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France in the face of COVID-19: from lockdown to crises and responses for the future

ESPN Flash Report 2020/36

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In response to intense pressure on the hospital system, the government imposed a strict lockdown on French households between 16 March and 11 May. Numerous financial packages, extensive usage by employers of the temporary termination of employees' obligation to work, and teleworking largely succeeded in maintaining jobs and guaranteeing income. Since 11 May, the country has started to move out of lockdown and a new landscape is taking shape, featuring economic and social crises.

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Since 11 May, France has been loosening lockdown after a 55-day guarantine. The epidemic has put considerable pressure on hospitals and the entire health system. Hospitals had to double the number of intensive care units, by reorganising all hospital services in the most affected regions, then transferring patients to the least affected regions and bordering countries. Pharmaceutical products and materials were also under strain. The question of whether masks should be used, and their subsequent scarcity, along with testing, generated criticism of the government in both public opinion and the media. In late April, France ranked 30th out of the 35 OECD countries, with only 9.1 tests per thousand inhabitants. The number of tests increased sharply in May and June but with wide variations between regions.

By 26 June 2020, 29,778 people had died from COVID-19 - i.e. 441 deaths per million inhabitants. The infection affected more specifically the most elderly: 75% of the victims were aged and over. The situation was 75 particularly critical in care homes, with Other 10,000 deaths. vulnerable segments of the population were also hard-pressed during lockdown, including children in welfare institutions and people living on the street. During the lockdown, reports of domestic violence increased by 30%.

A first Amending Finance Act dated 23 March estimated excess expenditure at €45 billion. This amount was then significantly readjusted to €110 billion in a second Amending Finance Act dated 25 April. A third Amending Finance Act was submitted to the parliamentary assemblies on 10 June and is due for adoption before 14 July. The new measures take the budget devoted to the health emergency plan to €136 billion. The public deficit has thus been revised to -11.4% of gross domestic product (GDP). This draft third Amending Finance Act includes: support for employees and businesses (€31 billion for partial activity and €8 billion for very small businesses); credits for implementing support plans for the most impacted sectors (tourism, the car industry, aviation, culture, start-ups); an exemption measure for employer social security contributions, combined with a social security contribution credit (amounting to almost \in 3 billion); measures to help local authorities deal with the crisis and support local business recovery; additional resources devoted to emergency housing and action against domestic violence; and financing of exceptional aid for students and young people in precarious situations, along with grants and social benefits for French nationals abroad. A conference on low wages and a hospital plan have been announced. The forecast in June 2020 is that GDP will retract by around 11.4%.

Since the gradual relaxation of lockdown (11 May), teleworking is still strongly encouraged, while schools have opened gradually following very strict recommendations. Universities will remain closed until September. This

relaxation of lockdown is accompanied by increased testing, a procedure to track the contacts of people who have been tested positive, and the implementation of quarantine measures.

commentary

Along with the suffering caused by the virus and the death of almost 30,000 people, as well as the fears triggered by an infection with no vaccine or cure, the crisis has highlighted the strengths and weaknesses of the French health system. The adaptive capacity of the health organisations and professionals rank among the success stories, counterbalancing the less successful aspects: unpreparedness and shortages of staff, intensive care units, and personal protective equipment. The financial approach that has prevailed in recent decades (including a drastic reduction of mask stocks) has hampered the efficiency of the health system in the face of a new, insufficiently anticipated threat.

The civic-minded approach adopted by the majority of the French population during the 55 days of lockdown was greatly boosted by the efforts of local authorities and associations, along with food retailers, the agri-food local health industry, and sanitation services, and the fire brigade. Teachers have also had to develop methods to ensure "teaching continuity", keep in touch with pupils, and support parents in their "home-schooling" role.

The 55 days of lockdown are only one stage in the action to beat the virus. This stage succeeded in reducing a flow of patients that was too great for intensive care services to deal with. The easing of lockdown raises a number of new issues, such as management of public transport, reorganisation of the work place, the return of pupils to school, and access to testing and protective masks.

The health crisis comes on top of an economic and social crisis. The massive take-up by employers of the scheme to allow temporary termination of employees' obligation to work has managed to protect most jobs. In April 2020, the number of jobseekers rose by 22% compared to the previous month, affecting 843,000 people. This figure had dropped back down to 210,000 people at the end of However, 2020. May this improvement was counterbalanced by a 210,000 increase in the number of jobseekers working in reduced employment. (Source: DARES, 25 June 2020).

This crisis calls into question the timetable of the changes and reforms underway in France. The pension and unemployment reforms cannot be implemented as initially planned. The fact that almost half of those who have died from COVID-19 were in residential care homes will undoubtedly result in a review of the way in which older people these are accommodated and cared for, and is likely to have an impact on legislation on long term care, a bill that has been regularly postponed. At a deeper level, public bodies are reflecting on corrections or shifts that could be made to a social and economic model that has lost control of its value chains. Over the two-month lockdown а considerable share of the positions that ensured that society continued to operate were held by generally female employees at the bottom of the income ladder - this raises the question of priorities.

This crisis has revealed major inequalities between those who could telework and those who were

forced to accept reduced working hours and short-term contracts (and also to be exposed to the virus in public transport), between those living in comfortable housing and those in overcrowded accommodation, between children whose families were able to provide school support in the home and children who were left to fend themselves. Research into for these important issues is still ongoing, and results are expected in the following months (Epicov and SAPRIS inquiries).

Further reading

Bruno Ducoudré and Pierre Madec, 2020: "Évaluation au 6 mai 2020 de l'impact économique de la pandémie de COVID-19 et des mesures de confinement sur le marché du travail en France", OFCE Policy Brief 67, 6 May 2020.

Département analyse et prévision de l'OFCE, 2020: "Evaluation au 20 avril 2020 de l'impact économique de la pandémie de COVID-19 et des mesures de confinement en France: comptes d'agents et de branches", OFCE Policy Brief 66, 20 April 2020.

INSEE conjoncture, "Point de conjoncture", 9 April 2020 and 7 May 2020.

INSEE, "Les conséquences de la crise sanitaire du COVID-19. Impacts économiques, démographiques et sociétaux", 22 April 2020.

The French public health website provides daily data and information on the situation of the pandemic

Epicov and SAPRIS inquiries

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