

Societal impacts of the COVID-19 crisis in Finland

Medium-term estimates

EXECUTIVE SUMMARY

Jouni Varanka, Petra Packalen, Liisa-Maria Voipio-Pulkki, Seppo Määttä,
Pasi Pohjola, Mika Salminen, Jukka Railavo, Jonna Berghäll, Samuli Rikama,
Heli Nederström, Joni Hiitola

PUBLICATIONS OF THE FINNISH GOVERNMENT 2022:37

vn.fi/en



FINNISH
GOVERNMENT

Societal impacts of the COVID-19 crisis in Finland

Medium-term estimates

EXECUTIVE SUMMARY

Jouni Varanka, Petra Packalen, Liisa-Maria Voipio-Pulkki, Seppo Määttä,
Pasi Pohjola, Mika Salminen, Jukka Railavo, Jonna Berghäll, Samuli
Rikama, Heli Nederström, Joni Hiitola

Publication sale

**Online bookstore
of the Finnish
Government**

vnjulkaisumyynti.fi

Publication distribution

**Institutional Repository
for the Government
of Finland Valto**

julkaisut.valtioneuvosto.fi

Finnish Government
Prime Minister's Office
CC BY-SA 4.0

ISBN pdf: 978-952-383-807-9
ISSN pdf: 2490-0966

Layout: Government Administration Department, Publications

Helsinki 2022 Finland

Societal impacts of the COVID-19 crisis in Finland

Medium-term estimates

Executive Summary

Publications of the Finnish Government 2022:37**Publisher** Finnish Government**Author(s)** Jouni Varanka, Petra Packalen, Liisa-Maria Voipio-Pulkki, Seppo Määttä, Pasi Pohjola, Mika Salminen, Jukka Railavo, Jonna Berghäll, Samuli Rikama, Heli Nederström, Joni Hiitola**Language** English**Pages** 20**Abstract**

An English Executive Summary of a longer report in Finnish assessing the impacts of the COVID-19 crisis on society over the past and next few years.

The review draws on a number of studies and studies already carried out on the COVID-19 crisis. The level of review is summative and strategic. The aim is to create a perspective on recovery from the crisis and what remedial action the government should prepare for. Since crises always provide an opportunity for renewal, efforts have also been made to identify opportunities.

The work has been carried out in cooperation with the Prime Minister's Office, the Ministry of Social Affairs and Health, the National Institute for Health and Welfare, the Ministry of Finance, the Ministry of Economic Affairs and Employment and the Ministry of Education and Culture.

The original Finnish report is divided into three parts, the first of which contains a summary and recommendations, the second focuses on epidemiological scenarios and more detailed impact descriptions, and the third part contains a few brief reviews of researchers and a comment by Sitra. The Executive Summary is based on Part One.

Keywords coronaviruses, societal effects, social effects, economic effects**ISBN PDF** 978-952-383-807-9**ISSN PDF** 2490-0966**URN address** <http://urn.fi/URN:ISBN:978-952-383-807-9>

Contents

Summary and recommendations	5
Recommendations	7
Introduction	10
An overall estimate of the societal impacts of the COVID-19 crisis after two years of crisis	13
Impact assessments	14
Epidemiological perspective.....	15
Economic impacts	15
Social impacts	16
The perspective of the functioning of democracy	17
Summary tables	18

Summary and recommendations

The report assesses the impacts of the COVID-19 crisis on society over the past and next few years. The main point of view is the economic and social impacts of the crisis on Finnish society. During the preparation of the report, from January to March 2022, the geopolitical situation changed significantly, which weakens the outlook for the national economy and increases uncertainty, for example, about the outlook for the tourism industry.

The question underlying the report is this: When looking at the effects of the crisis and recovery from the crisis, what issues require the government either to act or to pay more attention than usual? In this examination, it is essential to identify how the effects of the crisis are linked to – and often amplified by – situations, tensions and trends that existed even before the coronavirus pandemic. The crisis also offers opportunities for renewal.

