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MEASURES APPLIED AT EUROPEAN LEVEL IN THE CONTEXT OF THE CURRENT CRISIS (II)

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Abstract: *The crises have been permanent on our planet, and their consequences have had an economic, financial, ecological, and societal impact. The current health crisis has caused simultaneous crises, namely an economic crisis, with a major economic slowdown, especially at the level of small and medium-sized enterprises at the European level. However, following the organizational, functional, and decisional way of the European Union, in this period full of major difficulties, the European decision-makers launched the Temporary Framework of the European Commission, which intervened at the level of the member states with concrete support measures, respectively through policy measures monetary and fiscal. Furthermore, the fiscal policy instruments used included adapting state aid rules to the exceptional circumstances caused by the coronavirus pandemic, to allow the Member States to support their savings through direct or indirect intervention. State aid could also be used in this period to remedy serious economic disturbances. Moreover, another effect of the health crisis was linked to the European education system, and the decision-makers of the moment changed the paradigm from the form of classical education to the form of digital education. In this article we intend to continue our scientific approach on this topic, highlighting some of the main measures applied by the European Member States, but especially to specify the directions of the education system in the current context, given that in any crisis the human factor has been and it's the key in resolving crises, regardless of them.*

Keywords: *economy, education, finance*
JEL Classification: *O00, I25, G40*

Introduction

According to official European Commission (2020) documents, the *Temporary Framework* adopted in March 2020 set out temporary State aid measures that the Commission will consider compatible with State aid rules, thus allowing Member States full flexibility in supporting coronavirus-affected economies. The temporary framework was created to respond more effectively to the different needs of the Member States. The framework initially focused on measures to ensure liquidity. In early April, it was extended to include measures to support the coronavirus-related medical economy and investment, coronavirus research and production, and measures to relax the social and tax obligations of companies and the self-employed, as well as measures to subsidize employee salaries including micro-enterprises (Manta, 2020).

Economists argue that the Temporary Framework has included emergency liquidity measures for the business environment, as well as temporary tax deferrals for businesses, which are considered to be the most effective policy measures. China is a key player in different supply chains, and a further and prolonged slowdown is likely to have significant negative spillovers to the global economy (Baldwin and Weder di Mauro, 2020). Moreover, he believes that financial support must be carefully dimensioned for each economic agent, to avoid both the economic crisis and the financial crisis. A recent study (Dorn et al 2020) highlights the costs of quarantine measures in terms of lost value-added for Austria, France, Germany, Spain, Switzerland, and the United Kingdom, respectively production losses with dimensions never seen before in the Union. European Union, in any recession or natural disaster (Manta, 2020).

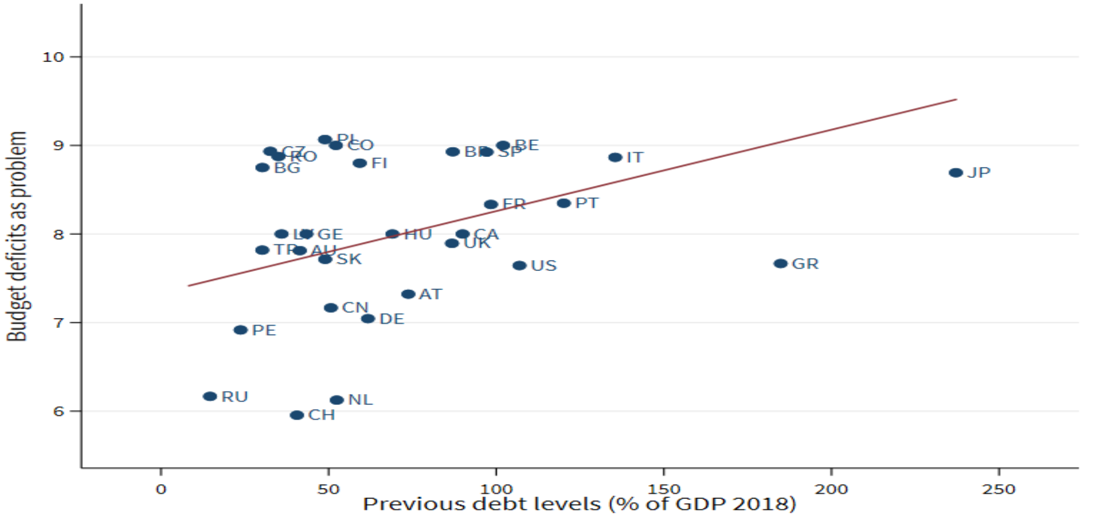
Table 1: Impact of COVID-19 effects on economies

