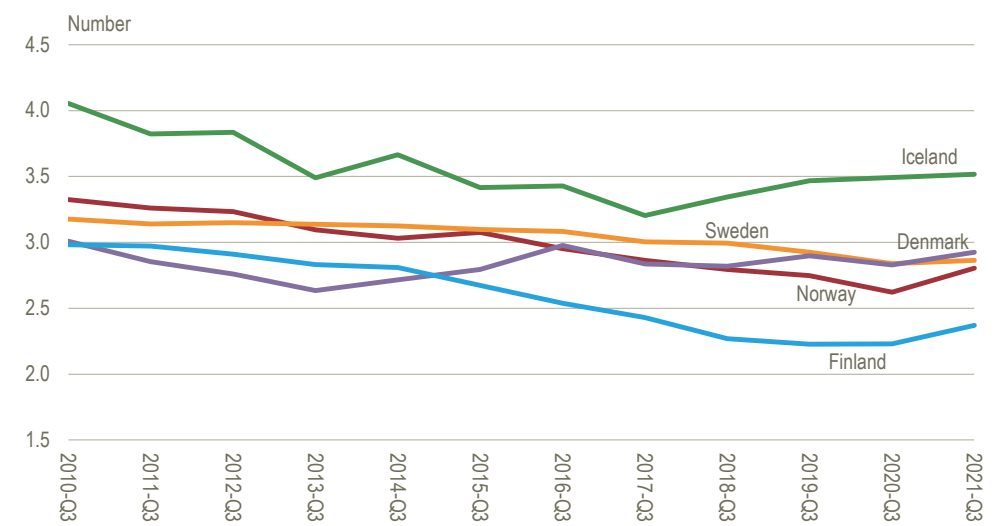
In general, the Nordic countries share a similar death rate. In many cases, flu epidemics can explain the fluctuations between years for each country. If the outbreaks are severe, they can have long-term consequences for the death rates. This could imply that the starting point prior to COVID-19 may help to understand the impact of COVID-19 on the death rate. Sweden, along with Denmark, registered the biggest decline in death rates between 2018 and 2019 compared to the rest of the Nordic countries. Sweden and Denmark are also the countries with the most reported COVID-19 deaths, mostly in 2020.

Norway's mortality rate is, in contrast, low in both 2020 and 2021. The death rate in Norway is predicted to climb in 2022, with signs of this beginning in the first quarter of 2022. Aside from the impact of COVID-19 on death rates in the Nordic countries, one should keep in mind that there are many other factors that influence death rates. Therefore, it will be interesting to see what influence COVID-19 has on death rates in the coming years. There is no doubt that Sweden has a substantially higher prevalence of COVID-related mortality than the rest of the Nordic countries, even if there are discrepancies in COVID-19 death registrations.

2.4 Birth statistics

While most of the world's countries have seen a decline in births since the pandemic began, the Nordic countries have seen a small increase in births. However, if one looks back to 2010, there is considerable variation between countries, as seen in figure 2.6. Sweden has maintained steady birth rates over the period, whilst the other countries have experienced some variations. Finland has been declining steadily since 2010 but has turned the trend during the pandemic. Iceland has seen a small rise in recent years.

Figure 2.6 Birth rate Q3 2010-2021 (per 1,000 inhabitants)



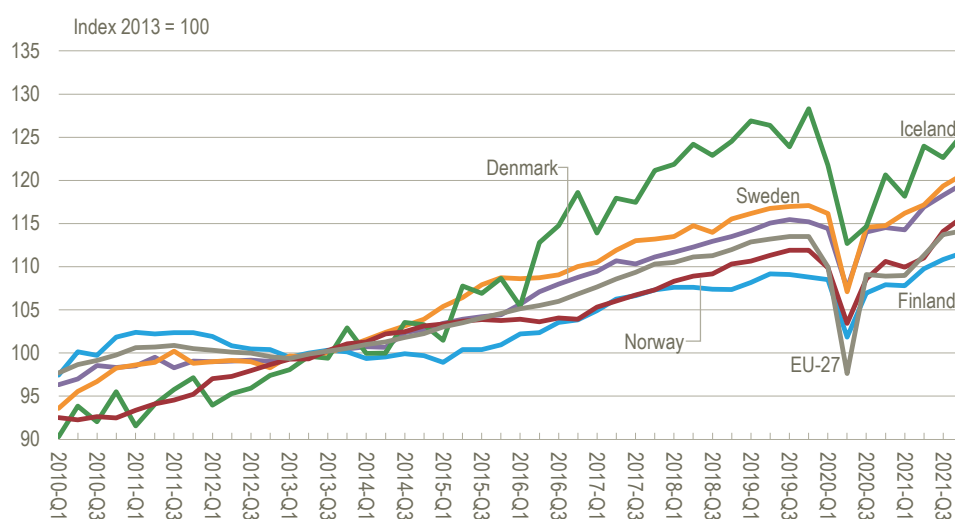
Source: The Nordic statistical offices

3. Effects on macro economy

This chapter explores how the pandemic affected GDP, public finance, household consumption and foreign trade. Figure 3.1 shows that the Nordic economies have had quite a similar development of GDP during the COVID-19 pandemic. All countries had a massive downturn in the second quarter of 2020. The largest drops from 2020-Q1 until 2020-Q2, according to seasonally adjusted figures, were in Sweden (-7.8 per cent) and Iceland (-7.4 per cent). The Icelandic economy had rapid growth in the years leading up to the pandemic, driven by the tourism sector. During the pandemic, most countries imposed strict restrictions on international travel, and international tourism dropped to close to zero. Compared with the other Nordic countries, the Icelandic economy is more dependent on tourism, and that is one main reason for the sharper decline and somewhat slower recovery. Sweden's large, export-oriented manufacturing sector saw a big drop as the pandemic hit, which contributed to the somewhat larger downturn of GDP early in the pandemic, as compared with the other Nordic countries.

The smallest drop in GDP during the second quarter of 2020 was in Norway (-5.9 per cent). But the Norwegian economy fell a bit more than Finland, Denmark, and Sweden in the first quarter (-1.8 per cent). For mainland Norway (excluding the petroleum sector), GDP development was rather similar to Sweden, Finland, and Denmark. Including the petroleum sector, the Norwegian GDP only fell marginally during 2020, as the petroleum sector had strong growth.

Figure 3.1 GDP, Chain linked volumes (2013=100), seasonally and calendar adjusted data¹



* Gross domestic product Mainland Norway

Source: Eurostat, ssb.no, and hagstofa.is

The contributing factors to the downturn in 2020 differ slightly between the Nordic countries. In Finland and Sweden, household consumption dropped sharply, and thus had the biggest negative impact on GDP. In Norway, the GDP level fell as well due to a big downturn in household consumption, but there was also a significant decline in gross fixed capital formation that had a negative impact on GDP for 2020. On the other hand, in Denmark and Iceland, the economies suffered from weaker net exports.

In general, all the Nordic economies recovered in the second half of 2020 and most of 2021. Except for Iceland, all the Nordic countries had surpassed the GDP-levels from before the pandemic by the fourth quarter of 2021.

¹ More information on seasonally and calendar adjusted data is available on the Eurostat website.

The pandemic situation was stabilised during the summer of 2021 and thus many countries eased the restrictions. Denmark was the first Nordic country to remove all restrictions related to the pandemic (September 10, 2021). The other Nordic countries also removed many of the restrictions in late September and early October. However, many governments put new rules in place at the end of the year because of the spread of the Omicron variant of the Corona-virus.

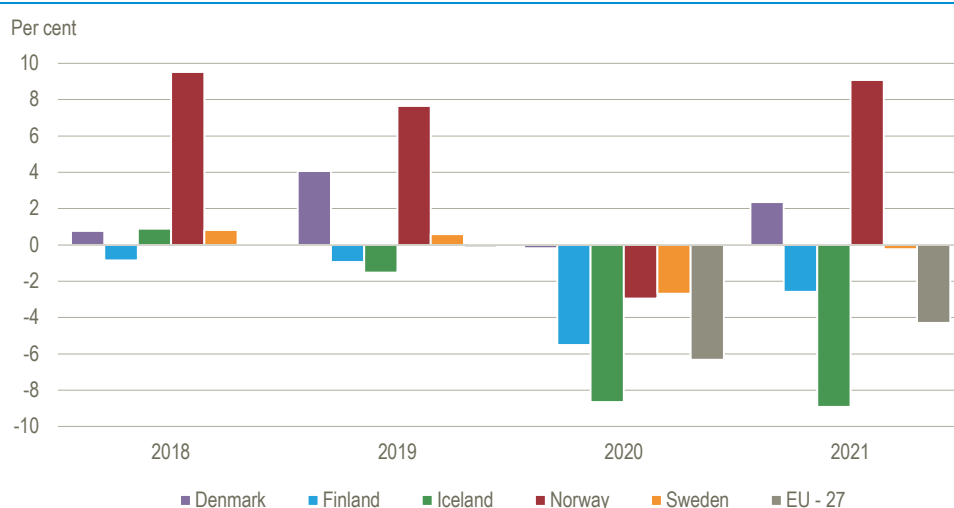
3.1 Effects on public finances

Numerous initiatives have been launched to support businesses and employees affected by the restrictions in all Nordic countries. However, compared to many other advanced economies, the Nordic countries seem to have spent less on the support schemes in relation to GDP². The stimulus packages that have been launched aimed to support businesses and employees mainly through subsidies and transfers that have impacted government deficits and, to a lesser extent, government consumption expenditures and investments (cf. Annex A). And some of the measures taken, such as extended time frames for loans or guarantees only have an impact on the government deficit if they are utilized.

As seen in figure 3.2, Norway and Iceland had the largest negative changes in government deficits between 2019 and 2020. Norway came from a long period of strong public finances and the deficit in 2020 was the first in 25 years. In relation to GDP, these two countries have had the largest government expenditures to mitigate the COVID crisis' impact on the economy. In Norway, lower revenues from petroleum as a result of low oil prices and provisional amendments made to the taxation of oil and gas companies also impacted the deficit in 2020. As gas prices rose sharply in the second half of 2021, the deficit in 2020 was turned into a large surplus in 2021.

Sweden and Denmark have moved through the crisis with the mildest impact on their government deficits. In 2020, Denmark had a small deficit that was turned into a surplus in 2021.