The level of examination is summative and strategic. The work has been carried out in cooperation with the Prime Minister's Office, the Ministry of Social Affairs and Health, the National Institute for Health and Welfare, the Ministry of Finance, the Ministry of Economic Affairs and Employment and the Ministry of Education and Culture. The estimates are based on a number of reports, studies and assessments previously prepared on the COVID-19 crisis.

It should be noted that gaps and uncertainties remain in the information available. The picture of the effects of the crisis is constantly becoming clearer with the new information.

The original Finnish report is divided into three parts, the first of which contains a summary and recommendations, the second focuses on epidemiological scenarios and more detailed impact descriptions, and the third part contains a few brief reviews of the researchers and a comment by Sitra. The Executive Summary is based on part one.

The main conclusions of the assessments are as follows:

- Epidemiologically, Finland has had lower infection and mortality rates than many other European countries and has used relatively mild containment measures.
- Finnish democracy has coped well with the crisis. A key success factor has been confidence, which needs to be maintained and strengthened.

- Looking ahead, it is also necessary to prepare for new waves of the pandemic in 2022–2023.
- In the longer term, we must be prepared for the fact that the virus is here to stay and, in the future, will be one pathogen among others. It will likely be subject to seasonal variation, causing a less severe form of the disease, the treatment and proper control of which should be prepared for during winter. This would also probably require additional vaccination of at least the people at highest risk from coronavirus.
- The crisis has not hit the Finnish economy in a way from which it as a whole could not recover quite well.
- GDP has exceeded the 2019 level and employment has developed well, but the state has incurred debt.
- The event industry and tourism can also be expected to recover over the next few years. However, this outlook is subject to a proviso regarding the impact of the geopolitical situation. In the case of tourism in particular, the recovery, which has started well, faces new uncertainties.
- Backlogs have been created in the provision of social and health services that will likely take years to dismantle. In particular, there have been significant queues for mental health services, and care relationships have been cut short.
- The crisis has exacerbated the inequalities in wellbeing in a way that is unlikely to disappear when the crisis subsides. The majority of the population is likely to recover quite well from the crisis. On the other hand, the situation has become more difficult for many of those in need, and new people have joined their numbers. Data supporting this assessment have been obtained from the service system extensively and from different angles, such as learning outcomes and substance abuse services.
- The knowledge base on social impacts is in many respects survey-based and based on professional assessments, which makes it difficult to quantify the scale of the phenomenon and its development outlook after the acute crisis has subsided. However, based on past experience, it can be estimated that service needs will increase with a delay. It is necessary to strengthen the knowledge base, and it is recommended that the Government prepare for the situation.
- Staff in the service system have been under pressure, and the crisis can be estimated to have exacerbated labour shortages.
- Cooperation and solidarity between the Nordic countries and within the EU, especially in the early stages of the crisis, was lacking as national interests were emphasised.

Recommendations

As a general rule, the report strives to keep to a socio-political approach and limit the number of recommendations. For example, there are separate preparations for the development of crisis management and the preparedness of the service system.

1. **“What happened to us?” Organise a national dialogue with the aim of building a common understanding and sharing different experiences of the COVID-19 crisis.**

When we leave the acute phase of the crisis, it would foster social unity to attempt to construct an interpretation of events and also to deal collectively with the various emotions, experiences and even losses associated with the crisis. Although the crisis has been global, it is also necessary to create a national interpretation of it. In this civil dialogue, political leadership can play a significant role.

2. **Attention to responding to influencing through information and protecting citizens from misinformation and disinformation is recommended at the level of the Government Programme.**

A key factor in Finland’s success in the crisis has been the population’s confidence in the authorities, the authorities’ communications and Finnish society. During the pandemic, systematic spreading of false and misleading information has been observed in the EU. The importance of this theme has also grown in general since at least the 2010s. In the COVID-19 crisis, confidence has been found to be linked to vaccination coverage, for example.

3. **Prepare a centralised communication channel and a mobile application for authorities for crisis communication and sharing of current information.**

The crisis has shown the need for an easy-to-use communication channel that brings together messages from different authorities. For example, the location data of a mobile device could be used to provide information on issues related to the region, such as the restrictions in force in this crisis, the development of the pandemic and operating instructions. If the recommendation is implemented, the user interface design must be invested in and clear language of the content must be ensured.