	Total	European Union	USA	Other adv. economi	CIS[1]	Em. and dev. Asia	Latin America	MENA[2]	Sub-Saharan Africa
Reduction in investment	**8.2**	8.3	8.4	8.0	8.1	7.7	8.5	7.2	8.2
Increasing governmental budget deficits	**8.0**	8.2	7.6	7.3	7.3	7.7	8.3	7.6	8.5
Reduced spending on consumption	**7.9**	8.0	9.0	8.2	7.2	7.4	8.2	5.1	7.8
Closure of companies/sudden production stops	**7.6**	7.9	7.8	6.9	7.2	6.9	7.7	6.2	7.5
Quarantine measures	**7.6**	7.7	7.9	7.0	7.7	6.9	8.2	6.4	7.1
Disruptions to supply chains	**7.5**	7.5	8.1	7.5	6.8	7.4	6.9	6.4	7.7
Bankruptcies of firms	**7.0**	7.1	6.8	6.8	6.8	6.1	6.9	6.3	7.3
Illness-related workforce reductions	**5.3**	5.4	6.0	5.1	4.5	4.3	5.6	5.4	5.7

Note: Responses represent an average calculated on a scale of 1 to 10, where 10 is the strongest impact.
1 Commonwealth of Independent States; 2 East and North Africa
Source: Boumans, Link and Sauer, IFO Institute, 2020

According to the study mentioned above and reflected in the table above, there is a lot of uncertainty about the effects of the pandemic. Still, the impact of supply chain disruption or investment shock, as well as domestic consumption in each European country, cannot be estimated. It is to be appreciated that the perceptions of specialists regarding the severity of various aspects of the crisis are relatively similar across the globe (Manta, 2020).

Figure 1: Government budget deficits as a problem compared to previous debt levels



Source: IFO Institute and IMF 2018 calculations

Surprisingly, even before the pandemic, we notice a heterogeneity in the perception of the increase of budget deficits, which is problematic (figure 1). The increase in budget deficits, as can be seen from these data, is considered a much bigger problem for countries with high levels of previous debt such as Japan, Italy, Spain, Belgium, and Brazil (the average assessments of experts in these countries were almost 9). According to the same study for Poland, the Czech Republic, Romania, Bulgaria, and Finland, as well as Colombia, respondents are worried about debt levels, although their debt level is below 100% of GDP. Experts in countries with relatively low initial levels of public debt, such as Switzerland (average 6.0), the Netherlands (6.1), and Russia (6.2), expressed considerably lower concern. These data indicate that measures with a direct influence on the effects of the pandemic, i.e. on production losses and their GDP outcomes, are needed.

On the one hand, the increased interconnection of the global economy and the deep integration of supply chains can smooth the effect of a pandemic shock, allowing consumers to buy and consume goods that they would not otherwise be able to make in their own country. However, in this pandemic context, we consider that financial instruments have a decisive role in supporting both local and global economies, respectively global. In this paper we propose on the one hand to capture the interventions through financial instruments at the level of European economies, decisions of the European Commission on the Temporary Framework, respectively the Multiannual Financial Framework 2021-2027, as well as concrete measures taken by the Member States, but also proposing concrete measures at the level of the national economy in the current context (Manta, 2020).

Methodology of scientific research

To substantiate this paper, we used observation and examination tools, research methods based on the basic principles of scientific research, and also created procedures based on factual analysis, as a result of significant practical experience and intensive documentation at the level of the specialized literature existing internally and internationally.

Research results

At the level of the Member States of the European Union, policy measures (fiscal, sectoral, regional, and economic, and others) have been taken against the spread and impact of COVID-19. All these measures have been reported at the level of the European Commission by each Member State (according to Official Reports and Communiqués of the European Commission), *the policy measures being of direct (potential) relevance for economic and fiscal surveillance*. This includes *measures on expenditure* (e.g. higher health care expenditure, short-term employment benefits) or revenue (e.g. tax deferrals) of the budget, *measures specific to certain sectors or regions of the economy*, and *measures to support lending to national economies* (e.g. public guarantees, bank support measures, policy decisions of the national central bank). Many Member States have also taken precautionary measures in the form of general guidelines for the public, travel bans, the closure of schools / universities, the adoption of telework measures, etc. with macroeconomic and budgetary implications. In order to have a comprehensive overview of the measures announced or taken so far in the Member States, out of the 27 Member States, we selected 5 countries that we consider to have implemented integral measures to support their economies, namely:

1***. Measures taken in the Member State Finland***

a. *Expenditure measures are taken at the national level:*

- Parliament adopted the first supplementary budget on 26 March (entered into force on 31 March). , amounting to approximately EUR 1.3 billion in appropriations, for the years 2020-2022 The budget is made up of measures to support businesses and spending on health and epidemics;
- Business support measures amount to EUR 1.15 billion and include EUR 0.7 billion support through Business Finland (for SMEs in the tourism services, creative and high-performance industries and all sectors where subcontracting chains are affected); EUR 0.3 billion for SMEs through economic development, transport and environment centers (ELY centers) (for self-employed workers and small businesses employing 1-5 people in all sectors except agriculture, fisheries, forestry), 0, EUR 5 million for business consultancy services and EUR 0.15 billion for medium-sized companies through state venture capital and private equity company TESI (stabilization financing for healthy companies with a high impact on employment);
- The budget also provides for additional healthcare and other epidemic-related expenditure amounting to EUR 0.3 billion, including EUR 12.8 million for the National Institute for Health and Social Welfare; EUR 40 million for the National Emergency Supply Agency, EUR 5 million for international non-profit organizations (CEPI, IVI) for the development of a vaccine and EUR 20 million for testing and medical instruments. Also, it includes appropriations of around EUR 10 million for improved police spending and border controls. A buffer of EUR 200 million is not yet allocated.