Figure 3.2 Government deficit (net lending (+) / net borrowing (-), per cent of GDP



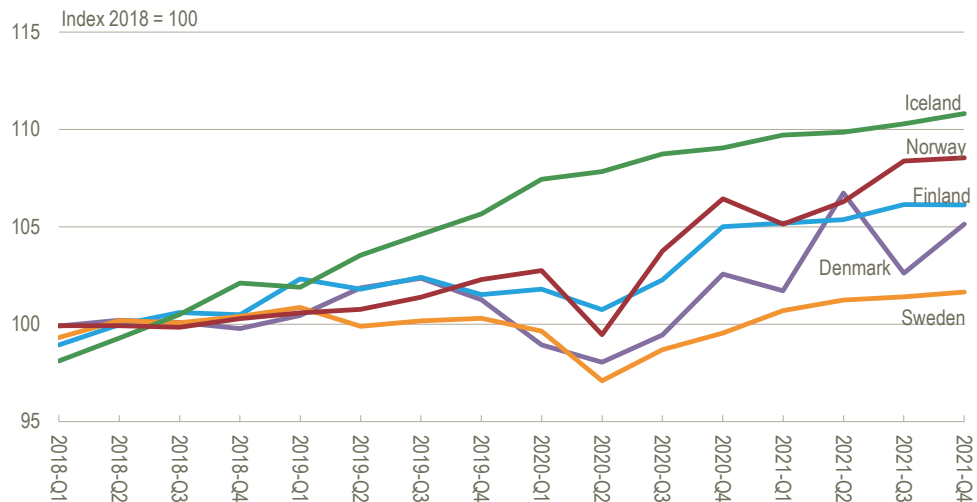
Source: Eurostat and ssb.no

Figure 3.3 illustrates the government final consumption expenditure in the five Nordic countries. In Iceland, government consumption remained high throughout the crisis, while the other Nordic countries saw a significant decline in the second quarter of 2020, followed by increased government spending for the rest of 2020. The decline, in volume terms, for

² IMF Fiscal Monitor Database

these countries stemmed from the part of government spending that is geared directly towards households (individual consumption expenditures) like health care and education. In Sweden, for example, the decline in spending in the second quarter was to a large extent related to the rebalancing of health care to face the COVID pandemic at the expense of other health care, while in Norway, reduced government consumption was also related to the closing of public schools and kindergartens.

Figure 3.3 Government final consumption expenditures, Chain linked volumes (2018=100), seasonally and calendar adjusted data

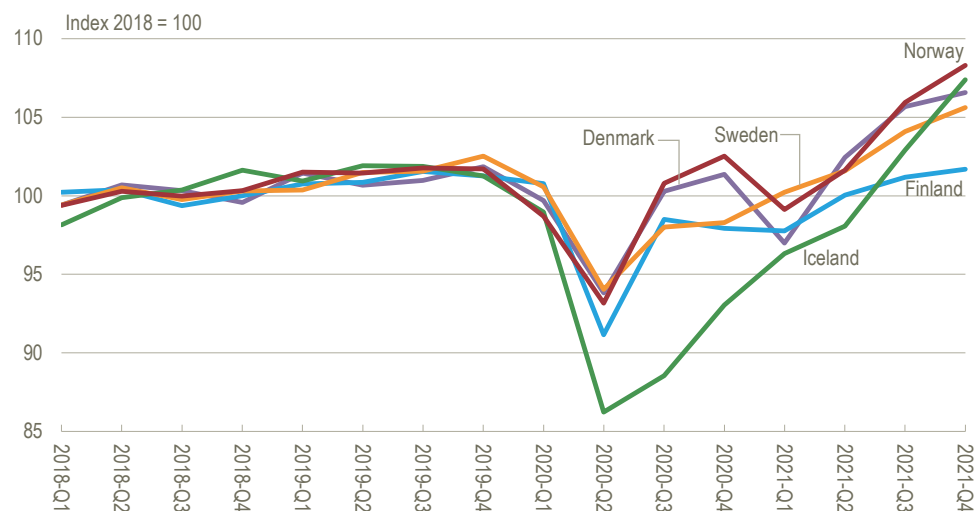


Source: Eurostat and hagstofa.is

3.2 Effects on households

Many pandemic restrictions have been directed towards households, which, along with self-regulation to avoid infection, has led to some changes in household consumption patterns. Figure 3.4 illustrates the total household consumption expenditures. While consumption of several services was severely restricted during the pandemic, consumption of goods was much less negatively affected. As seen in figure 3.5, the consumption of services dropped significantly in the second quarter of 2020. Among other things, in all the Nordic countries, restrictions were introduced on public events, while opening hours and the number of visitors at restaurants were limited. Remote working reduced the need for transportation and travel restrictions reduced consumption abroad.

Figure 3.4 Total household consumption expenditures, Chain linked volumes (2018=100), seasonally and calendar adjusted data



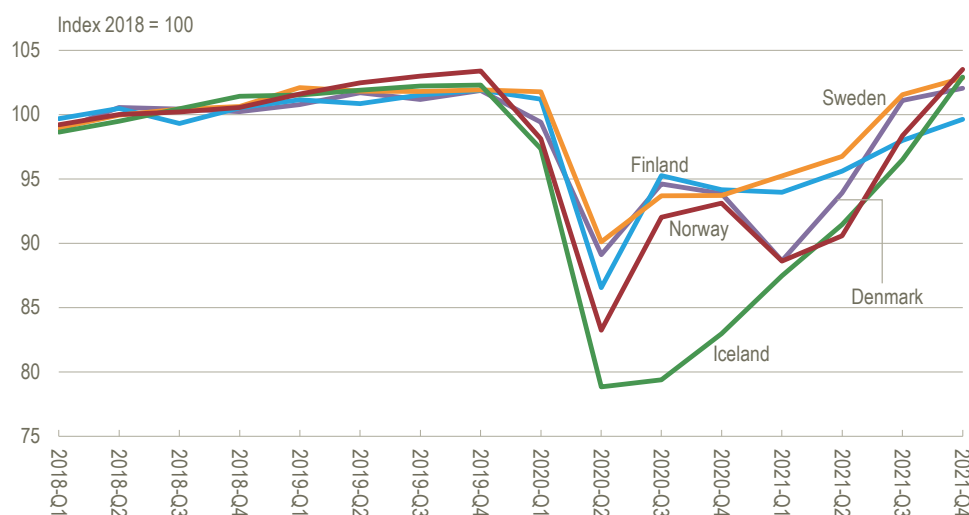
Source: Eurostat

Figure 3.4 shows that Iceland had the largest drop in total household consumption of the five countries during the first half of 2020. In Denmark, the downturn in the second quarter of 2020 was slightly more modest than in the other countries, and already in the third and fourth quarter of 2020, the level was above the pre-crisis level.

Though consumption of services dropped sharply in Norway, the Norwegian household consumption of goods increased to record levels as consumption shifted away from services and consumption abroad.

In Sweden, Finland, and Iceland, the household consumption of services (shown in figure 3.5.) has recovered slowly after the downturn. In both Denmark and Norway, the recovery ceased in the first quarter of 2021 – probably because the pandemic intensified, and new restrictions were introduced. After society reopened, consumption of services recovered in Denmark and Norway, particularly during the second and third quarter of 2021. For Norway this trend continued into the fourth quarter of 2021.

Figure 3.5 Household consumption of services, Chain linked volumes (2018=100), seasonally and calendar adjusted data



Source: Eurostat

The consumption of goods has increased during the pandemic (figures available on the [Eurostat website](#)). In particular, spending on durable goods, which rose in the third quarter of 2020, has remained high since. This effect can be seen in all countries, but it is strongest in Sweden, Norway, and Denmark. For non-durable goods, the curve has been relatively flat in all the countries except for Norway, where spending increased in the second and third quarter of 2020 and after that has stabilised at a higher level than before the crisis. Usually, Norwegian households consume considerable amounts of non-durable goods such as food, alcohol, and tobacco brought with from travels to Sweden. As travel restrictions tightened, Norwegian consumption of goods in Sweden fell and was rather substituted by higher domestic consumption.

As household incomes have remained high while overall household consumption has declined, household savings rates have increased to all-time-high levels in all Nordic countries (figures available on the [Eurostat website](#)). Household disposable incomes have been lifted by fiscal stimulus and low interest rates, but the reduced ability to consume many services due to restrictions and self-regulation means that households have increased their savings. Both on bank accounts, which can be a sign of unwilling saving, as well as in placements in financial markets due to a sharp recovery in the stock market after the initial drop in the spring of 2020. The savings rate increased in all European countries during 2020,

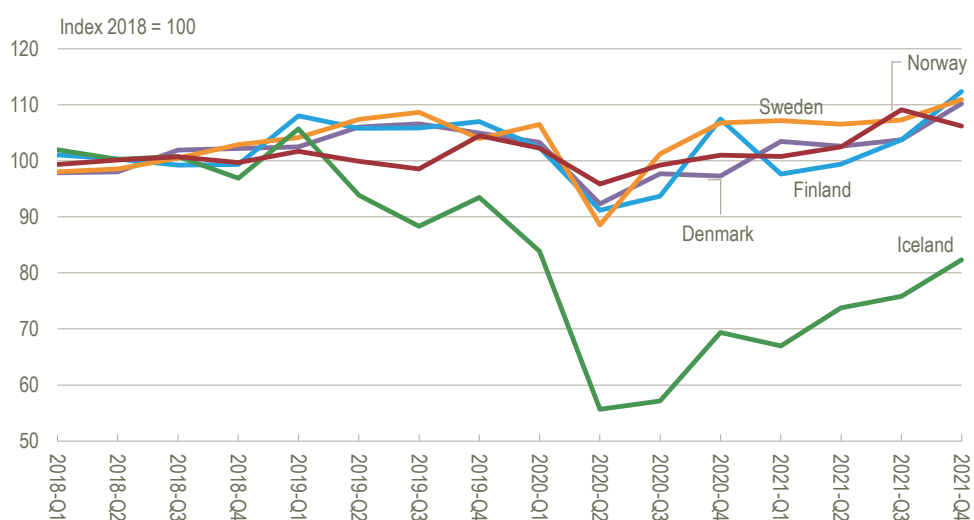
according to the Eurostat database. Norway had the largest increase among the Nordic countries. For Sweden, which has had the highest savings rate among the Nordics over the last decade (until 2019), the rate only increased slightly.

In 2021, the savings rate declined somewhat in all the Nordic countries but remained higher than the pre-crisis level. The high level of savings, combined with the fact that disposable incomes have generally been supported by fiscal stimuli, suggests that there are good prospects for further growth in household consumption – which, however, could result in higher inflation.