4. **The Government's ability and capacity to use and interpret rapidly updated information should be strengthened, not only in crisis situations, but also in normal policy drafting.**

The drafting and decision-making process relies a lot on data that is updated slowly, often on an annual basis. The COVID-19 crisis has shown the need for rapidly updated information, such as mobility data and up-to-date epidemiological information, to manage the situation. However, the crisis has also revealed significant shortcomings in the quality, coverage and timeliness of the key information needed for decision-making. A report is therefore being prepared on the most appropriate way forward to address these gaps in the knowledge base and the ability to use it.

5. **There is a need for a broad and cross-sectoral assessment of the numerous impacts and opportunities of the increase in remote working.**

It is estimated that remote working has increased permanently and the ways of working have changed in some respects. This also brings positive opportunities, for example, for cross-border remote working. There is no type of residence permit for people who live in Finland but work for employers operating abroad. In addition to the citizens of other countries, 300,000 expatriate Finns can also contribute to Finnish society through the increasing use of remote employment.

6. **Establish a rapporteur or working group to consider options to address inequalities.**

Through various mechanisms, the crisis has exacerbated inequalities between people. It cannot be assumed that these effects will disappear as the pandemic abates. However, the subject is multidimensional and complex, which is why one or even several 'silver bullets' cannot be identified to fix things. On this subject, it would be a good idea to take advantage of the findings of the working group on inequalities, which sat in the previous parliamentary term.

7. **In particular, the next government should prepare for the increased need for social and health services and other services that promote wellbeing.**

It is necessary to actively examine the evolved and evolving situation further and to deepen the knowledge base in order to identify opportunities and needs for government action, taking into account the roles and responsibilities of municipalities and wellbeing services counties.

8. Identify and deploy more widely ways to strengthen mental health skills and competences at the level of the population as a whole and in all age groups.

The pandemic has increased emotional stress. Mental health and the ability to maintain it are very important in the lives of all people. Even before the crisis, there were worrying trends, such as mental health reasons becoming the most common cause of disability retirement in 2019 for the first time. During the COVID-19 crisis, the queues for mental health services and interruptions in care relationships have become worse. In this respect, too, the health and social services reform is important in improving seamless service packages. It is recommended that the means identified in the National mental health strategy for 2020–2030¹ to strengthen mental health as the capital of individuals and communities be widely adopted.

9. Seize the opportunities of digitalisation.

The crisis has accelerated the development of digitalisation at many levels. It is broadly related to society as a whole and offers a wide range of opportunities, such as scaling up business, improving the efficiency of public services and improving access. It is recommended that the digital services and operating methods developed during the COVID-19 era be established and widely used in the discharge of the backlog in the provision of services.

10. Launch long-term research work on the impact of the years 2020–2022 on the later life of those born at the beginning of the millennium (working title: Cohort 2002).

In societal research, those born in 1987 are often described as the 'lost generation' because statistics show that they are the ones most affected by both the recession in their childhood and the economic crisis of 2008. Today, the age group stands out in statistics on health, wellbeing, education, poverty and crime. Longitudinal research has a particular value in the toolbox of societal assessment. This report proposes a cohort that was on the threshold of adulthood during COVID-19 and would be 15 years younger than the 1987 cohort. It would also be possible to focus on a later age cohort.

1 [National Mental Health Strategy and Programme for Suicide Prevention 2020–2030](#)

Introduction

This report examines the societal impacts of the COVID-19 crisis, particularly in the medium term. The main point of view is the economic and social impacts of the crisis on Finnish society. In terms of social impact, the report looks at not only the service system, but also, more narrowly, population groups. Emphasis is placed on topics identified as significant in previous evaluations and studies. The level examined in the report is strategic and aims at a summative, concise synthesis. In addition to the assessment, we will present some reflections and recommendations for the future.

At the time of the report, approximately two years have passed since the beginning of the crisis. The crisis is still ongoing, but it is already possible to present initial estimates of the post-crisis period. The time allows us to look both backwards and forwards. We will assess the future outlook in a few years' time.

