# "NOTHING FOR US WITHOUT US" MEASURES APPLIED AT EUROPEAN LEVEL DURING THE CURRENT CRISIS

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**Abstract:** The year 2020 is one of the reference years for human history, both in terms of current challenges at European level (including global), but especially as a result of its societal, financial and economic consequences, and the multiple changes that we face we confront and adapt each of us. The health crisis caused simultaneous crises, respectively economic crisis, with a major economic slowdown, especially on small businesses, and the European Union (EU) in this period (February-April 2020) supported concretely through monetary and fiscal policy measures, respectively through the Temporary Framework of the European Commission. Furthermore, the fiscal policy instruments used included the adaptation of state aid rules to the exceptional circumstances generated by the coronavirus pandemic, in order to allow Member States to support their savings through direct or indirect intervention State aid could also be used during this period to remedy the serious economic turmoil. Another effect of the health crisis has been linked to the European education system, and the decision-makers of the moment have changed the paradigm from the form of classical education to the form of digital education. In the multitude of effects of this crisis, we believe that the fundamental element alongside the right to life must remain the fundamental pillar of democracy, namely the protection of citizens' rights and freedoms and addressing decisions in the context of upholding these fundamental human rights.[1] In this paper we aim on the one hand to highlight some of the main measures applied by European Member States,

1 See: Ioan-Gheorghe Rotaru, "Libertatea religioasă – temelie a demnității umane", în Daniela Ioana Bordeianu, Erika Androne, Nelu Burcea, *Manual pentru liderul Departamentului de Libertate religioasă,* Casa de editură "Viață și Sănătate", București, 2013, pp. 210-215; .....

but especially to specify directions of the education system in the current context, given that in any crisis the human factor has been and is the key in resolving crises, regardless of them.
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## Introduction

According to official European Commission 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.

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. 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.

....1 See Idem, "Religious Freedom and the Spirit in Which it Should be Defended", *Liberty Today – Trends & Attitudes*, Bern, Switzerland, nr.1, 2014 – nr.2, 2015, pp.61-63; Idem, "Religious liberty – a natural human right", *Jurnalul Libertății de Conștiință*, Ganoune Diop, Mihnea Costoiu, Liviu-Bogdan Ciucă, Nelu Burcea (coord.), Editions IARSIC, Les Arsc, France, 2015, pp.595-608; Idem, "Freedom of Religion, Always a Hot Issue", *Jurnalul Libertății de Conștiință (Journal for Freedom of Conscience)*, Ioan-Gheorghe Rotaru, Dragoș Mușat, (eds.), Editions IARSIC, Les Arsc, France, 2017, pp.545-550.

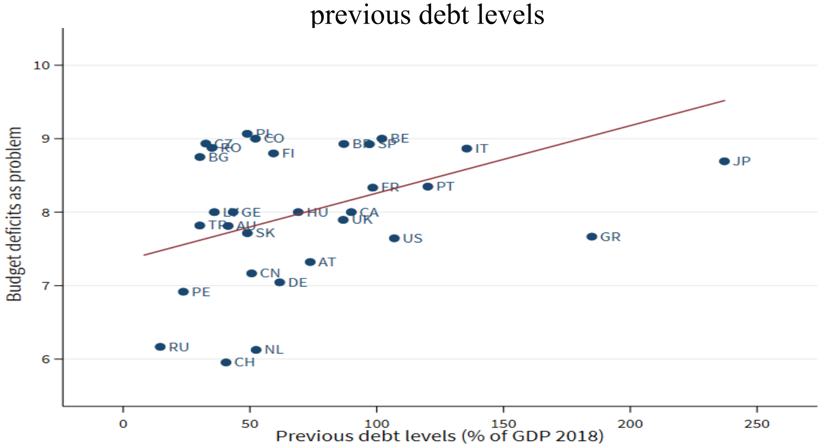
Table 1: Impact of COVID-19 effects on economies

| | **Total** | European Union | USA | Other adv. economies | 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 |
| Bank failures | **3.7** | 3.8 | 3.2 | 3.2 | 4.2 | 3.8 | 3.8 | 3.3 | 4.6 |

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:* COVID-19: The World Economy Needs a Lifeline - But Which One? European Network of Economic and Fiscal Policy Research, 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.

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.