3.3 Effects on transactions with the rest of the world

The Nordic countries are small, open economies with a large dependence on foreign trade. Global growth of trade had already stopped in 2019 and fell sharply with the breakout of the pandemic in the spring of 2020. The export volumes have since recovered. Figure 3.6 illustrates that the recovery was quite rapid in Sweden. By the fourth quarter of 2020, Swedish export volumes were back to pre-pandemic levels. For Denmark, Finland, and Norway, the recovery was somewhat slower, but by the fourth quarter of 2021, export levels were above the pre-pandemic levels. For Iceland, export volumes were on a downward trend before the pandemic, and exports fell dramatically during 2020. The main contributors were a big downturn in travel and air transport that drove down the export of services. At the time of writing, Icelandic exports have only partly recovered and are still well below the levels from 2018-2019.

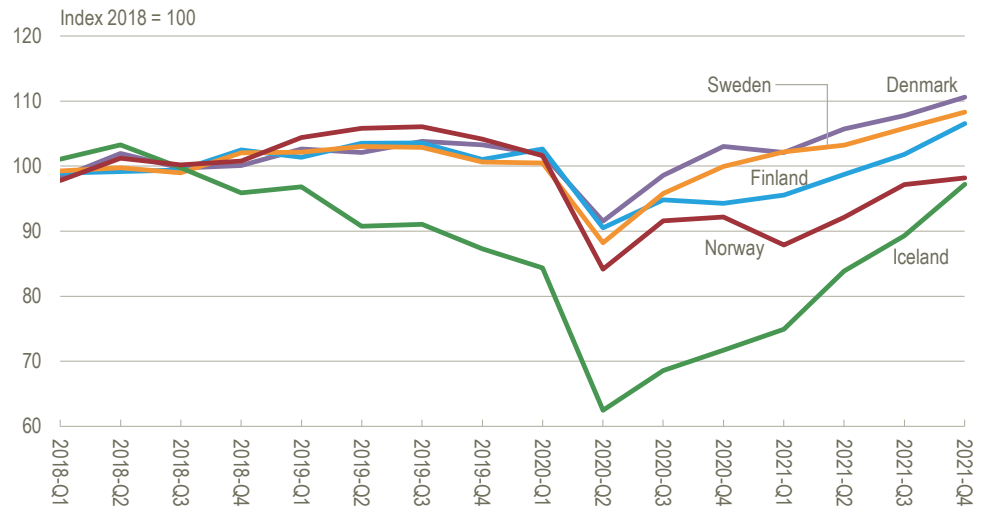
Figure 3.6 Total exports, Chain linked volumes (2018=100), seasonally and calendar adjusted data



Source: Eurostat and hagstofa.is

Figure 3.7 shows the total imports in the five Nordic countries. Import volumes fell as well during the second quarter of 2020. In Denmark, imports rose quicker than exports in the following quarters. In Finland, Norway, and Sweden, there was also a recovery in imports, but at a slower pace than for exports. Thus, net exports have grown. In Iceland, the trend was negative, just as it was for exports, even before the pandemic. However, after the decline in the second quarter of 2020, Icelandic import volumes have increased every quarter since. Together with the slow recovery of Icelandic exports, net exports have thus decreased, and this has negatively impacted GDP in both 2020 and 2021.

Figure 3.7 Total imports, Chain linked volumes (2018=100), seasonally and calendar adjusted data



Source: Eurostat and hagstofa.is

4. Effects on businesses

The COVID-19 pandemic has had a huge effect on businesses globally. In the early stages of the pandemic, many enterprises faced uncertainties, but at later stages, the largest effects centred around a few industries, especially within the services sector. This chapter describes the effects of COVID-19 on the business environment, turnover, and bankruptcies and discusses the similarities and differences between the Nordic countries.

4.1 Business environment

At the very beginning of the pandemic, production fell in most of the industries, but their recovery was mostly equally quick in industries that were not dependent on tourists or social gathering. The widely spread sudden drop in production was mostly due to the uncertainty that the fast-spreading pandemic raised. The success of businesses during the latter stages of the pandemic has been mostly determined by their ability to adjust to government-imposed restrictions and consumer's self-regulation to avoid infections.

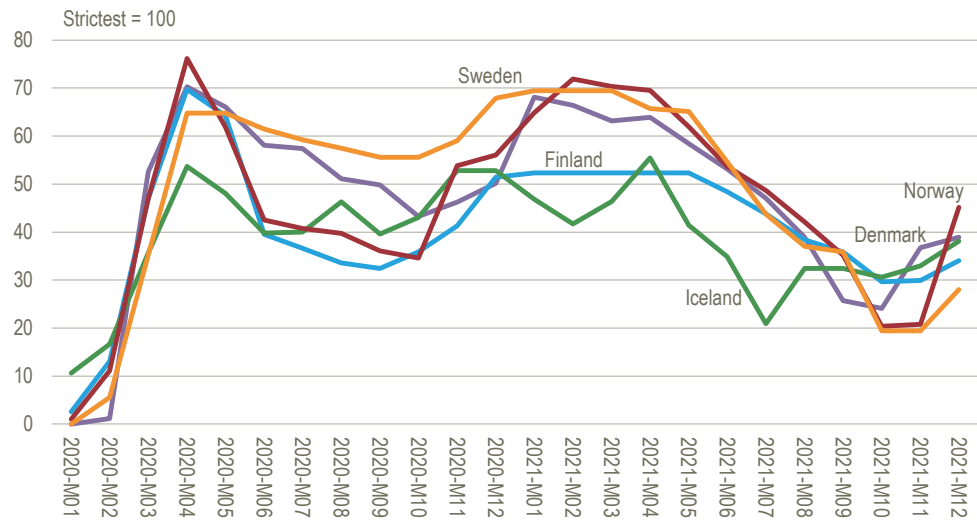
The restrictions have been imposed based on the severity of the epidemic situation, and according to the COVID stringency index³ (figure 4.1), we see that during 2020-2021 there have been two major lockdowns in the Nordic countries – at the beginning of the pandemic and during the first months of 2021.

The confidence of businesses (figure 4.2) has mostly been above the long-term average after the first half of 2020, pointing out, that once the effects of COVID-19 on businesses were clearer, the industries that were not affected by the restrictions, have been confident about the future. The confidence has been especially strong in Sweden, whereas in Finland, restoring the business confidence took the longest.

Business confidence was also helped by the different support schemes introduced by the Nordic governments described in box 2. In addition to restored confidence, people and businesses learned to live with a pandemic. New types of products in combination with increased e-commerce were developed quickly across many industries.

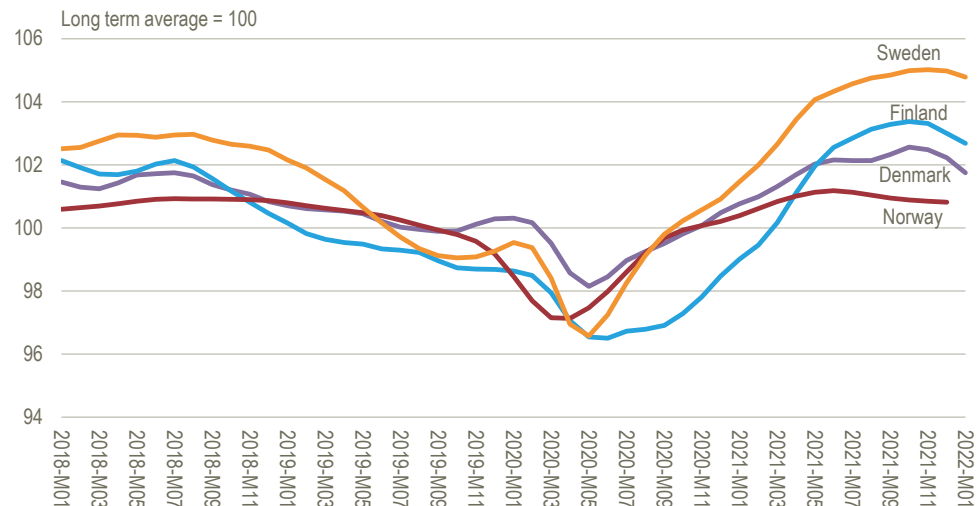
³ The Oxford Coronavirus Government Response Tracker (OxCGRT) project calculate a Stringency Index, a composite measure of nine of the response metrics. The nine metrics used to calculate the Stringency Index are: school closures; workplace closures; cancellation of public events; restrictions on public gatherings; closures of public transport; stay-at-home requirements; public information campaigns; restrictions on internal movements; and international travel controls. The index on any given day is calculated as the mean score of the nine metrics, each taking a value between 0 and 100. A higher score indicates a stricter response (i.e. 100 = strictest response). If policies vary at the subnational level, the index is shown as the response level of the strictest sub-region.

Figure 4.1 COVID stringency index, strictest=100



Source: <https://ourworldindata.org/grapher/covid-stringency-index?tab=chart>

Figure 4.2 Business confidence index, long term average = 100



Source: OECD

Box 2: Government support schemes and initiatives

All five Nordic countries implemented government support schemes and additional initiatives to mitigate the economic consequences of the COVID-19 pandemic. These initiatives have affected the economic development such as no. of bankruptcies, unemployment rates etc. Hence, the type and level of government support is important to keep in mind, when comparing the development and performance of businesses and the labour market across the five countries.

All countries implemented **compensation for self-employed** who lost turnover due to the corona outbreak. For example, Finland implemented temporary unemployment benefits for self-employed persons, and Denmark introduced a scheme to cover lost turnover to support self-employed, freelancers and other corporate owner-managers with a maximum of 25 full-time employees.

Moreover, all the countries also implemented **compensation for the enterprise's fixed costs** in cases of lost revenue. For instance, Sweden implemented a scheme to support the uncovered fixed costs, and the Business Compensation Scheme in Norway included a subsidy amount based on the enterprise's fixed unavoidable costs.

Four of the five countries (Denmark, Sweden, Norway, and Iceland) implemented general **wage/salary compensation**. E.g., Iceland introduced compensation schemes concerning wages during notice periods and partial benefits due to reduced employment ratios. Instead of a general compensation scheme, Finland reformed its unemployment benefits and implemented some temporary financial assistance.

In addition to these types of compensation schemes, all five countries implemented **loans** to enterprises in varying forms such as loans to finance due VAT payments and state-guaranteed loans to businesses. Furthermore, all the five countries implemented a number of smaller compensation schemes such as compensation for businesses forced to cancel cultural events, sports events, festivals or the like. Lastly, the countries implemented a number of supplementary initiatives such as reduction in pension contributions, compensation for the cost of sick pay, payouts of funded holiday payments etc.

