

Coronavirus measures in the Netherlands

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The first COVID-19 case in the Netherlands was reported on the 27th of February 2020. In the nearly 2 months since, the number rose to a little over 28.000 cases and 3.134 reported deaths. The expected number of cases and deaths in reality is likely to be much higher due to a lack of testing. The testing capacity of the Netherlands lies around 17.500 a day, with a possible increase to 29.000 tests a day if necessary. This means that not every citizens can be tested. The Dutch government is focussing on testing those people most at risk of contracting the virus, meaning people working in the healthcare sector and people with underlying conditions that are more vulnerable. People who show mild symptoms but do not fall in one of the two testing categories are therefore often not tested. This severely impacts the overall statistics.

Measures

Nevertheless, the Dutch government has taken some serious measures to stop the spreading of the virus. The first measures were taken on the 6th of March pertaining to the southern province of Noord-Brabant where an increase in cases was established after the annual carnival celebrations. The relatively mild measure entailed that anyone who presented with a cold, fever or a cough were urged to stay at home. Three days later new nationwide measures were introduced; no one was allowed to shake hands anymore, coughing and sneezing needed to be done into the inside of your elbow and you needed to wash your hand regularly and for at least 20 seconds. In the next week, as cases continued to rise, prime-minister Mark Rutte announced that until at least the 6th of April all events of more than 100 people were cancelled, all schools, kindergartens, hotels, restaurants and cafes would have to close by 6 p.m. that night and that people needed to start working from home as much as possible starting immediately.

Besides concerns over the spread of the virus, concerns over the capacity of the Intensive Care Unites (ICU) in the Netherlands rose as well. It was announced by the prime-minister that the amount of ICU beds would be increased from 1.150 to 2.000 if necessary and later even to 2.400 beds.

These increasing concerns resulted in a new approach announced by prime-minister Rutte on the 23rd of March called the "intelligent lockdown." This entailed that the Netherlands would not go into a full lockdown like Italy or Spain had done, but instead would rely on people's common sense and several new measures to stop the spread and relieve some of the pressure on the healthcare system.

Three approached to battle COVID-19

The first and foremost reason this type of lockdown was chosen was that it was the best way to create 'herd immunity.' As the prime-minister stated it; there were three possibilities to battle the coronavirus. The first was to follow the Italian and Spanish example and go into full lockdown to stop the spread and relieve pressure from the healthcare system. The problem with this approach however, is that the moment the lockdown is lifted and people get into contact with each other again, the virus will most likely return almost immediately and cases would surge once again. The second approach prime-minister Rutte addressed was to do nothing and not implement any measures in an attempt to create herd immunity fast. However, in the early stages this will result in an increase in deaths and it will most likely overwhelm the healthcare system. Therefore, prime-minister Rutte announced the government would follow the third strategy, namely 'controlled spreading' through an 'intelligent lockdown'. This entails that the government will attempt to protect the most vulnerable group within society as well as the healthcare system by implementing measures to partially stop spreading. The government does not forbid citizens to go outside, but instead urges them to only do so when absolutely necessary (e.g. grocery shopping or exercise). Reality is that it is impossible to completely stop the spread, but it is possible to guide it in such a way that people who are more likely to survive (e.g. young people) are infected instead of the vulnerable group. Hopefully this strategy will create herd immunity over time and flatten the curve now.

There has however been a lot of controversy around the concept of 'herd immunity.' So far, it has not actually been proven that once a person has had COVID-19 they are immune. Prime-minister Rutte has had a lot of criticism from citizens on his chosen approach because it could potentially cost a lot of lives without guaranteeing any results. Since the virus is relatively new it is still very unpredictable. Not only is there no guarantee of immunity after it is contracted, but there is also no guarantee on how the 'non vulnerable group' will react to it. More and more young people are admitted to intensive care units, not only in the Netherlands, but across the world so the burden on the healthcare system could potentially still be grave with this approach.

What measures fall under the "Intelligent lockdown"?

Nevertheless, the Dutch government believed the 'intelligent lockdown' strategy was the best approach out of the three possibilities. Since people are allowed to go outside, the government implemented measures meant for public spaces. Once outside, people need to keep a 1.5 meter distance from each other when in public and a new measure introduced later on forbade 'group forming' of three or more people to slow the spread of the virus. Breaking this rule would result in a fine of up to €400 per person in the so-called 'group'.

Moreover, more and more businesses such as hairdressers and nail salons were closed that could not guarantee the 1.5 meter distance. Shops such as grocery stores, but also clothing shops who so far have not been forced to close, were given strict measures to guarantee the 1.5 meter distance and stop overcrowding. A failure to adhere to these rules can result in a fine of up to €4000 euro for those shop owners.