## 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, *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 of Germany:***

*a. Expenditure measures taken at national level:*

- measures with a budgetary impact in 2020: The German government has taken several measures to combat the COVID-19 crisis. Among the measures with a budgetary impact in 2020 are the following: EUR 55.0 billion (1.6% of GDP) for various measures to combat the corona pandemic; support of EUR 50.0 billion (1.5% of GDP) in the form of grants for self-employed workers and small companies; support of EUR 18.5 billion (0.5% of GDP) and other support measures from the Länder;
- short-term employment scheme of EUR 10.1 billion (0.3% of GDP) to prevent layoffs; EUR 7.5 billion (0.2% of GDP) social assistance for the self-employed;
- EUR 5.2 billion (0.2% of GDP) additional costs for health insurance and long-term care;

- EUR 3.9 billion (0.1% of GDP) for hospital care, purchase of protective equipment;
- social assistance of EUR 2.1 billion (0.1% of GDP) at the level of municipalities;
- compensation of EUR 1.6 billion (0.0% of GDP) for guarantees above all national ones.

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

- facilitating tax deferrals and reducing tax advance payments, as well as suspending enforcement measures to improve the liquidity of companies that are directly affected by the effects of the coronavirus epidemic (estimated at around EUR 41.6 billion);
- The General Directorate of Customs has been instructed to make similar concessions to taxpayers who fall under the responsibility of the customs authority (e.g. energy tax, air transport tax) (without quantified impact)

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

- recommendation for cancellation of large-scale events (> 1000 participants) and waiver of other distribution events (<1000 participants) (to be implemented by the federal states).

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

- the measures without budgetary impact in 2020 are mainly in the form of guarantees for banks for granting loans to companies in liquidity difficulties. The German government has announced that it will provide liquidity support for an unlimited amount and, to this end, has set up a guaranteed framework totaling more than € 1 trillion. The main guarantees offered are the following: guarantees of EUR 820 billion (23.9% of GDP) by the KfW State Development Bank. The existing framework of EUR 463 billion has been increased by a further EUR 357 billion to provide liquidity to companies through various KfW programs;
- EUR 400 billion (11.6% of GDP) through the "Economic Stabilization Fund" to provide guarantees to commercial banks to support liquidity for companies;

- EUR 100 billion (2.9% of GDP) additional funds to refinance KfW programs;
- EUR 100 billion (2.9% of GDP) for the acquisition of shares and participation in companies in difficulty;
- Increase the land guarantee framework by EUR 63 billion (1.8% of GDP).

***2. Measures taken in the Member State of Ireland:***

*a. Expenditure measures taken at national level:*

- On March 9 a.c., the Government agreed on a € 3 billion aid package to deal with the economic impact on public health and coronavirus. On 24 March a.c., the Government announced a series of additional measures that will cost around EUR 3.7 billion over the next 12 weeks. Together, these packages cover: work: people affected by coronavirus will receive a weekly medical fee of € 350 (in addition to the € 305 weekly payment originally announced on 9 March) from the first day of illness, as part of a new initiative announced by the Government. Existing conditions on sick payments, such as a specific number of contributions, are waived. Payments will also be available to the self-employed. This measure is estimated to cost EUR 2.4 billion; in addition to the payment of the sickness benefit of EUR 350 as a result of COVID-19 for people who are medically certified, there is also a Pandemic COVID-19 unemployment payment, initially set at a rate of € 203 p / week for people currently not in thing. On March 24, it was increased to € 350 p/g. There is no additional funding for this, as it is entirely based on demand.
- On March 24 this year, the Government announced a temporary program to subsidize the salaries of COVID 19, which provides 70% of the net salary of companies affected by COVID-19, ie those who suffer from a 25% decrease in revenue or who can demonstrate inability to pay salaries. Payments are limited to EUR 38,000 gross salaries or EUR 410 per week (net conditions). There is no obligation for employers to increase pay by 70% and it is available to employers in all sectors.
- healthcare: The initial package announced on 9 March provided for an additional EUR 435 million in 2020 for the HSE to

expand its actions. The package aimed at freeing up space in hospitals, centralizing the purchase of protective equipment and expanding home tests and remote patient management. The latter will assume that the costs for Covid-19 remote consultations with triage with general practitioners (general practitioners) for all patients (including private ones) will be borne by the Executive Health Service (HSE) and not by patients.

- The government approved EUR 21 million (below 0.01% of GDP) to expand the capacity of the intensive care unit with an additional 300 beds.
- In addition to these two packages of measures, worth EUR 3 billion and EUR 3.7 billion, approximately EUR 500 million has also been agreed to take over private hospitals.
- separately, there is an additional package, subject to final approval, of € 1 billion in 2020 for the HSE to expand its response actions and maintain the level of services at the community level, especially for vulnerable people. Other ongoing measures are expanding capacity in public hospitals, developing primary and community-based responses and purchasing additional essential equipment.

