

Abstract

2020 marked the first year of an unprecedented global health crisis. The outbreak of COVID-19 is not only reflected in medical, but equally in economic dimensions. The EU acted jointly in selected decisions concerning travel bans and vaccination procurement, but the majority of policies was decided on country level.

The author aims to investigate the sequence and effects of national policy making on selected economies. The two focus countries Austria and Sweden are juxtaposed with regard to their governmental policy making and their macroeconomic developments. The author opted for these two countries with Austria as home country and a particular familiarisation with its policies as opposed Sweden, which is known to follow a different approach. While Austria fights the pandemic based on a series of mandatory restrictions, which were legally imposed, Sweden introduced a set of “soft” recommendations approved by the majority of the Swedish population. This distinction of policies entailed effects for the populations and the economies of these countries, which will be explored.

Based on a selection of economic indicators, the paper analyses quarterly changes and discusses particular disruptions. It strives to explore differences and presents preliminary explanations for specific country effects. The analysis is based on a quantitative methodology. To this end the author selected a set of macroeconomic indicators provided by EUROSTAT. This approach ensures homogeneous indicator definitions and a timely provision of quarterly reported data. The selection covers GDP, external balance of goods and services, household expenditures and employment developments in Austria and Sweden during 2020.

The author will review current research and will partially replicate correlations. However, a thorough discussion will provide pros and cons of current literature findings and will point at critical methodological aspects of EUROSTAT data. This paper will assess the initially declared country strategies to fight the pandemic. The analysis is expected to offer alternative views on the policy narratives and explanations for macroeconomic developments in Sweden and Austria.