

COMPARISON OF THE “LAISSEZ-FAIRE” AND “STATE INTERVENTION” APPROACH IN GERMANY AND ITALY IN COMBATING COVID-19

Rıdvan KARACAN *
Mehmet Emin YARDIMCI **

ABSTRACT

Privatization policies have been the subject of debate for a long time in the economic literature. In this context, Classical View in solving economic problems, while defending the “Laissez-Faire” thesis, Keynesian view; he supported “State Intervention”. These policies are generally accepted as they can produce solutions according to the conditions of the day. The Covid-19 virus, which first appeared in Wuhan, China in December 2019 and affected the world, causes many cases and deaths day by day. Many countries have to fight this disease. While some countries give a lot of casualties, some countries can overcome the disease with the least damage. In this context, it was aimed to compare Italy with the highest number of cases and deaths, and Germany health systems, where the number of cases were high, but the death rates were less, under the policies of “Laissez-Faire” and “State Intervention”. Also, compared in Turkey to similar phenomena in Italy and Germany. Our aim is to reveal the benefits of economic activities in terms of private sector and statism. Therefore, the importance of public institutions, which profit is not their primary objective in health issues was emphasized. It is intended to explain that non-profit public institutions and private sector healthcare should work collaboratively in this kind of struggle. In this context, a message was intended to be conveyed to health policy-makers and experts.

Anahtar Kelimeler: Covid-19, Laissez-Faire, government intervention, Germany and Italy

ARTICLE INFO

* Assoc Prof. Dr., Kocaeli University, rkaracan@kocaeli.edu.tr

 <https://orcid.org/0000-0002-4148-0069>

** Assist. Prof. Dr., Kocaeli University, emin.yardimci@kocaeli.edu.tr

 <https://orcid.org/0000-0002-2896-8342>

Received: 30.06.2020

Accepted: 11.11.2020

Cite This Paper:

Karacan, R.. & Yardımcı, M. E.. (2020). Comparison of the “laissez-faire” and “state intervention” approach in Germany and Italy in combating covid-19. *Hacettepe Sağlık İdaresi Dergisi*, 23(4), 665-680

COVID-19 İLE MÜCADELEDE “LAISSEZ-FAİRE” YAKLAŞIMI İLE “DEVLET MÜDAHALESİ” ANLAYIŞININ ALMANYA VE İTALYA ÖZELİNDE KARŞILAŞTIRILMASI

Rıdvan KARACAN *
Mehmet Emin YARDIMCI **

ÖZ

Ekonomik literatürde özelleştirme politikaları öteden beri tartışma konusunu olmuştur. Bu bağlamda, ekonomik sorunların çözümünde Klasik Görüş; “Laissez-Faire” (Bırakınız Yapsınlar) tezini savunurken, Keynesyen Görüş; “Devlet Müdahalesini” desteklemiştir. Bu politikalar günün koşullarına göre çözüm üretebildikleri için genel kabul görmüştür. İlk olarak Aralık 2019 yılında Çin’in Vuhan kentinde ortaya çıkan ve tüm dünyayı etkisi altına alan Covid-19 virüsü her geçen gün çok sayıda vaka ve ölümlere yol açmaktadır. Birçok ülke bu hastalıkla mücadele etmek zorunda kalmaktadır. Bazı ülkeler çok zayıf verirken, bir takım ülkeler en az zararlı hastalığın üstesinden gelebilmektedir. Bu bağlamda en çok vakanın ve ölümlerin görüldüğü İtalya ile vaka sayısı çok olmakla birlikte ölüm oranlarının daha az yaşandığı Almanya sağlık sistemleri “Laissez-Faire” ve “Devlet Müdahalesi” politikaları özelinde karşılaştırılmak istenmiştir. Amacımız ekonomik faaliyetlerin sağlık sonuçları açısından özel sektör ve devletçilik anlayışı özelinde faydasını ortaya koymaktır. Böylece sağlık sorunları ile mücadelede öncelikli amacı kar olmayan kamu kuruluşlarının önemi vurgulanmak istenmiştir. Bu tür mücadelede kamu menfaati açısından kar amacı olmayan kamu kurumları ile özel sektör sağlık kuruluşlarının organize bir şekilde çalışmalarını gerektirdiği anlatılmak istenmiştir. Bu bağlamda sağlık politika yapıcıları ve uzmanlara mesaj verilmek istenmiştir.

Keywords: Covid-19, Laissez-Faire, Devlet Müdahalesi, Almanya ve İtalya

MAKALE HAKKINDA

* Doç. Dr., Kocaeli Üniversitesi, Hereke Ö.I.Uzunyol MYO, rkaracan@kocaeli.edu.tr

 <https://orcid.org/0000-0002-4148-0069>

** Dr. Öğr. Üyesi, Kocaeli Üniversitesi, İİBF, emin.yardimci@kocaeli.edu.tr

 <https://orcid.org/0000-0002-2896-8342>

Gönderim Tarihi: 30.06.2020

Kabul Tarihi: 11.11.2020

Atıfta Bulunmak İçin:

Karacan, R. & Yardımcı, M. E.. (2020). Comparison of the “laissez-faire” and “state intervention” approach in Germany and Italy in combating covid-19. *Hacettepe Sağlık İdaresi Dergisi*, 23(4), 665-680

I. INTRODUCTION

Coronavirus disease 2019 (COVID-19) is an infectious disease caused by severe acute respiratory syndrome coronavirus. This disease first appeared at the end of December 2019 in Wuhan, China, in Hubei province. It became an epidemic in China in January 2020 and spread all over the world. Pandemic has been announced. Therefore, in many countries, it continues to cause an economic crisis both in public life and in the private lives of its citizens. Therefore, the fight against Covid-19 continues intensely in the world. It is possible to divide the fight against Covid-19 into two as direct and indirect. Factors such as treatment methods applied in the fight against the disease, owned intensive care unit, other health equipment and sufficient number of specialist health personnel can be expressed as a direct method of struggle. The structure of a country's health sector (private and public), measures taken (curfew, wearing a mask, holiday schools, social distance, etc.) are examples of indirect methods of struggle.

The European continent is among the regions most affected by the virus. In continental Europe, one of the countries most affected by this process was Italy, and one of the least affected countries was Germany. Although they are located in the same geography; In fact, the struggle of these two countries, which have common borders, was tried to be evaluated from a different perspective. In terms of treatment techniques, all the countries of the world apply almost the same methods, incomplete or more. However, different results may arise in the fight against the virus. Undoubtedly, there are many factors in the emergence of these different results.

