
Current Debates: “Covid-19: How should the EU react in the future pandemics?”

After the first anniversary of the COVID-19 pandemic, its significant impact on the world economy is clearer than before. Estimated a GDP loss of 4.5% that the global economy suffered during 2020. These effects have also redefined labour market dynamics: in-person jobs are shifting to teleworking, causing negative consequences to typically face-to-face sectors (like the tourism industry). Travels and tourism have been the worst affected of all economic factors, as UNWTO expects international arrivals to decline by 70-75%.

The EU continues being one of the worst hit parts of the world, with a large number of states in lockdown and international movements being restricted to essential travels only. This situation brings a critical outcome to Greece and Spain, two countries whose economy is strongly based on tourism. This industry represents a significant percentage in both nation's GDP, accounting approximately above 20% in the case of Greece and 12% in the case of Spain. Border closures and hostelry restrictions, among other measures, have seriously impacted Greece and Spain, with a loss of approximately 30 000 and 12 400 million euros, respectively. Considering the current debate regarding vaccination passports, besides that it is necessary to anticipate and prepare for future pandemics, we would like to present and discuss Greece's and Spain's position on current concerns, along with some suggestions for further pandemics.

Greece, as a country which has been in a crisis for 10 years, is now facing a dramatic negative impact on the economy due to COVID-19 pandemic. The measures put in place in Greece are among the most proactive and strictest in Europe but in the late January 2021 the third wave began. Greece's underfunded public health system brought the country into a critical situation. The lack of support staff, the large number of patients (the biggest hospitals in Athens receive approximately 1000 in a single 24-hour emergency shift), the over congestion on the wards reveals the need for financial support. From the EU recovery fund totally €31.5b of the fund is expected to launch in early- to mid-2021, aiming to provide financial support until 2023.

According to the latest available data by ELSTAT, Greece's GDP declined by about 15.2% in the second quarter, compared to the first and even 11.7% decrease in the third. Tourism in Greece has been one of the most important sectors of the economy and a fundamental key of economic growth, contributing approximately above 20% to the nation's Gross Domestic Product. As a result of the pandemic, Greek tourism walked through the 78% of decline in tourism receipts during the first nine months of the year, compared to the same period in 2019. The country's main aim is to recover this damages. Due to this many ideas and methods have been proposed, one of these is a green passport. We don't consider this to be the solution for the reason that even If you get a vaccine, you're protected but still, you can transmit the infection. Besides that, some countries are in the early stage of the vaccine deployment. According to these facts, we don't see the resolving in this settlement. However, in order to

recover and evolve, the sector itself has to focus on addressing its key structural deficiencies and harnessing untapped opportunities.

Beginning to talk about Spain, despite seeing a rebound in the third quarter of the year 2020, its economy still stands at 8.7 percent below its level a year ago. As we all know, the IMF itself stated that Germany fairly did better than Spain and Greece to manage the pandemic and has been relatively successful. One can argue that Spain was unsuccessful at managing but it had its own reasons which increased the spread of infection that required strict lockdown measures leading to a dipping economy. Spain's economy viewed one of the largest contractions in Europe (IMF, 2021). Also as Spain is known for its tourism inflow, that industry suffered a major loss due to it being a contact-intensive service sector. The tourism sector accounts for 12% of Spain's economy and also the small and medium sized companies are struggling to stay afloat that contribute to over 70% of Spain's employment.

Taking into account these factors, it's highly essential to understand that Spain along with Greece is in desperate need of funds for not only increasing medical infrastructure but also to float out employment opportunists for its citizens. For starters, as we can see the new talks about vaccine/green passports holders being essential in future to travel, we are surely standing against that in solidarity as we need to boost our tourism sector for economic transactions and need that fast to keep our economy moving. Not only Covid, but Brexit too affected many of our investments leading to losses in our economy, hence we need policy support measures to avoid the shortcomings and to be able to deal well with potential waves of insolvencies.

Situation for the travellers, especially for those of the non-European countries is also getting harder, it may become even worse, thanks to restrictions such as passports or vaccines that should be approved by the EMA. Looking into it deeper, these passports are not without problems as the rate at which the world is being vaccinated varies. Some countries who are unable to afford vaccines might not get the chance to travel for several years, meaning they could be effectively shut out of global travel. And how to be with the people whose family is in the US or beloved in Bangladesh? Such restrictions may cause harm not only in the physical sphere but even the emotional one. For instance, for the last decades, Chinese tourists spent more money traveling to Europe than travellers from the US. Also, the EU plans to require vaccinated as a prerequisite to travel but some are against the it because of its side effects. And hence, we believe that such strict rules are unfair and is going to drive discrimination, having its impact not only in travel but also in other areas like economic investments.

Considering the importance of tourism for us, number of visitors of the Canary Islands decrees in tourism arrivals in December 2019 – December 2020 is 81% lower than the year before (source: Government of the Canary Islands). Traditional tourism is dying therefore it is an urge to understand that we need to attract visitors and following restrictions protocol, we are encouraging tourists to some of the less well-known islands to avoid the crowds. Barcelona in already running a campaign to encourage people to venture away from the old city and in Greece, we are currently adapting some new programs to attract tourists or remote workers, strongly needing EC's support in it as well.