b. *Fiscal measures adopted at the governmental level:*

- The tax system takes into account exceptional circumstances, for example, the system is prepared for tax delays. The preliminary estimate of the MoF puts the total tax deferral in 2020 at around EUR 1.4 billion. Companies can also benefit from flexible payment arrangements for social security contributions (up to 3 months, subject to the decision of the Ministry of Social Affairs and Health). These delays will have no impact on the budget deficit, as they will be accounted for on an adjusted basis.
- since the beginning of the year, companies have been allowed to spend their investment expenditures on tax purposes twice the normal rate (from 25% to 50%) for the fiscal years 2020-2023.

c. Sectoral, regional or non-fiscal measures (eg labor):

- State aid (requiring EU notification): Preparation of a state aid support program to complement the above measures, to support companies that are otherwise profitable in the long run;
- Labor market: on March 18, the social partners made a joint proposal to the government on the urgent response measures needed to limit the negative impact of Covid-19 on the labor market. The government accepted most of the joint proposals of the social partners. The preliminary estimate of their total cost amounts to EUR 1.3 billion. Several measures came into force on 1 April: Shorter notice period for dismissals, termination changes during a probationary period: Reduction of the notice period for dismissal from 14 to 5 days; shortening the duration of dismissal negotiations from 6 weeks or 14 days to 5 days; the introduction of the right to dismiss an employee with a fixed-term contract; introduction of the right to terminate the employment contract during the probationary period; extension of the re-employment obligation to 9 months (if the employee was dismissed during the period in which temporary provisions were in force). These measures are in force until 30.6; Extended right to unemployment benefits during dismissal: Entrepreneurs, including freelancers and the self-employed, will have temporary access to unemployment benefits. Unemployment benefits require the registrant to look for a job at the Office for Employment and Economic Development (TE Office). The obligation to accept continuous work during dismissal. These measures are in force until 31.7.
- on April 2 a.c., the Government proposed another set of measures (with retroactive effect from March 16, mandatory until July 6): The waiting period of five days before a person is eligible for unemployment security would be abolished. This would cover earnings, basic unemployment benefits, and labor market support. The allowances paid for these days would be financed by the state; The requirement on the period of employment for employees which is a condition for being eligible for unemployment benefits would be shortened. The required period of employment would be 13 calendar weeks, instead of the current 26 calendar weeks. For non-owner members of entrepreneurs, the required employment period would be 26 calendar weeks instead of the current 52 calendar weeks; Unemployment benefits paid for reasons of dismissal would not be taken into account when calculating the maximum period of payment applicable to unemployment benefits. This amendment would improve the security of unemployment in cases where unemployment is prolonged; Reduction of pension payments for private sector employers

by 2.6%, with the total cost estimated at around EUR 1 billion, from 1 May until the end of the year, to be paid from the EMU buffer and offset by increased payments over 2022-25;

- another proposed measure, pending a government proposal: postponing pension insurance payments to employees by 3 months, including for public sector employees;
- The Ministry of Justice is preparing several legislative changes to limit the economic impact of Covid-19 on businesses and households. These include, for example, limitations on debtors to initiate bankruptcy proceedings (current legislation assumes that a company is insolvent if it has not paid its debt within one week of receiving the call for payment); easing the conditions for the company to enter a restructuring process; adjustments to the debtors' rights due to the penalty for delays, etc. Also, to avoid an increase in household indebtedness, the direct sale of short-term loans will be banned and the interest rate would be limited to 10% (currently 20%).
- The Åland Government has proposed a second additional budget for the decision of the regional parliament, including EUR 10 million for business promotion and EUR 10 million for labor market measures. It also approved principles for granting temporary liquidity support (16.03-30.6.2020) to companies.
- The government has announced that the combined value of the various measures will be up to 50 billion euros, infectious disease allowance: applies if an employee is diagnosed with a major communicable disease. It is full compensation for the loss of earnings, ie it is determined by the salary that the employee would have received if he had been at work;
- Daily earnings-related allowance: A part-time employee can claim an adjusted earnings-related allowance, even if he or she receives the infectious disease allowance, to the extent that he or she loses part-time earnings.
- travel for work from Estonia is not allowed from 22.3 before (already closed to Russia). It is still allowed on the "working areas of the natural border" in Sweden and Norway, but this is also under discussion. Construction unions estimate that this will lead to an immediate shortage of labor in construction.
- Due to the critical situation in the agricultural sector caused by the closure of borders, 1,500 foreign seasonal workers are allowed to enter Finland as soon as possible. Refugees living in refugee centers are allowed to work in greenhouses and farms. It is estimated that around 15 000-20 000 seasonal workers would be needed for vegetable farms and for harvesting

berries from May. The Ministry of Economic Affairs and Employment is evaluating the possibility of hiring unemployed, laid-off employees, students, pupils, and refugees for seasonal work.