The reason for choosing specifically Italy and Germany as the subject of study is that public services in Germany are supported and supervised by the state more than Italy. For example, in the Italian education system, schools managed by local governments are accepted as private schools (Barone, 2009), while in Germany, it is more related to the public sector. The power of the state tradition and public sector in Europe is seen in three main countries. Germany (%19,2), United Kingdom (%15,8) and France (%14,2) take place at the top of these countries. About a quarter of public sector employees in Europe are mainly German nurses, public servants, and teachers, English teachers and nurses, and French teachers (Hugrée et al., 2015). Italy is hardly taking place in this ranking. The quality of Italian healthcare provided by the state is disputable. For this reason, private healthcare is preferred in Italy. In this case, individuals with higher income can take advantage of health services. In Germany, health services continue operating under the control of the state. Therefore, almost the entire society benefits from efficient and quality health services (AETNA, 2020).

Observed that due to quantitative measurements made for healthcare financing and service dimension in Italy since the 1970s, the state has regressed relatively due to decentralization processes and internal market mechanisms. There are significant differences in regional healthcare organization and delivery in Italy (Doetter and Götze, 2011). Public healthcare spending has a low share of gross GDP; although the tax resources used to fund Servizio Sanitario Nazionale (SSN) provide access to primary healthcare, it shows that lower-income groups face barriers accessing specialist care (France et al., 2005). (Foley and Gërkhani, 2020), In studies, including China, Italy, and South Korea, it was determined that individuals with Covid-19 symptoms are less likely to receive medical treatment if they have a lower income. The authors also concluded that governments in these countries are less effective in combating the pandemic. The authors found that laissez-faire policies impose the burden of action on the individual, stimulate fundamental differences in agency between social classes, and reduce (higher) low-income individuals (more) probability to seek medical assistance. (Granozio, 2020), conducted a study on the problem of comparing Covid-19 mortality rates. According to this; the heavily debated difference in death rate between Italy and other major European countries (except Germany) could occur at a later stage of the Italian epidemic. (Mitra et al.,2020), Data on age-specific deaths due to Covid-19 were evaluated in three countries: the USA, Italy, and Germany. According to this; Compared to Germany, potential years of life lost (PYLL) in Italy were four times higher. The rates in the USA were 23, 25, and 18 times higher using the upper age limits of 70, 75, and 80,

respectively. Standardized PYLLs in New York were two times higher than rates in Italy and 7-9 times higher than PYLLs in Germany. (Shehzad et al., 2020), using the Asymmetric Power GARCH model in their study, revealed that COVID-19 affected the volatility of the US, German and Italian stock markets more than the Global Financial Crisis (GFC). (Varabyova et al., 2017), conducted a study on hospital efficiency in Italy and Germany. Results shows that there are significant differences in the production opportunities of Italian and German hospitals. Ownership and specialization are significantly associated with differences in efficiency performance analyzed in the hospitals.

I further compare in Turkey to similar phenomena in Italy and Germany, concluding that the practice has both economic and political logics. Country data is taken mainly from their official statistics websites. Economic views advocating primarily privatization and expropriation policies in the study; Classical Theory (Laissez-Faire) and Keynesian Theory (State Intervention) are given respectively. Afterwards, it was evaluated in terms of policies against Covid-19 in Italy and Germany's private and public health institutions.

II. THEORETICAL FRAMEWORK (STATISM AND LAISSEZ-FAIRE)

It is possible to gather the policies put forward in the solution of the problems in the economic life under two headings. The first is those who favour state intervention. Accordingly, the state makes the decision regarding production and distribution. The main purpose of the state is to serve. Because public interest is of primary importance. The second is advocates of free market economy. The most important feature of the free market economy is the understanding of private property. Production and distribution are under the control of private property (firms). The priority is to make a profit, social needs are eliminated while making a profit (Homo Economicus¹). In this model, the first degree of importance is personal interests. The ones in the first group are expressed as "Keynesian views and extensions" and those in the second group are called "Classic views and extensions".

2.1. Classical Theory

An absolutist rule reigned in Europe in the 17th and 18th centuries. This form of government, where the basic powers and powers of the state are gathered in one hand, has not been generally accepted by the public because it limits the freedom of the people. Therefore, more liberal currents have started to emerge against the absolutist style of administration. Liberalism is a management approach that defends the rights of personal responsibility and free development of personality. In this management model, government or other interventions should be reduced or prevented. The adaptation of this view to the economy was made by the Scottish scientist Adam Smith. This view has taken its place in the economic literature as "Laissez Faire" (Smith, 1909). The "Laissez Faire" Theory is one of the important issues discussed by today's important economists. This view, which is used to mean "Laissez-Faire"; it envisages an economic environment where commercial transactions between the parties have sufficient regulations to protect property rights only. Accordingly, the economy should be freed from intrusive government restrictions, tariffs and subsidies (Gaspard, 2004).

Under the influence of classical economists, "Laissez-Faire" has become an economic policy model that focuses on private enterprise freedom and tries to limit the role of the state to what is absolutely necessary. (Starbatty, 1985) "Laissez-Faire" has been defined as a form of liberalism (Manchester liberalism) that increases economic development and the welfare level of the people without intervention of the state. An economic policy based on the principles of "Laissez-Faire" was implemented especially in the 19th century in Western Europe and the USA. Laissez-Faire is in times of economic crisis, unemployment and poverty; It is an opinion that, without government intervention,

¹ The term "economic man" was used for the first time in the late nineteenth century by critics of John Stuart Mill's work on political economy (Persky, 1995). Homo economicus: Bases its choices on a consideration of its own personal "utility function".

efficiency in trade, industry and agricultural production will increase, thus increasing the welfare level of the people spontaneously (Albers and Zottmann, 1981).

In general, Smith advocates a free labour market where supply and demand set wages. The state should only intervene in a way that guarantees the enrolment of people as well as internal and external security, a functioning judiciary, transport and communication infrastructure. In addition, the state should be responsible for ensuring the enforcement of private property, such as John Locke, which some philosophers of the time advocated (Smith, 1909). Smith described the free market economy here. According to the free market economy, wages and prices determined by supply and demand also include profit margins. What matters to the private sector is the phenomenon of profit. Production will increase as the profit margin increases. However, if the profit margin is reset or decreases, the supply front will prefer to suspend production.