The report mainly uses the term 'crisis' rather than 'pandemic' or 'epidemic'. This term highlights the fact that the main focus of the report is not on health security, but primarily on the indirect effects and links that the pandemic and its effects have with the wider socio-political context (e.g. democracy). The COVID-19 crisis has been global in scale and has caused a number of direct and indirect impacts and a need to re-evaluate things from a variety of perspectives. However, this report does not examine or assess the geopolitical implications of the COVID-19 crisis, national crisis management, EU action, security of supply or other similar issues that are addressed in other contexts. Furthermore, the report does not seek to contribute to the topical debate on the management of the pandemic, for example on the timing of the lifting of restrictions.

The work was carried out in January and February 2022. During the preparation of the report, the overall geopolitical situation changed significantly. The changed situation affects, for example, the cyclical outlook of the national economy. However, at the time of writing, no estimates were yet available as to what these effects would be, so we can only note the associated uncertainty where necessary.

The report is part of a series of three reports², each with a similar approach. The background consists of the scenarios and outlook for the epidemiological evolution against which the economic and social impacts have been assessed. Rather than looking at the

2 Previous reports: Government (2021) [Development of the COVID-19 epidemic in Finland. Short-term scenarios to support preparedness](#). Publications of the Finnish Government 2021: 10 [available in Finnish only]; Varanka, J: et al. (2021) [The COVID-19 epidemic and its effects on Finland: Medium-term scenarios](#). Publications of the Finnish Government 2021: 47

differences in the scenarios for the epidemic, this report focuses on assessing the overall impact of the COVID-19 crisis. In fact, the previous reports found that the differences between the different epidemic scenarios do not lead to significant differences in economic modelling and that, in terms of social impacts, the conclusions have to be drawn on the basis of descriptive estimates rather than calculations.

The report has been prepared to support the work of the Finnish Government. The following question has guided the writing of the report:

When looking at the effects of the crisis and recovery from the crisis, what issues require the Government to take special measures or pay more attention than usual in order to promote recovery from the disruption? Recovery in this context does not mean a return to the pre-crisis situation, but a transition to a post-crisis state for society. Since crises always provide an opportunity for renewal, efforts have also been made to identify opportunities. In addition to the completed reports and studies, the authors' own judgement has also been used, especially when assessing the future outlook.

The following example questions illustrate our approach:

- In view of the actual developments and the evolution trends for the epidemiological situation, can it be assumed that the Finnish economy will recover to its pre-crisis level?
- What are the medium-term prospects for sectors known to have experienced particular difficulties during the crisis?
- Epidemiological developments in 2021 were in line with the worst-case scenario outlined in the previous scenario work. What risks will this entail?
- What is known about the disparities between population groups in recovering from the crisis?

Although the report assesses the COVID-19 crisis and its impacts, this cannot be done in a vacuum. The prevailing developments, tensions, trends and global megatrends formed the landscape that was hit by the crisis in Finland. The crisis gave this mixture some added flavour but did not completely transform it. This observation concerns most of the key conclusions and also means that the majority of the recommendations we make are also linked to a more general societal context, not only to the effects of COVID-19. Therefore, the COVID-19 crisis and, in particular, the related proposals and recommendations should not be examined in isolation from the rest of society.

For example, protecting citizens from misinformation and disinformation has been a rising theme throughout the 2010s. This theme has played an important role in the COVID-19 crisis and has been widely recognised at EU level as well³. In particular, comparing situations in different countries, trust in the communications of experts and authorities has proven important for vaccines and vaccination coverage, so the crisis is giving new impetus to this work. Some of the changes brought about by the crisis also open up new opportunities; what seemed impossible in the past may have become possible. This is clearly recognisable in aspects such as digitalisation and remote working.