- The Capital Region (Uusimaa) is withdrawn from the rest of Finland from March 27 to April 19. This measure aims to cover the spread of Covid-19 in the Uusimaa region, which currently has more than half of the cases detected in the rest of Finland, where the population is older and where the healthcare system has more limited capacity.
- The government has appointed an expert working group to assess the impact of the coronavirus crisis and has proposed measures to limit the damage to the Finnish economy by 1 May 2020.

d. Measures to support the financing of the national economy through loans:

- The Bank of Finland will invest ¬ 1 billion in the domestic bond market, mainly in bank documents and SMEs;
- The State Pension Fund will be temporarily aimed at increasing investments in commercial documents of Finnish companies (EUR 0.5-1 billion).
- The Financial Supervisory Authority has reduced the capital requirements for credit institutions, thus increasing lending capacity by around EUR 30 billion.
- State-guaranteed loans: increase in corporate finance for Finnvera SMEs from EUR 2 billion to EUR 12 billion; accelerating financing decisions to be taken in 3-4 days; increasing the ratio of public compensation for potential Finnvera credit losses from 50% to 80%;
- State guarantee of EUR 600 million for Finnair being a guarantee for premium loans for Finnair plc pensions related to earnings (refinancing of employees' pensions) to the Ilmarinen Mutual Pension Insurance Company;

2. Measures were taken in the Member State of Denmark:

a. Expenditure measures are taken at the national level:

- temporary compensation scheme for self-employed workers;
- temporary compensation for the fixed costs of the enterprises;
- unemployment and sickness benefits;
- temporary salary compensation scheme;

- reimbursement of sickness benefits for employers;
- group of initiatives for employees in case of large-scale dismissals and deregulation regarding the distribution of work;
- compensation scheme for cancellation of major events following COVID-19 - (initially announced March 10, 2020, for events over 1,000 participants and over 500 for specific risk groups);
- The Danish government has set up a government and business unit COVID 19 in collaboration with relevant business organizations and labor market organizations to address sectoral economic hardship (announced on 10 March 2020); Among the results of this unit, we mention the following: the announcement of the guarantee schemes for the companies affected by COVID-19, e.g. SMEs (announced March 12, 2020); a more flexible work-sharing arrangement; Increased funding for the notification scheme.

b. Fiscal measures adopted at the governmental level:

- extension of payment terms of companies with VAT (announced on March 10, 2020);
- extension of companies 'payment terms for employers' labor market contributions and income tax (announced on March 10, 2020).

c. Sectoral, regional or non-fiscal measures (e.g. labor):

- National disaster planning has been activated for several scenarios suspension of budgetary restrictions on investments, etc., for regions and municipalities.
- students from all public education institutions (secondary and higher education) were sent home temporarily for two weeks, with the amendment to extend the period until the full security situation is ensured. Private institutions are encouraged to follow the same example;
- public primary schools and day centers were closed on Monday, March 16, 2020, temporarily for two weeks, but with the possibility of extension. Private institutions are encouraged to follow the same example. Municipalities are to establish emergency care for children (announced on March 11, 2020).
- all public employees who do not perform critical functions (police, healthcare, etc.) must work from home, respectively for a temporary period. Private employers are encouraged to ask employees to work from

their private home, if possible, to use the remaining holiday or to adapt the workplace for further activities;

- all indoor cultural institutions, libraries, leisure facilities, etc. they close temporarily;
- limited use of public transport (eg seat reservation requirements, avoid rush hour travel) (announced on 11 March 2020);
- banning public meetings of more than ten people;
- closing restaurants, bars, public catering centers until April 13, with the possibility of extension.

d. Measures to support the financing of the national economy through loans:

- release of the countercyclical capital reserve to support the financial system;
- Danish travel guarantee fund;
- EKF (Danish Export Credit Agency) (liquidity guarantee);
- guarantees to SAS from the Danish state;
- student loans.