2.2. Keynesian Theory

In essence, John Maynard Keynes's theory assumes that the market's self-regulation does not automatically achieve full employment. Therefore, according to Keynes, the stability of general economic development and compensation for economic fluctuations are the duties of the state (Davidson, 1994). According to John Maynard Keynes, the state should promote general economic demand. The Keynes economy advocates a mixed economy in which the private sector is dominant but the state and public sector play a big role. According to the Keynesian economy, decisions made by the private sector sometimes cause inefficient macroeconomic results. For this reason, the state should play an active role and stabilize the business cycle (Sullivan and Steven, 2003).

In an economy, according to Keynes, if demand remains low, the government should implement demand-stimulating policies. Thus, the economy comes alive and employment increases. For this, the debt policy that accepts higher inflation can be followed. Targeted subsidies, tax cuts and investments aim to compensate for the economic downturn. In times of good economic indicators, reserves should be created and debts should be paid. In this way, the state will overcome crisis fluctuations very easily (Keynes, 1980).

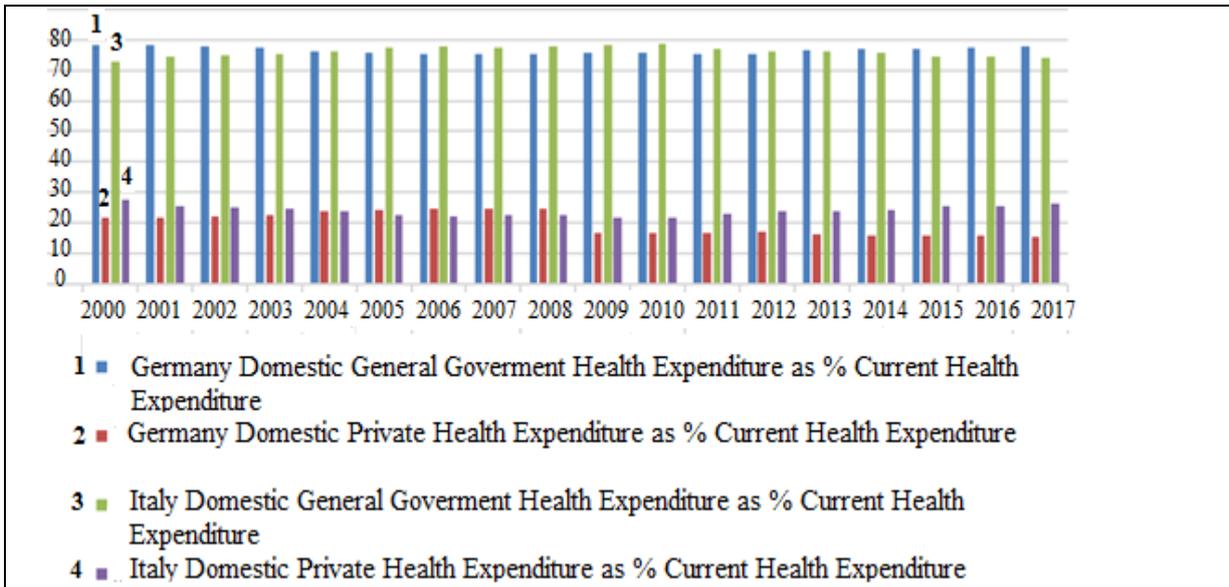
According to John Maynard Keynes, the investor bases his decision on the market conditions and most importantly, the expected return. Keynes describes this state of the dependence of investments on market conditions as the starting point of instability or economic fluctuations. (Skidelsky, 2009) Household demand for consumer goods is larger in quantity, but household purchasing power; It is determined by the income from wages / salaries, interest income and transfer payments. This income is mainly due to economic fluctuations that are significantly affected by the demand for industrial goods in an economy. Any decrease in demand will result in a decrease or loss of income for the relevant economic assets, which reduces the demand for consumer goods. A downward spiral is created, which forces other manufacturers and service providers to reduce their supply, resulting in the release of production resources. Household income will decrease and if there is no government intervention to cover the investment gap, the downward economic trend will continue to increase. (Krol and Schmid, 2002). Therefore, Keynes states that the private sector, acting with the principle of maximum profit in times of economic crises, will suspend its activities if the prospective expectations are negative. Accordingly, the state's intervention in economic life is essential for the markets to recover (Keynes et al., 1932). On the basis of these two theories, in the fight against Coronavirus, Germany and Italy were compared with respect to health systems.

III. PUBLIC AND PRIVATE HEALTH EXPENDITURES IN GERMANY AND ITALY

One of the geographies where coronavirus was most effective was continental Europe. While Italy was one of the countries with the highest number of deaths, deaths in Germany were at the lowest level compared to many other countries. Undoubtedly, the health system (public and private sector) and health policies implemented in the emergence of this situation were of great importance.

In the wake of the financial and economic crisis of 2008, total public healthcare expenditure in Italy has suffered a drastic decline. Total public health care expenditure in nominal terms increased by only 5.3% in Italy, term in Germany it increased by 46.8% (Bramucci et al., 2020). In Figure 1, the ratio of the health expenditures of Germany and Italy to the Gross Domestic Product between 2000-2017 is shown on the basis of public and private sectors.

Figure 1. Domestic General Government Health and Private Health Expenditure as % Current Health Expenditure, (Germany and Italy)