Getting travel back on its feet is not just about holidays. It's a multi-billion dollar industry and the backbone of the globalized world. The COVID-19 pandemic will dramatically affect the way in which people move around Europe, but rather than driving economic growth as the travel industry has in the past, new restrictions could affect many other fields, for instance, the entire hospitality industry.

Needless to say, the tourism industry is enormous and it influences almost everyone in the world, regardless of the occupation or field of work. Travelling becomes localized and extremely complicated, this will have consequences, it exacerbates existing inequality, creates economic hardship and disrupts the workings of the globalized world. Our suggestions are clear, instead of the vaccine passports, some special insurance policies could be implemented which covers COVID-19. Also the vaccines approved by the EMA being a long process, some countries may not be able to overcome it. Instead some criteria might be implemented to accept vaccinations made outside the EU. And the last but not least – implementations of the aids to support countries which significantly suffer from the current pandemic situation.

The EU has decided on a Recovery and Resilience Facility in which euros 672.5 billion in loans and grants would be made available to be able to support its member states investments and reforms. This facility can act as an excellent opportunity for Spain and Greece together providing a boost in supporting the recovery and lowering the widening of market inequalities.

To summarize and after paying attention to some crucial topics for us, the presented data show's tourism's crucial role for Spain and Greece. We can see the share in GDP, and losses in the touristic sphere, caused by the COVID-19. To make the European Commission understand our position and to be well prepared for future if such situation may arise again, we would like to pay specific attention to the three crucial points for us: vaccination passports, special aid from the EU including different grants, policies and proposals especially for medical facilities and thirdly softer or easier regulations for borders closures in order to avoid disruption at least in domestic tourism and employment.

Sources Used:

1. European Commission. (2021). *Recovery and Resilience Facility*. Retrieved from <https://ec.europa.eu/>: https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility_en
2. Hellenic Statistical Authority. Press release - Quarterly national accounts 2nd quarter 2020. Available at : https://www.statistics.gr/en/statistics?p_p_id=documents_WAR_publicationsportlet_INSTANCE_qDQ8fBKKo4IN&p_p_lifecycle=2&p_p_state=normal&p_p_mode=view&p_p_cacheability=cacheLevelPage&p_p_col_id=column-2&p_p_col_count=4&p_p_col_pos=1&_documents_WAR_publicationsportlet_INSTANCE_qDQ8fBKKo4IN_javax.faces.resource=document&_documents_WAR_publicationsportlet_INSTANCE_qDQ8fBKKo4IN_ln=downloadResources&_documents_WAR_publicationsportlet_INSTANCE_qDQ8fBKKo4IN_documentID=419017&_do

- cuments_WAR_publicationsportlet_INSTANCE_qDQ8fBKKo4IN_locale=en&fbclid=IwAR2PK4Sb_AlJmhrzOyQQcCVTDkh_k-4Y1cP6nEZnlgp7ot83G7GDOPNBkU0
3. Hellenic Statistical Authority. Press release - Quarterly national accounts 3rd quarter 2020. Available at https://www.statistics.gr/en/statistics?p_p_id=documents_WAR_publicationsportlet_INSTANCE_qDQ8fBKKo4IN&p_p_lifecycle=2&p_p_state=normal&p_p_mode=view&p_p_cacheability=cacheLevelPage&p_p_col_id=column-2&p_p_col_count=4&p_p_col_pos=1&_documents_WAR_publicationsportlet_INSTANCE_qDQ8fBKKo4IN_javax.faces.resource=document&_documents_WAR_publicationsportlet_INSTANCE_qDQ8fBKKo4IN_in=downloadResources&_documents_WAR_publicationsportlet_INSTANCE_qDQ8fBKKo4IN_documentID=428691&_documents_WAR_publicationsportlet_INSTANCE_qDQ8fBKKo4IN_locale=en&fbclid=IwAR2nF-WHxYW_sqgr8tqFJBfjPK4ms88Xjv_KsPIEyIPF4j1jGpt_quMJU0
 4. Mineshima, A., & Dao , M. C. (2021). *Germany's Post-COVID-19 Recovery in Five Charts*. Retrieved from <https://www.imf.org/>: <https://www.imf.org/en/News/Articles/2021/01/15/na011921-germanys-post-covid19-recovery-in-five-charts>
 5. Statista. Annual number of international tourists visiting the Canary Islands from 2008 to 2020. 22 February 2021. Available at: <https://www.statista.com/statistics/449189/yearly-number-of-international-tourists-visiting-the-canary-islands/> (Accessed: 27th March 2021)
 6. The economist. “What will travel look like after the pandemic?”. 11 February 2021. Available at: https://www.economist.com/special-report/2021/02/11/what-will-travel-look-like-after-the-pandemic?utm_source=YouTube&utm_medium=Economist_Films&utm_campaign=Link_Description&utm_term=&utm_content=&linkId=100000033215334 (Accessed: 27th March 2021)

Annual number of international tourists visiting the Canary
(in millions)