3. ***Measures taken in the Member State Poland***

a. Expenditure measures taken at national level:

- special law coronavirus voted at the beginning of March a .: the special allowance that must be paid for the parents to take care of the children in case the child care units are closed / quarantined. An employee who qualifies for emergency leave to care for his child under the age of 8 is entitled to an additional care allowance under state insurance. This applies to people whose children attend public or private schools, kindergartens, nurseries and children's clubs; Public procurement rules to be avoided for coronavirus-related medical supplies; Stocks of companies / pharmacies of (medical) materials related to coronavirus (compensation to be paid by the state) can be confiscated.
- a package of measures to support the economy in force from 1 April 2020: 1. job protection and employee support (maximum expenditure: PLN 24 billion, liquidity: PLN 6 billion, total 1.4% of GDP) - this includes , inter alia: compensation of a part of the salaries of companies which has registered a sharp decrease in income (assuming a reduction in working time to 80%: 40% of the salary to be paid by the company and 40% by

the state), exemption from contributions social insurance for 3 months, a benefit for self-employed and employees for civil contracts, a benefit for parents who have to stay home to take care of young children (schools are closed), extension of deadlines for PIT settlements in 2019; 2. support for companies (maximum expenditure: PLN 5 billion, liquidity: PLN 68 billion, a total of 3.2% of GDP) - this includes, but is not limited to: public guarantees, loans and preferential loans, finance leasing for transport, postponements of social security payment of contributions, not imposing fines for delays in public tenders; 3. health expenditure (maximum expenditure: PLN 7 billion, 0.3% of GDP) - this mainly includes the costs of combating the pandemic; 4. public investment - a package of PLN 30 billion (1.4% of GDP) to be invested in selected areas - it is currently unclear whether it is new spending or pulling already planned investment under a new umbrella fund that will be created as part of the package.

b. Fiscal measures adopted at governmental level:

- a package of measures to support the economy in force from April 1, 2020 includes, among others: postponement of the date of entry into force of the new tax obligations; facilitating the suspension of commercial activities; the inclusion in tax deductible expenses of travel expenses; temporary postponement of VAT payment terms; deferrals to social security contributions, reimbursements or payments on a scale;

c. Sectoral, regional or non-fiscal measures (e.g. labor):

- All schools and universities across the country closed between March 16 and April 10, 2020. The decision affects both public and private facilities. All cultural institutions, including theaters, operas, museums and cinemas are also closed from Thursday, March 12. All mass events are revoked;
- Following the special coronavirus law passed in early March, employers will be able to train employees to work from home to prevent the spread of the Covid-19 virus. The employer may instruct an employee to work, outside his permanent place of work, for a specified period;
- Commercial flight operations generally stopped. The state of epidemic emergency in force since 13.03.2020;
- People must stay at home, except in justified cases (trip to work, doctor, pharmacy, shop, etc.);

- Parks, low-rise housing, etc. they are closed;
- The entry of foreigners without a permanent residence permit is not allowed;
- Poles entering the PL territory are subject to a quarantine of 14 days;
- Transit of permitted goods. Quarantine-free professional drivers;
- educational and cultural institutions, including schools and universities, were closed between March 16 and April 10;
- extended work permit for foreign workers;
- measures to increase liquidity: see above on the special package of measures.

d. Measures to support the financing of the national economy through loans:

- package of measures on the liquidity of the financial system (liquidity: PLN 70 billion, 3% of GDP) - this mainly includes measures aimed at increasing liquidity, reducing money costs and facilitating credit creation on the Polish government bond market;

4. Measures taken in the Member State of Romania

a. Expenditure measures taken at national level:

- The Government has adopted an emergency ordinance (GEO 11/2020) on emergency medical stocks, as well as some measures related to the establishment of quarantine, which covers the need for products used for emergency services, including thermal scanners, as well as measures associated with quarantine (225 million lei). The law was signed by the president on March 17 a.c .;
- The Government also adopted two decisions for the preparation of Romanian medical units for the provision of services to patients infected with COVID 19, as well as for the simplification of priority actions for the treatment of critical patients and reimbursement of local government expenses related to quarantine (392 million lei);
- On March 16 a.c., Romania ordered 36 million medical masks, as well as gloves, test kits and 2 mobile hospitals.The Ministry of Health has received approximately 1.7 billion lei (EUR 0.35 million) over the initial budget.
- The government would like to use an additional 350 million euros from EU funds to purchase Covid-19 tests, protective equipment and mechanical ventilation equipment (March 24). The Ministry of European

Funds announced on March 25 a.c. an additional allocation of EUR 682 million from EU funds to the Inspectorate General for Emergency Situations for the purchase of medical and emergency equipment;