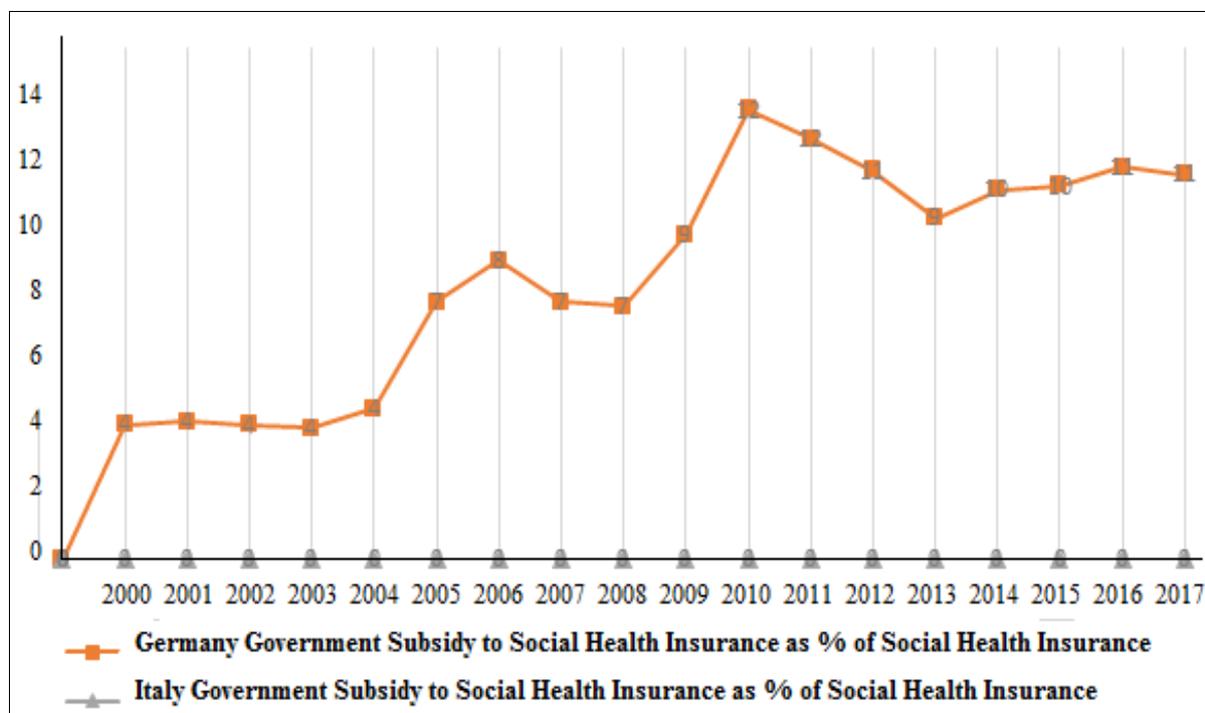


Source: World Health Organization (WHO), <https://www.who.int/>

As can be seen in Figure 1, in the period 2000-2004, Germany made more public health expenditures than Italy. In the period between 2005 and 2012, it is striking that Italy is superior in this sense. In the period after 2012, Germany took over the public health spending again. In the field of private health spending for the same period, Italy has a clear advantage over Germany, especially in the period after 2009. In other words, it is noteworthy that while the ratio of public health expenditures to GDP decreased in Italy in the specified period, private health expenditures increased.

In addition, the curve (Figure 2) that appears as a State Incentive (TRAN) for Social Health Insurance (SHI) in% only belongs to Germany. Since Italy does not have any incentive activity (zero), it is lying along the correct x axis of Italy. It is thought that one of the underlying reasons for Germany's being more successful than Italy in the fight against Covid-19 is public and private sector applications in health.

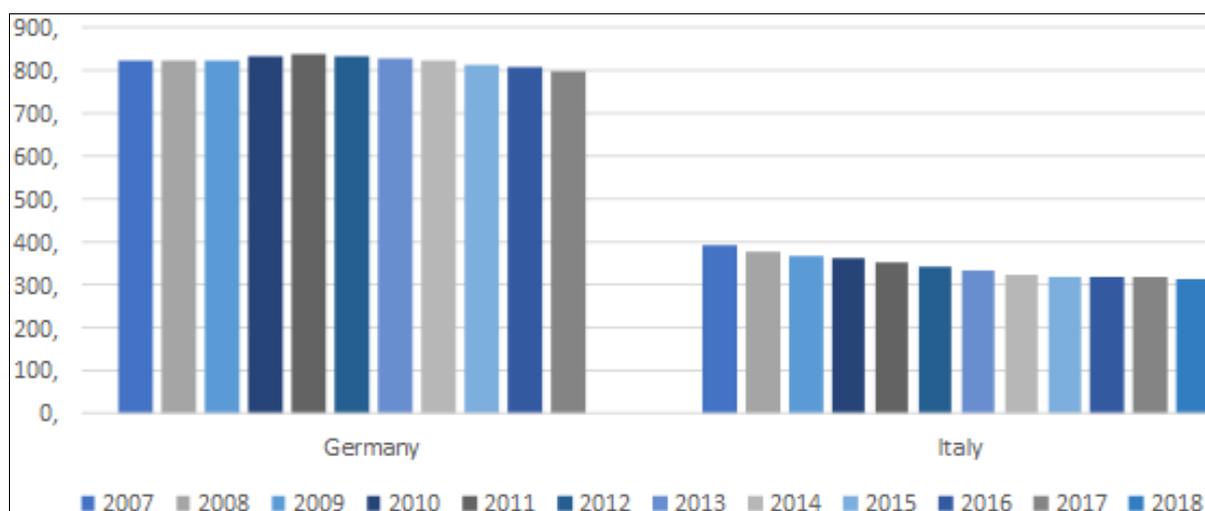
Figure 2. Government Subsidy to Social Health Insurance (TRAN) as % of Social Health Insurance (SHI)



Source: World Health Organization (WHO), <https://www.who.int/>

In this perspective, although an evident trend towards reducing acute care beds can be observed in many European countries, few European countries have reduced the number of present beds as much and to such a low level as Italy (Hope, 2018).

Figure 3. Care Beds per 100.000 Inhabitants, Germany and Italy Countries



Source: Eurostat, <https://ec.europa.eu/eurostat/home>

In 2007, Italy had about 400 beds per 100.000 inhabitants, in 2018, the number of care beds had dropped to about 300 per 100000 inhabitants. Significantly inferior to in Germany with about 800 beds present per 100000 persons (Figure 3).

3.1. Combating the Health System and Covid-19 in Germany

The foundations of the German health system date back to the Middle Ages. In the Middle Ages, artisans were organized in lodges. All members of the lodge would contribute to a common fund. An individual would be supported through funds if needed due to illness. It has been the health insurance of factory workers since the beginning of industrialization in Germany. Various forms of social protection were standardized by the social policy, called Bismarck social legislation, at the end of the 19th century. Health insurance started operating in 1883 for the first time. Thus, employees in industry, crafts and small businesses are protected against disease. In addition, all politicians have the right to legally free medical treatment and medication, as well as sickness and death benefits. At that time, about 10 percent of the population was covered by health insurance- today this rate is almost 100 percent (Bundeszentrale für politische Bildung, 2020). As of January 1, 2009, health insurance obligations have been imposed on everyone living in the country. Considering the organizational structure of health services in Germany, the Ministry of Health is the first one. The German health system has a pluralistic and autonomous structure. Hospital services are offered in three groups. These are public hospitals, independent-non-profit hospitals and private hospitals (Çevik and Yüksel, 2019).

