



Is the US or Europe more resilient to COVID-19?

by John Springford and Simon Tilford 3 August 2020

So far, European leaders have dealt more successfully with COVID-19 than those in the US. But in the aftermath of the pandemic, politics on both sides of the Atlantic will continue to be dominated by their respective federal weaknesses. That is the key argument of a new Centre for European Reform research paper, 'Is the US or Europe more resilient to COVID-19?', which assesses whether the US or Europe is better placed to deal with the economic and health challenges of the pandemic.

Much of the blame for the poor US response to COVID-19 lies with President Donald Trump. He downplayed its severity, called on states to end lockdowns prematurely, failed to expand testing and contact tracing, and helped turn the virus into a partisan issue. Many Europeans think their comparative success is not only explained by better leadership, but also by the European model of larger and more interventionist government.

However, the reality is more nuanced. While the US headline unemployment rate has soared, this includes many furloughed workers and a temporary expansion of unemployment benefit has provided support. The US has plenty of fiscal capacity to tackle the COVID-19 crisis (while the Republican party resists using it). The European Union's recovery fund is a welcome step towards greater risk-sharing between member-states, but it is relatively small and time-limited: in order to secure the European social model, which provides more risk-sharing between citizens than that of the US, more risk-sharing between member-states will be needed, especially if the recovery from the pandemic is slow and uneven.

"Despite emergency moves since the pandemic began, the US fails to share enough risk between citizens, and the EU between member-states. The pandemic temporarily ended gridlock at the federal level on both sides of the Atlantic, but permanent measures will be needed", said John Springford, deputy director of the CER and co-author of the report.

"The European healthcare model is better equipped to deal with the social consequences of the pandemic. Europe spends less on healthcare and has better outcomes, largely because European healthcare systems are simpler, better regulated and universal," said Simon Tilford, co-author of the report.

Note for editors:

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The Centre for European Reform is a think-tank devoted to making the EU work better and strengthening its role in the world. The CER is pro-European but not uncritical. Follow us on Twitter: <u>@CER_EU_@JohnSpringford_@SimonTilford</u>