- According to the Prime Minister (March 19 this year), the future budget rectification 2020 “will increase the budget for the settlement of medical leave. Moreover, the allocation of money for the settlement of medical bills is provided, so that companies benefit from this capital flow. Approximate informal estimate: 1.5 billion lei.
- The President announced bonuses to health care workers treating patients with Covid-19. Adoption by Government Emergency Ordinance of April 6 a.c. Estimated expenditures for 187.5 million lei per month (75,000 x 2,500 lei), to be financed from EU funds.
- The authorities have adopted a benefit of 75% of the salary, but not more than 75% of the average salary for parents who cannot work remotely and must stay at home with children under 12 years of age.
- The government adopted on March 18 a.c. and published on March 21 a.c. an emergency ordinance (GEO) 29/2020 on the support of local businesses in the context of the crisis caused by the new coronavirus, together with GEO 30/2020 amending the existing regulations to bring them in line with current conditions. According to the Minister of Finance (Facebook post on March 19 a.c.), the package of measures presented on March 18 a.c. (including technical unemployment and the Intervention Fund) is a budgetary effort of 2% of GDP. Under the ordinance, the state will pay for technical unemployment benefits on behalf of companies that send their employees home and suspend their work due to restrictions imposed by the authorities to limit the outbreak of coronavirus or due to financial problems caused by the Covid-19 crisis. March this year fell by at least 25% compared to the average revenues in January-February). This amounts to 75% of the gross salary (as well as the monthly unemployment benefit), but not more than 75% of the average (national) salary. The state will cover benefits for 75% of a company’s employees. The Minister of Finance estimates that between 500,000 and 1 million people could become temporarily unemployed in April a.c. Several 250,000 employment contracts were suspended until March 23 a.c. and 862,000 by April 2 a.c. The head of the National Agency for Employment (ANOFM) said on March 24 a.c. that the agency is ready to pay up to 1 million people. Budgetary impact estimate: +3 billion lei of gross monthly expenses (if we register 1 million people).
- Emergency Ordinance 30/2020 also offers the possibility for the state to pay the minimum wage to those who cannot claim technical

unemployment, such as self-employed or micro / family businesses. The terms could issue clarifications on this provision soon.

- The Minister of EU Funds stated on March 18 a.c. that the Government will use EUR 300 million from EU funds. EU funds allocate funding to support measures for people who lose their jobs due to the COVID-19 crisis. The money will be attracted from allocations from the Human Resources Operational Program. The Minister of Regional Development said he would launch a line of funding to provide up to ¬ 1 billion in aid to SMEs and EU funds. The measure is temporary and if the expected amounts are not enough, other sources of EU funding will be sought.

b. Fiscal measures adopted at governmental level:

- measures announced by the Fiscal Administration (ANAF) in support of the business environment: postponement of the deadline for submitting tax returns (but not payments) during March 25 a.c. - April 25 a.c., acceleration of VAT refunds, suspension (or non-initiation) of forced execution of amounts due to the state budget except for amounts resulting from a court decision in criminal cases. No significant budgetary impact for the whole of 2020.
- the deadline for the payment of the tax on construction, lands, and transport equipment was postponed between March 31 a.c. - June 30 a.c .. No budgetary impact for the whole year 2020.
- on March 26 a.c., the Government approved a draft GEO with bonuses for taxpayers who pay income tax until April 25 a.c., as follows: 5% for large taxpayers, 10% for remaining taxpayers. Possible budgetary impact: 100-140 million lei.
- the draft GEO of March 26 a.c. also provides that during the emergency period and 30 days after the end of the emergency, VAT is no longer required for imports of medicines, protective equipment, and other medical and sanitary devices that can be used to prevent, limit and combat COVID-19. Impact on cash flow

c. Sectoral, regional or non-fiscal measures (e.g. labor):

- SMEs that have an emergency certificate issued by the Ministry of Economy can postpone the payment of utilities and rents during the state of emergency;
- complete quarantine starting with March 25 a.c., with the circulation allowed in limited cases (work, food purchases, pharmaceuticals, exercise). Even stricter restrictions for people over 65;
- schools, kindergartens, and universities were closed;

- tougher measures (including increased prison sentences) for people who do not comply with quarantine or provide false information to the authorities, adopted on March 19, 2000.

d. *Measures to support the financing of the national economy through loans:*

- Banks offer certain facilities to customers affected by the coronavirus crisis, especially a postponement of loan repayment terms (generally from 1 to 3 months). They should not be treated by the NBR as "bad debtors";
- On March 26, 2000, the Government approved a bill that allows the deferral of loan payments by up to 9 months for borrowers directly and indirectly affected by the coronavirus crisis. The measure applies to both households and companies and only for loans that do not report late payment. More details on how banks would differentiate between borrowers who could benefit from the action will be published in a document that follows the methodology of implementing the bill. The accrued interest rate for the overdue period will be added to the remaining debt, distributed evenly until maturity. Mortgage loans are an exception, as they require the payment of interest in a maximum of 5 years, but the state guarantees 100% payment. Interested and eligible borrowers must apply to the banks by the end of the state of emergency (April 16) to benefit from this measure.
- the package of measures adopted on March 18 a.c. it also provides for an intervention fund of 10 billion lei to provide guarantees to SMEs for contracting loans to finance investments and working capital. The Ministry of Finance will guarantee 80% of loans for SMEs and 90% of loans for micro-enterprises. The Ministry of Finance will subsidize 100% of the interest associated with secured loans. On March 19, the authorities said that the Fund could be increased by an additional 5 billion lei, if necessary. An approximate estimate of the fiscal cost (subsidized interest): RON 250 million.