While the number of public and non-profit hospitals decreased by 26% and 18.3%, respectively, in Germany between 2004 and 2015, the number of private hospitals increased. The number of private hospitals increased by 25.6%, especially between 2004 and 2012. However, the tendency to privatization has decreased significantly since 2012 (Herr et al., 2018). The superiority in terms of the number of beds belongs to public hospitals (Buba, 2019). While 62.9% of the total bed capacity of the country belongs to public and non-profit health institutions, the bed capacity of private hospitals is 37.1% (Bölt, 2018). (Table 1)

Table 1. Public and Private Hospital Numbers and Functions in Germany

Hospital Types	Number of Hospitals	Percent (%)	Folded Beds	Number of Cases
State-owned and Non-Profit Hospitals	1256	62.9	408.219	16.022.160
Private Hospitals	700	37.1	91.132	3.217.415

Source: Hospital-Report 2018, <https://www.wido.de>

Private or non-profit healthcare organizations in Germany; it is supervised and supported by government, municipalities or social security institutions. The status and legal positions of these hospitals are guaranteed under constitutional law. (Kluth, 2018). Very large institutions, including university clinics, are publicly funded. Private institutions, on the other hand, serve at the level of small clinics (Bölt, 2018).

In Germany, the Robert Koch Institute (RKI), which is affiliated with the federal government, is the primary institution responsible for the fight and prevention of diseases. Its main activities are research and consultation on protection from infectious diseases and control of these diseases, monitoring the general state of public health and its suitability to public health. Various scientific bodies of the institute are the Standing Committee of Vaccination (Federal Minister of Health, 2020). RKI is responsible for the detection, prevention and control of diseases as well as epidemiological research, including the identification and evaluation of risks, as well as documentation and information. The RKI is the government's central science institution in the field of biomedicine. It is one of the most important bodies for the protection of public health in Germany. (Robert Koch Institute, 2020). In Germany, outside the jurisdiction of the RKI, regulation of the prevention and control of infectious diseases is the responsibility of the competent authorities under state law. The

federal government has the authority to determine an epidemic situation in the national context (Bundesministerium für Gesundheit, 2020).

Germany started the COVID-19 outbreak fight on January 27, 2020, when the first cases were seen (Süddeutsche Zeitung, 2020). The federal government follows the recommendations of the country's 129-year-old the RKI to combat the coronavirus outbreak. By implementing the roadmap drawn by the RKI, the government strives to conduct as many tests as possible to identify patients early (Değer, 2020). In this context, in order to save time against the virus and prevent overloading the health system, it has followed an isolation and slowing strategy that will spread the virus spread over the long term. Germany is a federated state. Therefore, the states have independent autonomy in many areas. However, in order to prevent the federal structure from weakening central politics in the fight against the epidemic, all powers were handed over to the Federal Government's Minister of Health Jens Spahn. Accordingly, it was decided to centrally manage all kinds of procedures, including the mandatory appointment of doctors, supply and distribution of masks (SETA, 2020).

3.2. Combating the Health System and Covid-19 in Italy

The health system of Italy is compared to the British National Health Service (NHS) (Post, 2020). Until the NHS reforms put into practice in the 1990s, health services were under the responsibility and guidance of the state. With the implementation of the NHS system, healthcare services have almost become a free market economy model. With this reform initiated in the health system, it was aimed to create a controlled competition between service providers (public and private sector). For this reason, the delivery and financing of the service are institutionally separated. Accordingly, public health administrations have become units that identify the health needs of the population in their areas of responsibility, purchase from the institutions accompanying the service and measure the quality of service. NHS hospitals, on the other hand, became autonomous by selling the foundation structure and became able to sell services. In this way, it was thought that service providers would have to work more cost-effectively and target high performance (Basol, 2015).

Information about the type of aid and organizations (public-private) provided within the scope of health services in Italy is shown in Table 2. According to this; The distribution of the type of assistance (hospital, outpatient, residential area, semi-residential area, other aid regional and rehabilitation increases) provided by public and private health institutions is included. Apart from the hospital and other regional aids, the obvious superiority of private sector organizations compared to the public is remarkable in the table (Boldrini et al., 2017);

Table 2. Health Services (Public-Private) 2018, Italy

Assistance	Nature of the Structures				Total
	Public	%	Private Accreditation	%	
Hospital Assistance	518	51.8	482	48.2	1000
Specialist Assistance at Outpatient	3514	39.6	5353	60.4	88.67
Territorial Assistance Residential	1302	17.7	6070	82.3	7372
Territorial Assistance to Coresidential	968	31.4	2118	68.6	3086
Other Territorial Assistance Rehabilitation Assistance (ex art. 26)	4862	87.0	724	13.0	5586

Source: Istat, <https://www.istat.it/>

During the 2014-2017 period, the downward trend in the number of hospitalization structures continued due to the rationalization interventions of hospital networks, which determined the

transformation and consolidation of many networks. According to this; the number of public buildings decreased by 2.0% and that of accredited private buildings decreased by 1.7%. There was a significant reduction (1.7%) in public clinics and laboratories for specialist outpatient treatment and a smaller reduction for accredited private structures (0.2%) (Boldrini et al., 2017).

In Italy, the total number of hospitals also decreased over time. As a matter of fact, while there were 1,321 hospitals in the country in 2000, this number decreased to 1,063 hospitals in 2017 (Statista, 2020). In Italy, hospitals generally serve over the middle and middle. However, in Italy, healthcare is one of the most criticized issues. State hospitals are well below the country's general level of development with their capacity, service and operational insufficiency. Quality and service have reached a good level in private hospitals and practices. On the other hand, examination, analysis and bed rates are high. For example, there is a full-fledged American hospital in the capital city of Rome, as well as private hospitals with the possibility of using foreign languages (T. R. Ministry of Health, 2020). In Italy, the facilities that private healthcare services can offer have been unevenly distributed across all regions and have already been abused to a large extent (il Manifesto, 2020). Between 2009 and 2015, public spending on the country's health system decreased by 5 percent, while private health system spending increased (Özdemir, 2020).

In 2001, Italian health spending was about 7 percent of GDP. In 2019- after the major economic crisis of 2008-2013, but also following the slow recovery, this rate fell to 6.6 percent. In addition, Italian healthcare spending is low compared to other major European countries. So much so that; While health expenditures are 8.9 percent of GDP in Italy, it corresponds to 11.5 percent of GDP in France and 11.1 percent of GDP in Germany (Post, 2020).