Although all the countries implemented some of the same types of support schemes, the requirements, periods and coverage were very diverse across the countries. Therefore, it is not possible directly to compare numbers and figures in a short and comprehensive manner for this publication. In addition, none of the Nordic countries have yet collected and verified data covering the total amounts for government support and initiatives. Thus, the numbers should be interpreted and used with caution. Nonetheless, the figures indicate the level of support during the pandemic in the different Nordic countries. The table below shows the estimated total amounts from the main support schemes and the most supported activities. Annex A lists the main initiatives and more key figures from the five countries.

Government support. March 2020-September 2021

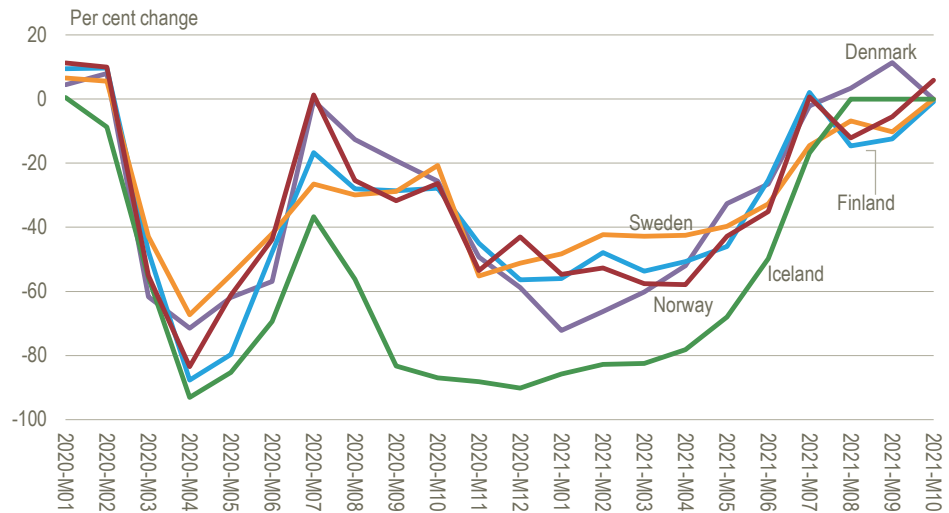
	Amount granted and registered (million EURO)	Amount granted and registered as share of GDP 2020	Top-3 of the activities (NACE Rev 2.1) that received the largest amounts	Remarks
Denmark	6,238	2.0 per cent	56.10 Restaurants and mobile food service activities 55.10 Hotels and similar accommodation 56.30 Beverage serving activities	The amount only covers the three general compensation schemes concerning salary compensation, lost turnover and fixed costs.
Finland	2,142	0.9 per cent	56.10 Restaurants and mobile food service activities 55.10 Hotels and similar accommodation 62.01 Computer programming activities	The compensation for self-employed and freelancers is not included. This is around 94.3 million euros (rough estimate). One of the first major support schemes introduced in Finland was the 'Funding for business development in disruptive circumstances' which was not directly aimed at most affected industries but for RDI activities that help businesses adjust for the market disturbances. This had a major effect on the top supported activities in Finland.
Iceland	428	2,3 per cent	55.10 Hotels and similar accommodation 56.10 Restaurants and mobile food service activities 51.10 Passenger air transport	The amount does not include quarantine payments, which is about 1 per cent of the total amount.
Norway	21,645 <i>incl. Q4 2021</i>	NA	NA	So far, it has been estimated that COVID-19-related financial measures will cost 12,944 million in 2020, 8,701 million in 2021, and 2,639 in 2022. All these numbers are in 2022-prices, and include adopted and proposed measures. Loan transactions and guarantee authorizations etc. are not included in the table. The durations of the support schemes vary.
Sweden	9,600	2,0 per cent	56.10 Restaurants and mobile food service activities 70.22 Business and other management consultancy activities 71.12 Engineering activities and related technical consultancy	The total amount reflects the total pandemic support such as lost turnover, compensation for rent, support to the cultural sector, support to sports and local clubs, compensation for sick pay, and wage support.

4.2 Tourism

The tourism industry has been one of the most affected industries in the Nordic economies, much like in other countries across the world. Nights spent at tourist accommodation fell significantly, as especially international travel was restricted. The figure 4.3 shows that, in April 2020 the nights spent in tourist accommodation were 67-94 per cent lower than in April 2018. The restrictions were lifted quickly during the summer of 2020, and in Denmark and Norway the tourism recovered fully. As the second wave of the pandemic started, the

restrictions became stricter, and the tourism slowed down again limiting the number of nights spent at tourist accommodation.

Figure 4.3 Nights spent at tourist accommodation establishments, per cent change from 2 years ago



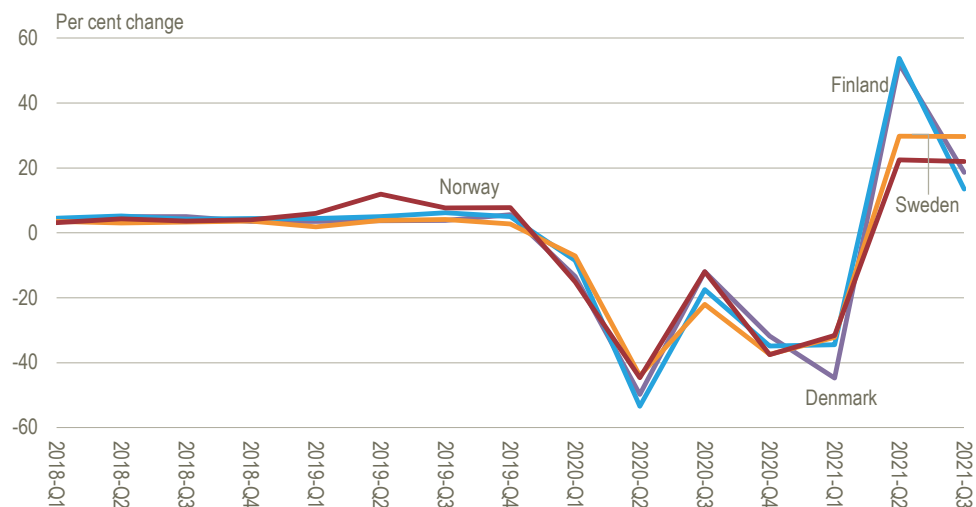
Source: Eurostat

The pandemic has had the most severe effect on tourism in Iceland, where the majority of travellers arrive by plane. In other Nordic countries, domestic travel, and to some extent travellers from other Nordic countries, have contributed to more positive development as crossing borders by land has been easier. At the national economy level, the current accounts of Nordic countries except Iceland improved, since pre-pandemic expenditures related to travelling abroad had been higher⁴ than revenues from foreign travellers.

4.3 Turnover

The effect of COVID is clear when looking at turnover figures as well. In the Nordic countries, there were limitations to the opening hours of restaurants and bars, and this is evident in figure 4.4.

Figure 4.4 Index of turnover in accommodation and food services, per cent change from previous year, calendar adjusted not seasonally adjusted data



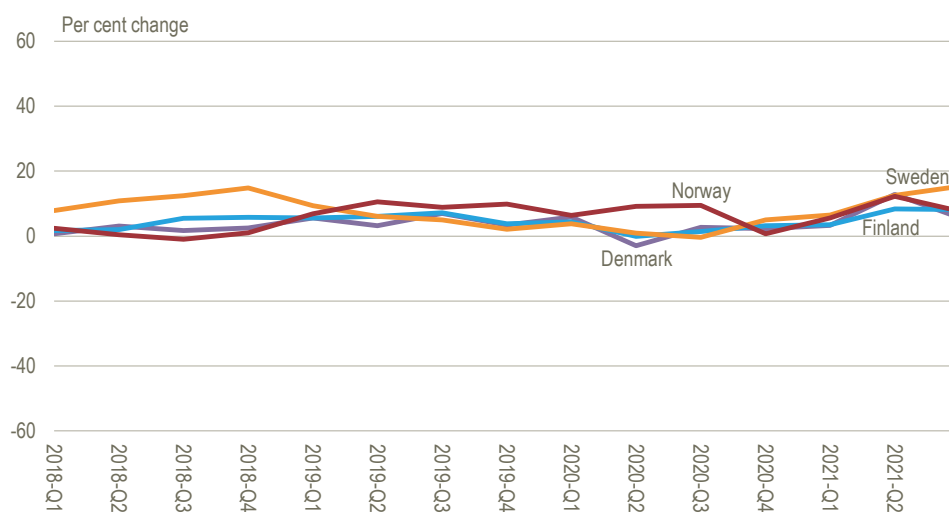
Source: Eurostat

⁴ Based on OECD data in 2018.

At the start of the pandemic, turnover in the accommodation and food services industries fell by around 50 per cent across all countries, and turnover did not return to pre-pandemic levels until 2021. A major contributor to the difficulties in accommodation and food services has been the lack of foreign travellers as well as restrictions on mobility.

There are no big differences in the development of turnover of accommodation and food services, when comparing the Nordic countries except Iceland. Figure 4.4 indicates that the fall in turnover is probably largest in Iceland as it is heavily dependent on tourism.

Figure 4.5 Index of turnover in information and communication, per cent change from previous year, calendar adjusted not seasonally adjusted data



Source: Eurostat

There are enterprises that have done well during the pandemic. If we compare the turnover development in figures 4.4 and 4.5, we see that in the information and communication services, the pandemic had practically no negative effect. As people started to telework and stay at home more, the need for those services increased for business and personal purposes. The pandemic has also had a limited effect on the wholesale industry as the demand for daily consumer goods has been steady. For example, food was sold more via retail stores since many restaurants were closed or served with limited opening hours.