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

- on 13 March, the Revenue Committee presented some key advice and actions taken to help small and medium-sized enterprises (SMEs) * facing cash flows and trading difficulties caused by the impact of the virus; or SMEs: tax returns: The government has agreed with local authorities that it should postpone the payment of business rates due to the most affected businesses, mainly in the retail, hospitality, leisure and childcare sectors, by the end of May ; application of interest: application of interest on late payment is suspended for January / February VAT and for both February and March PAYE (Employers); debt enforcement: all debt enforcement activity is suspended until further notice.
- for subcontractors: RCT (tax on relevant contracts): the revision of the RCT rate scheduled to take place in March 2020 is suspended. This process assesses the current compliance

position of each subcontractor in the eRCT system and determines their correct RCT deduction rate, i.e. 0%, 20% or 35%. As this process may increase the subcontractor's RCT rate due to changes in their compliance position, the review is suspended; subcontractors and agents are reminded that RCT rate assessments can be self-managed in the ROS. Subcontractors can check if their rate should be lower and then they can "self-review" to get that lower deduction rate;
- for the import of goods: customs: critical pharmaceuticals and medicines will be given a "green routing" to facilitate uninterrupted import and supply.

*c. Sectoral, regional or non-fiscal measures (e.g. labor):*
- impact on tourism: tourism / reservations are severely affected - there are no public measures yet. According to the press, tens of thousands of jobs in tourism are in jeopardy across the country as the number of people coming from overseas booking holidays in Ireland has dried up to a "trick" due to the spread of coronavirus, according to hoteliers and industry representatives. In an attempt to limit losses, some hotels are trying to fill empty rooms and restaurants, offering tourists with discounts for local tourists.
- Preparation of legislation for a moratorium on rent increases throughout the crisis and a ban on evictions is ongoing. The measures complement the causes of three-month mortgage lending to mortgage holders affected by the crisis. In addition, on March 24 a.c., the Government announced that the Department for Employment and Social Protection will use full flexibility in connection with the rent supplement scheme to help those in the rented private sector.
- The Commission for the Regulation of Utilities issued a moratorium on disconnections of internal customers for non-payment to gas and electricity suppliers.
- Amendments to the Planning and Development Regulations temporarily allow restaurants to operate for a fee - whereby members of the public can order food for collection for consumption outside the premises or deliver food for consumption outside the premises - without being required

to obtain permission to use planning. to operate in the form of delivery.

d. *Measures to support the financing of the national economy through loans:*
- The Central Bank of Ireland (CBoI) has adopted the reference interest rate cut from 1% to 0% (18/03/2020). This version aims to ensure that banks continue to provide credit to households and businesses. The CBoI has further committed not to announce an increase in the CCyB rate before the first quarter of 2021 at the earliest (note, the announcement precedes the introduction of the reserve by 12 months). In parallel, it put on hold the planned introduction of another capital reserve (the Systemic Risk System).
- three-month payment moratorium (19/03/2020): Banks will introduce a three-month payment rate for mortgages, personal and business loans for business customers and individuals affected by COVID-19. This was jointly agreed by the Banking & Payments Federation Ireland (BPFI) and five retail banks on the one hand and the Central Bank of Ireland on the other. Payment grace periods will not affect the creditors' credit record and the entry in the Central Credit Register will be adjusted.
- To support public health policy, the Minister of Finance increased the limit for contactless payments (to EUR 50 per transaction).
- financial support for business: a liquidity support of EUR 200 million for companies in difficulty, provided by Enterprise Ireland;
- The loans (up to EUR 1.5 million) will be provided by the Strategic Bank of the Covid-19 Capital System in Ireland, at reduced rates, the total value of EUR 200 million;
- MicroFinance Ireland will increase its potential loan threshold from € 25,000 to € 50,000.
- Banks will receive support through a guarantee system to provide loans to affected companies. Loans of up to EUR 1 million will be available;
- The full range of financial products available to Enterprise Ireland, IDA Ireland, Local Enterprise Office and Údarás na