3 <https://www.consilium.europa.eu/en/policies/coronavirus/fighting-disinformation/>

An overall estimate of the societal impacts of the COVID-19 crisis after two years of crisis

The beginning of the COVID-19 crisis as a national crisis can be dated to the first declaration of the state of emergency on 16 March 2020. At the time of the present report, approximately two years have passed from that day, which provides an opportunity to present an overall estimate of the societal impact of the crisis to date. From the very beginning, the crisis has been global in nature and, on several occasions, the focus of the pandemic has been in Europe. This report does not present a historical description of the course of the crisis and its management, as readers of the report are presumed to be quite familiar with these already.

During the crisis, the balance between epidemiological, economic and social aspects has shifted. In its decision-making, the Finnish Government has balanced the viewpoints with each other in the light of the information available in accordance with the requirements of the current situation.

The continuous creation of an epidemiological snapshot has been based on both national and international databases. Keeping society as open as possible has required up-to-date and sufficiently certain information on the protection afforded by vaccination coverage and the extent to which the disease poses a significant and probable threat to the health or life of the people at highest risk from coronavirus. This assessment, which is constantly being refined by the accumulated experience and research evidence, has a direct impact on the means used to combat the pandemic at any given time and on how their proportionality, overall benefits and disadvantages are monitored and assessed.

The development of the balance between the two perspectives can be roughly divided into three periods over the previous two years:

1. During the first year (spring 2020 to spring 2021), vaccines were not widely available and large-scale restrictive measures had to be applied. For this period, the first scenario report estimated that decisive management of the pandemic would be a favourable approach, particularly in terms of economic but also social impacts. Such an interpretation is supported by ex-post assessments (for example, the IMF estimates that the Finnish recession in 2020 was among the mildest in Europe).

2. During the first half of the second year of the crisis (spring 2021 to late autumn 2021), vaccine availability and vaccination coverage increased gradually, which together with the development of the epidemic made it possible to lift restrictions. The arrival of the Delta variant accelerated the pandemic and re-established a situation in society where restrictions were once again needed.
3. In the second half of the second year of the crisis (late autumn 2021 to early 2022), the Omicron variant forced the restoration of restrictive measures, even though the vaccination coverage was already at a good level. Booster vaccinations and information of a somewhat less severe clinical picture have since made it possible to open up society, despite the number of infections being at its highest level during the pandemic.

It is essential for the future of the COVID-19 crisis to recognise that it is the new virus variants that have returned the epidemiological, economic and social balance to the position where stronger restrictive measures are needed. This development will continue to be possible, albeit less likely, as will be described later in the chapter on the epidemiological outlook.

Impact assessments

The estimates below were made in a context where the crisis is still ongoing. The estimates involve uncertainty, as the situation may change in various ways immediately after the report is completed. The estimates are unlikely to be completely reversed because they rely on developments that have already been seen.

The summative estimates mask individual and also regional variation. For example, although Finland has survived the pandemic more lightly than many other countries, people have nevertheless fallen seriously ill and passed away despite all efforts. Similarly, at the level of the national economy, the damage has not been significant, but may have been catastrophic for some individual enterprises. In terms of social impact, too, the overview hides individual variation: many have found things difficult, but there are also many people whose lives have not been so affected by the crisis. There are even those for whom the emergency period has meant positive changes and new opportunities.

The overall are intended to provide the most concise overview possible. The economic and social impacts of COVID-19, in particular, are described in more detail in the later chapters of the report. However, the changed geopolitical situation creates new uncertainties in the estimates. It poses negative risks not only to the economic outlook but also to the mental strain on the service system and the population.

The medium-term big picture has become clearer since the scenario report from one year ago. Risks requiring special government action appear to be connected to the social impacts of the crisis and are linked in particular to inequality and the accumulation of challenging situations and factors on the same individuals.

Epidemiological perspective

- Finland has survived the first two years of the crisis with lower infection and mortality rates than most European countries. Restrictions on the functioning of society have also been mild compared to many other European countries, although strong restrictive measures have been applied in Finland from time to time.
- On the whole, the carrying capacity of the healthcare and social welfare system, including intensive care, has not been exceeded during the crisis due to the epidemic, although it has been under quite exceptional pressure for a long time.
- Vaccination coverage has been successfully increased to a level that enables the opening up of society, and Finland is one of the leading countries in Europe in terms of vaccination coverage. The level of immunisation of the population should be monitored and provision should be made for any necessary booster vaccinations.
- Viral variants have on several occasions changed the epidemiological situation, and we cannot exclude the possibility that this could also happen in the future.