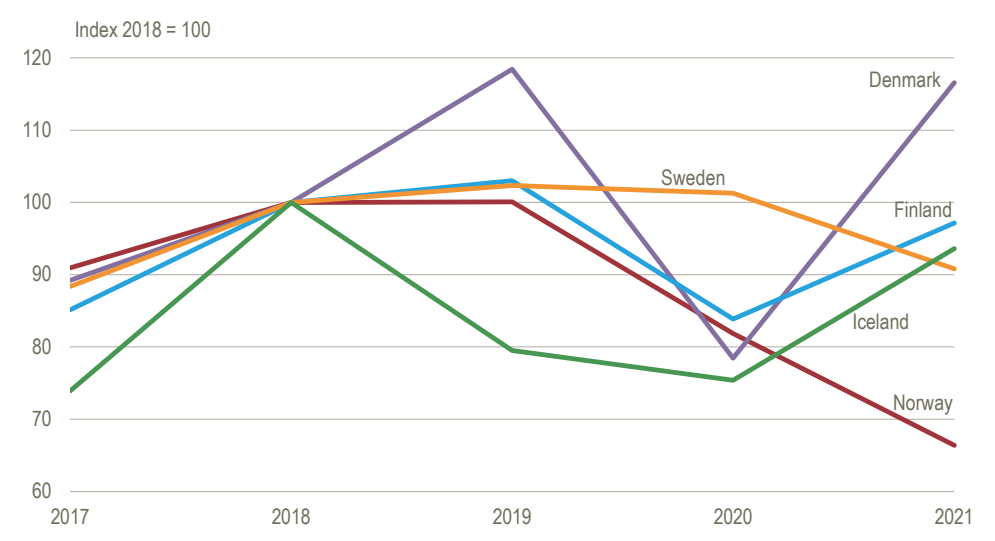
Overall, the effect of COVID-19 on different industries has been substantially asymmetrical. The mostly suffered industries are not the largest ones in terms of number of employees or value added, so the effect on the whole economy has been smaller than first was anticipated, although this does not apply to Iceland. The economy of Iceland is more dependent on tourism than any other and as COVID-19 has affected tourism especially, its impact on the overall economy is also larger.

4.4 Bankruptcies

Figure 4.6 shows the development of bankruptcies. At the beginning of the pandemic, a large bankruptcy wave was anticipated, but it turned out in every Nordic country that bankruptcies decreased in 2020, and the decreasing trend continued in Norway and Sweden even in 2021. Administrative procedures and data related to bankruptcies does not give a proper picture of the difficult times businesses were encountering. Many businesses that had been active during the pandemic temporarily or permanently shut down – some without administrative bankruptcy. Also, all Nordic countries implemented government support schemes and additional initiatives to mitigate the economic consequences of the COVID-19 pandemic, which has had an impact on the number of bankruptcies. In addition to support

schemes for businesses, some temporary legislative changes were implemented to make it more difficult for creditors to start administrative procedures of bankruptcy.

Figure 4.6 Index of bankruptcies 2017-2021 (2018=100)



Note: The figure on bankruptcies is not limited to active enterprises but covers all enterprises. Depending on national practices regarding bankruptcies, this may affect comparability

Source: The Nordic statistical offices

5. Effects on the labour market

Restrictions caused by COVID-19 had a huge impact on labour markets all over the world. Due to restrictions on the activities of the citizens, there was a rapid rise in unemployment at the beginning of the pandemic. There was also a huge negative impact on demand, and many businesses and services were temporarily closed. Working hours for employed people were reduced or even came to a halt and there was a rapid rise in unemployment.

That happened even though measures like furlough schemes and job retention were put in place by the governments to mitigate it (see Annex A). More traditional economic crises usually affect consumption and labour more broadly than the crisis caused by the pandemic, which seems to have had a more selective impact on the labour market. When compared to the 2008 financial crisis, the effects of the COVID-19 pandemic on the labour market have been more selective and unequal both within and between countries. Groups of people have also been affected in different or unequal ways because the labour market was affected differently. The unemployment was most pronounced for those with lower levels of education, young people and immigrants born outside the EU. Of the economic sectors the hospitality industry, retail, culture, leisure, logistics and tourism related industries were most heavily affected.⁵ There might be a challenge for the Nordic countries to respond to the inequalities caused by “skewed social and sectoral effects” of the pandemic.⁶

This section takes a quick look at the impact of the pandemic on the labour markets of the Nordic countries. It looks at employment and unemployment rates, working hours, absence and temporary layoffs or furloughs.

5.1 Labour force

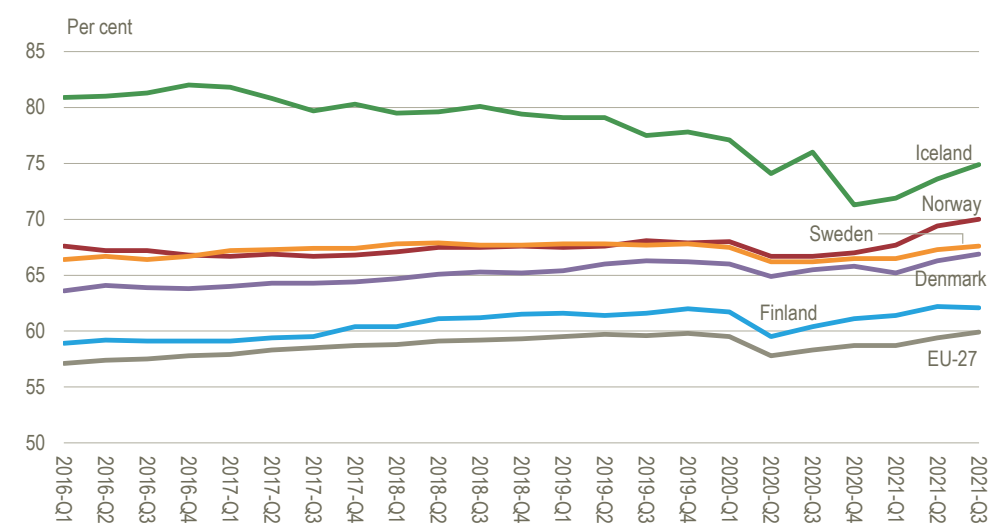
The Nordic labour market can be characterised by a high employment rate compared to other European countries. All five countries have a higher employment rate than the average for the EU-27, with Iceland well above. The unemployment rate is also different from the EU-27 average for the Nordic countries with exceptions for Finland, and in recent years Sweden. As figures 5.1 and 5.2 show, both employment rates and unemployment rates were impacted by the pandemic at the beginning of 2020. Compared to the employment rate the unemployment rate showed more distinct COVID-19 impacts. After the onset of the pandemic unemployment rates in the Nordic countries rose significantly while Denmark and Norway seem to have been the least affected in the Nordic Region. The unemployment rate in Norway was high relative to the Norwegian context, while still being low compared to the other Nordic countries. Of the five countries, Iceland seems to have been hit the hardest with regards to the rise in unemployment.

What is interesting about these two figures is that all the countries tell the same story in the aftermath of the pandemic. Employment rates have risen and are even higher in the 3rd quarter of 2021 than they were at the beginning of the pandemic in the 1st and 2nd quarter of 2020.

⁵ OECD: <https://www.oecd.org/coronavirus/policy-responses/the-unequal-impact-of-COVID-19-a-spotlight-on-frontline-workers-migrants-and-racial-ethnic-minorities-f36e931e/> - <https://www.oecd.org/coronavirus/policy-responses/the-territorial-impact-of-COVID-19-managing-the-crisis-across-levels-of-government-d3e314e1/>

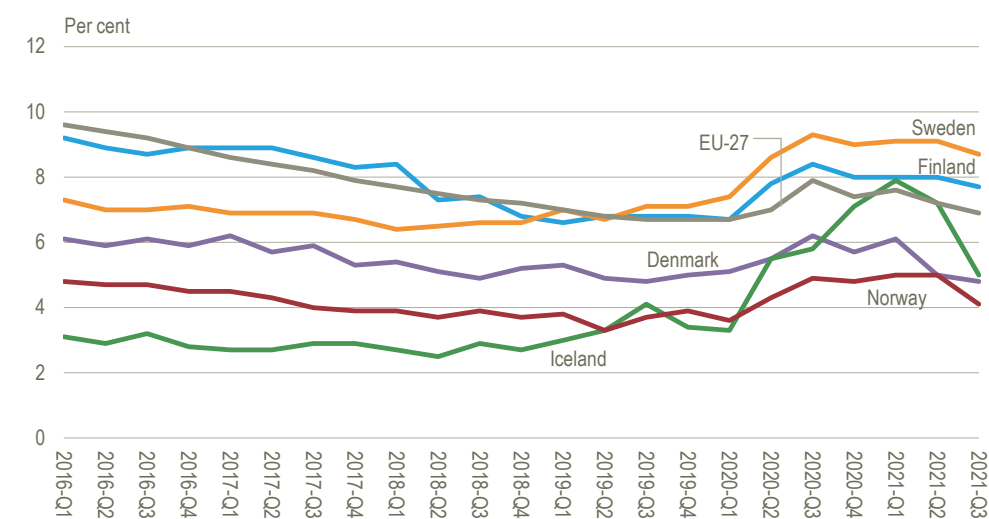
⁶ Alsos, K., and Dølvik, J. E. (2021). The future of work in the Nordic countries: Opportunities and challenges for the Nordic working life models (TN2021:520). Nordic Council of Ministers, Copenhagen.

Figure 5.1 Employment rates in the Nordic countries of total population



Source: Eurostat, extracted in March 2022

Figure 5.2 Unemployment rates in the Nordic countries (from 15-74 years)



Source: Eurostat, extracted in March 2022

5.2 Absences from work

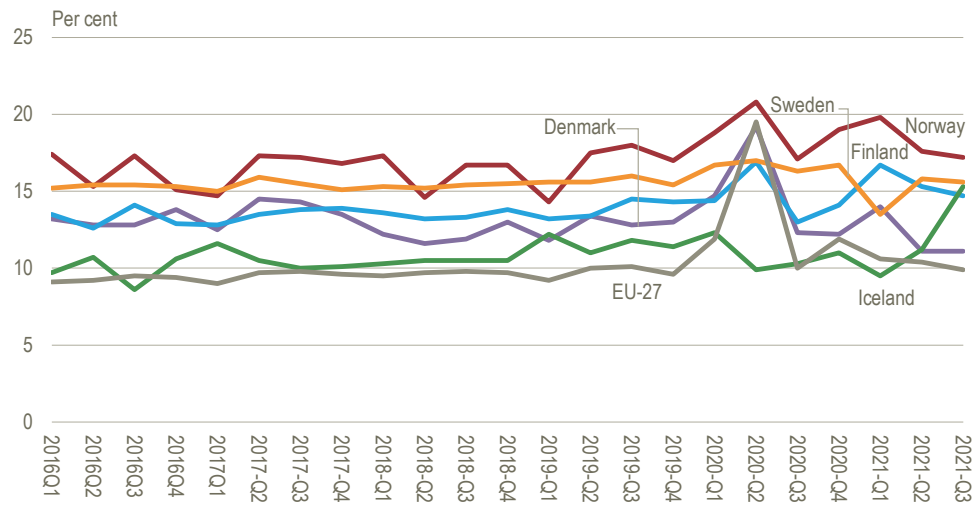
Other indicators such as absences and working hours also tell an important story about the impact of COVID-19 on the labour force. Absences from work are one of the key determinants of the total volume of hours worked. As can be seen in figure 5.3, absences from work of employed people in the 2nd quarter of 2020 were substantially higher than on average both before and after. With the exception of Iceland and Sweden. The figure also shows that the Nordic countries were less affected than the EU-27.