Gaeltachta will be available to companies affected by COVID19 to help with strategies to innovate, diversify markets and supply chains and improve competitiveness. , respectively: new business continuity voucher: the local offices of the enterprises in each county will provide vouchers worth from 2,500 EUR to 10,000 € (with 50:50 financing) in third party consulting costs. They can be used by companies and sole traders to develop short-term and long-term strategies to respond to the Covid-19 pandemic. It is designed for companies in each sector that employ up to 50 people; the funding program in the spotlight - funding of up to EUR 7,200, available to Enterprise Ireland and Údarás na Gaeltachta clients to support financial planning; strategic consulting grant - for SMEs to help the company develop a strategic plan to respond to current COVID challenges; One Act Initiative - providing access to a 2-day consulting commitment, without additional costs for accessing consulting in financial management, strategic procurement and transport and logistics; key manager support - to provide partial funding for the recruitment of a full-time or part-time manager with critical skills for future growth; offer of innovation and offer of operational excellence; Grant Start - designed for Enterprise Ireland customers who would benefit from additional research and external expertise in examining their exposure to Covid-19 and exploring ways to address this; business process improvement grant - used to support the company's short to medium term projects that improve the efficiency and improvement of the business process. Specific e-marketing support is available through this grant to develop and improve your company's ability to use the Internet as an effective channel for business development.

3. ***Measures taken in the Member State of Spain:***

a. *Expenditure measures taken at national level:*

- increase by 1,000 million euros of the Intervention Fund for the Ministry of Health to cover the expenses related to the increased needs of medical assistance;
- EUR 2,800 million in financial support to regions through early remittances under the 2020 regional funding framework to support additional health spending;

- additional credit of EUR 25 million to cover meal allowances to ensure basic access to food for vulnerable children affected by the suspension of educational activity in schools. This measure will also help support economic activity for food and food service providers;
- an extraordinary indemnity is granted to the self-employed affected by the suspension of economic activity (officially unquantified impact);
- additional budgetary funds of EUR 300 million to provide assistance to dependents;
- additional flexibility for local authorities to use their budget surplus for 2019 to finance social services and primary care for dependents (impact is not officially quantified);
- the social benefit for energy supply ("social bonus") will be automatically extended until September 15 (officially unquantified impact);
- in certain cases, it is provided to compensate the suspension of public contracts affected by COVID-19, in order to avoid the termination of contracts leading to the exit of companies from the market;
- 110 million euros will be allocated to finance R & D & I for the development of medicines and vaccines for COVID-19;
- Other expenditure measures refer to the use of temporary employment adjustment schemes (which do not have an officially quantified impact).

*b. Fiscal measures adopted at governmental level:*

- Flexibility of the tax deferral regime in 2020: the possibility for SMEs and the self-employed, upon request, to defer tax payments for six months and benefit from interest rate subsidies (exemption of up to an estimated EUR 14,000 million);
- 50% exemption from the employer's social security contributions, from February to June 2020, for workers with permanent discontinuous contracts in the tourism sector and related activities (without officially quantified impact);
- exemption of social security contributions meant to maintain employment in temporary labor adjustment schemes (ERTE) due to COVID -19. The exemption for SMEs will amount to

100%, while for the rest of the companies it will constitute 75% of the employer's social security contributions (without officially quantified impact)

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

- Improved protection for workers in preventive care and/or suffering from COVID-19: workers and civil servants under precautionary conditions or affected by coronavirus will benefit from the regime applicable to leave due to accidents at work instead of leave from the cause of a common disease. The public sector will cover the costs of these workers' leave. The purpose of this measure is to make it easier for workers to follow health safety instructions, while avoiding the costs of sick leave being borne by families and businesses (without an officially quantified impact).
- publication of sectoral guidelines: (i) guidelines of the Ministry of Labor and Social Economy on the functioning of labor issues in the context of Coronavirus and (ii) guidelines of the Ministry of Industry, Trade and Tourism on good practices for enterprises and workers in the tourism sector;
- specific ICO funding facility of EUR 400 million to support, by providing liquidity, companies and the self-employed in the tourism sector affected by COVID-19;
- measures to support the tourism sector and related activities: the ICO funding facility mentioned above and the exemption mentioned by the employer's social security contributions for workers with permanent discontinuous contracts in the tourism and related activities sector;
- guarantees for loan maturity extensions for farmers using credit lines from the special credit line for drought 2017;
- measures to support the aviation sector: The EU Commission has been asked to provide flexibility for airports urgently;
- postponement of the repayment of the main capital and / or of the interest of the loans received from the Ministry of Industry, Trade and Tourism if COVID-19 caused interruptions to the beneficiary company;
- the emergency management process for the procurement of all goods and services necessary for the public sector to implement any measure to address COVID-19.