In addition, significant savings have been made on health personnel in Italy over time. The number of doctors has hardly changed, and very few new doctors have been hired. There are 3.8 doctors per 1000 inhabitants in Italy. The rate of nurses per doctor in Italy is also very low. This rate was calculated as 1.5. It is a figure below the EU average (2.3). Similarly, the number of nurses per 1000 people is 6.1. The EU average is a very low number compared to 8.4 (OECD, 2017).

The COVID-19 Outbreak has adversely affected the Western World. One of the countries most affected by this negativity has been Italy. It is stated that the COVID-19 epidemic will have an impact on the Italian health system and economy for a long time (D'Apolito et al., 2020). The inadequate existing public hospitals in Italy and the inability of private hospitals to combat COVID-19 necessitated a series of legal regulations. One of these legal regulations is the operation of private health institutions by the public. According to this; Private healthcare companies can also be expropriated "existing facilities and equipment", "in use or property" to add special beds to the wards of Covid-19 patients. At the request of the regions, staff of private facilities will need to be made available for emergency healthcare services. In practice, a doctor who is active in a private clinic will have to be transferred to a public hospital if the region deems it necessary. If the emergency continues, both the emergency and the possibility of requesting a facility are prolonged (il Manifesto, 2020).

There are lessons to be learned from the current COVID-19 outbreak. First, it seems that Italy's decentralization and fragmentation of healthcare services have limited timely interventions and effectiveness, and stronger national coordination needs to be achieved. Second, health systems capacity and financing should be more flexible to consider exceptional emergencies. Third, sound partnerships between the private and public sectors should be institutionalized in response to emergencies. Finally, human resource procurement should be planned and financed with a long-term vision. Consistent management choices and a strong political commitment are necessary to create a more sustainable system in the long run (Armocida et al., 2020).

IV. EXAMPLE OF TURKEY IN THE FIGHT AGAINST COVID-19 SPECIFIC TO GERMANY AND ITALY

The 1982 Constitution, social state in Turkey is built on more solid foundations. In this way, it has been accepted as a duty to provide a minimum level of living for individuals' socio-economic status, health problems, and welfare levels, and is based on law. The 2000s are a period when essential developments in the field of health and significant steps were taken in this field. (Ertaş et al., 2016). Turkey brought revolutionary reforms in the health sector in 2002 with the introduction of the Emergency Action Plan. Ministry of Health put Health Transformation Program into practice, which has brought innovations such as ease of access to health services, increasing quality, improving the health information system, and ensuring drug use (Çavmak and Çavmak, 2017). With the health transformation project, a Ministry of Health, which is not responsible for service provision other than public health programs and is more interested in policy determination and regulation, is considered (Yılmaztürk, 2013). When the data for the period 2000-2015 on basic health indicators analysed, it is detected that in the public health system and health indicators, Turkey is in progress. Turkey, compared to Germany; It has been understood that the general health system and fundamental health indicators could not reach the standards of Germany. In a general review, healthcare in Turkey could not reach the standards of developed countries' health systems. Still, compared to the health systems in developing countries, it is concluded that Turkey has better basic health indicators (Çevik and Yüksel, 2019).

The Ministry of Health announced the first case of Covid-19 in Turkey on March 10, 2020. When the current situation is examined chronologically; The scientific committee was established on January 10, 2020, and the 2019-nCoV disease guide for healthcare workers was published by the Ministry of Health General Directorate of Public Health on January 14, 2020 (Sancak and Çöl, 2020). The Coronavirus came to Turkey later than other countries, and Turkey has acquired significant knowledge about the virus. Accordingly, improvement in treatment services has been an important factor in reducing mortality rates (Bekar et al., 2020).

The outbreak has resulted in radical decisions that caused many significant impacts and results in social, economic, legal, military, religious, and cultural areas. Compared to Germany and Italy, Turkey's Global Health Security Index scores and its six sub-category scores are shown in the Table 3 (Bekar et al., 2020);

Table 3. Global Health Safety Index Scores of Countries

	Turkey	Italy	Germany
Overall Score	52,4	56,2	66,0
Prevention	56,9	47,5	66,5
Early Detection and Notification	45,6	78,5	84,6
Quick Answer	49,0	47,5	54,8
Health System	45,7	36,8	48,2
Compliance with International Norms	64,3	61,9	61,9
Risk Environment	56,5	65,5	82,3

Gul et al., (2020) conducted a study on the contamination dynamics of Covid-19 in Italy, Germany, and Turkey by taking social distance, testing, and quarantine. According to this; the number of first cases in Italy predicted to be higher than in Germany and Turkey. It was estimated that Turkey, probably because of the fewer elderly population, will face death by about 30% less than Germany. If social distance and business networks are limited to 25% of the daily routine and breeding ratio is decreased from 2.8 to 1.3, the number of deaths in Germany and Turkey may be limited to few thousand. Random testing can reduce the number of deaths by 10% after testing at least 5/1000 of the

population. Quarantining the family and coworkers of individuals who are tested positive, can reduce the total number of deaths by about 50%.

Table 4. Reported Cases and Deaths by Turkey, Germany and Italy

Countries	Total Number of Cases	Total Death	Total Saved	Active Cases	Total Tests	Population
Italy	349.494	36.140	238.525	74.829	12.460.055	60,436,841
Germany	323.453	9.691	273.500	40.262	18.129.900	83.858.714
Turkey	334.031	8.778	293.145	32.108	11.506.414	84.589.414

Source: WORLDOMETER, 2020

In the above table 4, struggling with Covid-19 "Total Death ", " Total Recovered "and" Number of active cases "of Turkey in terms of statistics, are understood to be in a better position than Germany and Italy. Moreover, Turkey's population is more than these two countries. Italy only "Total Number of Tests" in terms of statistical indicators is superior to Turkey. However, all other statistics are in good condition, according to Italy, Germany and Turkey. There is no doubt that the emergence of this task undertaken by the government in the fight against the epidemic situation in Turkey and in Germany is of great importance. In this respect, Turkey and Germany, health spending will be less obvious. In addition, the low impacts of the epidemic contribute to the creation of an environment of trust in terms of economy.

V. DISCUSSION

“Let them do it” is a false or incomplete opinion, even though it is suggested with the public interest in mind. The primary purpose of the entrepreneur is to profit. In this context, the entrepreneur, acting with the awareness that the state will not be involved, will make decisions primarily in line with his interests when social interests conflict with his claims. For example, to make more profit, the entrepreneur will use insufficient or low-quality resources while producing.