Absences indicate that the Icelandic labour market did not respond in the same way as the labour markets of the other Nordic countries. In Iceland, there was a great deal of uncertainty and people often did not know whether they had a job or not. People's positions towards their employers were therefore often unclear. The Labour Force Surveys (LFS) measurements reflect that situation quite well since, more often than not, individuals became inactive in the labour market. In the other Nordic countries, people were increasingly sent on temporary leave (furlough), which made their position clearer towards employers. Almost all of Nordic countries have introduced furlough schemes, albeit to quite different forms and extent.⁷ Some of the Nordic countries had a system for short-term layoffs in place

⁷ See Annex A and Nordregio State of The Nordic Region p.67 - <https://pub.nordregio.org/snr2/>

even before the pandemic, which made it possible for employers to retain their staff and for employees to keep their jobs during the pandemic.

Figure 5.3 Absence rates in the Nordic countries, per cent of total employment

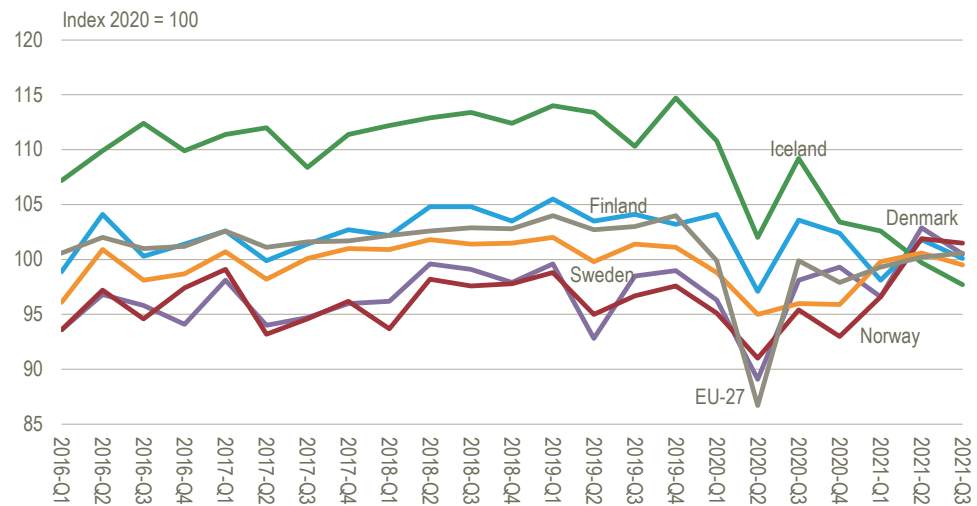


Source: Eurostat, extracted in March 2022

5.3 Hours worked

'Hours worked' means all hours in which the employee actually performed work and does not include any paid or unpaid leave time, including but not limited to vacation and sick leave. Statistics on the hours of work add another dimension to employment as an indicator that gives a perspective on the social conditions of labour.

Figure 5.4 Indexed working hours in the Nordic countries, 2020 = 100



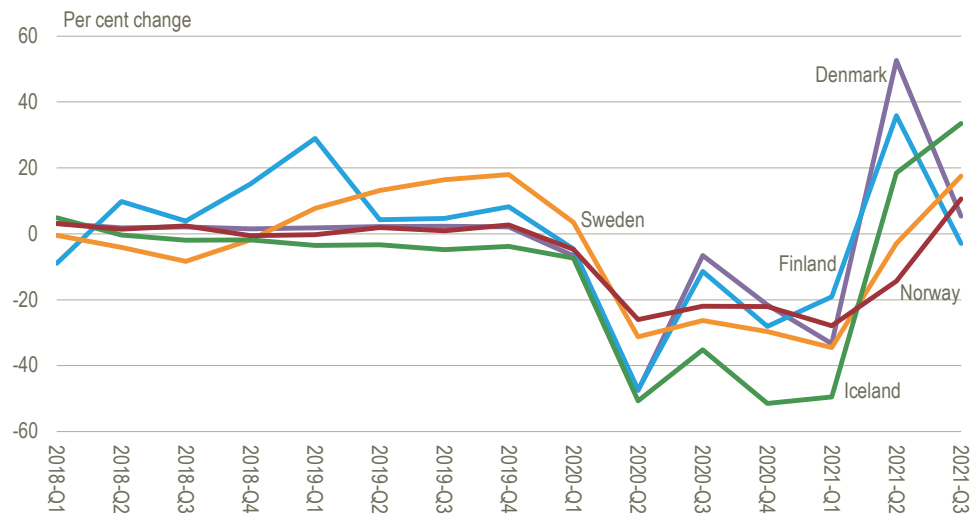
Source: Eurostat, extracted in March 2022

Figure 5.4 clearly shows how the working hours of those who were at work fell sharply at the beginning of the epidemic, and the same applies to all the Nordic countries and even more dramatic for the EU-27 countries. Norway, however, stands out a little because it is not easy to say if the drop in the 2nd quarter of 2020 is anything other than a normal movement. At least it is less prominent than the others. In the aftermath, actual hours have risen again for all countries except for Iceland some extent Finland. The reasons for reduced working hours in Iceland are not all caused by the pandemic. In the years 2020 and 2021, collective agreements dictated a shorter working week for employed people.

Figure 5.5 illustrates that the number of working hours decreased markedly in the Accommodation and food services industry, although not fully in line with the development

of turnover in the same industry (see figure 4.4). In Denmark and Finland, 'hours worked' dropped at approximately the same pace as turnover during the beginning of the pandemic, but in Norway and Sweden the decrease was significantly smaller. The COVID stringency index might explain a bit of this difference. In Norway, the COVID restrictions were eased sooner after the first wave of the pandemic and in Sweden, restrictions were not as strict during the first months of the pandemic.

Figure 5.5 Hours worked in accommodation and food services, per cent change from previous year, calendar adjusted not seasonally adjusted data



Source: Eurostat, extracted in March 2022

There might also be some other reasons for this difference due to the national practicalities related to furloughs and termination of job contracts. In Iceland, the more negative development of hours worked is mostly explained by the more severe fall in tourism.

Box 3. Wage compensation in Denmark

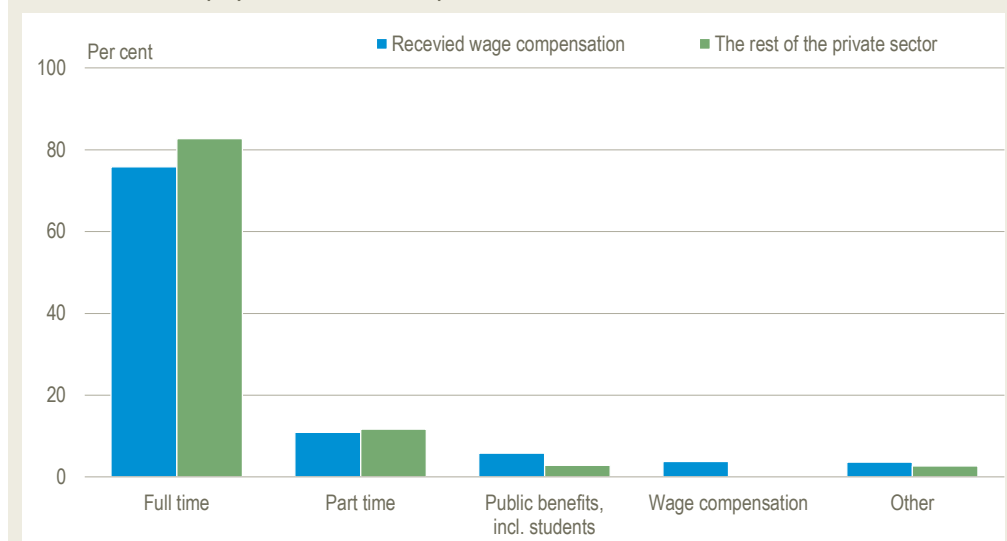
Denmark implemented a general wage compensation scheme for enterprises during the COVID-19 pandemic. The requirements and coverage were regulated several times, but for most of the period, the scheme covered enterprises that would otherwise be forced to cut staff by minimum 30 per cent or lay off more than 50 employees. The state compensation covered 75 per cent of the total wage expenses to the employee in question, however maximum 4,025 Euro (30.000 DKK) per employee per month. Thus, the compensation scheme provided the enterprises with the opportunity to send home employees on furlough instead of laying them off. From March 2020 to September 2021 around 350.000 employees received wage compensation in Denmark (see annex A).

Statistics Denmark has analyzed the 113,300 full time employees that received wage compensation covering April 2020. Figure A illustrates their labour market status one year later in May 2021. 76 per cent (86,000) of the 113,300 full time employees were still working full time one year later. Around 11 per cent (12,400) were working part time, whereas 4 per cent (4,300) still (or again) were receiving wage compensation. Approximately 6 per cent (6,600) received public benefits (including unemployment benefits, parental leave, pension, studying). 3 per cent were not in the Danish employment register for other reasons (self-employed, emigration, dead etc.). These figures are not remarkably different from those of non-compensated employees in the private sector, where 82 per cent worked full-time one year later, 12 per cent worked part-time, and 3 per cent received public benefits.

The analysis also shows that 72 per cent of the full-time employees that were compensated in April 2020 were still employed by the same company one year later. 14 per cent worked in a new company but still in the same activity, and 4 per cent were in both a new activity and a new company.

Overall, this indicates that the wage compensation prevented or postponed some of the layoffs that could have happened as a consequence of the pandemic. This is important to take into consideration, when the labour market data is evaluated. More information is available in the DST Analysis.

Figure A. Employees that received wage compensation in April 2020 and their status in May 2021. Compared with the status of employees in the rest of the private sector



5.4 Labour market slack - unmet need for employment (from labour force survey)

The development of the labour market linked to the COVID-19 pandemic have shown a need to look further than unemployment to report on the unmet demand for employment. Though employment and unemployment rates are important indicators in the labour market they do not tell the whole story. Box 4 describes the measurement of labour market slack – the unmet need for employment

Box 4. Measurement of unmet need for employment

The labour market has undergone major changes due to the COVID-19 pandemic and un-certainty has inevitably affected measurements. The effects of these changed circumstances have led to a difference between registered unemployment and unemployment according to the Labour Force Surveys (LFS). It is clear that definitions of unemployment are different and changed conditions in the labour market show that it is not enough to look only at the unemployment rate in the LFS results to gain knowledge of the extent of the effects of the pandemic on the labour market.