Economic impacts

- From a macroeconomic point of view, it can be estimated that, so far, the crisis has not hit the Finnish economy in a way from which it could not be expected to recover quite well in the medium term on the basis of current data.
- The Finnish recession in 2020 was among the mildest in Europe, followed by a rapid recovery.
- The exceptional shock to industry has been alleviated by support totalling around EUR 10 billion. The number of bankruptcies was lower in 2021 than in 2019. Finland's support policy has been moderate among the EU Member States, the third lowest by share of GDP according to the Commission's comparison.

- Some sectors have been hit harder, in particular tourism (including catering) and events, as have some companies within sectors. In the light of the available information, these sectors can also be expected to recover in a few years without further government action. However, the geopolitical situation gives rise to uncertainty regarding this outlook.
- Employment has developed favourably, and labour shortages are a challenge in many sectors. Labour shortages are also strongly affecting the health and social services sector.
- The Sustainable Growth Programme for Finland⁴, funded by the EU's Recovery and Resilience Facility (RFF), contributes not only to recovery from the crisis, for example by dismantling queues for care, but also to societal renewal.
- The crisis sent public finances into a deep dive, but recovery to the previous level is also occurring quickly. State finances have borne the brunt of the blow. During 2020 and 2021, the state supported local government finances (including joint municipal authorities) by more than EUR 5 billion, which significantly strengthened the finances of municipalities in these years.⁵

Social impacts

- The crisis has exacerbated the inequalities in wellbeing in a way that is unlikely to disappear when the crisis subsides. The majority of the population is likely to recover quite well from the crisis. On the other hand, the situation has become more difficult for many individuals in need of support, and new people have joined their numbers. Data supporting this observation have been obtained from the service system extensively and nearly at all points regardless of whether we examine learning outcomes or substance abuse services.
- Social impact assessment, particularly as regards social services, involves greater uncertainties than economic impact assessment. Client or service use statistics for social services are not available, so the presented estimates are primarily based on survey information and expert estimates. Based on past experience, it can be assumed that the service needs situation will be revealed with a delay. Due to the qualitative nature of the knowledge base, it is difficult to quantitatively estimate the scale of the phenomenon and its development outlook after the acute crisis has subsided.

4 <https://vm.fi/en/sustainable-growth-programme-for-finland>

5 <https://stm.fi/korona-kustannusten-korvaukset> in Finnish.

- Children and young people are experiencing the accumulation, prolongation and aggravation of learning difficulties and problems in wellbeing.
- Backlogs have been created in the provision of health and social services that will likely take years to dismantle. There have been significant queues for mental health services, in particular, and care relationships have been cut short.
- Staff in the service system have been under pressure, and the crisis can be estimated to have exacerbated labour shortages⁶.
- The overall picture is that, during the crisis, new people have joined the number of those in need of support, and some of those already in a difficult situation have come to need more support. There is uncertainty as to how much of this development will disappear at the end of the crisis.

The perspective of the functioning of democracy

- Finnish society and democracy have endured the crisis relatively well. Finland continues to rank among the world's top countries in international democratic comparisons together with the other Nordic countries⁷.
- Citizens as a whole have had confidence in the authorities, the authorities' communications and in each other. This has contributed to the control of the epidemic and to vaccination coverage.
- The inequality of participation has continued to increase during the coronavirus pandemic. Confidence also varies between population groups. Participation and confidence are high among population groups with a high level of education, good health, optimistic prospects and active participation in, for example, civic life.

6 For example, the National Institute for Health and Welfare estimates that the [situation of social welfare services provided to older people at home will soon be in crisis](#) in Finnish.