Keynesian economics is a macroeconomic theory based on the views of British economist John Maynard Keynes. Keynes's economy advocates a mixed economy in which the private and public sectors coexist. Keynes did not completely exclude the private sector in putting forward this view, but he offered a market model of state supervision and control in any case.

All activities of the private sector are for profit and then for service purposes. The primary purpose of the state is to serve. It is possible to make a profit in the normal process. This is the environment desired by the private sector. But in extraordinary times, for example; war, earthquake, epidemic etc. Production is interrupted when situations become chronic. After a while, economic activities slow down and come to a halt. Thus, measures such as unemployment problem or low wage policies are taken. The flow of money in the markets is very slow. In such an environment, the phenomenon of snow disappears. The most logical behaviour that can be done for the private sector is the phenomenon of profit everywhere the loss is returned. Without money, there will be no services that are already in the secondary plan. In this context, if the economic system is predominantly private sector, the loss in terms of service will be quite high. However, if the system is predominantly in the public sector, the service will continue even if there is loss.

To be healthy is to stay physically and mentally healthy. Healthy individuals are expected to make the right decisions and behave appropriately. Therefore, societies with healthy populations are important. The positive reflections of this situation will show itself in almost every field. In this context, the healthier a community is, the more it will develop its economic productivity and efficiency. Based on these facts, health services must be provided by the state or be state-controlled.

VI. CONCLUSION

It is possible to evaluate the Germany and Italy struggle regarding Covid-19 on these facts. In the results of working; it has been understood that the health system in Germany is predominantly under the supervision and control of the state by the RKI. However, the situation in Italy is a little different, above all, it does not have an institutional structure like the RKI, which will provide control and unity over the public health system. Therefore, Italy remained heavier on public health services. It is possible to say that the private sector in the field of health services in Italy is more innovative and effective than the public. However, since profit is a primary goal in the private sector, service has remained second in such an extraordinary situation. In Germany, as the state is not for profit, it has taken all precautions in advance, without considering financial costs. In this context, it has been successful in the fight against Covid-19. In Italy, private health institutions, which have implemented policies to save only the day, whose aim is to make a profit, did not care about the situation initially, and the struggle against Covid-19 could not be successful like Germany due to the measures implemented by the Italian government late.

In this context, it belongs to the Classical View in the fight against Covid-19; The argument “Laissez-Faire” (Let It Be) does not work. Instead, the Keynesian Opinion advocates; The importance of policies for “state intervention” has once again been understood. In this respect, at least sacred services such as health and education should be done mostly by the state, just like the justice and security services. Because investments in these sectors are not only about saving the day. These investments are sensitive investments that also closely concern the future of a nation. Even if the government does not intervene directly, expert institutions such as the RKI in Germany should be expanded.

REFERENCES

- AETNA (2020, October 11). *International health insurance*. <https://www.aetnainternational.com/en/about-us/explore/living-abroad/culture-lifestyle/health-care-quality-in-europe-and-scandinavia.html>
- Albers, W., & Anton, Z. (1981). (Hrsg.): *Handwörterbuch der Wirtschaftswissenschaft*, Band 3, Göttingen: Vandenhoeck ve Ruprecht.
- Armocida, B., Formenti, B., Ussai, S., Palestra, F. & Missoni, E. (2020). The Italian health system and the COVID-19 challenge. *The Lancet Public Health*, 5(5), doi:10.1016/S2468-2667(20)30074-8
- Barone, C. (2009). A new look at schooling inequalities in Italy and their trends over time. *Research in Social Stratification and Mobility*, 27(2), 92-109.
- Basol, E. 2015. Strategy in developing countries: The chain of referral in health system. *Balkan Journal of Social Sciences*, 4(8), 128-140.
- Bekar, T., Usturalı, M. A. N., & Çöl, M. (2020). *Interpretation of COVID-19 outbreak and case fatality rate*. *Ankara University Faculty of Medicine Covid-19 Book*. <http://www.medicine.ankara.edu.tr/wp-content/uploads/sites/121/2020/05/COVID-19-Kitap.pdf>
- Boldrini, R., Miriam, D. C., Fulvio, B., Antonella, G., & Irene, M. (2017). *Annuario Statistico del Servizio Sanitario Nazionale Assetto organizzativo, attività e fattori produttivi del SSN, Irene*. http://www.salute.gov.it/imgs/C_17_pubblicazioni_2879_allegato.pdf.
- Bölt, U. (2018). Statistical hospital data: Basic and cost data of hospitals 2015. *Hospital Report*, 341-376.

- Bramucci, A., Prante, F., & Truger, A. (2020). Decades of tight fiscal policy have left the health care system in Italy ill-prepared to fight the COVID-19 outbreak. *Intereconomics*, 3, 147-152.
- Buba M. A. (2019). *Hospital report 2019: The digital hospital*, IWW Institut. <https://www.iww.de/cb/management/aktuelle-studie-krankenhaus-report-2019-das-digitale-krankenhaus-f1202>
- Bundesministerium für Gesundheit , Pressemitteilungen, (2020). <https://www.bundesgesundheitsministerium.de/presse/>
- Bundeszentrale für politische Bildung, (2020). <https://www.bpb.de/kontakt/>
- Çavmak, D., & Çavmak, Ş. (2017). Historical development of health services and the Health Transformation Program in Turkey. *Journal of Health Management*, 1(1), 48-57.
- Çevik, N. K., & Yüksel, O. (2019). Turkey, Germany and India health systems: A comparative analysis. *Balkan Journal of Social Sciences*, 8(16), 209-218.
- D’Apolito, R., Martina, F., Immacolata, O., & Luigi, Z. (2020). Disruption of arthroplasty practice in an orthopaedic center in Northern Italy during COVID-19 pandemic. *The Journal of Arthroplasty*, 10.1016/j.arth.2020.04.057.
- Davidson, P. (1994). *Post Keynesian macroeconomic theory: A foundation for successful economic policies for the twenty-first century*. Cheltenham: Edward Elgar Publishing.
- Değer, A. (2020, May 18). *Coronavirus: How does Germany make a difference in the fight against the epidemic?* BBC-NEWS, Edition: 21, UTB, Stuttgart. <https://www.bbc.com/turkce/haberler-dunya-52053276>
- Doetter, F. L., & Götze, R. (2011). *The changing role of the state in the Italian healthcare system*. Bremen: TranState Working Papers 150.
- Ertaş, H., İleri, H., & Seçer, B. (2016). Concept of health policy and investigation of health policies in Turkey. *Selcuk University Social and Technological Research Journal*, (12), 186-186.
- EUROSTAT. *Hospital beds*. <https://ec.europa.eu/eurostat/databrowser/view/tps00046/default/table?lang=en>
- Federal Minister of Health. (2020). *Who we are?* www.bundesgesundheitsministerium.de
- Foley, W., & Gërxhani, K. (2020). Hands-off? Laissez-faire policies on Covid-19 may exacerbate health inequalities. *International Journal of Sociology and Social Policy*, 10.1108/IJSSP-06-2020-0220.
- France, G., Taroni, F., & Donatini, A. (2005). Italian healthcare system. *Health Economics*, 14(S1), 187-202.
- Gaspard, T. (2004). *A political economy of Lebanon 1948–2002: The limits of laissez-faire*. Boston: Brill.
- Granozio, F.M. (2020). *On the problem of comparing Covid-19 fatality rates*. <https://arxiv.org/abs/2004.03377>