- budgetary flexibility measures to allow transfers between budget lines;
- changes to the temporary employment adjustment schemes (ERTE - Expedientes de Regulación Temporal de Empleo) to avoid (and prohibit during the blockade) direct dismissal by promoting temporary unemployment (suspension of employment) or reduction of working time. This will have a considerable budgetary impact, but has not been officially quantified yet. In particular: Temporary employment adjustment schemes have been significantly simplified; The conditions for access to these schemes have been extended: all workers affected by the suspension of employment or the reduction of working time have the right to receive unemployment benefits, regardless of the contribution period; Unemployment benefits received under the temporary employment adjustment scheme are not taken into account in terms of consumption of unemployment benefits; As mentioned earlier in the tax measures, employers will be exempt from social security contributions during the period of application of the temporary labor adjustment scheme: SMEs will benefit from a 100% exemption from the employer's social security contributions, while for the rest of the companies, the exemption will be at 75% ;
- flexibility of working conditions, encouragement of telework and adjustment of working time. Reduced working time is allowed for workers who have to take care of children, the elderly or dependents.
- price intervention: (i) the possibility for the Government to set, in an exceptional public health situation, a maximum price for medicines and certain products and (ii) there are no updates of the maximum selling prices of liquefied petroleum gas for six months to avoid rising prices.
- Extended scope for protected families in the supply of water and energy, which is provided for vulnerable groups. Telecommunication services are also guaranteed.
- prior government authorization for FDI from third countries in strategic sectors.

- acceleration of customs procedures for imports and exports in the industrial sector for six months;
- support for R & D & I for the development of medicines and vaccines for COVID-19 (as reflected in the expenditure measures);
- support for the digitalization of small and medium enterprises through grants and loans to finance investments in digital equipment or solutions for remote working conditions (ACELERA PYME program);
- the procedural and administrative requirements of the companies are facilitated: for the organization of shareholders' and management meetings, financial preparation;
- statements and extension of deadlines for submission of certified documentation. The deadlines for insolvency declarations as well as for tax filing procedures and requirements are also extended.

d. *Measures to support the financing of the national economy through loans:*
   - The government has announced a first package of measures of EUR 18.225 billion, including tax deferrals (14 billion) in 2020 and advance payments to regions (2.8 billion euros), both with a small impact on the growing deficit. A second 5 billion public spending package has been announced, but the precise breakdown (or cost estimates) between the detailed measures is not always clear or available. As such, temporary unemployment schemes (ERTEs) are expected to have a considerable impact, but are not yet officially quantified. The value of public guarantees has risen to 100 billion euros, estimated by the government to mobilize up to 200 billion euros in cash for companies and SMEs. On 31 March, new measures were announced to support vulnerable households, not yet included in this list; - Postponement of the one-month loan on mortgage payments for the most vulnerable.
   - The government will open a new line of guarantees through the National Development Bank (Instituto de Crédito Oficial) of up to 100 billion euros, so that the financial sector provides liquidity to companies and self-employed workers to finance

working capital, payment of bills and other needs to maintain operations and protect economic activity and employment. The main features of the first tranche of guarantees amounting to EUR 20 billion are as follows: (i) 50% of the tranche will cover loans for SMEs and the self-employed and (ii) the guarantee will cover 80% of new loans and loan renewals for SMEs and the self-employed, while for the rest of the companies the guarantee will cover 70% of new loans and 60% of loan renewals;

- The Official Credit Institute is authorized to increase its funding by EUR 10 billion to extend its existing credit lines to companies and the self-employed;
- additional guarantees of up to EUR 2 billion through the Spanish export insurance credit company (CESCE), for financial institutions offering companies a new capital loan;

*4. Measures taken in the Member State of France:*

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

- health measures: financial support for the healthcare system, through the increased expenditure of EUR 5.5 billion for medical devices and sickness benefits (possibility to take sick leave for people who cannot work due to imprisonment); financial support for the health system: EUR 260 million (0.01% of GDP) for hospitals allocated from unused reserves in the 2019 budget. Payments of EUR 3.5 billion (0.14% of GDP) from the 2020 allocation, brought in advance (April instead of May). No impact on the budget is expected; a reanalysis of the stock of masks by the state to ensure a redistribution to the places where they are most needed (adopted); overtime for health workers and medical conditions for teleconsultation has been eased (adopted) and the possible introduction of exceptional bonuses for caregivers (the cost could amount to 1 billion, according to the preliminary press release); implementation of a child care service region by region and the possibility of being requisitioned for taxis and hotels for medical staff (bills paid by the state);
- Short-term work plan ('partial chômage') to support employment: flexible conditions (automatic on request by companies) and extended to other categories of beneficiaries