5. Measures were taken in the Member State of Bulgaria:

a. *Expenditure measures are taken at the national level:*

- Additional expenditures of up to BGN 7 million (EUR 3.5 million) were approved in the budget of the Ministry of Health for 2020, to ensure preparedness for preventive and anti-epidemic actions, as well as to respond effectively to the epidemic COVID-19;

- The government increased from 15% to 30% the limit available from the reserve fund to deal with disasters (totaling 80 million BGN or 40 million EUR).
- Capital expenditures for the modernization of the army amounting to almost BGN 2.5 billion are frozen to make the amounts available for other urgent priorities.

b. Fiscal measures adopted at the governmental level:

- the deadline for the annual financial statements will be postponed from the end of March to the end of June (estimated at EUR 800 million / EUR 400 million during the year);
- the deadline for annual tax returns and tax payments could be postponed from the end of April to a later date;

c. Sectoral, regional or non-fiscal measures (e.g. labor):

- the schools were closed, following that they will resume their activity according to the evolution of COVID 19;
- employers were recommended to prepare action plans for extraordinary circumstances, in accordance with the guidelines issued by the National Operational Unit;
- The government has banned the export of medical protective equipment until the necessary quantities are provided at the national level;
- The government will support companies with a proven impact due to the epidemic, covering 60% of employees' salaries for up to three months.
- employers may, without the consent of employees, introduce work from home or send employees on paid annual leave for half of the affected period;
- BGN 20 million (EUR 10 million) from the "Human Resources Development" operational program will be used to provide a monthly bonus to all coronavirus medical staff. Moreover, the Government is ready to increase support to BGN 60 billion (EUR 30 million);
- BGN 20 million (EUR 10 million) will be allocated to municipalities to support social services for the sick and the elderly living alone.ü The Ministry of Tourism is working on a package of measures against possible bankruptcies in the tourism sector, including the issuance of travel vouchers, valid for up to two years;

d. *Measures to support the financing of the Bulgarian economy through loans:*

- The Bulgarian National Bank has announced a package of BGN 9.3 billion (EUR 4.76 billion), which aims to maintain the banking system and improve its flexibility to reduce the negative effects of constraints on citizens and businesses. These include: capitalizing the entire volume of profit in the banking system at BGN 1.6 billion (EUR 0.82 billion); cancel the increase in the planned countercyclical capital reserve for 2020 and 2021 with a total effect of BGN 0.7 billion (EUR 0.36 billion); increase the liquidity of the banking system by BGN 7 billion (EUR 3.58 billion) by reducing foreign exposures to commercial banks.
- Financial support worth BGN 500m (EUR 250m) will be provided by the Development Bank of Bulgaria (state bank) to commercial banks for state guarantees and conversion of non-performing loans into the capital from March 16, 2020.The quantification of these measures and their expected impact on the government deficit and debt figures can be estimated, but the effects and impact of these measures could be analyzed in the next half of the year.

Conclusions and recommendations

Reducing the impact of the COVID-19 crisis on the Member States required a rapid, focused and coordinated response from all Member States, including in the field of State aid (as can be seen from the analysis of each Member State), including to support economic operators more vulnerable (including food companies, services, etc.) at *the economic level*, and the adaptation of the whole education system to *the digital education system* (an issue currently being discussed at the level of the European Commission for the adoption of a directive on European education system) (Manta, 2020).

European economy

It is unanimously accepted in the literature that the support of the targeted state is urgently needed to cope with the reduction of the disruptive economic effects caused by the fight against the epidemic. However, in our view, it is absolutely necessary that state support be clearly defined and limited in terms of what is needed to address the acute economic crisis caused by the COVID-19 pandemic, while excluding unjustified benefits for companies or the banking sector, to be borne by taxpayers in EU Member States. Also, in order to turn state aid into an effective tool for supporting the real economy across the EU, it is mandatory to impose sufficient behavioral rules for beneficiaries to prevent the abuse of state support, such as, for example, the expansion of the company or aggressive market strategies achieved with the help of a state guarantee.

In the current period, more and more companies, regardless of size, the field of activity or market, feel the negative effects of the global economic and financial crisis and make appreciable efforts to ensure the sustainability of their businesses. The evolution of the economic environment has shown that the promotion of companies' strategies and objectives, as essential steps in ensuring sustainability, in increasingly obvious competitive conditions, is not possible without adequate information on the domestic and international economic and financial situation, without taking into account the comparative analysis techniques and scenarios possible to follow. In the current economic and social context, excessively complex and dynamic, which decisively influences the good functioning of companies, the research carried out brings into the discussion one of their most pressing problems, namely the exogenous financing of their own businesses (Manta, O., 2017). Following the research undertaken, *the main conclusions and proposals are summarized as follows*:

a. the stage of development and the complexity of the financial structure at European level (European Green Agreement, respectively the Multiannual Financial Framework) decisively influence the action variables of financial management, the terms of their specific problems, as well as the nature of the solutions offered;