According to the definition by the International Labour Organisation (ILO), a person is considered unemployed if he/she is not working, is available to start working within two weeks and is actively looking for a job. By current measurements of LFS there are a number of persons who do not meet the ILO definition of unemployment despite being considered unemployed in everyday speech. For example, it is not obvious that a person who is unemployed, or does not know if he will keep his job, will immediately start looking for a new job when jobs have closed, restrictions have been imposed and industries have shrunk. It is also not always clear whether a person looking for work is able to start work within a short period of time if there is uncertainty about an employment relationship with a previous employer.

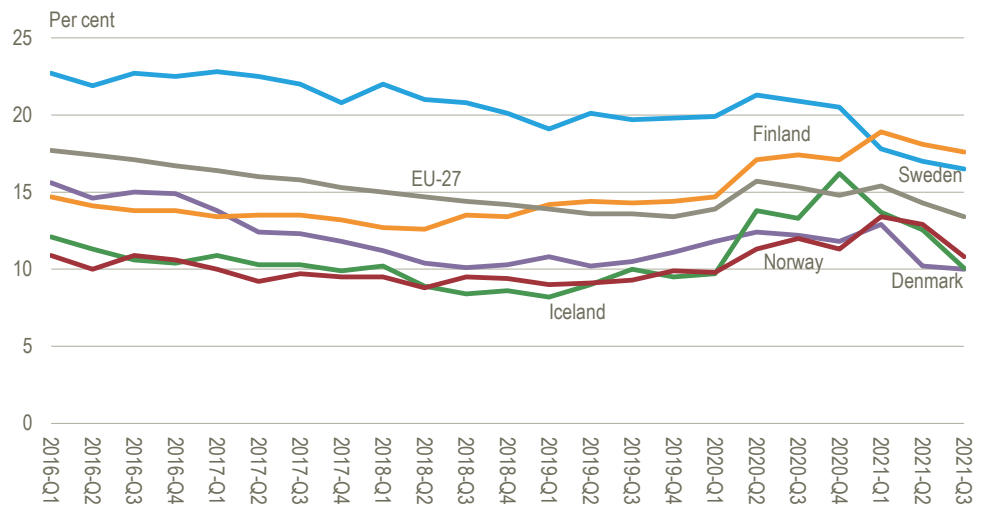
Labour market slack reflects an unmet need for employment, both for those in the labour market and those who fall outside of it. The concept therefore includes a larger group than only those who are classified as unemployed according to the LFS.

To estimate the unmet need for employment, the following groups are summarised and divided by both the labour force and possible labour force (extended labour force): 1) unemployed; 2) individuals working part time jobs who want and can work more; 3) individuals ready to work but are not looking; 4) individuals not ready to work within two weeks but are looking for a job. The latter two groups are classified as outside the labour force.

As can be seen in figure 5.6 labour market slack rose at the beginning of the pandemic. As with unemployment less so for Denmark, and the considerably sharpest rise was in Iceland.⁸ In all the five countries the labour market slack declined during 2021.

⁸ See <https://nordregio.org/maps/unemployment-typology/> for further information concerning changes in unemployment rates across Europe

Figure 5.6 Labour market slack in the Nordic countries



Source: Eurostat, extracted in March 2022. Figures for Q1 2021 to Q3 2021 are preliminary for Iceland.

Annex A. Government support schemes and initiatives

All five Nordic countries implemented government support schemes and additional initiatives to mitigate the economic consequences of the COVID-19 pandemic. These are listed in five different tables:

- Table A1 provides an overview of the main compensation schemes and initiatives in the five countries. These include compensation schemes targeted self-employed, fixed costs, wage compensation, loans, and smaller compensation schemes concerning cultural events, sports events, festivals or the like.
- Table A2 shows the total amounts granted and registered, including the total number of supported enterprises and employees.
- Table A3 presents the five most supported activities in four of the five countries (based on EU NACE Rev. 2 four digits code).
- Table A4 shows how much four of the five countries spent on loans to enterprises
- Table A5 provides the Norwegian economic corona costs in 2020, 2021 and 2022

Note that none of the Nordic countries have yet collected and verified data covering the total amounts for government support and initiatives. Moreover, the requirements, periods and coverage were very diverse across the countries. Thus, the numbers should be interpreted and used with caution, cf. box A1.

Main findings:

- From March 2020 to September 2021, four of the five Nordic countries spent between 0.9 and 2.3 per cent of their GDP in 2020 on COVID-19 compensations schemes.
- Sweden supported 2.8 million employees, and more than 1.5 million employees were supported in Finland (770,000), Norway (394,000), and Denmark (347,000).
- The five Nordic countries compensated at least 245.000 enterprises (partial data): Denmark (102,000), Norway (75,000), Finland (57,000), Iceland (10,700), and Sweden (162,453).
- 'Restaurants and mobile food service activities' is one of the most supported activities across the four countries that provide data on the activity level. Yet, the most supported activities also vary across the Nordic countries. In Denmark, one of the most supported activities is 'Beverage serving activities'. In Finland, 'Computer programming activities' is among the top-three activities. In Iceland, the most supported activities mainly concern tourism activities, including air transport, travel agencies and tour operators. Lastly, in Sweden, the sale of cars and the manufacturing of motor vehicles are in the top-5 of the most supported industries. This is affected by the nature of the support schemes and the composition of the businesses in the different countries.
- All the five countries provided loans in varying forms. In Denmark and Sweden, more than 50,000 enterprises had registered VAT or payroll-loans. Finland has registered 349 enterprises with loans, and Iceland has registered 1,849.

Box A1. Remarks concerning data quality and coverage

All the data concerning compensation is *experimental*. This means that data is not validated to the same standards as administrative data or established survey data such as the labour force survey and bankruptcies. For instance, supported enterprises in Denmark have to pay back the compensation, if they do not fulfil the criteria for compensation. This concerns enterprises that did not experience a loss in turnover and/or were able to re-open earlier than expected. These potential reductions in the amounts are not yet part of the data received from the Danish Business Authorities as the final revision has not been carried out yet.

Moreover, the amounts only cover *parts* of the total compensation schemes and loans. For instance, data concerning activity-based compensation and other initiatives in Denmark are not available at the enterprise-level. Also, the compensation data from Finland does not include compensation for self-employed and freelancers, and the amount from Iceland does not include quarantine payments.

Table A1. Overview of main compensation schemes and initiatives in Denmark, Finland, Iceland, Norway, and Sweden (not exhaustive)

	Key compensation schemes and benefits	Loans	Other initiatives
Denmark	<ul style="list-style-type: none"> - Compensation for self-employed and freelancers with a maximum of 25 full-time employees - Wage compensation - Compensation for fixed costs targeted businesses that expected a revenue loss of more than 30-35 per cent because of the COVID-19 outbreak - Activity based compensation for mink farms, travel agencies, tour operators, tourism, passenger air transport, cultural life (museums, arts facilities etc.), public transportation, seasonal businesses, businesses that were forced to cancel cultural events, festivals etc. 	<ul style="list-style-type: none"> - VAT loans - Payroll loans 	<ul style="list-style-type: none"> - Standardized guarantees for enterprises - Payment of the frozen holiday funds - Lump sums for specific groups receiving social benefits - Wage subsidies for internships and students - Prolonged period on unemployment benefits - Increased access to sick leave benefits - Easier access to unemployment benefits for self employed - Tax free gift cards for restaurants, amusement parks, theatres and museums etc.
Finland	<ul style="list-style-type: none"> - Temporary unemployment benefits for self-employed persons - Grants to the self-employed, including a lump-sum benefit for the self-employed with fixed costs - Support for catering companies - Event guarantee for businesses that were forced to cancel cultural events, festivals etc. - Fixed cost compensation for companies with a revenue loss of over 30 pct. - Funding for business development in disruptive circumstances 	<ul style="list-style-type: none"> - State-guaranteed loans 	<ul style="list-style-type: none"> - Reform of the unemployment benefits - Temporary financial assistance due to an epidemic outbreak: Minimum sickness allowance scheme, including unpaid leave for taking care of child(ren) and quarantine - Reduction of pension contributions
Iceland	<ul style="list-style-type: none"> - Resilience subsidies to help companies maintain a minimum level of activity - Compensation for entities suffering revenue losses of between 60 pct. and 80 pct. - Wages during notice period - Compensation for reduced employment ratio 	<ul style="list-style-type: none"> - Support loans for SME's affected by the crisis - State-backed bridging loans for companies 	<ul style="list-style-type: none"> - Reimbursement of VAT - Quarantine payments - Supplement of basic unemployment benefits - Increased payments for support of job-seekers' children - Support for families with children - Support for disability pensioners and vulnerable groups
Norway	<ul style="list-style-type: none"> - Compensation for self-employed and freelancers who lost income due to the corona outbreak - Business Compensation Scheme that provided financial compensation for enterprises with large income losses resulting from the virus outbreak - Wage/salary compensation for layoffs - Salary compensation to bring back laid off employees - Compensation scheme for apprentices - Compensation for culture, sports and volunteering - The municipal compensation scheme for local businesses 	<ul style="list-style-type: none"> - Central government guarantee of loans issued by the banks for small and medium-sized businesses - Deferred payment on loans, e.g. temporary tax and duty relief - Lower interest rates - Start-up financing - Student loans 	<ul style="list-style-type: none"> - Extensions of income security schemes for people, e.g. a higher degree of compensation in the unemployment benefit scheme. From December 2021, wage support could be given when there are were simultaneous layoffs. - New rules on corona-related sickness absence - Reduction of the employer's national insurance contributions - The parents' right to care allowance was doubled, and the parents did not have to pay for kindergarten and after-school care - Opportunities for banks to help their customers with more flexible mortgage regulations - Increased housing benefits and made it easier for people to get start-up loans to buy their own home - Measures concerning the aviation sector - Increased allocations to sectors with socially critical tasks, including municipalities, police, and the Norwegian Labour and Welfare Administration.
Sweden	<ul style="list-style-type: none"> - Scheme to support uncovered fixed costs of companies affected by the coronavirus outbreak - Short term wage compensation scheme - Benefit for self-employed belonging to an at-risk group of falling seriously ill with COVID-19 - Benefit for employees belonging to an at-risk group of falling seriously ill with COVID-19 - Benefit for those who have to refrain from working in order to protect a close relative belonging to an at-risk group from catching COVID-19 - Compensation for the cost of sick pay 	<ul style="list-style-type: none"> - VAT loans 	<ul style="list-style-type: none"> - Temporarily suspension of the deduction from sick pay - Temporary additional payments for families - with housing allowance - Benefit for taking care of a sick child - Temporarily raise of the jobseeker's allowance - Compensation if your child's school or daycare closes - Temporarily raised ceiling in the unemployment insurance fund from day 101 - Temporarily changed membership conditions for the unemployment insurance fund - one membership month is counted as four - Temporary reliefs in working conditions and a temporary minimum level for the basic amount - Temporary increase in income-related compensation - Abolished ceiling regarding tax-free amounts in study grants - Disease carrier allowance