(eg childcare workers and domestic workers). Costs are borne entirely by the state (70% of gross insured salaries, fully covered by the government, while previously only 1 SMIC was insured by the government). This represents a ceiling of 4.5 times the minimum wage, the obligation to use the reduction of the normal working hours. The latest estimated cost of 11 billion euros (according to the press);

- *Solidarity Fund* which includes a lump sum compensation corresponding to the loss of turnover over one year (up to EUR 1500) for VSE (turnover less than 1M € and annual taxable profit less than EUR 60,000), self-employed, micro-entrepreneurs and the liberal profession are facing a very sharp drop in turnover (loss of 50% of turnover over a year in March 2020) or subject to administrative closure. Additional aid of EUR 2000 for enterprises with at least one employee threatened with bankruptcy. EUR 1.7 billion in March, with a contribution from the regions (EUR 250 million) and insurers (EUR 200 million);
- The government has established a confidential list of priority industrial companies, which would probably need state support, including potential nationalization;
- The Minister of Labor announced that the Unemployment Agency will be closed and that all unemployed people will keep their current rights. Control and sanctions are suspended;
- eliminating the waiting period for the additional compensation paid by the employer to the parents caring for the child and increasing the replacement income up to 90% of the net salary;
- extending the eligibility for active solidarity income (RSA), complementary medical assistance (CSS), allowance for disabled people and children for the closing period.

b. *Fiscal measures adopted at governmental level:*

- enterprises will be allowed to postpone the payment of social and fiscal taxes. These include payment for March a.c. through the tranche and the social contributions for March and April, including employers' contributions. These can lead from case to case to tax exemptions for the most troubled companies. Estimated EUR 32.5 billion (assuming a 75% takeover) (adopted). At this time, no impact on the 2020 deficit has been quantified;

- postponement of the payment of rents, electricity or gas bills for professional spaces, VSEs and SMEs in sectors whose activity is interrupted (adopted).
- Postponement of tax and social security payments will be prohibited to large companies that pay dividends. The purchase of shares is also not compatible with state support. Reducing the conditions for the exceptional purchasing power bonus for companies with less than 250 employees suspending the obligation to sign a profit-sharing agreement for the payment of an exceptional bonus exempt from income tax and all social security taxes up to a limit of EUR 1,000 in 2020. In the case of a profit-sharing agreement, the amount of the exceptional bonus may be increased to EUR 2,000, depending on the working conditions of the employees, with an extension of the pay period until 31 August 2020 budget is not quantified).

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

- the establishment of the quarantine state starting with March 17th 2020;
- publication of a Decree on March 5th 2020 on limiting the price of hydroalcoholic gel (adopted);
- support in dealing with a conflict with customers or suppliers;
- elimination of the ceiling for advances paid by the state in public contracts and no delay penalties will be applied in case of public contracts (COVID-19 is considered "force majeure") (announced);
- State-guaranteed treasury loan of up to 25% of annual turnover or 2 years of salary for newly created or innovative companies. Reimbursement will not be required in the first year; the company can choose to repay the loan for a maximum period of five years. The scheme that allows the state to guarantee 300 billion in cash loans. The guarantee can cover between 70 and 90% of the loan amount, depending on the size of the company. State-guaranteed loans will be banned from large companies that pay dividends. Also, reimbursements of shares are not compatible with state assistance.

- acceleration of approval procedures in sectors such as construction or chemicals;
- derogation from the maximum working hours in certain sectors;
- Authorization for the tourism sector to reimburse travel in the form of a credit note or postponement of the service;
- launching a study on security of supply in the automotive and pharmaceutical industry, to make them more independent of their supply from abroad;
- setting up an Economic Continuity Unit;
- postponement of reforms (pension reform, application of new conditions for unemployment benefits).
- postponement of the March 22 local elections.