Economic aid and consequences

The government at the same time announced an emergency package for temporary financial arrangements for entrepreneurs and self-employed persons. This package includes a temporary income

and salary allowance, deferral of taxes and relaxation of credits. These measures also partially benefit the cultural and creative sectors.

The temporary income and salary allowance entails that an entrepreneur who expects a loss of at least 20% of its turnover can apply to 'Institute for employee insurance' (UWV in Dutch) for a salary allowance for up to three months that covers up to 90% of their labour costs (depending on the percentage of turnover loss). UWV will initially provide an advance of 80% of the requested allowance, under the condition that no staff may be made redundant for economic reasons during the allowance period.

Not only entrepreneurs struggle financially during this time, but the whole of the Dutch economy does as well. The International Monetary Fund (IMF) has predicted that Dutch economy will shrink in 2020 by 7.5 percent, compared to the predicted 3 percent decrease of the world economy. The IMF expects that in the second half of 2020 the world economy will recover to a certain extent, given that the situation around COVID-19 will stabilise soon. If this is the case, the world economy as a whole will most likely increase by 5.8 percent in 2021. The Dutch economy will also start its road to recovery and grow by an expected 3 percent in 2021.

Eurobonds and international criticism

What has become clear during the corona crisis is that every country is affected by it. Most of Europe is in lockdown, compelling the European Union to look for a collective response to the pandemic's economic impact. Countries who are worst hit by the coronavirus, such as Italy or Spain, are the countries that were most indebted in the first place and will most likely not be able to bear the new debt that comes with battling the virus. This poses a big conundrum. On the one hand, those countries need new debt in order to revive the private sector, but on the other hand by creating new debt it will effectively push the state into default, destroy banks and the rest of the private sector that was still standing.

The only way out of this conundrum is to share this new 'corona debt', that all EU countries will inevitably create, across the eurozone. This will relieve the most indebted countries of some of the burden. The only problem with this approach is that debt-sharing was banned by the treaties that created the eurozone. However, in the past few weeks the government of France together with eight southern European states demanded a rethink on debt-sharing as without it, it will become a source of economic stagnation for everyone. They demanded a so-called 'eurobond', meaning a common debt instrument that allows total long-term debt to shrink by transferring a portion of it from member states, which have a lot of debt, to the eurozone, which has none.

The Netherlands has been under a lot of criticism internationally for its stance on eurobonds. Prime-minister Rutte announced that the Dutch government will not agree to eurobonds, and it would also prefer not to see the emergency fund (ESM) provide billions of euros in loans to countries such as Italy and Spain. Their objection to the loans is that since all EU countries contribute to the fund, the Netherlands will most likely end up paying for the national debt of Spain and Italy without ever having to use the fund themselves. They would thus keep investing but never see any returns that benefit their own country. Even though other countries such as Germany, Austria and Finland have reservation about eurobonds, the Netherlands is by far the most outspoken. The Dutch stance has angered a lot of politicians and economists who accused prime-minister Rutte's government of "going too far."

Southern European countries such as Italy, Spain and Portugal are infuriated as well by the Dutch stance. In a time where thousands are dying, Southern Europe desperately needs some European solidarity. Former Italian prime-minister Enrico Letta stated that “the image the Italians have of the Netherlands has been drastically polluted in just a few days (...) Nobody expected that the Netherlands, one of the founders of the European Union, would behave like this at just such a moment.”

The decision has also caused for disbelief at home. Rob Jetten, head of the D66 parliamentary group, tweeted that “the Netherlands got rich through the EU. Now that jobs and incomes are at stake throughout Europe because of the corona crisis, we cannot let our friends suffocate. Only together we can survive.” Opposition parties also criticised the government’s approach. Lodewijk Asscher, head of the Dutch Labour Party (PvdA), said that “despite being faced by a shock inherently different from the eurozone crisis, the Dutch government has fallen back on the much-rehearsed arguments of ‘moral hazard’. Failing to act means risking a crisis unparalleled in the history of the eurozone. The choice is between weathering this storm as a collective, or going under on our own.”

How the issue will be resolved remains to be seen. However, for now, in the Netherlands all measures that have so far been announced have been extended to the 28th of April, except for the events measure which has been extended until the 1st of June, in an attempt to battle the virus. The next press conference will be held on the 21st of April where prime-minister Rutte will announce how the Netherlands will proceed next. Most likely the measures already in place will be extended for another few weeks.

Sources: [RIVM](#) / [NU](#) / [Trouw 1](#) / [Trouw 2](#) / [Rijksoverheid 1](#) / [Rijksoverheid 2](#) / [AD 1](#) / [AD 2](#) / [RTL Nieuws](#) / [The Guardian](#) / [Volkskrant](#) / [Politico](#) / [Breda Vandaag](#)