7 See e.g. <https://www.eiu.com/n/campaigns/democracy-index-2021/>

Summary tables

The tables below aim to simplify and condense the impact assessment and its conclusions. As described in the introduction to the report, the table views things through the lens of the following question: What is the medium-term outlook for recovery from the disruption caused by the crisis? More specifically, is there a need for the Government (the current or subsequent ones) to take any special measures in order to promote recovery from the disruption or successful seizing of the opportunities created by the crisis? There is, of course, uncertainty in all future estimates.

Efforts have been made to keep the view and 'particle size' of the examination at the level of the overall picture. No attempt has been made to identify the number of individual measures that need to be taken as a result of the crisis, since they do not require the attention of the entire Government. In addition, the analysis has focused on the impacts of this crisis in particular, while recognising and acknowledging that they cannot always be distinguished from other societal developments. For example, the prospect of a return to sound public finances does not mean that the sustainability gap will be eliminated, but instead it means return to a situation with a similar composition and tensions as before the crisis.

The situation in the retail sector is a good example of the link between the impact of the COVID-19 crisis and other societal developments. The sector had been undergoing a transformation even before the crisis, but the crisis has amplified and accelerated the transformation, particularly as a result of the growth of e-commerce. The Government's possible future measures to respond to this change will be based on the preparation that is particularly linked to it, such as the Government report on the future of the retail sector.

Table 1. Summary of the societal impacts of the COVID-19 crisis: economy

Theme	Severity of the disruption 2020–2022	Estimation of recovery from the disruption over a 3-year time frame without further action	Identified risks or needs for separate actions	Comment
National economy	A slight recession and a rapid recovery, partly as a result of support measures	Likely	Negative development of the pandemic a risk factor	Geopolitical situation exacerbates negative risks
Employment	Minor, high employment rate, long-term unemployment remains at a high level	Has already happened in terms of the employment rate, uncertain as regards long-term unemployment	Widespread labour shortages are discernible in business and public services	Geopolitical situation may increase the supply of foreign labour
Fiscal balance	Central government deficits have been significant, unlike local government deficits	Likely from to the hole caused by the crisis, but the structural deficit remains	Uncertainties related to, for example, inflation and interest rate developments	Government debt stabilises at a higher level, geopolitical situation exacerbates negative risks
Events and culture sector	Significant, including variation	Likely, but renewal will take time		
Tourism	Significant, recovery has begun	Likely, if only the effects of this crisis are assessed; demand will return to 2019 levels no earlier than 2023	Geopolitical situation slows down recovery	Labour shortage weakens the recovery
Retail sector	Minor	Very likely	Risks and opportunities related to the transformation of the retail sector, which has been reinforced by the COVID-19 crisis	The crisis has accelerated the transformation of the retail sector, especially its digitalisation

Table 2. Summary of the societal impacts of the COVID-19 crisis: social impacts

Theme	Severity of the disruption 2020–2022	Estimation of recovery from the disruption over a 3-year time frame without further action	Identified risks or needs for separate actions	Comment
Primary healthcare and specialised medical care	Significant service backlogs, significant increase in queues for psychiatric care, mental health problems increased	Likely, but clearing the service backlog will probably take years	Possible underdiagnosis may increase the burden later; signals must be monitored	Labour shortages in health and social services have become more difficult during the crisis, digitalisation has increased
Social welfare services	Significant disruption. Increased number of clients, many situations have grown more difficult	Uncertain/unlikely, increase in service needs will be revealed with a delay	Hidden service backlog has grown, no precise data available	
Early childhood education and care, education and training	Moderate/significant, large regional and individual differences	Likely, but individual variation linked to inequality	Risk of long-term effects	
Children, young people and families	Significant, more people need support, some need more support than before	Individual variation linked to inequality; many will recover, some may be left needing more support	Possible long-term adverse effects	
Older persons	Significant, many have had limited activities and interaction	Most will recover well, some will cope less well than before	Some will need more care than before; the sector is already suffering from labour shortages	

SNELLMANINKATU 1, HELSINKI
PO BOX 23, 00023 GOVERNMENT, FINLAND
valtioneuvosto.fi/en/
julkaisut.valtioneuvosto.fi

ISBN: 978-952-383-807-9 PDF

ISSN: 2490-0966 PDF