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

- the granting by BPI France of (i) unsecured loans for a period of 3 to 5 years up to EUR 5 million for SMEs, and EUR 30 million for small and medium-sized enterprises, with a significant delay in repayments (ii) loans from € 10,000 to € 300,000, subsidized for 7 years with a grace period of 2 years;
- public reinsurance on outstanding credit insurance for companies to maintain up to EUR 10 billion.
- short-term export credit reinsurance was doubled to EUR 2 billion;
- Special plan for start-ups of 4 billion euros, announced on March 25, with treasury measures, financing of bridges, early repayment of tax receivables (tax credit for research, aid for innovation);
- mobilizing credit mediation to support SMEs in territories that should renegotiate contracts and loans with their banks;

5. ***Measures taken in the Member State Italy:***

a. *Expenditure measures taken at national level:*

- Overall, the Italian Government has considered two packages of measures to strengthen prevention and assistance policies and support the most affected sectors and companies.
- The first package has already been approved and is already in force. Basically, it is composed of: Decree Law of March 2, No. 9/2020, which contains urgent support measures for families,

workers and businesses; Decree Law of March 9, No. 14/2020, which contains measures to strengthen the national system of health care and civil protection; various decrees of the President of the Council of Ministers and ordinances for Civil Protection, with emergency measures for the detention and epidemiological emergency management of Coronavirus throughout the country.

- Decree-Law of 17 March a.c., n. 18/2020 (decree "Cura Italia") containing measures for strengthening the NHS and for the economic support of households, workers and companies connected to the COVID-19 emergency situation.
- health care measures: funding of EUR 845 million for extraordinary employment in the health system and the purchase of medical devices (Decree Law no. 14/2020); Identify the coverage of the already planned employment of 20,000 NHS workers; Increase of EUR 1.65 billion for the national emergency fund; Increase the fund for overtime for health workers by EUR 150 million; EUR 340 million for hospital beds and intensive care; Invitation support for companies for the production of medical products (such as masks) for EUR 50 million; Securing the properties that are needed for emergency medical care; Medical graduates can practice immediately after graduation;
- use of the military assistance system to combat the disease, respectively EUR 64 million financial supplement for military health workers;
- additional funds for civil protection, firefighters and security forces;
- *Job protection measures:* Additional resources were approved for the salary supplement scheme, meant to protect jobs before the dismissal of workers, only for the most affected municipalities; Allowance of EUR 500 per month for up to 3 months for self-employed workers in the most affected municipalities at the end of February (Decree Law no. 9/2020); Partial unemployment benefits also for companies with less than 5 employees, which reduce or suspend emergency activities (Cassa Integrazione); the possibility of accessing regular unemployment benefits for emergencies for employers with more than 5 employees; EUR 600 per month (tax-free) for self-employed workers (including

VAT) for about 4.8 million eligible workers (totalling around EUR 3 billion); EUR 300 million fund for last resort income to cover all other people special (paid) leave for parents working in public administration or assimilated from 5/3/20; up to 15 days of parental leave for private sector employees with children under 12 with children under 12 or a single check of EUR 600 for babysitters (increased to EUR 1000 for parents working in the health sector);

- up to 20,000 euros available as a single contribution of 50% for enterprises to sanitize work areas;
- quarantine of private sector workers will be considered sick leave;
- social benefits are extended until 1/6/20;
- measures for intelligent work (default during the emergency period in PA)
- suspension of dismissal;
- single tax premium of EUR 100 per month for people who went to work in March and with an annual income below EUR 40,000;
- measures for food provisions for the poor;
- extending the validity of the identity card close to the expiration date;
- contributions for distance education (EUR 85 million).

*b. Fiscal measures adopted at governmental level:*

- suspension for 2 months of taxes and social insurance payments in the most affected municipalities (DM 24/02/2020 - Decree Law no. 9/2020);
- postponement of tax payments and social insurance for the tourism sector until May 31th 2020;
- postponement of all tax payments (direct, indirect and social security contributions) until May 31, with penalties and zero interest rates and the possibility to pay with five monthly installments thereafter (excluding the withheld tax);
- companies can use a tax credit of 60% of the rent only for March (for now);
- deductibility of donations for emergency situations up to a maximum of EUR 300000;
- 2 years postponement of fiscal verifications for fiscal year 2019;

c. *Sectoral, regional or non-fiscal measures (e.g. labor):*
- the suspension of 2 months (until the end of April) for the payment of electricity, gas, water and waste bills in the most affected municipalities until the end of February (Decree Law no. 9/2020);
- The Italian government declared a national state of emergency because it allowed civilians protection to take the necessary measures to combat the outbreak of Coronavirus (January 31);
- during March 12-25 a.c., a national restriction on public meetings and the closure of all commercial activities that provide unnecessary and essential goods and services was regulated. Essential public services remain guaranteed, including public utilities, transport, postal, banking, financial and insurance services, as well as agro-industrial activities and those sectors that provide intermediate goods and services for the above-mentioned activities;
- smart work has been favored in both the private and public sectors;
- the measures already adopted to postpone civil, criminal and administrative proceedings are extended until 15/4/20;
- restoration of the prison situation (after disturbances), such as home imprisonment for detainees with a sentence of less than 18 months.