Table A2. Private business compensation schemes. March 2020-September 2021

	Amount granted and registered (million EURO)	Total no. of supported enterprises	Amount per enterprise	No. of supported enterprises in 2020	Total no. of active enterprises in 2020	Supported enterprises as share of total no. of enterprises in 2020	No. of supported employees	Total no. of employees in 2020	Supported employees as share of total no. of employees in 2020	GDP 2020 (billion EURO)	Amount granted and registered as share of GDP 2020
Denmark	6,238	102,000	61,159	98,500	350,000	28 per cent	347,000	1,806,000	19 per cent	313	2.0 per cent
Finland	2,142	57,127	37,495	45,142	368,949	12 per cent	770,559	1,503,663	51 per cent	236	0.9 per cent
Iceland	428	10,774	NA	6,057	35,000	17 per cent	NA	NA	NA	19	2.3 per cent
Norway	21,645 <i>incl. Q4 2021</i>	75,000	NA	NA	NA	NA	395,000	NA	NA	NA	NA
Sweden	2,951	162,453	18,166	146,749	271,872	54 per cent	2,826,490	4,885 547	58 per cent	476	2,0 per cent

Notes:

The type of support differs across countries in relation to requirements, periods and coverage. Therefore, the comparison must be made with caution.

Finland: The compensation for self-employed and freelancers is not included. This is around 94.3 million euros (not verified). The individual amount was fixed at 2,000 euros per applicant. This indicates that the amount of self-employed persons/freelancers that were granted this support is around 47 000. For Finland, the number of supported employees is the number of employees in 2020 in the supported enterprises.

Iceland: The amount does not include quarantine payments, which is about 1 per cent of the total amount. Data on no. of supported employees is not available for all compensation schemes.

Denmark: The figures only cover the three general compensation schemes concerning salary compensation, lost turnover and fixed costs. Real active enterprises in Denmark concern enterprises with a certain turnover (depending on the activity). Smaller "hobby enterprises" are not included. The total number of employees includes all employees in the private sector in Q3 2020 based on www.statistikbanken.dk/LBESK21.

Norway: The total amount covers 2020 and 2021, including Q4, and the figure is in 2022-prices. This amount includes adopted and proposed measures. Loan transactions and guarantee authorizations etc. is not included. The estimates have not been adjusted upwards after the Norwegian Parliament's consideration of the proposals for 2022. Source: Norwegian Ministry of Finance, Prop. 51 S (2021–2022). The amount concerning supported enterprises and employees only covers the salary compensation for persons who are laid-off and the temporary scheme for self-employed and freelancers who lose income due to the corona outbreak. This data is provided by the Norwegian Labour and Welfare Administration and Statistics Norway.

Sweden: The compensation for self-employed and freelancers together with support to public sector and non-profit is not included. Total pandemic support is in approx. 9,600 million Euro. The share of GDP is based on that total amount.

Table A3. Top-five activities according to the highest amounts granted, based on EU NACE v2 codes. March 2020-September 2021

	Activity	Amount granted (million EURO)	No. of supported enterprises	No. of enterprises in activity	Amount granted as share of total amount	No. of supported enterprises as share of total no. of enterprises in activity
Denmark	56.10 Restaurants and mobile food service activities	624	6,190	9,289	10 per cent	67 per cent
	55.10 Hotels and similar accommodation	459	707	902	7 per cent	78 per cent
	56.30 Beverage serving activities	257	2,060	2,413	4 per cent	85 per cent
	96.02 Hairdressing and other beauty treatment	254	8,378	9,096	4 per cent	92 per cent
	47.71 Retail sale of clothing in specialized stores	209	1,953	2,430	3 per cent	80 per cent
Finland	56.10 Restaurants and mobile food service activities	279	6,287	7950	13 per cent	79 per cent
	55.10 Hotels and similar accommodation	75	506	797	4 per cent	63 per cent
	62.01 Computer programming activities	72	1,368	4,903	3 per cent	28 per cent
	70.22 Business and other management consultancy activities	59	1,930	10,567	3 per cent	18 per cent
	41.20 Construction of residential and non-residential buildings	55	1,822	17,598	3 per cent	10 per cent
Iceland	55.10 Hotels and similar accommodation	71	418	642	17 per cent	65 per cent
	56.10 Restaurants and mobile food service activities	50	465	670	12 per cent	69 per cent
	51.10 Passenger air transport	34	15	29	8 per cent	52 per cent
	79.11 Travel agency activities	18	105	143	4 per cent	73 per cent
	79.12 Tour operator activities	15	183	306	4 per cent	60 per cent
Norway	NA	NA	NA	NA	NA	NA
	NA	NA	NA	NA	NA	NA
	NA	NA	NA	NA	NA	NA
	NA	NA	NA	NA	NA	NA
	NA	NA	NA	NA	NA	NA
Sweden	56.10 Restaurants and mobile food service activities	127	10,227	13,191	4 per cent	78 per cent
	70.22 Business and other management consultancy activities	119	7,477	17,564	4 per cent	43 per cent
	71.12 Engineering activities and related technical consultancy	108	4,964	12,264	4 per cent	40 per cent
	45.11 Sale of cars and light motor vehicles	106	1,409	2,074	4 per cent	68 per cent
	29.10 Manufacture of motor vehicles	96	46	65	3 per cent	71 per cent

Notes:

The type of support differs across countries in relation to requirements, periods and coverage. Therefore, comparison must be made with caution.

Finland: The compensation for self-employed and freelancers is not included. This is around 94.3 million euros (not verified). The individual amount was fixed at 2,000 euros per applicant. This indicates that the amount of self-employed persons/freelancers that were granted this support is around 47 000. For Finland, the number of supported employees is the number of employees in 2020 in the supported enterprises. Note that one of the first major support schemes introduced in Finland was the 'Funding for business development in disruptive circumstances' which was not directly aimed at most affected industries but for RDI activities that help businesses adjust for the market disturbances. This had a major effect on the top supported activities in Finland (computer programming etc.)

Iceland: The amount does not include quarantine payments, which is about 1 per cent of the total amount.

Denmark: The figures only cover the three general compensation schemes concerning salary compensation, lost turnover and fixed costs. Thus, the amounts do not cover special compensation for specific activities such as mink farms, travel agencies, tour operator, tourism, passenger air transport, cultural life (museums activities, operation of arts facilities etc.), public transportation, seasonal businesses, businesses that were forced to cancel cultural events, festivals etc. From March 2020 until the end of June 2021, the total amount granted for these additional initiatives was around 2,017 million EURO, cf. the [DST Analysis concerning public spending on COVID-19 initiatives](#).

Table A4. Loans. March 2020-September 2021

	Total loan (million EURO)	Number of enterprises	Share of total no. of enterprises
Denmark	4,761	50,600	14 per cent
Finland	165	349	0.1 per cent
Iceland	87	1,849	NA
Norway	NA	NA	NA
Sweden	4,293	52,900	NA

Notes:

The type of support differs across countries in relation to requirements, periods and coverage. Therefore, comparison must be made with caution.

Denmark: The amount covers VAT and payrolls-loans the 24th of August 2021

Sweden: This only covers deferred tax. The cancellation of deferred tax is not deducted the amount or the total no. of enterprises. This is around -2213 million EURO and 45,100 enterprises.

Table A5. Norwegian economic corona costs in 2020, 2021 and 2022.^{1,2} bn. 2022-prices, million EURO

Purpose	2020	2021	2022	In total
Business/industry	6,640	2,938	671	10,249
Households	1,828	1,940	420	4,187
Socially critical sectors, etc.	3,926	3,479	1,399	8,794
Culture, sports and volunteering	550	345	159	1,054
In total	12,944	8,701	2,639	24,285

Notes:

¹ The figures include adopted and proposed measures. Loan transactions and guarantee authorizations etc. are not included in the table.

² The total amount of NOK 138.8 billion for 2020 in 2022 prices corresponds to NOK 131.3 billion in 2020 prices. The total amount of NOK 93.3 billion for 2021 in 2022 prices corresponds to NOK 91.1 billion in 2021 prices. The estimates in the table have not been adjusted upwards after the Norwegian Parliaments consideration of the proposals for 2022.

The durations of the Norwegian support schemes vary. The compensation scheme for businesses and the wage support scheme will last until February 2022, while the special rules in the unemployment benefit regulations will last until March. The schemes for culture and volunteering, as well as the scheme for local businesses to get compensation from the municipalities, will be in effect until the first half of 2022.

Source: Norwegian Ministry of Finance, Prop. 51 S (2021–2022).

Exchange rates

The following exchange rates to EUR have been used:

Danish krone	7.4542
Swedish krona	10.4848
Icelandic krona	154.59
Norwegian krona	10.7228

Source: Eurostat 2020

More information is available here:

European overview	https://www.esrb.europa.eu/home/search/coronavirus/countries/html/index.en.html
Denmark	https://danishbusinessauthority.dk/assistance-businesses-denmark-during-coronavirus-disease-covid-19 https://star.dk/en/social-partners/tripartite-agreements-in-2020-and-2021/ https://www.dst.dk/da/Statistik/nyheder-analyser-publ/Analyser/visanalyse?cid=47714
Finland	https://tem.fi/en/coronavirus/guidance-for-businesses https://stm.fi/en/individuals-families-benefits-allowances-corona https://www.keha-keskus.fi/emergency-financing/mara/support-re-employment
Iceland	https://vinnumalastofnun.is/en/information-regarding-covid-19/reduced-employment-ratio https://www.government.is/government/covid-19/
Sweden	https://ec.europa.eu/commission/presscorner/detail/en/IP_21_583 https://tillvaxtverket.se/english/short-time-work-allowance-2021/short-time-work-allowance-2020.html https://www.skatteverket.se/servicelankar/otherlanguages/inenglish/businessesandemployers/informationforcopaniesinconnectiontothecoronavirus/covid19reorientationsupport.4_3016b5d91791bf5467990b.html
Norway	https://www.skatteetaten.no/en/measures/#the-business-compensation-scheme https://www.skatteetaten.no/en/measures/ https://www.nav.no/person/koronaveiviser/