- Gul, S., Kagan T., Binici, B., & Beyazit, B.A. (2020). Transmission dynamics of Covid-19 in Italy, Germany and Turkey considering social distancing, testing and quarantine. *The Journal of Infection Developing Countries*, 14(7), 713-720.
- Herr, D., Hohmann, A., Varabyova, Y. & Schreyögg J. (2018). *Bedarf und Bedarfsgerechtigkeit in der stationären Versorgung*, Krankenhaus-Report, 23-38.
- Hospital Report. (2020). *Needs and needs justice*. https://www.wido.de/fileadmin/Dateien/Dokumente/Publikationen_Produkte/Buchreihen/Krankenhausreport/2018/Kapitel%20mit%20Deckblatt/wido_khr2018_kap19.pdf
- HOPE. (2020, October 16). *Hospitals In Europe Healthcare Data*. https://www.hope.be/wp-content/uploads/2018/07/2018_Hospitals-in-EU-28-Synthesis-final-for-publication-002.pdf
- Hugrée, C., Penissat, É., & Spire, A., (2015). Les différences entre salariés du public et du privé après le tournant managérial des États en Europe. *Revue française de sociologie*, 56 (1), 47-73.
- Il Manifesto. (2020). *Private health becomes "public". But that's not enough*. <https://ilmanifesto.it/la-sanita-privata-diventa-pubblica-ma-non-basta/>
- Istat. (2020). *Istituto Nazionale di Statistica*. <https://www.istat.it/>
- Keynes et al. (1932). Private Spending, Money for Productive Investment, A Comment by Economists. *The Times*, Oct 17, 13.
- Keynes, J. M. (1980). *General theory of employment interest and money* (Trans. Asim B.). İstanbul: Minnetoğlu Publications.
- Kluth, W. (2018). Bedarf und Bedarfsgerechtigkeit aus rechtlicher Sicht. *Krankenhaus-Report*, 39-52.
- Krol, G. J., & Schmid, A. (2002). *Volkswirtschaftslehre: Eine problemorientierte Einführung*. Tübingen: Mohr Siebeck.
- Mitra, A.K., Payton, M., Kabir, N., Whitehead, A., Ragland, K.N., & Brown, A. (2020). Potential Years of Life Lost Due to COVID-19 in the United States, Italy, and Germany: An Old Formula with Newer Ideas. *International Journal of Environmental Research and Public Health*, 17(12). doi: 10.3390/ijerph17124392
- OECD (2017). *European Observatory on Health Systems and Policies*. Italy: Country Health Profile, State of Health in the EU, OECD Publishing, Paris/European Observatory on Health Systems and Policies, Brussels. <http://dx.doi.org/10.1787/9789264283428-en>
- Özdemir, Ö. (2020). How prepared are the health systems of Western countries, which have become the center of the coronavirus epidemic? *BBC, News*. <https://www.bbc.com/turkce/haberler-dunya-52049989>
- Persky, J. (1995). Retrospectives: The ethology of homo economicus. *The Journal of Economic Perspectives*, 9(2), 221–231.
- Post. (2020). *Has Italian healthcare expenditure been cut?* <https://www.ilpost.it/2020/03/15/tagli-sanita/>
- Robert Koch Institut. (2020). *Changes compared to the version. Section risk assessment*. https://www.rki.de/DE/Content/InfAZ/N/Neuartiges_Coronavirus/

- Sancak, M., & Çöl M. (2020). Covidien-19 chronological investigation of the pandemic in Turkey. *Ankara University Medical School Covidien-19 Book*. <http://www.medicine.ankara.edu.tr/wp-content/uploads/sites/121/2020/05/COVID-19-Kitap.pdf>
- SETA. (2020,). *How Germany struggles with coronavirus?* <https://www.setav.org/5-soru-almanya-koronavirus-ile-nasil-mucadele-ediyor/>
- Shehzad, K., Xiaoxing, L., & Kazouz, H. (2020). COVID-19's disasters are perilous than Global Financial Crisis: A rumor or fact? *Finance Research Letters*, 36, 101669.
- Skidelsky, R. (2009). *Keynes: The return of the master*. United Kingdom: Allen Lane.
- Smith, A. (1909). An inquiry into the nature and causes of the wealth of nations. In C. J. Bullock (Ed.). *The Harvard Classics*. New York: P.F. Collier & Son.
- Starbatty, J. (1985). *The English classics of the national economy*. Teaching and impact. Wiss. Book company.
- Statista. (2020). *Of hospitals in Italy from 2000 to 2017*. <https://www.statista.com/statistics/557April2/hospitals-in-italy/>
- Sullivan, A., & Steven M. S. (2003). *Economics: Principles in action*. Upper Saddle River: Pearson Prentice Hall.
- Süddeutsche Zeitung. (2020). *Coronavirus: Der Ausbruch in Bayern*. <https://www.sueddeutsche.de/bayern/coronavirus-bayern-rueckblick-januar-februar-1.4794769>
- T. R. Ministry of Health (2020). *Directorate general of health for borders and coasts Turkey*. Italy. <https://www.seyahatsagligi.gov.tr/Site/SaglikBilgisi/ITA>
- WHO, World Health Organization (2020). *Global health expenditure database?* <https://www.who.int/>
- WORLDOMETER, (2020). Covid-19 Coronavirus Pandemic, <https://www.worldometers.info/coronavirus/#countries>
- Yılmaztürk, A. (2013). Historical Development and Evaluation of Global Quality of Health Care Reform Health Transformation Program in Turkey. *Journal of Social Sciences Research*, (1), 176-188.