b. each type of financial environment delimits the space targeted by the financial management of the company, determining its objectives, issues and means of action. Moreover, as can be seen from the analysis of the measures taken by the Member States, each financing measure is taken in accordance with the policy objectives set by that State;

c. capital, in order to be able to "orient" the financing policy towards the cheapest sources of capital (state intervention by issuing state guarantees), which should contribute to maximizing the market value of the company and to satisfying the best possible interests the parties involved in its activity;

d. in adopting decisions on the financing of firms at governmental level through financing programs with state financial instruments (guarantees, loans, etc.), firms must have rigorous criteria that allow them to choose and combine these resources, and the cost of financing is the main criterion in choosing the financing resources; for Romanian companies, even in conditions of economic crisis, exogenous financing through bank loans is the main solution to cover the need for financing both the current activity and their own development projects;

e. in order to improve the financing of companies through bank products specific to lending / microfinance (Manta, O., 2018), a number of measures are proposed, such as: eliminating the formal nature of preliminary discussions and advising company representatives on the specifics of lending, including for the correct preparation and complete the necessary documentation; reducing the time of verification and analysis of the documents requested by the bank, and in case of non-acceptance of the credit application to be presented the reasons and indicators that led to this decision, respectively the digitization of these verification/evaluation services; companies to be provided with the necessary conditions to be able to effectively negotiate with banks the credit conditions (credit volume, credit period, interest rate, and grace period); the repayment schedule should be drawn up according to the cash flow made by the company, and the monthly repayment term should be not a fixed date, but a repayment period (for example between 25-30 of the month); the amount of collateral should be determined according to the activity carried out and the nature of the loan (for example, in the case of investments in property, plant and equipment, collateral may consist, on the one hand, of assets already existing in the firm and, on the other hand, of assets acquired); adapting the size and evolution of interest rates and commissions to the level and real trend of the market; An example of measures that would directly contribute to improving the financing of companies has been taken by the Member State of Ireland;

f. following the analysis of the situation and dynamics of transactions at European level, we believe that in 2020-2030 companies will have improved funding through government intervention, but especially through innovative financial instruments that are in line with the principles of green financing and which are found in the Multiannual Financial Framework 2021-2027.

The final conclusion that emerges from the analysis of interventions through financial instruments in the economies of European states, the decisions of the European Commission on the Temporary Framework and the Multiannual Financial Framework 2021-2027, as well as the concrete measures taken by Member States, we consider that in addition to decisions by the Romanian authorities so far and to be continued (possibly supplemented, especially the guarantees for SMEs as other states have done), the package of measures could be supplemented with the following:

- for the business environment the establishment of a governmental and business unit COVID 19 (e.g. measures taken by the Danish Government) in collaboration with relevant business organizations and labor market organizations to address sectoral economic hardship. Among the main objectives should be the MicroFinance Fund with a potential loan threshold of € 50,000 and intended to finance small family businesses;
- stopping payments to pension funds from Pillar 2 (2020-2021), large savings in the state budget; further targeting the EUR 13.5 billion available in Private Pension Funds to support strategic state affairs

(following the measures taken by the Finnish Government);
- ➢ launching state-subsidized leisure vouchers to help hotels recover from the crisis; tourism support (EUR 11 million). Additional budget for the implementation of actions to support tourism in June-September 2020, in cooperation with airlines and tourism organizers, as well as actions to improve initiatives to attract tourists between October 2020 and March 2021 (e.g. measures adopted by Cypriot Government);
- ➢ postponement of tax and social insurance payments for the tourism sector until June 31th 2020;
- ➢ Sectors that have been severely affected by the pandemic (e.g. tourism, restaurants, entertainment, sports, cultural services, transport) will be exempted from paying social security contributions, payroll taxes, small business tax. The employee contribution will be reduced until July 30th 2020.
- ➢ cultural support: emergency support funding for the most affected artists and entities (€ 1 million); Resolution mechanism for the protection of canceled cultural and artistic performances.

European digital education

In the elaboration of the curriculum, the hierarchical relationship will be taken into account with priority: compulsory international programs, preferential national programs, optional local programs, individual programs. For example, environmental education becomes compulsory in all schools, being derived from a priority international program. The core curriculum will also respect the 8 key EU competences:
- ➢ communication skills in the mother tongue and in two international languages;
- ➢ basic skills in mathematics, science and technology;
- ➢ digital skills (use of information technology for knowledge and problem solving);
- ➢ axiological or valorization skills (necessary for active and responsible participation in social life);
- ➢ skills for managing personal life and career development;
- ➢ entrepreneurial skills and financial education skills;
- ➢ cultural expression skills; and
- ➢ lifelong learning skills.

The competencies will be applied on all areas derived from priority international education programs, but also for the other components of the curriculum. This curriculum design formula respects both the needs of the international market, the needs of cultural preservation, the needs of local development, and especially the needs of personal development (Colgeag, 2010, pag. 343,344).

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