d. *Measures to support the financing of the national economy through loans:*
- State credit guarantees. The SME Fund, which aims to provide guarantees, has been strengthened, with priority given to companies operating in the most affected areas;
- State guarantee, amounting to approximately EUR 3.5 billion or 0.2% of GDP for: 1) up to one third of the total financing received by SMEs (or EUR 1500 per SME) in case of their extension / suspension under specific conditions (for example, for Loan with ballots and for loans repaid in installments, the payment of the principal or any installment is suspended until the end of September 2020 under the same conditions), as well as (by an additional EUR 1.2 billion for Centrale di Garanzia PMI ") EUR 5 million for loans to SMEs in difficulty for the

nine months following the decree; 2) up to 80% of the liquidity granted, through banks and other financial intermediaries, to companies facing a sudden decrease in turnover by the national promotion institution CDP in Italy (Cassa Depositi e Presititi SpA), also in the form of guarantees;

- The credits of the enterprises regarding the debtors that do not pay can be transformed into fiscal credits;
- The University Fund (EUR 50 million) to be allocated by decree (MIUR);
- an allocation of EUR 350 million to help exporting companies (Decree Law no. 9/2020);
- EUR 150 million additional funds for Made in Italy and some simplifications;
- the suspension for one year of the repayment of the loans allocated by Invitalia and the allocation of EUR 50 million to support SMEs in the most affected municipalities by the end of February (Decree Law no. 9/2020);
- suspension by one year for the repayment of mortgage / real estate loans by workers who have lost or been reduced, their job (Decree Law no. 9/2020);
- a moratorium on mortgage payments for first residence and loans to people in financial difficulty, including the self-employed (an additional EUR 400 million for the existing Gasparrini fund);
- nine-month mortgage exemption for self-employed and professionals who have recorded a decrease in turnover of more than one third;

Compared to the five member states of the European Union, we also want to reflect the ***measures taken by Romania as a member state***, respectively:

*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, and measures associated with quarantine (225 million lei). The law was signed by the president on March 17th 2020;
- 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 for reimbursement of local government expenses related to quarantine (392 million lei);

- On March 16th 2020, Romania ordered 36 million medical masks, as well as gloves, test kits and 2 mobile hospitals;
- So far, 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 19th 2020), 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 for health care workers treating patients with Covid-19. Adoption by Government Emergency Ordinance of April 6th 2020. Estimated expenditures in the amount of 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 18th 2020 and published on March 21th 2020, 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 19th 2020), the package of measures presented on March 18th 2020 (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 coronavirus outbreak 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 2020, a number of 250,000 employment contracts were suspended until March 23th 2020 and 862,000 by April 2th 2020. The head of the National Agency for Employment (ANOFM) said on March 24th 2020 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 18th 2020 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 25th 2020 - April 25th 2020, the acceleration of

VAT refunds, the suspension (or non-initiation) of the forced execution of the amounts due to the state budget, except for the 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 constructions, lands and transport equipment was postponed between March 31th 2020 - June 30th 2020. No budgetary impact for the whole year 2020;
- on March 26th 2020, the Government approved a draft GEO with bonuses for taxpayers who pay income tax until April 25th 2020, as follows: 5% for large taxpayers, 10% for remaining taxpayers. Possible budgetary impact: 100-140 million lei.
- the draft GEO of March 26th 2020 also provides that during the emergency period and 30 days after the end of the emergency, VAT is no longer required on 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 25th 2020, with the allowed circulation in limited cases (work, food purchases, pharmaceuticals, exercise). Even stricter restrictions for people over 65;
- schools, kindergartens and universities are 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 19th 2020.

*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 26th 2020, 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 on 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 18th 2020 it also provides for an intervention fund of 10 billion lei to provide guarantees to SMEs for borrowing 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 the guaranteed loans. On March 19th 2020, the authorities said that the Fund could be increased by an additional 5 billion lei, if necessary. Approximate estimate of the fiscal cost (subsidized interest): RON 250 million.

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).

*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 cancelled 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.[2].

In the concept of collaborative economy we consider that the five Ps (people, Planet, peace, prosperity and partnership) can be included in any decision (public and / or private) for humanity.

2 Prof. Florian Colgeag (2010): *Romania after the crisis, reprofessionalization,* Compania Bucharest Publishing House, p. 343, 344.

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